

Meeting of the Board  
**STATE PUBLIC SCHOOL BUILDING AUTHORITY**  
December 8, 2011  
**SPSBA/PHEFA Conference Room**  
1035 Mumma Road  
Wormleysburg, Pennsylvania  
10:34 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.
2. Approval of the Minutes of the Meeting of November 3, 2011.
3. Financial Report for the Month of October 2011.
4. School Subsidy Program Report.
5. Revolving Loan Fund.
6. Approval of Projects.
  - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Delaware County Community College.
  - B. Resolution Authorizing the Undertaking of a Project on Behalf of the Mon Valley Career & Technology Center.
7. Old Business.
  - A. Appointment of an Acting Executive Director.
  - B. Adoption of a Salary Schedule for the Authority Staff.
  - C. Conflict of Interest for the Authority Counsel.
8. New Business.
  - A. Approval of the Revised Audit Committee Charter.
9. Adjournment.

**1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL AND ANNOUNCEMENT OF QUORUM.**

With a quorum of the Board being present, the meeting of the Board of the State Public School Building Authority was called to order on Thursday, December 8, 2011 at 10:34 a.m. prevailing time, at the SPSBA/PHEFA Office, 1035 Mumma Road, 2<sup>nd</sup> Floor, Wormleysburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

**Board Members Present**

Rick Dreher, (Proxy for Governor Thomas W. Corbett)  
Karen Seivard, (Proxy for Senator Jeffrey E. Piccola)  
Eileen Flinn, (Proxy for Senator Andrew E. Dinniman)  
Representative John C. Bear  
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)  
Christopher Craig, (Proxy for State Treasurer Robert M. McCord)  
Christal Pike-Nase, (Proxy for Auditor General Jack E. Wagner)  
James Henning, (Proxy for Secretary of General Services Sheri L. Phillips)  
Nichole Duffy, (Proxy for Secretary of Education Ronald J. Tomalis)

**Authority Personnel Present**

Robert Baccon, Assistant Executive Director  
David Player, Comptroller  
Beverly Nawa, Administrative Officer

**Also Present**

Jamie Doyle, Senior Managing Consultant, Public Financial Management  
William McCarty, Esquire, Hartman Underhill & Brubaker LLP  
Jennifer Langan, Deputy Chief Counsel, Office of Chief Counsel, Pennsylvania  
Treasury

**Participated Via Conference Call**

Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC  
Marc Stein, Esquire, Blank Rome LLP  
John Glavin, Vice President for Administration and Treasurer, Delaware County  
Community College  
Brad DeiCas, Administrative Director, Mon Valley Career & Technology Center

## **2. APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 3, 2011.**

A copy of the minutes of the meeting of November 3, 2011, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the SPSBA meeting of November 3, 2011, be and hereby are approved as presented.

Upon **MOTION** by **Representative Bear**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of December 8, 2011.

## **3. FINANCIAL REPORT FOR THE MONTH OF OCTOBER 2011.**

The Financial Report for the month of October was emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the Financial Report of the State Public School Building Authority for the month of October 2011 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Representative Bear**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of December 8, 2011.

#### **4. SCHOOL SUBSIDY PROGRAM REPORT.**

Mr. Baccon explained that we still have one remaining project. The Career Technology Center of Lackawanna County will receive the remaining \$50,000 contribution when the project closes.

#### **5. REVOLVING LOAN FUND.**

Mr. Baccon explained that no Revolving Loan Fund projects have closed since the last meeting and we have no pending projects.

#### **6. APPROVAL OF PROJECTS.**

##### **A. Resolution Authorizing the Undertaking of a Project on Behalf of the Delaware County Community College.**

Mr. Baccon explained that the Delaware County Community College has requested that we issue a maximum of \$2,000,000 in Revenue Bonds to finance the acquisition, construction, improvement, renovation, furnishing, equipping and installing of certain alterations and improvements, personal property and/or fixtures to be used by the College for educational purposes at the College's Marple campus, its Chester County campuses and/or its new Upper Darby center.

The College has requested that PNC Bank, National Association provide a direct purchase of the Bonds on a negotiated basis and that the Bank of New York Mellon Trust Company, N.A. be appointed as the Trustee for the bond issue. At the request of the College, the Office of General Counsel has appointed Blank Rome, LLC as Bond Counsel for this issue.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the bonds.

John Glavin, Vice President for Administration and Treasurer for the College and Marc Stein, Esquire, Blank Rome are available by phone to answer board members' questions.

Chairperson Dreher asked what some of the improvements at Marple campus and the Upper Darby center might include.

Mr. Glavin explained that several of the parking lots at the Marple campus need to be redone. The main road on that campus also needs to be refurbished. The Upper Darby facility needs a significant amount of improvement on the HVAC, plumbing and electrical systems. They also want to put in a new entry way.

Chairperson Dreher asked if there were any other questions or comments, and hearing none, he asked for a motion to adopt the Resolution.

**RESOLUTION OF THE  
STATE PUBLIC SCHOOL BUILDING AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT ON BEHALF OF  
THE DELAWARE COUNTY COMMUNITY COLLEGE**

**DOCKET NO. 2392**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The State Public School Building Authority (the "Authority") shall undertake the financing of a project (the "Project") on behalf of Delaware County Community College (the "College") consisting of: (i) the acquisition, construction, improvement, renovation, furnishing, equipping and installing of certain alterations and improvements, personal property and/or fixtures to be used by the College for educational purposes at the College's Marple campus, its Chester County campuses and/or its Upper Darby center; and (ii) payment of the costs and expenses of issuing the Bonds (hereinafter defined) (collectively, the "Project"); provided, however, that the Executive Director or Assistant Executive Director of the Authority, at the request of the College, shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by The State Public School Building Authority Act, approved by the General Assembly of the Commonwealth of Pennsylvania on July 5, 1947, P.L. 1217, as amended, the Pennsylvania Department of Education and the Federal income tax laws from time to time in effect, subject to the condition that the Project shall have received any necessary approvals required, such as, but not limited to, approval from the Pennsylvania Department of Education, if necessary.

2. In order to finance the Project, the Authority will enter into a Sixth Supplemental Trust Indenture, to be dated as set forth therein (the "Sixth Supplemental Indenture"), which Sixth Supplemental Indenture will further amend and supplement a Trust Indenture, dated as of October 1, 1993, as previously amended and supplemented (the "Original Indenture", and as further amended and supplemented by the Sixth Supplemental Indenture, the "Indenture") with The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), and shall issue up to \$2,000,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated "State Public School Building Authority College Revenue Bonds, Series of 2011", with an appropriate series designation, if desired (the "Bonds"). The Bonds shall have a term not to exceed 10 years and shall bear interest at a fixed or variable rate acceptable to the College, shall mature in such principal amounts and at such times, and shall be subject to redemption all as approved by the Executive Director of the Authority or Assistant Executive Director of the Authority in consultation with the College and further provided in the Bond Purchase Agreement (as such phrase is hereinafter defined).

In the event the College requests that the Bonds of any series bear a variable rate rather than a fixed rate of interest, the Executive Director or Assistant Executive Director of the

Authority is hereby authorized to approve the initial interest rate to be borne by such Bonds and the variable interest rate formula to be used in determining interest due on the Bonds thereafter, and to appoint an indexing agent and/or remarketing agent and to take such other action as may be required in connection with the issuance of Bonds bearing a variable interest rate.

The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Sixth Supplemental Indenture used in connection with the issuance of the Bonds and approved by the Executive Director or Assistant Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, the President, any Vice President of the Authority or the Treasurer of the Authority together with the official seal or a facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director or Assistant Executive Director of the Authority is hereby authorized to deliver the Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof, against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture.

3. The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of a Loan and Security Agreement, dated as of October 1, 1993, as previously amended and supplemented (the "Original Loan Agreement"), as further amended and supplemented by a Sixth Supplemental Loan Agreement, to be dated as set forth therein (the "Sixth Supplemental Loan Agreement"; the Original Loan Agreement, as further amended by the Sixth Supplemental Loan Agreement is referred to herein as the "Loan Agreement") between the Authority and the College, and shall be applied by the College for and toward the costs of the Project including: (a) the payment of all or a portion of the costs of issuance of the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel and the underwriter, fees and expenses of the Trustee, and administrative costs and expenses of the College and the Authority, all upon submission of the proper documentation thereof; (b) the payment of the premium for a policy of municipal bond insurance if determined to be advantageous by the College; (c) the funding of funds established under the Indenture, to the extent necessary; and (d) if the Bonds of any series bear interest at a variable rate, rather than at a fixed rate, the payment of any fees for obtaining credit enhancement, if any, for the Bonds and the costs of any counsel to the entity providing such credit enhancement.

4. The President, any Vice President, the Executive Director or the Assistant Executive Director are each hereby authorized on behalf of the Authority to: negotiate with the Bank, (as such term is hereinafter defined), for an acceptable bond purchase agreement for the purchase of any series of the Bonds issued in accordance with the authority provided herein; and enter into one or more of such bond purchase agreements (each a "Bond Purchase Agreement") for such purpose in accordance with the terms of this Resolution. The President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director or the Assistant Executive Director of the Authority are each hereby authorized to execute and deliver the particular Bond

Purchase Agreement on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: the Sixth Supplemental Indenture, the Sixth Supplemental Loan Agreement and any other supplement to the Indenture or the Loan Agreement, as appropriate, required in connection with the issuance of the Bonds; any remarketing agreement and/or indexing agent agreement if any series of Bonds shall bear interest at a variable rate; the Assignment, to be dated as set forth therein (the "Assignment") of the Sixth Supplemental Loan Agreement from the Authority to the Trustee; and any other document to which the Authority is a party and which is required in connection with the financing of the Project. All of such documents shall be in such forms as shall be acceptable to bond counsel to the Authority, the Attorney General of the Commonwealth of Pennsylvania, the Office of General Counsel and Counsel to the Authority and as shall be approved by the Executive Director or Assistant Executive Director of the Authority.

6. The President, the Vice President, the Executive Director or Assistant Executive Director of the Authority are each hereby authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary or Assistant Secretary and each of them, is hereby authorized to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

7. PNC Bank, National Association (the "Bank"), Philadelphia, Pennsylvania, is appointed and authorized to act as the purchaser of the Bonds in connection with the issuance of the Bonds. The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. Blank Rome LLP, Philadelphia, Pennsylvania has been appointed as bond counsel to the Authority for this issue of Bonds by the Office of General Counsel.

8. The appropriate officers of the Authority and the Executive Director or the Assistant Executive Director of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the Bonds and the implementation of these Resolutions.

9. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

10. The appropriate officers of the Authority and the Executive Director or the Assistant Executive Director of the Authority are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other



action as they shall deem necessary in order to effectuate the financing of the Project, the execution, delivery and receipt, as appropriate, of the Bonds, the Sixth Supplemental Indenture, the Sixth Supplemental Loan Agreement, the Assignment and the Bond Purchase Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the Bonds, all in accordance with this Resolution.

11. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

12. Appropriate officers of the Authority, including, but not limited to, the President, the Vice President, the Executive Director and/or the Assistant Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that: (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment; and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that: (i) the Amendment is permitted under the Act and the Bond Documents; and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

Upon **MOTION** by **Ms. Flinn**, **SECONDED** by **Representative Bear**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of December 8, 2011.

**EXHIBIT A**

**DELAWARE COUNTY COMMUNITY COLLEGE**

<b><u>Docket No.</u></b>	<b><u>Counties</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount to be Financed</u></b>
2392	Delaware and Chester	The acquisition, construction, improvement, renovation, furnishing, equipping and installing of certain alterations and improvements, personal property and/or fixtures to be used by the College for educational purposes at the College's Marple campus, its Chester County campuses and/or its new Upper Darby center.	\$2,000,000

**Maximum Term:** 10 years.

**Interest Rate:** Fixed or Variable at the time of issuance.

**Rating/Insurance:** Bond Insurance is not anticipated.

**Bond Counsel:** At the request of the College, the Office of General Counsel has appointed Blank Rome, LLC.

**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Senior Underwriter:** Private negotiation with PNC Bank, National Association through direct purchase of the Bonds.

**Minority and/or Female Participation in this Financing:** To be determined by the College in consultation with the Assistant Executive Director.

Approved by the SPSBA Board at its meeting of December 8, 2011.

## **6. APPROVAL OF PROJECTS (CONTINUED).**

### **B. Resolution Authorizing the Undertaking of a Project on Behalf of the Mon Valley Career & Technology Center.**

Mr. Baccon explained that the Mon Valley Career & Technology Center has requested that the Authority issue a maximum of \$8,020,000 in revenue bonds to finance a new construction project for the benefit of the Career Center. The project consists of the acquisition and construction of alterations, renovations and improvements to the existing Career Center facility.

The Career Center has requested that: the underwriter be selected by internet invited bid or by private negotiation; and The Bank of New York Mellon Trust Company, N.A. be appointed as the Trustee for the bond issue. At the request of the Career Center, the Office of General Counsel has appointed Campbell & Levine as Bond Counsel for this issue.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the bonds.

Jamie Doyle, Senior Managing Consultant, Public Financial Management, Financial Advisor to the Career Center is in attendance to answer questions and Brad DeiCas, Administrative Director for the Career Center is participating by phone.

Chairperson Dreher asked if there were any other questions or comments, from Board Members and hearing none, he asked for a motion to adopt the Resolution.

**RESOLUTION OF THE  
STATE PUBLIC SCHOOL BUILDING AUTHORITY  
AUTHORIZING  
THE UNDERTAKING OF A PROJECT ON BEHALF OF  
MON VALLEY CAREER & TECHNOLOGY CENTER**

**DOCKET NO. 2391**

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS**

1. The State Public School Building Authority (the "Authority") shall undertake the financing of a Project (the "Project") on behalf of Mon Valley Career & Technology Center (Washington and Westmoreland Counties) (the "Career Center") consisting of: (a) the acquisition and construction of alterations, renovations and improvements to the existing Career Center facility; and (b) the payment of the costs and expenses of issuing and insuring the 2012 Bonds (defined below). At the request of the Career Center, the Executive Director or the Assistant Executive Director of the Authority shall have the power to add, delete or substitute for any component of the Project but only to the extent permitted by The State Public School Building Authority Act of 1947, as amended, the Department of Education, and the Federal income tax laws from time to time in effect.

2. In order to finance the Project, the Authority will enter into a Trust Indenture (herein referred to as the "Indenture") with the Trustee herein appointed, and shall issue up to \$8,020,000 in aggregate principal amount of bonds in one or more series (which may be issued on the same or different dates) to be designated as the "State Public School Building Authority School Building Revenue Bonds (Mon Valley Career & Technology Center Project)" (or similar title) with an appropriate series designation (such bonds being herein referred to as the "2012 Bonds"). The 2012 Bonds shall have a term not to exceed 20 years and shall bear interest at a fixed rate acceptable to the Career Center, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director or Assistant Executive Director in consultation with the Career Center and as further provided in a bond purchase agreement hereinafter defined and described.

The 2012 Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture used in connection with the issuance of the 2012 Bonds and approved by the Executive Director or Assistant Executive Director of the Authority. The execution of the 2012 Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, the President or any Vice President of the Authority together with the official seal or a facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director or Assistant Executive Director of the Authority is hereby authorized to deliver the 2012 Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the 2012 Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof,

against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture and/or any supplement thereof.

3. The proceeds from the sale of the 2012 Bonds shall be loaned to the Career Center pursuant to the terms of a Loan Agreement between the Authority and the Career Center (herein referred to as the "Loan Agreement"), and shall be applied by the Career Center for and toward the costs of the Project.

4. The President, any Vice President, Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to enter into an acceptable purchase proposal with an underwriter or underwriters ("the Underwriters") selected upon invitation to bid or private negotiation as requested by the Career Center in consultation with the financial advisor to the Career Center, for the purchase of any series of the 2012 Bonds issued hereunder (the "Bond Purchase Agreement"), in accordance with the terms of this Resolution and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director or Assistant Executive Director of the Authority is hereby authorized to execute and deliver the particular Bond Purchase Agreement on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of 2012 Bonds of any series authorized hereunder and the financing of the Project: the Indenture, the Loan Agreement, and any other documents required in connection with the issuance of, or security for, the 2012 Bonds; an official statement, prospectus or other similar disclosure document and any continuing disclosure agreement if required in connection with the 2012 Bonds; and any other document to which the Authority is a party and which is required in connection with the financing of the Project; all in such form as shall be acceptable to Bond Counsel, the Attorney General of the Commonwealth, the Office of General Counsel, and Authority Counsel and as shall be approved by the Executive Director or Assistant Executive Director of the Authority.

6. The President, the Vice President or the Executive Director or Assistant Executive Director of the Authority, and each of them is hereby authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary or Assistant Secretary and each of them, is hereby authorized to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

7. Any preliminary official statement and/or final official statement which may be used in connection with the offer and sale of the 2012 Bonds shall be in such form as shall be approved by the Executive Director or Assistant Executive Director of the Authority with the advice of Bond Counsel. The Executive Director or Assistant Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement in the name and on behalf of the Authority, and such execution by the Executive Director or Assistant Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of such documents. The circulation and distribution of copies of any such documents in connection with the offer and sale of the 2012 Bonds is hereby authorized.

8. The Underwriters shall be and are hereby authorized to purchase the 2012 Bonds, upon the terms and conditions hereof and contained in the Bond Purchase Agreement. The Bank of New York Mellon Trust Company, N.A. shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the 2012 Bonds. At the request of the Career Center, Office of General Counsel has appointed Campbell & Levine, LLC as Bond Counsel for this issue.

9. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the 2012 Bonds and the implementation of this Resolution.

10. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefore pursuant to the Indenture, which by the terms of such Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture.

11. The appropriate officers of the Authority are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate the financing of the Project, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Bond Purchase Agreement, any Continuing Disclosure Agreement, the distribution of a preliminary official statement and/or final official statement and the issuance and sale of the 2012 Bonds, all in accordance with this Resolution.

12. Appropriate officers of the Authority, including, but not limited to, the President, the Vice President, the Executive Director and/or the Assistant Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that: (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment; and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that: (i) the Amendment is permitted under the Act and the Bond Documents; and (ii) the Amendment will not adversely affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation.

13. This Resolution shall take effect immediately upon its adoption, and all prior Resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Ms. Flinn**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of December 8, 2011.

**EXHIBIT A**

**MON VALLEY CAREER & TECHNOLOGY CENTER**

<b><u>Docket Number</u></b>	<b><u>Counties</u></b>	<b><u>Project Description</u></b>	<b><u>Maximum Amount To be Financed</u></b>
2391	Washington, Westmoreland	Financing of: (a) the acquisition and construction of alterations, renovations and improvements to the existing Career Center facility; and (b) the payment of the costs and expenses of issuing and insuring the Bonds.	\$8,020,000

**Maximum Term:** 20 years.

**Interest Rate:** Fixed at the time of issuance.

**Rating/Insurance:** Bond Insurance is anticipated.

**Bond Counsel:** At the request of the Career Center, the Office of General Counsel has appointed Campbell & Levine, LLC.

**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Senior Underwriter:** To be selected by invitation to bid or private negotiation on the request of the Career Center.

**Minority and/or Female Participation in this Financing:** Mountaintop Studios, printer.

Approved by the SPSBA Board at its meeting of December 8, 2011.



## **7. OLD BUSINESS.**

### **A. Appointment of an Acting Executive Director.**

Chairperson Dreher explained that there were several items under old business that were discussed at prior Board Meetings.

Chairperson Dreher told the Board that he had been instructed to request that the Board table action on the item regarding the appointment of an Acting Executive Director. The Governor's Office has asked that they be given more time to review the issue.

Chairperson Dreher apologized for the late notice. He received this request late last night. He understands that they discussed this item as a Board and many of the members were prepared to move ahead with this item. He appreciates everything that Bob Baccon has done as far as filling the vacancy that been in place since the spring. He believes that the Board has full confidence in Bob's ability to continue in this capacity.

### **B. Adoption of a Salary Schedule for the Authority Staff.**

Chairperson Dreher explained that the next item is the adoption of a salary schedule. Included with the agenda were current management and union pay schedules. Also included was a list of Authority job titles and the corresponding pay groups. Chairperson Dreher mentioned that it was pointed out that the Board sets the salary schedule for Authority staff.

Chairperson Dreher asked if there were any comments or questions from Board Members on the agenda item, and hearing none, he asked for a motion adopt the salary schedule as presented.

**RESOLVED** That the Standard 37 ½ Hour Pay Schedules (ST for union employees and MA for management employees) used by employees under the Governor's jurisdiction are adhered to for the staff of the State Public School Building Authority.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Representative Bear**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of December 8, 2011.

**C. Conflict of Interest for the Authority Counsel.**

Chairperson Dreher explained that if the Resolution in the agenda is enacted it would preclude any counsel to the authority from also serving as bond counsel on a transaction before the authority.

Chairperson Dreher thanked Christopher Craig for taking the lead in drafting this Resolution.

Chairperson Dreher asked if there were any comments or questions from Board Members on the agenda item, and hearing none, he asked for a motion to adopt the Resolution.

WHEREAS, it is the opinion and expressed objective of the Board Members of the State Public School Building Authority / Pennsylvania Higher Educational Facilities Authority (“the Authority”) to ensure its business and affairs are conducted and maintained to the highest standards of ethical conduct.

WHEREAS, it is the opinion and expressed objective of the Board Members of the Authority to ensure that any attorney providing legal representation or services to the Authority, or any firm with which the person is associated, does not possess a conflict with the attorney’s or firm’s duty to represent the Authority.

WHEREAS, it is the desire of the Board Members of the Authority to adopt a resolution, explicitly prohibiting any attorney, or firm with which the attorney is associated, that is retained or employed by the Authority to provide legal representation or services to the Authority, from possessing a conflict, whether actual or perceived, with the performance of legal representation or services to the Authority.

WHEREAS, the Authority has the right to “prescribe, amend and repeal bylaws, rules and regulations governing the manner in which the business of the Authority may be conducted” under the its enabling statute. *See*, 24 P.S. §791.8 / 24 P.S. §5509.

THEREFORE,

BE IT RESOLVED, that the Authority hereby prohibits any attorney, or firm with which the attorney is associated, that is retained or employed by the Authority to provide legal representation or services to the Authority, from providing legal representation or services to any other person if the legal representation or services involves a business transaction in which the Authority is a party.

Upon **MOTION** by **Representative Bear**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of December 8, 2011.

Chairperson Dreher asked if there was any other old business before the Board.

Mr. Craig said that while they tabled the issue of appointing an Acting Executive Director, he wanted to make sure that it is still the Board's prerogative, at the appropriate time, to select that individual.

Chairperson Dreher agreed with Mr. Craig.

Chairperson Dreher asked if there was any other old business before the Board, and hearing none, he moved to new business.

## **8. NEW BUSINESS.**

### **A. Approval of the Revised Audit Committee Charter.**

Ms. Pike-Nase explained that the last time the Audit Committee Charter was updated was in May of 2005. During the last exit conference with the auditors, the committee realized that this charter did not contain some best practices that have been recommended by various entities, but in particular, Price Waterhouse. They have a very good audit committee effectiveness manual.

Dave Player and Ms. Pike-Nase worked on a first draft which was then sent to all of the Audit Committee members. Ms. Pike-Nase received comments from Jennifer Langan from Treasury and from Steve Tuckey. Rick Dreher who is a non-voting member of the committee assisted in finalizing the Charter.

Chairperson Dreher asked if there were any questions or comments from Board Members, and hearing none, he asked for a motion to adopt the revised charter as presented.

**AUDIT COMMITTEE CHARTER**  
**Approved at the December 8, 2011**  
**Meetings of the Boards of**  
**The State Public School Building Authority and**  
**The Pennsylvania Higher Educational Facilities Authority**

**Official Name**

The official title of the committee is the State Public School Building Authority (SPSBA) and the Pennsylvania Higher Educational Facilities Authority (PHEFA) Audit Committee (Committee).

**Objectives**

The objectives of the Committee are to promote and facilitate:

- 1) accurate and transparent disclosure of all financial matters of the SPSBA and PHEFA (herein referred to as “the *Authority*”);
- 2) effective financial management by providing advice and counsel to the *Authority’s* management on activities related to financial management and performance;
- 3) familiarity by all Committee members with the *Authority’s* financial status;
- 4) active monitoring by Committee members of progress of the annual independent audit; and
- 5) informed approval of the annual audited financials by the entire Boards.

This will include: financial reporting; auditing of the *Authority*, a system of internal controls, and compliance with laws and regulations that could have a material affect on the *Authority’s* financial statements.

**Time Period**

The Committee shall update the Charter annually at the exit conference at which the annual audited financials are approved by the Committee and recommend any proposed changes to the Charter to the Board at its next meeting consistent with changes in applicable laws, policies, and accounting/auditing standards.

**Reporting**

The Committee shall report to the Board as necessary to effectuate the objectives of the Charter.

**Support**

The Comptroller (or equivalent position) shall provide support for the Committee’s requests and provide the Committee with a draft copy of the financial statements prior to the auditors issuing an opinion.

**Authority**

The Committee has authority to review, analyze, and make recommendations on any matters within its scope of responsibility. It is empowered to:

- seek information relating to the above objectives it requires from *Authority* management, staff, and auditors; and
- meet with *Authority* management, staff, and auditors.

### **Membership**

The Committee is composed of the Governor (as a non-voting member), Auditor General, State Treasurer and the Majority Leader of the House of Representatives (or designee). The Auditor General or his/her proxy serves as the Chair.

Members and their proxies are **encouraged** to:

- possess or obtain a basic understanding of governmental financial reporting/auditing;
- periodically acquire any information and training (**not** at the *Authority's* expense except with prior Board approval) to enhance their understanding of government auditing; and
- acquire a certain level of familiarity with financial reporting standards and processes.

### **Scope and Responsibilities**

The Committee will carry out the following responsibilities:

#### **Internal Controls and Compliance**

- Review management's assessment of the effectiveness of the *Authority's* internal controls, including internal control and security over financial information systems, and consider the adequacy of management's assessment;
- Review management's assessment of compliance with laws and regulations and consider the adequacy of management's assessment;
- Review with management its plans and progress for correcting material internal control weaknesses and noncompliances and consider the appropriateness of such plans; and
- Review with auditors any observations on internal control and compliance issues, including their planned work in these areas.

#### **Financial Report of the Agency**

- Become familiar with significant accounting and reporting issues of the *Authority*;
- Review the process for the selection of the auditors;
- Review with management the financial statements and consider whether they are complete and consistent with known information;
- Review with management the results of the audit, including any difficulties encountered; and
- Discuss with auditors and gain an understanding of:
  - their responsibilities, audit scope, and approach;
  - the results of the audit, including any difficulties encountered and other relevant matters required by generally accepted auditing standards and government auditing standards; and
  - other recommendations to improve the *Authority's* financial management.

#### **Communication Responsibilities**

- Provide an open avenue of communication between management, auditors and Boards;
- Promptly report to the Boards and Executive Director any significant issues or developments that the Committee believes warrant immediate attention;
- Have a brief private meeting without the presence of the *Authority's* management/staff with the auditors at the exit conference to allow for disclosure of any difficulties encountered during the audit and any other concerns; and
- Report on the annual audit and exit conference meeting to the Board.

### **Meetings**

The Committee shall meet at least twice a year. Other meetings needed to conduct Committee business may be called by the Chair with the cooperation of the *Authority's* management/staff.

The **first meeting** shall be before the start of the audit and provide the Committee the opportunity to address any concerns with the auditors. It will also serve as an orientation session for any new Committee members and as a beneficial update for continuing Committee members.

The **second meeting**, referred to as the exit conference, shall be at the conclusion of the audit and review the results of the audit and will include a brief private meeting with the auditors without the presence of the *Authority's* management/staff. The exit conference requires the participation of no less than three members to constitute a quorum.

Members may participate either in person or by conference call. The Committee shall invite members of management, the *Authority's* auditors, and others to attend meetings and provide pertinent information, as needed. All Board members are welcome to attend and participate in Committee meetings.

Meeting agendas will be prepared for every meeting and provided to the Committee members along with briefing materials at least five (5) business days before the scheduled meeting. Minutes will be prepared for all meetings, including the exit conference meeting, and will be approved at any subsequent meeting held by the Committee. The approved meeting minutes will be available upon request of Board members or members of the public.

### **Access**

The Committee shall have access to those *Authority* personnel and records needed to perform its responsibilities, including meetings with the auditor if applicable.

### **On-Line Availability**

The approved Charter will be posted on the *Authority's* website under the Financial Statement link.

### **Filing Date**

Upon **MOTION** by **Ms. Flinn**, and **SECONDED** by **Representative Bear**, and after full discussion, the above Charter was unanimously approved and renewed at the SPSBA / PHEFA Board Meetings held on December 8, 2011.

Chairperson Dreher asked if there was any other new business, and hearing none, he asked for a motion to adjourn.

## **9. ADJOURNMENT.**

There being no further business to come before the Board at this time, upon **MOTION** by **Representative Bear**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 10:48 a.m.



## **SUNSHINE ACT MEETING NOTICES**

Saturday, November 19, 2011

If you need an accommodation due to a disability, please contact the ADA contact listed below.

**CHANGE:** State Board of Medicine Meeting - November 22, 2011 - 9:30 AM - 2601 N. Third St., HBG

Contact Name: Brandi Barrick - 214-1891

**CANCELLED:** Industrial Board Meeting - November 22, 2011 - 9:30 AM - L&I Bldg., Rm. 1626, HBG

Contact Name: Donna Suskie - 787-6115

**RESCHEDULED:** PA LCB Board Meetings - November 23, 2011 - 10:00 AM - Northwest Office Bldg., 5th Fl. Bd. Rm., Capital & Forster Sts., HBG

Add'l Mtgs.: 12/6, 12/21 same above time/location

Contact Name: Kathryn Blatt - 724-6543

**SPECIAL:** Professional Standards Committee Meeting, PSP, Municipal Police Officers' Education and Training Commission Meeting - November 28, 2011 - 10:00 AM - Municipal Police Officers' Education & Training Commission, 8002 Bretz Dr., HBG

Contact Name: Dr. E. Beverly Young - 346-7764

**PA Council on the Arts** - December 1, 2011 - 9:00 AM - Dixon Univ. Ctr., Richard's Hall, 2986 N. 2nd St., HBG

For accommodations, please notify Charlotte Michalski no later than 3 business days prior to the meeting at [cmichalski@state.pa.us](mailto:cmichalski@state.pa.us) or phone her at: 717-787-1524, fax 717-705-6588 or write to PA Council on the Arts 216 Finance Bldg., HBG, PA 17120 to make your request.

Contact Name: Charlotte Michalski - 787-1524

**RESCHEDULED:** DCNR - Wild Resource Conservation Program Board Meeting - December 6, 2011 - 1:00 PM - RCSOB, 9th Fl. Conf. Rm. B, 400 Market St., HBG

Contact Name: Deb Miller - 787-3212

---

**SPECIAL:** PA Higher Educational Facilities Authority Meeting - December 8, 2011 - 10:30 AM - 2nd Fl., 1035 Mumma Rd., Wormleysburg

Contact Name: Bev Nawa - 975-2204

**SPECIAL:** State Public School Building Authority Meeting - December 8, 2011 - 10:30 AM - 2nd Fl., 1035 Mumma Road, Wormleysburg

Contact Name: Bev Nawa - 975-2204

---

**DEP Climate Change Advisory Committee Meeting** - December 9, 2011 - 10:00 AM - RCSOB, Rm. 105, HBG

Contact Name: Joe Sherrick - 787-2030

**RESCHEDULED:** Department of State, Corporation Bureau Advisory Committee Meeting - December 12, 2011 - 11:00 AM - North Office Bldg., Executive Office Conf. Rm. 303/304, HBG

Contact Name: Barbara Kennedy - 783-9210

**SPECIAL:** DEP and Water Resources Advisory Committee (WRAC) Meeting - December 16, 2011 - 9:30 AM - RCSOB, Rm. 105, 400 Market St., HBG

Contact Name: Tom Franklin - 787-0122]]>

Appeared in: ***Patriot-News*** on Saturday, 11/19/2011

STATE PUBLIC SCHOOL BUILDING AUTHORITY  
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

Notice of the Meeting of the Board to be Held

December 8, 2011

---

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, December 8, 2011**, at **10:30 a.m.**, at the **Authority Office, 1035 Mumma Road, Wormleysburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether or not you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon  
Assistant Executive Director

Enclosures

\* \* \* \* \*

Harrisburg, PA

I CERTIFY that the notice on the previous page for the December 8, 2011, meetings was dispatched to the following on November 17, 2011, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Corbett, Governor of Pennsylvania  
225 Main Capitol Building, Harrisburg, PA

Rick Dreher, Proxy for Governor Corbett  
7<sup>th</sup> Floor, Verizon Tower, Harrisburg, PA

Jeffrey E. Piccola, Designated by the President Pro Tempore of the Senate  
173 Main Capitol Building, Harrisburg, PA

Andrew E Dinniman, Designated by the Minority Leader of the Senate  
183 Main Capitol Building, Harrisburg, PA

John C. Bear, Designated by the Speaker of the House of Representatives  
145B East Wing, Harrisburg, PA

Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives  
115 Irvis Office Building, Harrisburg, PA

Robert M. McCord, State Treasurer  
129 Finance Building, Harrisburg, PA

Jack E. Wagner, Auditor General  
229 Finance Building, Harrisburg, PA

Sheri L. Phillips, Secretary of General Services  
515 North Office Building, Harrisburg, PA

Ronald J. Tomalis, Secretary of Education  
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 17th day of November 2011.

/s/ Robert Baccon

Robert Baccon, Assistant Executive Director  
State Public School Building Authority  
Pennsylvania Higher Educational Facilities Authority