

Meeting of the Board
Pennsylvania's
STATE PUBLIC SCHOOL BUILDING AUTHORITY
February 17, 2011
SPSBA/PHEFA Conference Room
1035 Mumma Road
Wormleysburg, Pennsylvania
10:32 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. Election of Officers for 2011.
3. Approval of the Minutes of the Meeting of January 13, 2011.
4. Financial Report for the Month of December 2010.
5. Executive Director's Message.
6. School Subsidy Program Report.
7. Revolving Loan Fund.
8. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Northampton County Area Community College.
9. Old Business.
 - A. Authority Marketing.
 - B. Appointment of Outside Counsel.
10. New Business.
11. 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 *Pennsylvania's* State Public School Building Authority was called to order on Thursday, February 17, 2011 at 10:32 a.m. prevailing time, at the SPSBA/PHEFA Office, 1035 Mumma Road, 2nd 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,
Representative Anthony M. DeLuca
Christopher Craig, (Proxy for State Treasurer Robert M. McCord)
Christal Pike-Nase, (Proxy for Auditor General Jack E. Wagner)
Acting Secretary of General Services Sheri L. Phillips
Barbara Nelson, (Proxy for Acting Secretary of Education Ronald J. Tomalis)

Authority Personnel Present

William C. Bostic, Executive Director
Robert Baccon, Assistant Executive Director
David Player, Comptroller
Leslie Manuel, Administrative Assistant

Also Present

Jennifer Langan, Deputy Chief Counsel, Pennsylvania Treasury
Stephen Tuckey, General Counsel, Office of the Republican Leader
of the House of Representatives
Art McNulty, Executive Director, Insurance Committee, House of Representatives
Margaret Angel, Esquire, Buchanan Ingersoll & Rooney, PC
Rebecca Delia, Managing Director, PNC Capital Markets
Denis Carlson, Duncan-Williams, Inc.
Craig Charlton, Duncan-Williams, Inc.
Lance Bryson, Associate VP for Facilities, Shippensburg University Student Services
Darrell Miller, President, Shippensburg University Student Services

Participated Via Conference Call

James Dunleavy, VP for Finance and Operations, Northampton County Area
Community College

Michael Baird, Director, RBC Capital Markets

Warren Burke, VP of Development, Campus Apartments

Chairperson Dreher welcomed new Board Members and indicated the he looked forward to working with everyone.

2. ELECTION OF OFFICERS FOR 2011.

Mr. Baccon explained that there is a revised sheet in Board Members folders to include Andrew Dinniman who was designated by the Minority Leader of the Senate.

Chairperson Dreher explained that Board Members can see which offices held which positions in the past. He opened the floor to discussion if anyone has recommendations, and hearing none, he asked for a motion to adopt the slate of Officers.

In accordance with the SPSBA Bylaws, and upon **MOTION** by **Representative DeLuca**, and **SECONDED** by **Ms. Flinn**, the following Officers were unanimously elected for a period of one year and until their respective successors shall have been duly elected and qualified or until they have ceased to be members of the Board.

- | | |
|------------------------|--------------------|
| a. President | Thomas W. Corbett |
| b. Vice President | Jeffrey E. Piccola |
| Vice President | Andrew E. Dinniman |
| Vice President | John C. Bear |
| c. Secretary | Sheri L. Phillips |
| d. Treasurer | Robert M. McCord |
| e. Assistant Secretary | William C. Bostic |
| | Robert Baccon |
| f. Assistant Treasurer | William C. Bostic |
| | Robert Baccon |

3. APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 13, 2011.

A copy of the minutes of the meeting of January 13, 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 January 13, 2011, be and hereby are approved as presented.

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 February 17, 2011. Ms. Phillips abstained from the vote.

4. FINANCIAL REPORT FOR THE MONTH OF DECEMBER 2010.

The Financial Report for the month of December 2010 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 *Pennsylvania's* State Public School Building Authority for the month of December 2010 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 February 17, 2011. Ms. Phillips abstained from the vote.

5. EXECUTIVE DIRECTOR'S MESSAGE.

Mr. Bostic indicated that it was a pleasure over the recent years to have the positive chairmanship of Governor Rendell and that we look forward to the positive activities relative to Governor Corbett, moving forward.

6. SCHOOL SUBSIDY PROGRAM REPORT.

Mr. Baccon mentioned that we had no School Subsidy closings since the January meeting. We have two remaining projects; the Franklin County Area Vocational Technical School and the Career Technology Center of Lackawanna County. They will both receive contributions when their projects close.

7. REVOLVING LOAN FUND.

Mr. Baccon indicated that we had no closings since the January meeting and there are no pending projects.

8. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Project on Behalf of the Northampton County Area Community College.

Mr. Baccon explained that Northampton County Area Community College has requested that we issue a maximum of \$75,000,000 in Revenue Bonds for the financing of certain capital projects of the Community College.

The Bank of New York Mellon Trust Co. has been requested as Trustee. At the request of the Community College, the Office of General Counsel has appointed Reed Smith LLP as the Bond Counsel for this issue.

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

Mr. James Dunleavy, Vice President for Finance and Operations of the College, is participating by conference call to answer questions concerning the project and the proposed financing, and Rebecca Delia with PNC Capital is in attendance to answer questions.

Chairperson Dreher requested before we move to the discussion of the Approval of Projects it might be pertinent to discuss one old business topic, the selection process for Bond Counsel. He thinks that it might be appropriate to have that discussion before we move to approving projects if nobody else objects.

Ms. Pike-Nase explained that her office reviewed the legal opinion by Margaret Angel and greatly appreciates the input on this issue. However, after reviewing it very closely including the case law they really believe that our authority under both of the Acts are extremely broad and the main concern that they have is that the General Counsel has actually elected not to follow the provision of the Commonwealth Attorneys Act because he never appointed a Chief

Counsel or an Assistant Counsel, which is what is provided for in the Act. Our Acts actually allow us to prescribe rules and regulations and we have the authority to fix and determine the number of officers, agents and employees of the Authority. That language is the same under both Acts. The other issue about the Commonwealth Attorney's Act is that it does not address the appointment of Ancillary Counsel that would include the Bond Counsel and also the outside counsel as we have been doing. Unfortunately, it was always Office of General Counsel that has been providing those counsels. It's not even clear to her whether the Board has approved those outside counsels. She has reviewed the meeting minutes and has been in meetings for the last approximately six years. So that is an issue that we would have to discuss. Also, the case law that was cited in the opinion only talks about the fact that the Commonwealth Court rejected the petitioner's summary motion for summary judgment. They never reached a final verdict on this case. Therefore, after discussions with the Treasurer's Counsel we are requesting that the Board consider a Resolution that would allow for a duly qualified law firm to act as the Bond Counsel, and we do believe that it would have to be chosen under the Bond Counsel 3 list that the Office of General Counsel does approve. Of course we would have to take into consideration the client's selection of Bond Counsel, but we believe that the Board should consider doing it on a rotating basis. Mr. Craig had also said that perhaps we could be more flexible on this issue and perhaps allow Office of General Counsel to do it twice. We would go through the other Board Members, both the Senate and House Leaders, the Treasurer and the Auditor General. That was the one thing that we wanted to speak about.

Ms. Pike-Nase explained that with regard to the Authorities selecting their own outside counsel, in this day and age they really believe that it would be best for the staff to put out an RFP so that there are more firms to have a chance to become our outside counsel.

Mr. Craig explained that he would like to view today as a reiteration and reintroduction of the issue. There's not a formal resolution for anybody to consider and we really haven't put suggestions on the paper for the Board Members to evaluate independently, etc. We really wanted to just use this opportunity to highlight an ongoing concern. In the future Mr. Craig thinks that it would be appropriate if this issue were to be considered, that would be incumbent upon us to do some more research, provide each of the members of the Board with that research and to provide each of the members of the Board with a specific proposal that can be considered, amended, changed as you deem appropriate. This really fundamentally goes down to the authority of the members of the Board and whether or not the members of the Board view themselves to be active participants in decision making process of the two entities here, or are we merely just here to convene every other month to reaffirm decisions that have already been made by the Office of General Counsel, management and others. This is not an attempt to despair the decision making process. This is really a fundamental focus to what is

the role of the Board. Is the Board an oversight entity to be able to express independent thought, to provide independent judgment to provide its own suggestions and put its own imprimatur on the decisions or do we just start sending secondary staff from each of our offices and not waste the time and resources and maybe fundamentally do away with the Board and just have this as an administrative function. He thinks those are really fair considerations to ask in a general fundamental scope. The specific here is the selection of Bond Counsel. An opinion was circulated to each of the Board Members reaffirming the right of the General Counsel's Office to select Bond Counsel. They cite the Commonwealth Attorney's Act as is appropriate, arguing that the Commonwealth Attorney's Act says that the General Counsel shall select the Chief Counsel, Assistant Counsels, or the other Counsels for the operation of the Board or entity. Fundamentally the Bond Counsel is not counsel to the Board. Bond Counsel has an independent fiduciary obligation to the potential bond holders. And in fact it is Bond Counsel that would be sued if any misrepresentation is made as to the fundamental soundness, the fundamental finances, and the legal authority upon which the bond is issued.

Mr. Craig stated that it is appropriate for the boards to select Bond Counsel. It is also appropriate for the boards to consider recommendations of the schools that are the beneficiaries, and it is appropriate for the Board to consider recommendations made by the Office of General Counsel. It was intimated that there is flexibility of how the Board could put this together, whether or not the Board would be willing to share with different majority and minority members to select, etc. He doesn't think that there is much of a line in the sand to who does that as to what the choices should be, etc. At this particular point they are asking the Board Members to focus on whether or not really do they think it is their right fundamentally as members of this Board to exercise that independent judgment to select Bond Counsel or any other vendors or any other contractors, legal, financial, or otherwise with this Board or, do we just defer this to management or outside Office of General Counsel.

Mr. Craig's only difference is that he would take exception with some of the suggestions by the Auditor General's Office. He doesn't necessarily think that we should be tied to a list by the Governor's Office. Regardless of who is the governor. As long as these individuals are competent, they're in the Red Book, for example Mr. Craig is not aware of any minority firms that have been Bond Counsel or even minority Bond Counsel. He doesn't know in fact if there exists any minority Bond Counsel firms included in the Governor's list. He thinks that this is a consideration that if this Board is going to exercise some independent judgment this is what should be considered. He doesn't want to keep on droning on but this is an important issue that they intend to bring up, not as an ambush but they will provide and let everyone know when we would like to make a motion and provide copies of that. He would really welcome a discussion about this.

Ms. Flinn stated for the benefit of the new members she would like to get background information, other memos, discussion and notes that may surround this topic.

Representative DeLuca stated that since we have gone through a new transformation in the House and Senate and government of openness and transparency he believes that would be a good idea. He does not want to be on a Board to just lend his name to a project that he has no input on. He believes that this is something that should be discussed.

Chairperson Dreher said that there is no motion on the table. This is just a general discussion. For the new Board Members some basic background, both of the Authorities serve as a conduit issuer so institutions are not required to come to this Board to conduct their financing. This Board is in place basically to provide a service. Institutions come to this Board of their own choosing because of the ease which the staff and authority can bring their bond issues to market. It has also been the practice that the Board over the Authorities gives discretion to the borrowing institutions. So if School X is coming to the Board, that school may have existing underwriting relationships with banks they may have existing relationships with Bond Counsel. So it has been past practice of the Authorities to defer the selection of those professionals to the entities that are actually borrowing the money. So it is not that OGC or the Governor's Office or certain parties on the Board are picking the bond professionals. We are actually providing that discretion to the borrowing institutions. That is actually one of our selling features, the ease with which the borrowing institutions can bring their finance team together and maintain those relationships. Rather than having to re-educate a new Bond Counsel in terms of the past borrowing practice of a particular institution. Chairperson Dreher would actually offer the comment in the inverse that moving into an era of openness and transparency to be fair what may be suggested in terms of this rotation process would actually be the antithesis of transparency. It would be taking the selection from the borrowing institution and layering on top of it one of nine elected official's choice of Bond Counsel. He agrees with Representative DeLuca and that is not the way that the public wants to see it.

Ms. Angel stated that she acts as Bond Counsel frequently and their clients are looking to who can guide them as to who is the appropriate issuer for different types of projects or different issuers under state law. These two sister agencies have been very user friendly. They can tell their clients that they are going to have a meeting when they say they are going to have a meeting. That we will get the approvals that we need and on time in order to complete their transactions. She has been practicing for over thirty years and she remembers in the past, the Authorities at times, have dictated who the lawyers and underwriters were, and in that case people would not come to the Authorities, because people didn't necessarily want to use those lawyers. Maybe some of them weren't even capable but even if some of them were, they weren't the client's lawyers. The last ten to fifteen years it has

been so easy to deal with the Authorities. Ms. Angel thinks that this would be the death of the Authorities and nobody would come here unless they absolutely had to. Bond Counsel truly represents the issuer. Ms. Angel is active in the National Association of Bond Lawyers and they have a standard national responsibility that they publish to their members which is about two thousand. They make a point of saying that unless otherwise determined, your client, if you are the Bond Counsel is the issuer of the bonds. So you also want to make sure that the Bond Counsel is somebody that you have confidence in as well, because the Authority's name is on the bonds as well.

Chairperson Dreher stated that if Board Members haven't had a chance to go through some of the back ground information, the opinion that Ms. Angel has provided says that in counsel's opinion, under the Commonwealth Attorney's Act, the Office of General Counsel is essentially the entity that is responsible for the selection and appointment of Bond Counsel.

Ms. Angel agreed that that was correct. Ms. Angel also said that the Office of General Counsel has taken the position which is consistent with the statute, that the outside counsel is appointed by the Office of General Counsel. If the Authorities would have in house counsel they would have to pay a salary.

Ms. Pike-Nase said that the Authorities do pay for Ms. Angel's counsel fees.

Ms. Angel said that it was at a discounted rate that the Authorities do not pay what they would pay a full time lawyer.

Ms. Pike-Nase asked Ms. Angel if she has ever acted as the Bond Counsel for the Authority.

Ms. Angel stated that the firm has done so.

Ms. Pike-Nase also asked if she has done so herself.

Ms. Angel thinks that she probably has but can't remember.

Ms. Pike-Nase asked if that was a conflict of interest.

Ms. Angel stated that she would never do that if she was outside counsel. Ms. Angel said that there is another law firm besides theirs, so when they have projects that are brought to the Authority, they will not act as the Authority's Counsel on those transactions. The the other law firm will do so.

Ms. Pike-Nase stated that is a concern.

Ms. Pike-Nase stated that maybe it really isn't good for Ms. Angel's firm to be acting as counsel and Bond Counsel at any one time. They can't just rely on a firm in Erie to take over your duty to our Board. Ms. Pike-Nase thinks that this is what the Board should be aware of and discuss. Ms. Pike-Nase thinks that the one issue that we are coming across here is that these Boards actually have a fiduciary duty to the Commonwealth and the public. We are public entities and she has been on this Board for six years and unfortunately there have been very few Board Members that have actually spoken up about issues. In the early part of 2010 they did provide a Resolution to the Board and they approved it to make sure that we knew who the Bond Counsel was. Then we had to ask to make sure in the resolutions it was clear that the client had selected Bond Counsel. The one issue that she thinks everybody has to be aware of is that for the last six years it was usually the majority of those firms were just one entity. She wondered if they could always know for a fact that the client was selecting them. She thinks that this Board needs to get a handle on who is going to represent the bond holder and when we appoint somebody we better know if they are actually involved with the project. She thinks that it does appear that the majority of law firms being one entity that is just unbelievable.

Chairperson Dreher wanted to answer that and he didn't want to put the staff on the spot, but asked if it is fair to say that, in their experience when these projects are brought before the staff, in all cases the borrowing institution has told us who they would like to use as there financing team.

Mr. Baccon said that was absolutely correct.

Chairperson Dreher stated it is not been the case that Board Members, or Authority staff, or anybody else has picked Bond Counsel.

Mr. Baccon said that he was correct.

Ms. Pike-Nase asked why we have the Office of General Counsel then.

Chairperson Dreher said under the Commonwealth Attorney's Act that is the entity that has been deemed to appoint that.

Chairperson Dreher stated that this Board adopted a Prevailing Wage Policy. A lot of our projects are coming out of Philadelphia because that is where prevailing wage is probably not an issue. It is 99% of the time union work. Most of those schools in the Philadelphia area may have existing relationships with that one particular firm you are alluding to. Other actions of the Board may have resulted in unintended consequences that have resulted in one firm serving most of the time.

Chairperson Dreher stated that he has been Chairman for six years. He can tell you for a fact that there has been no case in which the Office of General Counsel or the then Governor's Office, and he doesn't work for Rendell anymore, has said you use this firm. You also just heard the staff say it. So you can make your point if anybody else has any comments.

Mr. Bostic said that he has long recognized that he doesn't know it all and none of us know it all. We can all learn some things moving forward and a lot of things are not locked in forever. We are a quasi-public entity and people want to know the definition of that and one of the things that comes up as part of that is the we don't appoint the Bond Counsel. Historically Pennsylvania has always thought local and there are a lot of different authorities around Pennsylvania who have an alternative to go local. But what they have learned over the years is that coming through us as an alternative; it doesn't cost them as much as going through the local entity. It doesn't mean that they are locked in all the time to us but they see us as an alternative. One of the keys is that we don't charge for counsel fees. He wants to make sure people understand the services we provide, how great it is and what the advantages are on dealing with us, rather than dealing with their local authority.

Mr. McNulty indicated that he has heard two different things, first he heard that the Bond Counsel represents the potential purchaser and then he heard Ms. Angel say that Bond Counsel represents the issuer. Those are two separate entities in his mind and he would like to get some resolution as to who we think Bond Counsel represents.

Mr. Craig thinks one way of addressing that is that it is incumbent upon the Treasurer's Office to do its homework and to present to the Board Members a legal analysis of that question. Other people can do that as well and take exception with it but it will be incumbent upon us to prove our point. They will endeavor to do so and they will provide a copy to everybody on the Board before a future meeting. Mr. Craig believes that this issue may be difficult and annoying to deal with but it's an important issue from their perspective and they intend to bring it up in the future. The assertion was made that somehow this is not transparent. This Board is subject to the Sunshine Act. Everything that the Board does is extremely transparent. The discussions that the Board has today, there is a record of, and people can go back and take a look at the meeting and see what the ridiculous things that the Treasurer's representative said. The selection of Bond Counsel in a school in fact is not transparent. When they decide they want to pick Fox Rothschild or Dilworth or one other firm, there is no public meeting in which that's done. When the Office of General Counsel selects someone from their list it is not at a public meeting. When they submit it to us that is when it becomes transparent. The discussions here are transparent. As the Representative said, this is a transparency issue. It's not the end all and be all, but make no mistake when we discuss and the Treasurer makes a recommendation that we think that the Law Firm of Chris Craig should be doing the bond work, that is a transparent

discussion. Someone could say Chris Craig is grossly incompetent and we could have a debate on it. That is a transparent discussion and the proper role of the Board to bring those issues to the table to discuss.

Mr. Craig stated that Ms. Angel's opinion was not on letterhead.

Ms. Angel's response was that it was just a legal memo but it can be put on letterhead if preferred.

Mr. Craig asked what firm Ms. Angel was from.

Ms. Angel stated that she was from Buchanan Ingersoll and Rooney in Pittsburgh.

Mr. Craig asked if Buchanan had been Bond Counsel in the past.

Ms. Angel said that they have been occasionally but very rarely.

Mr. Craig asked if they intend to be in the future.

Ms. Angel said she hopes so, but that it is up to the clients who should decide who they want to have as Bond Counsel. Ms. Angel said that she would not act as Bond Counsel and the Authority Counsel in the same transaction.

Mr. Craig asked if that would happen in the same year, for example what if in the same month with a different transaction involving Lackawanna Community College.

Ms. Angel's answer was yes probably with conflict waivers.

Chairperson Dreher asked for any other comments or questions and hearing none, he moved to the approval of projects.

Chairperson Dreher indicated that Mr. Baccon provided a summary of the project before the Board, and asked if there were any comments or questions, hearing none, 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
NORTHAMPTON COUNTY AREA COMMUNITY COLLEGE**

DOCKET NO. 2364

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") for the benefit of the Northampton County Area Community College (the "College") consisting generally of: (a) the development of, and the acquisition, construction and equipping of facilities for, a new Monroe County campus of the College, including related public infrastructure improvements; and (b) the payment of the costs and expenses of issuing and obtaining credit enhancement (if any) for the Bonds (defined below). At the request of the College, the Executive Director of the Authority shall have the power to add, delete or substitute any component of the Project but only to the extent permitted by The State Public School Building Authority Act of 1947, as amended, the Pennsylvania Department of Education, and any applicable Federal income tax laws.

2. In order to finance the Project, the Authority may enter into an appropriate trust indenture or supplemental trust indenture (herein referred to as the "Indenture") with the Trustee herein appointed, and may issue up to \$75,000,000 in aggregate principal amount of revenue bonds in one or more series (which may be issued on the same or different dates, and which may be either tax-exempt or taxable bonds) to be designated substantially as the "State Public School Building Authority College Revenue Bonds (Northampton County Area Community College Project)" with an appropriate series designation (such bonds being herein referred to as the "Bonds"). The Bonds shall have a term not to exceed 30 years from the date of their issuance and delivery and shall bear interest at fixed or variable rates acceptable to the College, shall mature in such principal amounts and at such times, and may be subject to redemption or tender for purchase, all as approved by the Executive Director or Assistant Executive Director in consultation with the College and as further provided in a Bond Purchase Agreement or the Direct Placement Documents hereinafter described.

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, the variable interest rate formula to be used in determining interest due on the Bonds thereafter, and the maximum rate of interest that may be borne by the Bonds (which maximum rate shall not exceed the maximum rate permitted by applicable law) and to appoint an indexing agent, auction agent and/or remarketing agent and to take such other action as may be required in connection with 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 Indenture or the Direct Placement Documents 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 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.

3. The proceeds from the sale of the Bonds may be loaned to the College pursuant to the terms of an appropriate loan agreement or supplemental loan agreement between the Authority and the College (herein referred to as the "Loan Agreement"), and shall be applied by the College for and toward the costs of the Project including: (a) the payment of the items of acquisition and construction included in the Project, (b) the payment of the costs of issuance of the Bonds, including without limitation, printing costs, fees and expenses of bond counsel, the underwriter and the financial advisor of the College, 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, and (c) if applicable, the payment of the premium or other cost for credit enhancement or liquidity enhancement for the Bonds if determined to be advantageous by the College. The Authority is hereby authorized to assign and pledge the Loan Agreement and all revenues to be received by the Authority therefrom to the Trustee under the Indenture (or directly to the purchaser of the Bonds) to secure the Bonds.

4. The President, any Vice President, the Executive Director or the Assistant Executive Director is hereby authorized on behalf of the Authority to enter into an appropriate bond purchase agreement (the "Bond Purchase Agreement") with PNC Capital Markets LLC and/or RBC Capital Markets Corporation (the "Underwriter") for the purchase of any series of the Bonds authorized hereunder 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 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 Indenture, the Loan Agreement, the Bond Purchase Agreement and any other documents required in connection with the issuance of the Bonds (including without limitation, the Direct Placement Documents hereinafter described); any remarketing agreement, auction agent agreement and/or indexing agent agreement if any of the Bonds shall bear interest at a variable rate; any continuing disclosure agreement if required in connection with the Bonds; any tax compliance or similar agreement with respect to any Bonds issued as tax-exempt 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, the Executive Director and the Assistant Executive Director of the Authority are, and each of them hereby is,

authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary or Assistant Secretary are, and each of them hereby is, 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 or final official statement which may be used in connection with the offer and sale of the 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 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 Bonds is hereby authorized.

8. The Underwriter is hereby authorized to purchase the 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 Bonds. The Office of General Counsel, at the request of the College, has appointed Reed Smith LLP as Bond Counsel for this issue.

9. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to authenticate and deliver the Bonds upon the request of the Executive Director or Assistant Executive Director of the Authority and to invest and reinvest all moneys which by the terms of the 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. Notwithstanding any other provision of this Resolution, at the request of the College the Authority may issue and sell some or all of the Bonds pursuant to a direct placement with one or more financial institutions designated by the College. The Authority is authorized to enter into such documents and agreements relative to such direct placement of Bonds as may be necessary or desirable and as may be approved by the Executive Director or Assistant Executive Director of the Authority, which documents and agreements (the "Direct Placement Documents") may be in addition to, or may take the place of, the Indenture, the Loan Agreement and the Bond Purchase Agreement.

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 or desirable in order to effectuate the financing of the Project, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Direct Placement Documents, and any continuing disclosure agreement, the distribution of a preliminary official statement and final official statement, the issuance and sale of the Bonds, and the implementation of this Resolution.

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 **Representative DeLuca**, **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was approved at the SPSBA Board Meeting of February 17, 2011.

EXHIBIT A

NORTHAMPTON COUNTY AREA COMMUNITY COLLEGE

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2364	Monroe	Financing of: (a) the development of, and the acquisition, construction and equipping of facilities for, a new Monroe County campus for the College, including related public infrastructure improvements; and (b) the payment of the costs and expenses of issuing the Bonds and obtaining credit enhancement (if any) for the Bonds.	\$75,000,000

Maximum Term: 30 years.

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

Rating/Insurance: TBD

Bond Counsel: Reed Smith LLP.

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

Senior Underwriter: PNC Capital Markets LLC

Other Underwriter: RBC Capital Markets Corporation

Minority and/or Female Participation in this Financing: TBD

Approved by the SPSBA Board at its meeting of February 17, 2011.

9. OLD BUSINESS.

Chairperson Dreher stated that there was one other item of old business dealing with Authority Marketing.

Ms. Pike Nase appreciated staff putting this all together and she talked to the Auditor General about the information that staff provided. They are a little concerned that both Authorities are expending about \$700 per year putting out calendars that the only thing you see is small lettering from whom it is coming from. Perhaps at a later meeting the Board could consider looking at this more closely, as to whether our Authority should be expending that much money. We noted that the Authority did eliminate the annual reports. She knows that the prior annual reports were in a costly format, however, wouldn't it be incumbent on staff to have an annual report for the Board also to have it on the website for clients and the public.

Mr. Player said that the Authorities decided that the annual financial report which is done in conjunction with our auditors is a better use of our money. The only difference between that report and an annual report is about 6 pages of color photos in the beginning, and it saves about \$25,000.

Chairperson Dreher asked if we post those reports on the website.

Mr. Player said that they are on the website under Audited Financial Statements.

Ms. Pike-Nase wanted to make sure that the Board thinks about this issue for the next meeting. The issue is whether our Authorities should be expending \$700 a year sending out calendars, many of them going to other states.

Mr. Bostic mentioned that a lot of times people get greetings listed as seasonal or Christmas. We chose something that people keep for the whole year. He has visited Board Members who have had it hanging up. He also wanted to share that the people that made these this year made a mistake on the first batch and that we didn't have to pay for the first 500, so we really got a 1000. We shared it with our counterparts. We don't want to hide. He knows the big thing is spending money. We have not been attending conferences that we have traditionally attended. We keep the lines of communication open.

Ms. Pike-Nase stated that there was another agenda item that she had discussed last meeting, about an annual meeting, especially for the new members. The Auditor General is requesting that the Board considers having an annual meeting where all the principles and there proxies are given an orientation session about the Authorities. One was held earlier this year and some of the new members thought it we somewhat helpful. She is hoping that the staff could put together an overview of the duties and powers of the Authorities an overview of the financial report, current

projects, and a listing of the Authorities major spending items over the last five years. We were thinking perhaps that could be in July.

Chairperson Dreher asked if she meant an orientation meeting.

Ms. Pike-Nase said that was correct.

Chairperson Dreher said that orientation information could be put together and any new Board Members that would be interested in participating in an orientation process would be included.

Representative DeLuca would like to be involved with that. Reading the front of the folder, it says that our central objective is to assist in securing a broad range of low-cost financing options and services Pennsylvania's Public Schools as well as public and private colleges and universities. If he understood correctly, if the Board decides on Bond Counsel then people wouldn't come here. He wonders why they wouldn't come here if that is our objective.

Chairperson Dreher explained that there are other options. An institution can maybe go to their local county Authority, the local county could issue for them, the school district could issue on their own.

Representative DeLuca wanted to know if they would be able to get a better deal there or with us.

Mr. Bostic said they would be able to get the better deal here and it costs them less.

Ms. Angel stated when an entity comes to borrow money they have a whole team of financing people and they would want to choose their lawyer. The Bond Counsel technically, usually but not always, is counsel to the Authority. They really are doing all the work on the transaction which has to meld with all their other documents and they have to understand the whole institution. Many of Ms. Angel's clients are in the western part of the state and they can't use your Authority anymore because of the prevailing wage requirement. She will automatically tell her clients that they can't use us because of that rule. If we tell our clients that their Bond Counsel will be chosen for them, they will go to another option. If you are qualified to come through these Authorities it is great. There is always a quorum you have the Governors approval.

Mr. Craig said that Ms. Angel was correct. They say yes to everything. The Board streamlines everything. Zip it right through and don't ask questions.

Representative DeLuca said that as a new Board Member he would like to know how this organization works and certainly have some input.

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

10. NEW BUSINESS.

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

11. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Representative Bear**, and **SECONDED** by **Ms. Flinn**, the SPSBA Board Meeting was adjourned at 11:20 a.m.

SUNSHINE ACT MEETING NOTICES

Saturday, February 5, 2011

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

State Transportation Advisory Committee (TAC) Meeting - February 7, 2011 - 10:00 A.M., Commonwealth Keystone Building, 400 North St., 8th Fl., Conf. Rm. 8N1, HBG.

Attendees are required to enter through the north entrance and proceed to the 5th Fl. Reception area of PennDOT for access to the 8th Fl.

Contact Name: Nolan Ritchie - 787-2913.

Pennsylvania Apprenticeship and Training Meeting - February 10, 2011 - 10:00 A.M., L&I Bldg., 651 Boas St., 17th Fl. Conf. Rm., HBG

Contact Name: ShaQuita Burton - 214-9872.

Cancelled: Meeting of the Board of Private Licensed Schools vs. Exclusive Tattoo Academy and Studio - February 11, 2011 - 9:00 A.M., 333 Market St., 3rd Fl. Conf. Rm., HBG

Contact Name: Patricia Landis - 783-8228.

CHANGE: State Board of Examiners in Speech-Language and Hearing Meeting - February 11, 2011 - 9:00 A.M., 2601 N. Third St., HBG

Contact Name: Brandi Barrick - 783-7192.

SPECIAL: Department of Labor and Industry, Prevailing Wage Appeals Board Meeting - February 15, 2011 - 10:00 A.M., Capitol Assoc. Bldg., 901 N. 7th St., 3rd Fl. Conf. Rm., HBG

Contact Name: Gina Meckley - 783-9276

SPECIAL: Pennsylvania Higher Educational Facilities Authority Meeting - February 17, 2011 - 10:30 A.M., 1035 Mumma Rd., 2nd Fl., Wormleysburg

Contact Name: Bev Nawa - 975-2204.

SPECIAL: State Public School Building Authority Meeting - February 17, 2011 - 10:30 A.M., 1035 Mumma Rd., 2nd Fl., Wormleysburg

Contact Name: Bev Nawa - 975-2204

PEMA Volunteer Loan Assistance Program Application Review Committee Meetings - February 24, 2011 - 10:30 A.M., 2605 Interstate Dr., Conf. Rm. B, HBG

Add'l Mtgs: 3/31, 4/28, 5/26, 6/30, 7/28, 8/25, 9/29, 10/27, 11/17, 12/15, same time & location.

Contact Name: Robin Snyder - 651-2201

Children's Trust Fund Board Meetings - February 24, 2011 - 10:00 A.M., Harristown I, Honors Ste., HBG

Add'l Mtgs: 4/28, 7/28, 10/27 at Harristown I, 3rd Fl. E-Center at 10 A.M.

Contact Name: Carrie Collins - 705-2910

Department of Education, Teacher Tenure Appeal No. 01-11, Appeal of Ellis Jones vs. Philadelphia

City School District - March 1, 2011 - 2:00 P.M., 333 Market St., Office of Chief Counsel, 9th Fl., HBG

Contact Name: Eunicejean Patrice - 787-5500

Pennsylvania Cancer Control, Prevention and Research Advisory Board Meeting - March 23, 2011 - 9:00 A.M., Giant Super Food Store Community Ctr., 2300 Linglestown Rd., 2nd Fl., HBG

Contact Name: Kathleen Zitka - 787-5251]]>

Appeared in: **Patriot-News** on Saturday, 02/05/2011

[Home](#)

Powered by [myPublicNotices.com](#)

[Back](#)

Pennsylvania's
STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
February 17, 2011

Notice was in letterform, as follows:

This letter advises that a meeting of *Pennsylvania's* State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, February 17, 2011**, at **10:30 a.m.**, at the **Authority Office, 1035 Mumma Road, Wormleysburg**, Pennsylvania, for the purpose of: (a) election of officers for 2011; (b) approving certain projects for financing; and, (c) 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/ William C. Bostic

William C. Bostic
Executive Director

Enclosures

* * * * *

Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the February 17, 2011, meetings was dispatched to the following on January 28, 2011, at the addresses indicated, constituting all of the members of the Board of *Pennsylvania's* 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
7th Floor, Verizon Tower, Harrisburg, PA
Jeffrey E. Piccola, Designated by the President Pro Tempore of the Senate
173 Main Capitol Building, Harrisburg, PA
Jay Costa, Minority Leader of the Senate
535 Main Capitol Building, Harrisburg, PA
Samuel H. Smith, Speaker of the House of Representatives
139 Main Capitol Building, 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, Acting Secretary of General Services
515 North Office Building, Harrisburg, PA
Ronald J. Tomalis, Acting Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 28th day of January 2011.

/s/ William C. Bostic

William C. Bostic, Executive Director
Pennsylvania's State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority