

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
January 26, 2017
Room 515 North Office Building
Harrisburg, Pennsylvania
10:30 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 2017
3. Approval of the Minutes of the Meeting of December 15, 2016
4. Financial Reports for the Months of November & December 2016
5. Revolving Loan Fund
6. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Chester Upland School District
7. Old Business
8. New Business
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, January 26, 2017 at 10:29 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, 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

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Danielle Guyer, (Proxy for Representative Stanley E. Saylor)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Joseph M. Torsella)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Curtis M. Topper
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

Board Members Absent

Senator John H. Eichelberger Jr.

Authority Personnel Present

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

Also Present

William McCarty, Esquire, Barley Snyder LLP
Tiffany Raker, Assistant Legal Counsel, Department of the Auditor General
Nicholas Falgione, Managing Director, PNC Capital Markets, LLC
Dr. Andrew Armagost, Assistant Executive Director Education Committee

Participated Via Conference Call

Peter Barsz, School District Receiver, Chester Upland School District
Karen DeShullo, Chief Business Administrator, Chester Upland School District
Robert DiOrio, Esquire, Law Firm of DiOrio & Sereni, LLP
Michael Jackson, Esquire, Dinsmore & Shohl LLP
Timothy Anderson, Esquire, Dinsmore & Shohl LLP
Daniel Turner, Esquire, Turner Law, P.C.

2. ELECTION OF OFFICERS FOR 2017

Chairperson Heuer mentioned that Senator Scarnati designated Senator John Eichelberger to serve on the SPSBA board.

Chairperson Heuer explained that the officers of the Authority are elected at the first board meeting of the year. Typically, the Governor serves as President of the board and the three Vice Presidents are the two members of the Senate and the Speaker of the House or his designee. The Secretary is usually the Secretary of General Services and the Treasurer is normally the State Treasurer.

Chairperson Heuer recommended that Governor Wolf be elected President, Senators Eichelberger and Dinniman and Representative Saylor as the Vice Presidents, Treasurer Torsella as the Treasurer and Secretary Topper as Secretary. He also recommended Bob Baccon, Dave Player and Bev Nawa be elected as Assistant Secretaries and Assistant Treasurers.

Chairperson Heuer opened the floor to nominations or a motion to elect the recommended officers.

In accordance with the SPSBA Bylaws, and upon **MOTION** by **Secretary Topper**, and **SECONDED** by **Ms. Pike-Nase** at the SPSBA Board Meeting of January 26, 2017, 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. Wolf |
| b. Vice President | John H. Eichelberger Jr. |
| Vice President | Andrew E. Dinniman |
| Vice President | Stanley E. Saylor |
| c. Secretary | Curtis M. Topper |
| d. Treasurer | Joseph M. Torsella |
| e. Assistant Secretary | Robert Baccon |
| | David Player |
| | Beverly M. Nawa |
| f. Assistant Treasurer | Robert Baccon |
| | David Player |
| | Beverly M. Nawa |

3. APPROVAL OF THE MINUTES OF THE MEETING OF DECEMBER 15, 2016

A copy of the minutes of the meeting of December 15, 2016, 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 December 15, 2016, be and hereby are approved as presented.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of January 26, 2017.

4. FINANCIAL REPORTS FOR THE MONTHS OF NOVEMBER & DECEMBER 2016

The Financial Reports for the months of November and December 2016 were 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 Reports of the State Public School Building Authority for the months of November and December 2016 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Mr. Helling**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of January 26, 2017.

5. REVOLVING LOAN FUND

Mr. Baccon explained that we closed a loan to the Community College of Allegheny County for \$3 million to upgrade their electrical systems. We have no pending projects.

6. APPROVAL OF PROJECTS

A. Resolution Authorizing the Undertaking of a Project on Behalf of Chester Upland School District

Mr. Baccon explained that the Chester Upland School District requested that we issue a maximum of \$7,500,000 in Qualified Zone Academy Bonds to finance the renovation of the HVAC system of Chester High School.

PNC Capital Markets is the Underwriter and U.S. Bank National Association, will be the Trustee for the bond issue. At the request of the School District, the Office of General Counsel has appointed Dinsmore & Shohl, Turner Law, and Powell Law, as the Co-Bond Counsel for this issue.

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

Nicholas Falgione, of PNC Capital Markets is here and Peter Barsz, School District Receiver, Karen DeShullo, the Chief Business Administrator of the School District, Robert DiOrio, the School District's Solicitor, Michael Jackson and Timothy Anderson of Dinsmore & Shohl, and Daniel Turner of Turner Law are participating by conference call to answer questions.

Chairperson Heuer asked if board members had any questions or comments about the project.

Ms. Langan asked if the rating was A2.

Mr. Falgione explained that the rating is based on the state intercept program and that it would be an A2.

Ms. Langan asked what would happen if the state does not have a budget.

Mr. Falgione said that Act 85 was passed last year to impasse proof the intercept.

Chairperson Heuer asked if the bond sale for the recent Chester Upland project went well.

Mr. Falgione said that we closed an issue for Chester Upland on December

22nd for \$25,000,000 and it sold well. This is an additional issue to use the QZAB program. Both issues are rated A2 by Moody's using the intercept with Act 85 protection.

Chairperson Heuer asked for a motion to approve the resolution.

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
CHESTER UPLAND SCHOOL DISTRICT,
DELAWARE COUNTY, PENNSYLVANIA**

DOCKET NO. 2457

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the “Authority”), as authorized by the State Public School Authority Act of 1947, P.L. 1217, as amended and supplemented (the “Act”), hereby determines that it shall undertake the issuance of “Qualified Zone Academy Bonds” as defined in Section 54E of the Internal Revenue Code of 1986, as amended (the “Code”) in the aggregate principal amount not to exceed of \$7,500,000 for the financing of a project for the benefit of Chester Upland School District, Delaware County, Pennsylvania (the “School District”) consisting of: (a) the financing of capital improvements to certain facilities of the School District, including, but not limited to, the renovation of the HVAC system of the Chester High School; and (b) the payment of the costs and expenses of issuing the Bonds, including without limitation, printing and reproduction costs, fees and expenses of bond counsel and the underwriter, fees and expenses of the trustee, the premium on a municipal bond insurance policy (if determined to be advantageous by the School District) and administrative costs and expenses of the School District and the Authority (the “2017 Project”); provided, however, that the Executive Director of the Authority, at the request of the School District, shall have the power to add, delete or substitute for any component of the 2017 Project but only to the extent permitted by the Act, the Department of Education, and the Federal income tax laws from time to time in effect, subject to the condition that the 2017 Project shall have received any necessary approvals required, such as, but not limited to, approval from the Department of Education.

2. In order to finance the 2017 Project, the Authority will enter into a trust indenture (the “Indenture”) between the Authority and U.S. Bank, National Association, as trustee (the “Trustee”), and shall issue up to an amount not to exceed \$7,500,000 in aggregate principal amount of revenue bonds to be designated substantially as the Authority’s “Federally Taxable Revenue Bonds (Chester Upland School District Project), Qualified Zone Academy Bonds – Tax Credit, Series of 2017” (the “Bonds”).” The Bonds will be equally and ratably secured under the Indenture by an assignment and pledge by the Authority to the Trustee of payments to be made to the Authority by the School District pursuant to the terms of a Loan Agreement between the Authority and the School District (the “Loan Agreement”), duly authorized by this Resolution and by a resolution duly adopted by the Board of School Directors of the School District (the “School Board Resolution”) and a resolution duly adopted by the Receiver of the School District (the “Receiver Resolution,” and together with the School Board Resolution hereinafter referred to as the “School District Resolutions”). The

Bonds shall have a term not to exceed thirty (30) years from the date of their issuance and delivery and shall bear interest at fixed rates acceptable to the School District, 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 in consultation with the School District and as further provided in a Bond Purchase Contract, hereinafter defined and described.

In the event the School District requests that the Bonds of any series bear a variable rate of interest rather than a fixed rate of interest, the 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 a liquidity or other credit provider, and to take such other action as may be required in connection with issuing such Bonds bearing interest at a variable interest rate.

3. The Bonds shall be special limited obligations of the Authority, payable only from payments made by the School District under the Loan Agreement and a General Obligation Note, Series of 2017 in the aggregate principal amount (not to exceed) of \$7,500,000, securing the payments under the Loan Agreement (the "General Obligation Note"). The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture and approved by the Executive Director of the Authority. The execution of the Bonds by 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 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 thereof.

4. Pursuant to the School District Resolutions and the Loan Agreement, the Authority will lend the proceeds of the Bonds to the School District to finance the costs of the 2017 Project, and the School District will execute and deliver to the Authority the General Obligation Note, pursuant to which the School District will make payments to the Authority in the amounts and at the times set forth in the Loan Agreement, which amounts will be sufficient for the payments by the Authority of the principal of and interest on the Bonds. The terms of the Loan Agreement and the General Obligation Note shall be subject to further approval by the Executive Director of the Authority.

5. The Authority will enter into a State Appropriation Intercept Agreement (the "Intercept Agreement") with the Treasurer of the Commonwealth of Pennsylvania (the "State Treasurer") and the School District, pursuant to which the School District will provide instructions to the Department of Education of the Commonwealth of Pennsylvania (the "Department of Education") and authorize and direct the Department of Education and the State Treasurer to withhold the Commonwealth appropriations due to the School District on the dates and in the amounts set forth in the Intercept Agreement and to pay such withheld

amounts directly to the Trustee, as assignee of the Authority under the Indenture, in satisfaction of the School District's obligation to make debt service payments under the Loan Agreement.

6. The Executive Director of the Authority is hereby authorized on behalf of the Authority to negotiate with the underwriters, hereinafter appointed, or with any other direct purchaser or purchasers of the Bonds selected by the School District, for an acceptable proposal, for the purchase of any series of the Bonds issued hereunder, to enter into one or more purchase or loan agreements (the "Bond Purchase Agreement") for such purpose in accordance with the terms of this Resolution and the 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 deems necessary or advisable to carry out the obligations of the Authority thereunder.

7. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of the Bonds of any series authorized hereunder and the financing of the 2017 Project: (a) the Indenture, the Loan Agreement, and the Bond Purchase Agreement, including any supplement or amendment to any of the foregoing; (b) an Intercept Agreement with the School District and the other parties thereto; (d) any remarketing agreement and/or indexing agent agreement to be executed in connection with the issuance of the Bonds, if any series of Bonds shall bear interest at a variable rate; and (e) any other document to which the Authority is a party and which is required in connection with the issuance of the Bonds or the financing of the 2017 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 of the Authority.

8. The President, the Vice President, and the 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.

9. Any preliminary official statement and/or final official statement (including any amendments to each) which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved, solely as to and for the purpose of distribution, by the Executive Director of the Authority with the advice of bond counsel. The Executive Director is hereby authorized to execute any such preliminary official statement and/or final official statement, or amendment to each, in the name and on behalf of the Authority, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval, solely as to and for the purpose of distribution, 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.

10. PNC Capital Markets, LLC is hereby appointed and authorized to act as Authority Underwriter. U.S. Bank National Association is hereby approved and appointed as Trustee under the Indenture and is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of the School District, the Office of General Counsel has appointed Dinsmore & Shohl LLP, Turner Law, P.C. and Powell Law, P.C., to serve as Co-Bond Counsel for this issue.

11. 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 Bonds and the implementation of this Resolution.

12. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested: (a) to authenticate and deliver the Bonds upon the request of the Executive Director of the Authority; and (b) 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.

13. The appropriate officers of the Authority, including, but not limited to, the President, the Vice President, and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement or supplements, amendment or amendments, or agreement (an "Amendment") providing for any amendment or other change to any trust indenture (including the Indenture), the Loan Agreement, the Intercept Agreement, the Bonds, the Bond Purchase Agreement, and any other instrument or document executed and delivered with respect to the financing of the 2017 Project (collectively, the "Bond Documents") requested by the School District 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.

14. 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 2017 Project, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Intercept Agreement, the Bond Purchase Agreement, and any other documents required in connection with the financing of the 2017 Project, 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. All actions heretofore taken by officers of the Authority in connection with the 2017 Project are hereby ratified and confirmed.

15. 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. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion the above Resolution was unanimously approved at the SPSBA Board Meeting of January 26, 2017.

EXHIBIT A

CHESTER UPLAND SCHOOL DISTRICT

<u>Docket No.</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2457	Delaware	The financing of the costs of capital improvements to certain facilities of the School District, including, but not limited to, the renovation of the HVAC system of Chester High School, and the payment of the costs and expenses of issuing and insuring, if appropriate, the Bonds.	\$7,500,000

Maximum Term: 30 years

Interest Rate: Fixed

Rating/Insurance: Rating on the bonds is expected to be “A2”/Insurance is not currently being solicited

Bond Counsel: At the request of the School District, the Office of General Counsel has appointed Dinsmore & Shohl LLP, Turner Law, P.C. and Powell Law, P.C. as Co-Bond Counsel for this issue.

Trustee: U.S. Bank National Association

Underwriter: PNC Capital Markets, LLC

Minority, Veteran and/or Female Participation in this Financing: Turner Law, P.C. and Powell Law, P.C., Co-Bond-Counsel

Approved at the SPSBA Board Meeting of January 26, 2017.

7. OLD BUSINESS

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

8. NEW BUSINESS

Chairperson Heuer asked if there was any new business to come before the Board, 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 **Ms. Pike-Nase**, and **SECONDED** by **Secretary Topper**, the SPSBA Board Meeting was adjourned at 10:34 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, JANUARY 12, 2017

SUNSHINE ACT MEETING NOTICES

Thursday, January 12, 2017

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

Children's Advocacy Center Advisory Committee Meeting, 2/8/2017, 10 AM, PA Commission on Crime and Delinquency Offices, Commission Room, Ground Floor, 3101 North Front St., HBG., Contact: Luanne Melia 265- 8497

Constables' Education and Training Board Meeting, 2/9/2017, 10 AM, PA Commission on Crime and Delinquency Offices, Commission Room, Ground Floor, 3101 North Front St., HBG., Contact: Luanne Melia 265-8497

Criminal Justice Advisory Committee Meeting, 2/15/2017, 10 AM, PA Commission on Crime and Delinquency Offices, Commission Room, Ground Floor, 3101 North Front St., HBG., Contact: Luanne Melia 265-8497

PA Commission on Crime and Delinquency Meeting, 3/8/2017, 10 AM, PA Commission on Crime and Delinquency Offices, Commission Room, Ground Floor, 3101 North Front Street, HBG., Contact: Luanne Melia 265-8497

Special State Public School Building Authority and PA Higher Educational Facilities Authority Meetings, 1/26/2017, 10:30 AM, Room 515, North Office Bldg, HBG., Contact: Bev Nawa 975-2204

Appeared in: Patriot-News on Thursday, 01/12/2017

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Board to be Held
January 26, 2017

Notice was in letterform, as follows:

This letter advises that meetings of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, January 26, 2017**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) electing officers for 2017; (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 you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

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Harrisburg, PA

I CERTIFY that the notice on the previous page for the January 26, 2017, meeting was dispatched to the following on January 13, 2017, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority.

Thomas W. Wolf, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Wolf
333 Market Street – 18th Floor, Harrisburg, PA
Joseph B. Scarnati III, President Pro Tempore of the Senate
292 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
Stanley E. Saylor, Designated by the Speaker of the House of Representatives
245 Main Capitol Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Joseph M. Torsella, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curtis M. Topper, Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro A. Rivera, Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 13th day of January 2017.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority