

HACC, CENTRAL PENNSYLVANIA'S COMMUNITY COLLEGE
Special Board of Trustees Meeting
October 14, 2011

Trustees Present

Frank A. Conte
Daniel P. Delaney
Randy E. Eckels
Deep C. Gupta
Sally S. Klein
Loren H. Kroh
William M. Murray
Hector R. Ortiz
Charles R. Peguese
Robert J. Phillips
Thomas B. Richey
Nailah I. Rogers
Timothy L. Sandoe
Jeffrey A. Shaffer
Vicki R. Shannon
Toni H. Sharp
Peter C. Wambach
Mark A. Whitmoyer

Cabinet

Dr. John J. "Ski" Sygielski
George Franklin

Roll Call and Recognition of Visitors: Mr. Sandoe called the meeting to order by conference call at 7:30 a.m. and acknowledged that a quorum was present. He introduced Resolutions 35.49: 2011 Bond Issuance and 36.49: 2011 Bond Reimbursement.

Following a brief discussion of the terms proposed in the resolutions for purchase of the Lancaster Campus, the issuance of bonds to support the purchase, and the College's financial ability to meet those terms, the Trustees unanimously adopted both resolutions with the following motion:

Moved: Thomas B. Richey
Seconded: Deep C. Gupta
Motion carried

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Board of Trustees

Vol. No.	<u>49</u>
Date	<u>10/14/11</u>
Res. No.	<u>35</u>
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TITLE: 2011 BOND ISSUANCE

BE IT RESOLVED THAT THE BOARD OF TRUSTEES

Approve the following resolution:

WHEREAS, the Board of Trustees (the “Board”) of Harrisburg Area Community College (the “College”) hereby authorizes the issuance of up to \$55,000,000 aggregate principal amount of College Revenue Bonds on its behalf with closing of the transaction contingent upon Department of Education endorsement, the State Public School Building Authority (SPSBA) to issue its College Revenue Bonds (the “Bonds”) on the College’s behalf to fund (i) the purchase of the Lancaster Campus; and (ii) to pay issuance costs in connection with the Bonds (collectively the “Project”); and be it

RESOLVED, that the Board of Trustees hereby requests that the Bonds be sold pursuant to a public offering with the estimated amount of the Project not to exceed \$55,000,000 and a maximum 20-year term; and be it

FURTHER RESOLVED, that the Board of Trustees hereby requests SPSBA to appoint the Bank of New York Mellon as the Trustee and Paying Agent for the Bonds; and be it

FURTHER RESOLVED, that the Board hereby requests SPSBA to use the financial advisor firm of Public Financial Management, Inc. as the financial advisor for the Bonds; and be it

FURTHER RESOLVED, that the Board understands that the Office of General Counsel will make the appointment of Hartman, Underhill & Brubaker, LLP as Bond Counsel for the Bonds; and be it

FURTHER RESOLVED, that the Board hereby requests the SPSBA to proceed with all necessary actions to undertake the issuance of the Bonds, including but not limited to authorizing the preparation of a Preliminary Official Statement, and submission of the project to the SPSBA Board for approval; and be it

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TITLE: 2011 BOND ISSUANCE (CONTINUED)

FURTHER RESOLVED, that the President of the College, Dr. John J. Sygielski, and George A. Franklin, Jr., Vice President Finance and College Resources, or either one of them, are hereby authorized and directed to take such further actions and to review, and approve any documents in connection with the Bonds and said officers of the College, or either one of them, are authorized to sign such documents, upon advice of counsel, as shall in such officers' discretion be necessary or desirable to carry out the purposes and intent of this resolution, and to achieve the issuance of the Bonds; and be it

FURTHER RESOLVED, that all resolutions or parts of resolutions inconsistent herewith be and the same hereby are rescinded, canceled and annulled.

Yea 18 Nay 0 Passed X

First: Thomas B. Richey

Second: Deep C. Gupta

Opposed: 0

Abstained: 0

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TITLE: 2011 BOND REIMBURSEMENT

BE IT RESOLVED THAT THE BOARD OF TRUSTEES

Approve the following resolution:

WHEREAS, Harrisburg Area Community College (the "College") is a non-profit corporation existing under the laws of the Commonwealth of Pennsylvania and the Community College Act of 1965, as amended; and

WHEREAS, the College is tax exempt as an activity of the Commonwealth of Pennsylvania under the Internal Revenue Code of 1986, as amended; and

WHEREAS, the College is purchasing the Lancaster Campus (the "Project") for which it will request the State Public School Building Authority to issue tax-exempt bonds in an amount not to exceed \$55,000,000 (the "Bonds") for the purposes of funding the Project and to pay issuance costs of the Bonds; and

WHEREAS, the College will be the "Issuer" (as that term is defined in the United States Treasury Regulations, 26 C.F.R., 1.150-2(c) of the Bonds, as the "conduit borrower"; and

WHEREAS, the College may incur expenses in connection with the Project prior to the closing under the Bonds; now, therefore, be it

RESOLVED that a portion of the Bonds be deemed "Reimbursement Bonds," as defined in the United States Treasury Regulations, 26 C.F.R., 1.150-2(c); and

FURTHER RESOLVED that this Resolution constitute a declaration of official intent under the United States Treasury Regulations, 26 C.F.R., 1.150(2), to cause the College to be reimbursed for expenditures made not more than sixty (60) days prior to the adoption of this Resolution or thereafter from proceeds of the Bonds when issued; and

FURTHER RESOLVED that the College expresses its reasonable expectation that College funds will be expended prior to the issuance of the Bonds for and toward the costs of the Project, and that the College reasonably expects to reimburse itself from proceeds derived from the issuance of the Bonds;

FURTHER RESOLVED that the general, functional description of the Project set forth in the recitals to this Resolution is incorporated herein; and

FURTHER RESOLVED that the Project constitutes capital expenditures under applicable accounting practices and the Internal Revenue Code of 1986, as amended and supplemented; and

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TITLE: 2011 BOND REIMBURSEMENT (Continued)

FURTHER RESOLVED that the College's funds to be used for the Project expenditures are reasonably expected to be made from the College's plant fund; and

FURTHER RESOLVED that, to the extent that a specific designation is to be made for each expenditure paid from the College's funds from which a reimbursement allocation will be made from proceeds of the Bonds under authority of this Resolution, the appropriate officers of the College shall designate such expenditures and specify the amount of each expenditure; and

FURTHER RESOLVED that the reasonable expectations set forth in this Resolution are consistent with the budgetary and financial circumstances of the Project.

Yea 18 Nay 0 Passed X

First: Thomas B. Richey

Second: Deep C. Gupta

Opposed: 0

Abstained: 0