

**SHAMOKIN AREA SCHOOL DISTRICT
MINUTES OF THE BOARD OF DIRECTORS**

December 2, 2020

The annual reorganization meeting of the Board of Directors of the Shamokin Area School District was held Wednesday, December 2, 2020, in the board conference room in the Shamokin Area Middle/High School. President Mr. Persing called the meeting to order at 7:16 pm and led the assembly in reciting the Lord's Prayer and the Pledge of Allegiance to the Flag.

On roll call the following board members were present: President Brian G. Persing, Vice President Melissa M. Hovenstine, Treasurer Laura A. Scandle, Secretary Erik S. Anderson, Edward M. Griffiths, Jeffrey L. Kashner, Charles H. Shuey, Rosalie Smoogen and Bernard Sosnoskie Jr.

Others present included: Timothy A. Bowers, Solicitor; Chris J. Venna, Superintendent; Karen A. Colangelo, Business Manager/FPC; and Tonya Searls, Recording Secretary.

Due to the meeting being closed to physical public attendance, it was announced that time was being provided for citizens' comments for those participating virtually.

No citizens' comments.

It was moved by Mr. Kashner, seconded by Mrs. Scandle that Attorney Bowers be elected President Pro-Tem. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mr. Persing, Mrs. Scandle,
Mr. Shuey, Mrs. Smoogen and Mr. Sosnoskie
Voting No: None

It was moved by Mr. Griffiths, seconded by Mrs. Hovenstine to nominate Brian G. Persing to serve as President of the Board of Directors for a one-year term. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mrs. Scandle, Mr. Shuey,
Mrs. Smoogen and Mr. Sosnoskie
Voting No: None
Abstain: Mr. Persing

The President assumed the chair and called for election of vice-president.

It was moved by Mr. Anderson, seconded by Mrs. Smoogen to nominate Melissa M. Hovenstine to serve as Vice-President of the Board of Directors for a one-year term. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mr. Kashner,
Mr. Persing, Mrs. Scandle, Mr. Shuey,
Mrs. Smoogen and Mr. Sosnoskie
Voting No: None
Abstain: Mrs. Hovenstine

It was moved by Mr. Griffiths, seconded by Mrs. Hovenstine to nominate Charles H. Shuey to represent the District on the Northumberland County Career & Technical Center Operating Agency Board for a three (3) year term commencing December 1, 2020, and expiring November 30, 2023. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mr. Persing, Mrs. Scandle,
Mrs. Smoogen and Mr. Sosnoskie
Voting No: None
Abstain: Mr. Shuey

It was moved by Mr. Griffiths, seconded by Mrs. Scandle that Timothy A. Bowers be (re)appointed solicitor for the Shamokin Area School District for a one-year term commencing December 2, 2020, to December 1, 2021. Compensation will be \$75.00 per hour, with no benefits, and an annual retainer of \$3,500 paid pro rata on a monthly basis. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mr. Persing, Mrs. Scandle,
Mr. Shuey, Mrs. Smoogen and Mr. Sosnoskie
Voting No: None

It was moved by Mr. Anderson, seconded by Mrs. Hovenstine that the regular public meetings of the Board of Directors of the Shamokin Area School District be held on the third Tuesday of each month, January through November, with the exception of July, of the year 2021, beginning at 7:30 p.m. with the work session; all at the Shamokin Area Middle/High School, 2000 W. State Street; that the next annual meeting be held during the first week of December 2021; and that all meetings be advertised as required. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mr. Persing, Mrs. Scandle,
Mr. Shuey, Mrs. Smoogen and Mr. Sosnoskie
Voting No: None

It was moved by Mrs. Scandle, seconded by Mr. Sosnoskie that permission be granted for the use of facsimile signatures for Board President, Secretary and Treasurer, as provided under the provisions of the Pennsylvania Uniform Facsimile Signature of Public Officials Act. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mr. Persing, Mrs. Scandle,
Mr. Shuey, Mrs. Smoogen and Mr. Sosnoskie
Voting No: None

It was moved by Mrs. Hovenstine, seconded by Mr. Sosnoskie to approve the revised Phased School Reopening Health and Safety Plan for the 2020-21 school year, including the Athletic Department Guidelines for Reopening Sports & Extracurricular Activities and its Winter Sports Recommendations, as well as the Attestation Ensuring Implementation of Mitigation Efforts and Addendum, as presented. On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mrs. Hovenstine,
Mr. Kashner, Mr. Persing, Mrs. Scandle,
Mr. Shuey, Mrs. Smoogen and Mr. Sosnoskie
Voting No: None

It was moved by Mr. Kashner, seconded by Mrs. Scandle to adopt the following resolution to secure a Tax and Revenue Anticipation Note for a Line of Credit in the amount of \$3,980,000:

WHEREAS, The Board of School Directors (the “Board”) of Shamokin Area School District (the “School District”), in Northumberland County, Pennsylvania, has determined to issue a \$3,980,000 maximum principal amount Tax and Revenue Anticipation Note - Series of 2020/2021 (the “Note”), in anticipation of its 2020/2021 fiscal year taxes and revenues yet to be collected, in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the “Debt Act”); and

WHEREAS, A proposal to purchase the Note (the “Proposal”) has been received from the Manufacturers and Traders Trust Company, having an office in Wilkes-Barre, Pennsylvania (the “Bank”); and

WHEREAS, The Board desires to accept the Proposal, to issue the Note in a private sale by negotiation, and to take and to authorize other appropriate action.

NOW, THEREFORE, BE IT RESOLVED, by the Board of this School District, as follows:

SECTION 1. The Board hereby authorizes and secures the issuance of the Note in accordance with the Debt Act.

SECTION 2. The Note shall be issued to provide funds to pay operating expenditures in anticipation of the receipt of taxes and revenues during the remainder of this School District’s 2020/2021 fiscal year.

SECTION 3. This School District accepts the Proposal of the Bank, attached hereto as Exhibit “A”, to purchase the Note at a price of 100% of the principal amount advanced, from time to time, by the Bank on a draw-down, line of credit basis.

SECTION 4. The Note shall be a tax and revenue anticipation note of this School District, and constitute a general obligation of this School District, as described in the Debt Act, in the maximum principal amount of \$3,980,000.

SECTION 5. The Note shall bear interest payable monthly on the principal amount advanced and outstanding, at a floating rate, subject to a cap, as set forth in the attached form of Note, attached as Exhibit “B”.

SECTION 6. The Note shall mature and be payable in full on June 30, 2021, which date is not beyond the last day of the 2020/2021 fiscal year of this School District, in which the Note is issued. The Note shall be in the form of a draw down line of credit. Interest shall be payable on the maturity date of the Note or the date of earlier repayment in full.

SECTION 7. The Note shall be subject to redemption, in whole or in part, at any time prior to maturity, without premium or penalty.

SECTION 8. The substantial form of the Note is attached as Exhibit “B”.

SECTION 9. The Note shall be executed by the President or Vice President of the Board, and the official seal of this School District shall be affixed thereunto with the manual signature of the Secretary or Assistant Secretary of the Board attesting said officers' signature.

SECTION 10. The Note shall be equally and ratably secured with each other and any other tax and revenue anticipation note issued by this School District in the 2020/2021 fiscal year, and presently outstanding, by an irrevocable pledge of, security interest in and a lien and charge on both the taxes and revenues of this School District to be received during the period when such Note shall be outstanding, such taxes and revenues being all taxes presently levied and assessed and all revenues including, without limitation, state subsidies or reimbursements to be received.

SECTION 11. There is created, as permitted by Section 8125 of the Debt Act, a sinking fund for the Note, to be known as "Sinking Fund - Tax and Revenue Anticipation Note - Series of 2020/2021" (the "Sinking Fund"), which shall be established with the Bank and administered in accordance with the Debt Act. This School District shall deposit into the Sinking Fund, from time to time, sums sufficient to make payments of principal and interest due on the Note on or before the maturity date thereof.

This School District appoints the Bank as the sinking fund depository with respect to the Sinking Fund, and this School District shall contract with the Bank for services as the sinking fund depository and as paying agent in connection with the Note. This School District covenants to make payments from the Sinking Fund, or from any other of its taxes and revenues, at such times and in such amounts as shall be sufficient for prompt and full payment of the Note when due.

SECTION 12. Officers of the Board of this School District, which shall include their duly qualified successors in office, are authorized and directed: (a) to prepare, to certify and to file with the Department of Community and Economic Development (the "Department") the Certificate as to Taxes and Revenues To Be Collected, as required by Section 8126 of the Debt Act; (b) to file a certified copy of the proceedings for the issuance of the Note, including a certified copy of this Resolution and of the accepted Proposal of the Bank, with the Department, as required by Section 8128 of the Debt Act; (c) to pay or cause to be paid to the Department any and all proper filing fees required by the Debt Act in connection with the foregoing; and (d) to take all other required, necessary or appropriate action.

SECTION 13. Officers of this School District shall certify and execute such certificates, instruments and documents as shall be required under terms of the accepted Proposal of the Bank, and to prepare, to execute and to deliver on behalf of this School District, a certification that the Note and any other tax and revenue anticipation Note to remain outstanding for the fiscal year 2020/2021 will not exceed the limitations imposed by the Debt Act.

SECTION 14. It is declared that the debt to be incurred hereby, together with any other indebtedness of this School District, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by this School District.

SECTION 15. The Business Manager of this School District or, if he shall be unavailable, another officer of this School District, is authorized and directed: (i) to pay any and all costs and expenses related to the issuance of the Note, upon the settlement for the Note; and (ii) to deliver the Note, upon execution and attestation thereof as provided for herein, to the Bank, but only after the filing with the Department required under Section 8128 of the Debt Act has been made.

SECTION 16. This School District covenants to and with the Bank and any other purchasers of the Note that it will make no use of the proceeds thereof which will cause the same to become an “arbitrage bond”, as that phrase is defined in Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended, (the “Code”) and that it will comply with Sections 1.103-13, 1.103-14 and 1.103-15 of the Treasury Regulations published in the Federal Register, or with other regulations implementing said Sections 103(b)(2) and 148 of the Code, if and to the extent applicable, with respect to the Note. This School District further covenants to make no investment of the proceeds of the Note in violation of Section 1.103-14(c) of the regulations implementing Sections 103(b)(2) and 148.

This School District determines that it has not issued, and does not reasonably expect to issue, tax-exempt obligations, together with all tax-exempt obligations issued and reasonably expected to be issued by “all subordinate entities” (within the meaning of Section 265(b)(3)(E) of the Code), of the School District which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) (less a credit for certain currently refunded bonds) during the 2020 calendar year and, accordingly, hereby designates the Note as a “qualified tax-exempt obligation”, as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

SECTION 17. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this School District that such remainder shall be and shall remain in full force and effect. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, are hereby repealed.

SECTION 18. This Resolution shall be effective in accordance with the Debt Act.

DULY ADOPTED, by the Board of Shamokin Area School District, Northumberland County, Pennsylvania, in lawful session duly assembled, this 2nd day of December, 2020.

Mrs. Colangelo described the process to solicit proposals to obtain the TRAN. October 12, 2020, the Finance Committee began considering the need and directed administration to reach out to contacts. November 6, 2020 Documents sent to Ed Sigl from FNB, which is currently where the District does its main banking. November 17, 2020, Ed Sigl responded by email indicating FNB would not be able to prepare a TRAN with the District. November 17, 2020, Mrs. Colangelo was directed by the Finance Committee to reach out to M&T Bank, which houses a few smaller accounts for the District. Documents were sent to Ryan McGowan on November 19, 2020 and a corresponding letter of intent was received from M&T Bank on December 1, 2020.

Attorney Bowers also shared that a solicitor of Bond Counsel was consulted that this complies with legal requirements that we have to solicit proposals for lending.

On roll call:

Voting Yes: Mr. Anderson, Mr. Griffiths, Mr. Kashner,
Mr. Persing, Mrs. Scandle, Mr. Shuey,
Mrs. Smoogen and Mr. Sosnoskie

Voting No: None

Abstain: Mrs. Hovenstine

Mr. Persing announced that an executive session was held for personnel issues on Wednesday, December 2, 2020, from 5:30 pm to 7:12 pm prior to the reorganization meeting.

On a motion by Mr. Anderson, seconded by Mr. Kashner, the meeting was unanimously adjourned at 7:26 pm.

RECORDER: _____
Tonya M. Searls, Recording Secretary

ATTEST: _____
Erik S. Anderson, Board Secretary