

Pennsylvania Economic Development Financing Authority

July 16, 2014

A meeting of the Pennsylvania Economic Development Financing Authority (PEDFA) was held on July 16, 2014 after proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"). The meeting was held in Conference Room 4 West, Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania at 11:00 a.m.

The following Board Members were present: Carolyn Newhouse, for the Honorable C. Alan Walker; the Honorable Glenn Moyer; Michael Vovakes, for the Honorable Julia Hearthway; Jared Grissinger, for the Honorable George Greig; Jason Brehouse, for the Honorable Kim Ward; and Ron Brown.

The following Board Members were present via telephone: Elizabeth Preate Havey; Nicholas Haden; Steven S. Bradley; and Franklin Schoeneman.

The following DCED staff members were present: Stephen M. Drizos, Executive Director; Chris Houston, Esq., Office of Chief Counsel; Carol Longwell, Esq., Office of Chief Counsel; Craig Petrasic, Center for Private Financing; Brian Deamer, Center for Private Financing; and Melanie Clark, Center for Private Financing.

Ms. Newhouse called the meeting to order at 11:00 a.m.

It was moved by Mr. Haden and second by Mr. Bradley that the Board approve Minutes of June 11, 2014. The motion carried.

POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES RESOLUTION

Mr. Drizos stated, "As you know every year we are required to prepare a resolution to issue the policies and the procedures. With particular attention given to the Post Issuance Disclosure. There are no changes to the resolution that we passed last year. We have gone over it and it meets all the criteria".

It was moved by Mr. Moyer and seconded by Mr. Brehouse that the Board approve the Post-Issuance Compliance Policies and Procedures Resolution. The motion carried.

PEDFA SPECIAL FEES ACCOUNT RESOLUTION

Mr. Drizos stated, "Every year at the annual meeting we discuss our fees account and we are recommending an amount not to exceed \$650,000 be authorized for the general expenses of the Authority. Understanding that last year's expenses for operation was \$437,269.37, we try to give ourselves that cushion so we don't have to go back to the board. If

something would come up that would require going over the \$650,000, we would be coming back to the board for that approval. But we run pretty lean and I would like to recommend that we approve that amount”.

Mr. Vovakes asked, “It is up to \$650,000. Where does that come from? Is that an appropriation?”

Mr. Drizos stated, “No. We don’t get any appropriations. We are a totally self-funded. We get no appropriation. It comes out of fees that we charge for doing PEDFA bond issues.”

Mr. Vovakes asked, “So there is no balance at the end of each year? There is no carry over balance”?

Mr. Drizos stated, “Yes there is a balance. Right now we have roughly \$1,965.723.49. That balance remains in the account. One of the approaches I have taken is to always maintain two years of operating expense. When we have had excess monies in the past we have been able to apply them to other programs under PEDFA, such as PCD Bank and the PennCAP Program. That is where the money is at. It is all self-funded and none of it is appropriation whatsoever.”

It was moved by Mr. Brown and seconded by Mr. Grissinger that the Board approve the PEDFA Special Fees Account Resolution in the amount of \$650,000. The motion carried.

PEDFA OFFICERS RESOLUTION

Mr. Drizos stated, “Every year at our annual meeting we recommend the officers. We have recommended the Honorable Glenn Moyer to serve as Secretary again, with myself as Executive Director, Brian Deamer; Carol Longwell; Craig Petrasic; and Gail Boppe as Assistant Secretaries. The Assistant Secretaries are authorized to sign and attest to my signature.”

It was moved by Mr. Bradley and seconded by Ms. Preate-Havey that the Board approve the PEDFA Officers Resolution. The motion carried with Mr. Moyer abstaining.

UPDATE ON HARRISBURG PARKING

Mr. Drizos stated, “As we spoke and gave an update at the last meeting we were hoping to have quarterly numbers together. As you can imagine it hasn’t been easy setting up the accounting system to be able to get things moving. We have had to deal with the Harrisburg Authority and that has created some challenges. Everything is fine, however, I didn’t want to make that quarterly report without being extremely comfortable that the numbers are correct. I am planning to issue the six-month report at our August meeting. The good news is the debt

service payment and other payments that were required under the indenture and the other agreements were made on July 1st. All those payments have been made.

We have heard some noise going on, as far as the Parking Authority monies are concerned. It has been noise. There has not been anything that has been said that would put in jeopardy any payments to the Parking Authority. We have contracts with all the folks. All the protections that are necessary to protect the integrity of the bond issue are in place. I just want to give everybody that comfort level.

I did read an article this morning that somewhat accurately made that point. It has nothing to do with what our rights and reasoning are. It has everything to do with behavior across the street.”

Mr. Moyer stated, “I can tell you that the Department of Banking and Securities had 100 spaces that were in other places that in 30 days of notice we have moved into the Walnut Street Garage. Other than a little bit of internal morale transition the process went very smoothly.”

Mr. Drizos stated, “We have been pleased to include the circumstances of the weather. The way the transition has taken place. It really has worked. There have been challenges and some very good and hardworking people have really met the challenges straight forward and we have a very successful project and I think it has done what it is supposed to do. I think this Authority and all the people that were involved in the transaction, kudos to you. My major concern is the bond issue, and that is going very well. The accomplishments when compared to cities in California and Detroit has been astronomical .”

ADJOURNMENT

There being no further business, the Board adjourned.

