

14. Recommendations of the Superintendent of Schools
(at this time the Board will take formal action on the following items)

B. FINANCE

1. Treasurer of School Monies and Board Secretary's Reports

Move to approve the Treasurer of School Monies' Report, Board Secretary's Report as of August 31, 2017.

2. Payment of Bills

a) Board Secretary's Certification

Pursuant to N.J.A.C. 6:20-2A.10(d), the Board Secretary has certified that as of October 17, 2017 no budgetary line item accounts have obligations and payments which exceed the amount appropriated by the Board of Education.

Michael A. Harvier, Board Secretary

Date

b) Approve the Following Items Submitted by the Board Secretary
Payment of bills and claims, as shown on the attached list(s) that have been certified by the Board of Education and filed in the Business Office.

3. Budget Transfers

Move to approve budget transfers effective August 31, 2017.

4. Assistive Technology

Move to approve Adam Krass Consulting to provide Assistive Technology training and consultation at the rate of \$150/hr.

5. Resolution

RESOLUTION OF THE BOARD OF EDUCATION OF THE BOROUGH OF METUCHEN IN THE COUNTY OF MIDDLESEX, NEW JERSEY ENDORSING APPROVAL OF THE CONCEPT OF LEASE PURCHASE FINANCING OF ITS HIGH SCHOOL SCIENCE LAB ADDITION PROJECT; AUTHORIZING AND RATIFYING PUBLICATION OF THE NOTICES OF PUBLIC HEARING AND REQUEST FOR PROPOSALS FOR SELECTION OF A LESSOR AND INVESTOR IN CONNECTION WITH THE TRANSACTION; AUTHORIZING APPLICATION TO THE COMMISSIONER OF EDUCATION FOR APPROVAL OF THE PROPOSED LEASE PURCHASE AGREEMENT; DELEGATING THE AWARD OF THE LEASE TO THE BUSINESS ADMINISTRATOR CONTINGENT UPON RECEIVING APPROVAL OF THE COMMISSIONER OF EDUCATION OF THE PROPOSED LEASE PURCHASE AGREEMENT; AUTHORIZING CERTAIN OFFICIALS TO

EXECUTE THE LEASE PURCHASE AGREEMENT AND RELATED AGREEMENTS AND DOCUMENTS; AND AUTHORIZING OTHER ACTIONS NECESSARY TO ACCOMPLISH THE TRANSACTION.

WHEREAS, The Board of Education of the Borough of Metuchen in the County of Middlesex, New Jersey (the "Board") has determined that it is necessary to undertake a capital project involving construction of a science lab addition at Metuchen High School, including alterations, renovations and improvements as necessary and acquisition and installation of furnishings and equipment, site work, financing and other incidental work and costs (the "Project") through a lease purchase transaction; and

WHEREAS, the Board has determined to pursue the lease purchase financing method in accordance with N.J.S.A. 18A:20-4.2(f) and the regulations promulgated thereunder consisting of N.J.A.C. 6A:26-10.1 et seq. (the "Regulations") to finance the Project; and

WHEREAS, the Board held a public hearing with respect to the proposed method of financing for the Project on October 17, 2017 after duly publishing a notice in accordance with the requirements of the Regulations; and

WHEREAS, the Board has selected McManimon, Scotland & Baumann, LLC to serve as Special Counsel (the "Special Counsel") and Phoenix Advisors to serve as financial advisor (the "Financial Advisor") for the transaction contemplated herein; and

WHEREAS, the Board published or will publish a request for the receipt of proposals for the selection of a lessor and investor to enter into a lease purchase agreement for the Project; and

WHEREAS, the Board hereby authorizes and ratifies the publication of the notices of public hearing and the request for proposals for the selection of a lessor and investor to enter into a lease purchase agreement for the Project and the preparation of the request for proposals necessary therefore; and

WHEREAS, the Board wishes to delegate to the Business Administrator/Board Secretary the responsibility to award the lease financing to the firm proposing the most cost effective and responsible proposal to serve as lessor and to finance the transaction in accordance with the recommendation of the Financial Advisor and subject to the approval of the Commissioner of Education; and

WHEREAS, it is necessary to make application to the Commissioner of Education for approval of the proposed lease purchase agreement; and

WHEREAS, the Board and the prospective financing company intend to enter into the lease purchase agreement (the "Lease"), a ground lease agreement and all such other agreements and documents as may be necessary to complete the transaction once the Board receives the required approval of the Commissioner of Education; and

WHEREAS, the Board wishes to authorize the Board President

and/or the School Business Administrator/Board Secretary to execute the Lease and other related agreements and financing documents with the prospective purchaser of the Lease (referred to herein as the "Lessor" and "Purchaser") upon the terms and the conditions set forth in this resolution once the Board receives the required approval of the Commissioner of Education; now, therefore,

BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE BOROUGH OF METUCHEN IN THE COUNTY OF MIDDLESEX, NEW JERSEY (with not less than two-thirds of the full membership thereof affirmatively concurring) AS FOLLOWS:

Section 1. The Board hereby endorses the concept of the lease purchase financing of the proposed Project.

Section 2. The Board hereby determines that the annual lease purchase principal and interest payments for the Project can be included within its net budget spending growth limitation and that such payments will not result in the need for approval by the voters of additional spending proposals to maintain existing instructional programs or extracurricular activities.

Section 3. The Board hereby approves the total Project cost of not exceeding \$2,200,000 to be financed in part by a contribution available and hereby appropriated from capital reserve in the amount of \$1,000,000 and in part by the Lease authorized herein in the principal amount not to exceed \$1,200,000. There are no excess Project costs.

Section 4. The Business Administrator/Board Secretary, together with the Superintendent of Schools, Special Counsel, Board Attorney, Financial Advisor and other appropriate representatives of the Board (together, the “School District Professionals”) are hereby authorized to advertise for the public hearing and for the request for proposals for the selection of a lessor and investor and to take other appropriate steps necessary to prepare for the proposed lease purchase financing of the Project, including the preparation of the Request for Proposals (the “RFP”), and all such actions taken to date are hereby ratified. Subject to approval by the Department of Education of the lease purchase financing as provided herein, the Business Administrator/Board Secretary is hereby authorized to award the proposal to the proposer offering the most cost effective and responsible proposal upon the recommendation of the Financial Advisor whose recommendation will be based upon the reasonableness of the rates as compared to other similar transactions and the terms and conditions offered that best serve the purposes of this Board and are consistent with this resolution.

Section 5. The Business Administrator/Board Secretary, together with the other School District Professionals, is hereby authorized to make application on behalf of the Board to the Commissioner of Education for the approval of the proposed lease purchase agreement and related documents to finance the Project in accordance with the requirements of the Regulations.

Section 6. The Board President, the Superintendent and/or

the Business Administrator/Board Secretary are hereby authorized to execute and to deliver the Lease, a ground lease agreement, an agent or an escrow agreement, if necessary, and such other agreements, documents and certificates as may be necessary to consummate the transaction in forms prepared or approved by Special Counsel. The Board authorizes and ratifies the actions of the Business Administrator/Board Secretary to arrange, if necessary, for a title search in the Metuchen High School that will serve as security under the ground lease agreement, to establish an escrow account for the deposit of the Lease proceeds and to direct the deposit and investment of the Lease proceeds in the escrow for the term of the Lease or such shorter period as may be necessary in accordance with the requirements of law. The Business Administrator/Board Secretary is also authorized to pay any agreed upon fees and costs of issuance from the Lease proceeds. The Board President, the Superintendent and/or the Business Administrator/Board Secretary or other appropriate board representatives are also authorized and directed to take on behalf of the Board such other actions as shall be necessary and appropriate to accomplish the lease purchase financing in accordance with the terms of the Lease and this resolution and pursuant to the terms of the agreements and instruments authorized to be prepared hereby and to accomplish the performance of the obligations of the Board in respect thereto.

Section 7. The payments of rent or other monies due under the Lease shall be made only from the General Fund of the Board or other lawful sources. Neither the Board, nor any agency, department nor political

subdivision thereof shall be obligated to pay any sum to the Lessor under the Lease from any taxing source for the payment of any sums due under the Lease unless pursuant to an appropriation made by the Board in accordance law. The obligations of the Board under the Lease shall not constitute indebtedness of the Board or the Borough of Metuchen or of any department, agency or political subdivision thereof. The Lease shall set forth the terms of the Lease in accordance with the proposal approved herein, the RFP and this resolution.

Section 8. The proceeds of the sale of the Lease shall be applied to (i) pay costs of the Project, (ii) pay accrued interest on the Lease, if any, and (iii) pay the costs of entering into the Lease.

Section 9. The Board hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the “Code”), in order to preserve the exemption from taxation of the interest portion of rent due under the Lease, including the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Lease, if applicable.

Section 10. The Board authorizes the Business Administrator to act and determine on behalf of the Board whether the Lease will be designated as a “qualified tax exempt obligation” for purposes of Section 265(b)(3) of the Code.

Section 11. The Board hereby declares its intent to issue the Lease in the expected maximum principal amount of the Lease set forth herein and to use the proceeds of the Lease to pay or to reimburse expenditures for the

costs of the Project for which the Lease is authorized herein. This resolution is a declaration of intent within the meaning and for the purposes of Treasury Regulations Section 1.150-2 or any successor provisions of federal income tax law.

Section 12. This resolution shall take effect immediately.

6. Consultant and Training

Move to approve David Katz to provide educational consultation and training, as needed, at a rate of:

- Training: \$1,000/day or \$200/hour plus materials
- Consultation: \$80/hour or \$300/day

7. Professional Development

Move to approve the following professional development activities as listed on the attached chart:

8. Field Trips

Move to approve the following field trips for students in the Metuchen School District as shown on the attached chart: