

BROOKFIELD BOARD OF EDUCATION SPECIAL MEETING MINUTES

Brookfield Board of Education
Special Meeting of the Board
Wednesday January 13, 2016

Location: Board Office

I. The Brookfield Board of Education met in special session on Wednesday, January 13, 2016 at 7:55 a.m. in the Brookfield Board of Education office.

II. Pledge of Allegiance

III. Roll Call:

Mrs. Kelly Bianco	present
Ms. Ronda Bonekovic	absent
Mr. Ron Brennan	absent
Mr. George Economides, President	present
Mr. Tim Filipovich	present

TREASURERS RECOMMENDATION

#16-009

Bianco moved and Filipovich seconded the following resolution,

AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF NOT TO EXCEED \$700,000 IN ANTICIPATION OF THE COLLECTION OF CURRENT PROPERTY TAX REVENUES IN AND FOR THE 2016 FISCAL YEAR.

(O.R.C. §133.10(C))

WHEREAS, Section 133.10(C) of the Ohio Revised Code (the "ORC") provides in part that the board of education of a school district may, in anticipation of the collection of current property tax revenues in and for any fiscal year, issue securities the aggregate principal amount of which shall not exceed one-half of the amount that the budget commission estimates the school district will receive from all property taxes that are to be distributed to the school district from all settlements of taxes that are to be made in the remainder of that fiscal year, other than taxes to be received for the payment of debt charges and all advances; and

WHEREAS, the Board of the School District deems it necessary, in order to avoid a cash flow deficit and maintain adequate funds on hand during the 2016 fiscal year, to borrow in anticipation of the collection of said taxes in accordance with the provisions of the ORC, particularly Section 133.10(C) thereof, an amount not to exceed \$700,000, which amount shall not be greater than one-half (1/2) of the amount of taxes estimated by the Budget Commission of Trumbull County, Ohio to be received by the School District from all settlements of taxes for the 2016 fiscal year, other than taxes to be received for the payment of debt charges and all advances; and

WHEREAS, the Auditor of the State of Ohio (the "Auditor") declared the School District to be in Fiscal Emergency under ORC Section 3316.03 on May 14, 2013; and

WHEREAS, pursuant to ORC Section 3316.19(A)(2), any school district declared to be in Fiscal Emergency must receive the approval of the school district's financial planning and supervision commission (the "Commission") prior to the incurrence of any debt obligations; and

WHEREAS, the Commission approved the issuance of the Notes (as defined below) by the School District on January 12, 2016;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE BROOKFIELD LOCAL SCHOOL DISTRICT, TRUMBULL COUNTY, OHIO, THAT:

Section 1. Pursuant to ORC Section 133.10(C), and in anticipation of the collection of current property taxes in and for the 2016 fiscal year levied and to be levied by the Board upon the duplicate of the School District, less taxes to be received for the payment of debt charges and all advances, it is necessary to borrow and there shall be borrowed an amount not to exceed \$700,000, which borrowing shall be evidenced by notes of the School District designated "Brookfield Local School District, Trumbull County, Ohio Current Revenue Anticipation Notes, Series 2016" or as otherwise designated by the Treasurer (the "Notes"). The Notes may be issued in one or more series.

Section 2. The Notes shall be issued as fully registered notes, in such denominations as shall be determined by the Treasurer of the Board (the "Treasurer"), but not exceeding the principal amount of Notes maturing on any one date; shall be numbered consecutively from R-1 upward, as determined by the Treasurer; shall be dated the date determined by the Treasurer and set forth in the Certificate of Fiscal Officer (as defined herein); and shall bear interest, payable at maturity. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 3. The Treasurer is hereby authorized and directed to execute on behalf of the School District a Certificate of Fiscal Officer Relating to Terms of Notes

(the "Certificate of Fiscal Officer") setting forth the final terms of the Notes, which terms, subject to the limitations set forth in this Resolution, shall be as determined by the Treasurer. The Certificate of Fiscal Officer shall indicate the purchase price for the Notes (which shall be not less than 97% of the face value thereof), the maturity schedule for the Notes, and such other terms not inconsistent with this Resolution as the Treasurer shall deem appropriate.

The Notes shall mature no later than June 30, 2016, and shall bear interest at such rate as shall be determined by the Treasurer and certified to this Board in the Certificate of Fiscal Officer (provided that the true interest cost for all Notes in the aggregate shall not exceed 5.00% per annum). The Notes shall be prepayable as determined by the Treasurer and set forth in the Certificate of Fiscal Officer.

Section 4. The Notes shall express upon their faces the purpose for which they are issued and that they are issued pursuant to this Resolution; and shall be executed by the President of the Board (the "President") and by the Treasurer in their official capacities, provided that either or both of their signatures may be a facsimile. The Notes shall be payable as to both principal and interest at the designated office of the Note Registrar (as defined hereinbelow) and shall state the purpose for which they are issued and that the Notes are issued pursuant to this Resolution. No Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until a certificate of authentication, as printed on the Notes, is signed by the Note Registrar as authenticating agent. Authentication by the Note Registrar shall be conclusive evidence that the Notes so authenticated have been duly issued and delivered under this Resolution and are entitled to the security and benefit of this Resolution. The certificate of authentication may be signed by any officer or officers of the Note Registrar or by such other person acting as an agent of the Note Registrar as shall be approved by the Treasurer on behalf of the School District. It shall not be necessary that the same authorized person sign the certificate of authentication on all of the Notes.

Section 5. The Treasurer is hereby authorized and directed to serve as authenticating agent, note registrar, transfer agent, and paying agent for the Notes (the "Note Registrar"), or to execute on behalf of the Board a Note Registrar Agreement with such bank or other appropriate financial institution as shall be acceptable to the Treasurer and the Original Purchaser (as defined herein), pursuant to which such bank or financial institution shall agree to serve as Note Registrar for the Notes. If at any time the Note Registrar shall be unable or unwilling to serve as such, or the Treasurer in such officer's discretion shall determine that it would be in the best interest of the School District for such functions to be performed by another party, the Treasurer may, and is hereby authorized and directed to, enter into an agreement with a national banking association or other appropriate institution experienced in providing such services, to perform the services required of the Note Registrar hereunder. Each such successor Note Registrar shall promptly advise all noteholders of the change in identity and new address of the Note Registrar.

So long as any of the Notes remain outstanding, the School District will cause to be maintained and kept by the Note Registrar, at the office of the Note Registrar, all books and records necessary for the registration, exchange and transfer of Notes as provided in this Section (the "Note Register"). The person in whose name any Note shall be registered on the Note Register shall be regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any Note shall be made only to or upon the order of that person. Neither the School District nor the Note Registrar shall be

affected by any notice to the contrary, but the registration may be changed as herein provided. All payments shall be valid and effectual to satisfy and discharge the liability upon the Notes, including the interest thereon, to the extent of the amount or amounts so paid.

Any Note, upon presentation and surrender at the office of the Note Registrar, together with a request for exchange signed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar, may be exchanged for Notes of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

A Note may be transferred only on the Note Register upon presentation and surrender thereof at the office of the Note Registrar, together with an assignment executed by the registered owner or by a person authorized by the owner to do so by a power of attorney in a form satisfactory to the Note Registrar. Upon that transfer, the Note Registrar shall complete, authenticate and deliver a new Note or Notes of any authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Notes surrendered, and bearing interest at the same rate and maturing on the same date.

In all cases in which Notes are exchanged or transferred hereunder, the School District shall cause to be executed and the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of this Resolution. The exchange or transfer shall be without charge to the owner; except that the School District and Note Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The School District or the Note Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer of the Notes. All Notes issued upon any transfer or exchange shall be the valid obligations of the School District, evidencing the same debt, and entitled to the same benefits under this Resolution, as the Notes surrendered upon that transfer or exchange.

Section 6. The Notes shall be, and hereby are, awarded and sold at private sale to The Huntington National Bank (the "Original Purchaser"), or an affiliate of such Original Purchaser, at the purchase price set forth in the Certificate of Fiscal Officer, and the Treasurer is hereby authorized and directed to deliver the Notes, when executed, to the Original Purchaser upon payment of the purchase price and accrued interest, if any, to the date of delivery. If a Note Purchase Agreement is requested or required by the Original Purchaser, the Superintendent of the School District, the President, and the Treasurer, or any of them individually, are authorized and directed to execute on behalf of the Board a Note Purchase Agreement with the Original Purchaser, setting forth the conditions under which the Notes are to be sold and delivered, which agreement shall be in such form, not inconsistent with the terms of this Resolution, as the Treasurer shall determine.

The proceeds from the sale of the Notes, except the premium and accrued interest thereon, shall be used for the purpose aforesaid and for no other purpose. Any accrued interest received from such sale shall be transferred to the Bond Retirement Fund to be applied to the payment of the principal of and interest on the Notes, or other obligations of the School District, as permitted by law. Any premium from the sale of the Notes shall be deposited into the fund or funds specified in the Certificate of Fiscal Officer and shall be used for the proper purposes of such fund or funds.

Section 7. The Notes shall be special obligations of the School District, issued in anticipation of the collection of the anticipated current property tax revenues in and for the fiscal year ending June 30, 2016, including distributions from the State of Ohio in payment of credits against a partial exemption from, or reduction of, property

taxes, all of which revenues and distributions are hereby pledged to the payment of the Notes.

Section 8. There shall be and hereby is appropriated from proceeds of property taxes levied and to be levied on the current tax duplicate of the School District an amount sufficient to pay the principal of and interest on the Notes as the same shall fall due.

Section 9. The officer having charge of the minutes of the Board and any other officers of the Board, or any of them individually, are hereby authorized and directed to prepare and certify a true transcript of proceedings pertaining to the Notes and to furnish a copy of such transcript to the Original Purchaser. Such transcript shall include certified copies of all proceedings and records of the Board relating to the power and authority of the School District to issue the Notes and certificates as to matters within their knowledge or as shown by the books and records under their custody and control, including but not limited to a general certificate of the Treasurer and a no-litigation certificate of the President and the Treasurer, and such certified copies and certificates shall be deemed representations of the School District as to the facts stated therein.

The Treasurer and the President are hereby authorized and directed to take such action and to execute and deliver, on behalf of the Board, such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Resolution. Such documents shall be in the form not substantially inconsistent with the terms of this Resolution, as they in their discretion shall deem necessary or appropriate.

Section 10. It is hereby determined and declared that the principal amount of the Notes, increased by the amount of any other borrowings of this School District pursuant to Section 133.10, ORC, with respect to revenues to be received during the 2016 fiscal year, shall not and will not exceed one-half (1/2) of the amount of revenues estimated by the County Auditor of Trumbull County, Ohio (the "Auditor") to be received by the School District from all remaining revenues for the 2016 fiscal year, other than property taxes, and less all advances and prior collections.

Section 11. If for any reason the principal of and interest on the Notes shall not be paid in full at maturity, the Board hereby covenants to include in the next appropriation measure considered by the Board an amount sufficient to pay such debt charges from all revenues available to the School District in the fiscal year ending June 30, 2016 from the same sources as those anticipated by the Notes. Amounts included in such appropriation shall be held by the Auditor in a custodial account and used to directly pay or provide, through the paying agent or otherwise, for the payment of the principal of and interest on the Notes.

Section 12. It is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding special obligations of the School District have happened, been done and been performed in regular and due form as required by law; that all property taxes anticipated in and for the fiscal year ending June 30, 2016, less taxes to be received for the payment of debt charges and less all prior advances, have been appropriated and are hereby irrevocably pledged for the prompt payment of the principal

and interest thereof at maturity; and that no limitation of indebtedness or taxation, either statutory or constitutional, has been exceeded in issuing the Notes.

Section 13. Pursuant to ORC Section 3316.14,, the School District shall comply (i) with all provisions of Chapter 3316 of the ORC, (ii) with the orders, directions, and requests of the Commission and the Auditor, and (iii) with the School District's Financial Recovery Plan established under Chapter 3316 of the Code, in connection with the issuance of the Notes.

Section 14. It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the ORC.

Section 15. The Treasurer is hereby directed to promptly forward a certified copy of this Resolution to the Auditor.

Ayes: Bianco, Economides and Filipovich.
Nays: None.

#16-010

Filipovich moved and Bianco seconded that the meeting be adjourned at 7:57am.

Ayes: Bianco, Economides and Filipovich.
Nays: None.

Treasurer

Board President