


GLASSBORO PUBLIC SCHOOLS
GLASSBORO, NEW JERSEY

TO: Mark Silverstein
FROM: Walter S. Pudelko 
DATE: May 14, 2015
RE: Agenda Items for May 27, 2015 Agenda

Resolution for the Sale of Bonds

Recommend that the Glassboro Board of Education adopt the Resolution authorizing the issuance and sale of bonds of the school district in the aggregate principal amount of up to \$23,647,000.

WSP/b

Attachment

**THE BOARD OF EDUCATION OF THE BOROUGH OF GLASSBORO,
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

RESOLUTION

**RESOLUTION OF THE BOARD OF EDUCATION OF THE
BOROUGH OF GLASSBORO, IN THE COUNTY OF
GLOUCESTER, NEW JERSEY, AUTHORIZING THE
ISSUANCE AND SALE OF BONDS OF THE SCHOOL
DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT
OF UP TO \$23,647,000; MAKING CERTAIN COVENANTS
TO MAINTAIN THE EXEMPTION OF INTEREST ON
SAID BONDS FROM FEDERAL INCOME TAXATION;
AND AUTHORIZING SUCH FURTHER ACTIONS AND
MAKING SUCH DETERMINATIONS AS MAY BE
NECESSARY OR APPROPRIATE TO EFFECT THE
ISSUANCE AND SALE OF SAID BONDS**

BACKGROUND

WHEREAS, pursuant to Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented, *N.J.S.A. 18A:24-1 et seq.* ("School Bond Law"), and by virtue of a proposal ("Proposal") adopted by The Board of Education of the Borough of Glassboro, in the County of Gloucester, New Jersey ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board), on January 7, 2015 and approved by the voters of the School District at the special election held on March 10, 2015, the School District is authorized to issue school bonds in the aggregate principal amount of up to \$23,647,000 to finance the capital improvements set forth in the Proposal ("Project"); and

WHEREAS, the School District desires at this time to permanently finance the Project through the issuance and sale of its general obligation school bonds; and

WHEREAS, pursuant to the School Bond Law, it is the intent of the Board to hereby authorize, approve and direct the issuance and sale of such bonds, to ratify and confirm certain actions heretofore taken by or on behalf of the School District and to make certain related determinations and authorizations in connection with such issuance and sale.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE BOROUGH OF GLASSBORO, IN THE COUNTY OF GLOUCESTER, NEW JERSEY, PURSUANT TO THE SCHOOL BOND LAW, AS FOLLOWS:

Section 1. Pursuant to the School Bond Law, the issuance, sale and award of the negotiable general obligation bonds of the School District, to be designated, substantially, "The Board of Education of the Borough of Glassboro, in the County of Gloucester, New Jersey, School Bonds, Series 2015" ("Bonds"), in the aggregate principal amount of up to \$23,647,000 for the Project, are hereby authorized and approved.

Section 2. The Bonds shall be dated their date of issuance and mature on July 15 in the following years and amounts.

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2016	\$745,000	2026	\$1,170,000
2017	780,000	2027	1,225,000
2018	815,000	2028	1,280,000
2019	855,000	2029	1,340,000
2020	895,000	2030	1,400,000
2021	935,000	2031	1,465,000
2022	975,000	2032	1,530,000
2023	1,020,000	2033	1,600,000
2024	1,070,000	2034	1,675,000
2025	1,120,000	2035	1,752,000

The term of the Bonds is equal to or less than the average period of usefulness of the project being financed through the issuance of the Bonds. Interest on the Bonds shall be payable

semi-annually on January 15 and July 15, commencing January 15, 2016, in each year until maturity or earlier redemption.

Section 3. The Bonds shall be in the form prescribed and permitted by the School Bond Law, as Bond Counsel may advise and as the School District shall approve. The Bonds shall be initially issued in registered book-entry-only form, and The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Both the principal of and interest on the Bonds will be payable in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository ("Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of the interests among its participants. The participants will be responsible for maintaining records recording the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 through book-entries made on the books and the records of DTC and its participants. The principal of and interest on the Bonds will be paid to DTC by the School District, or its hereinafter designated paying agent, on the respective maturity dates and due dates and will be credited on the respective maturity dates and due dates to the participants of DTC as listed on the records of DTC as of the fifteenth (15th) day of the calendar month next preceding an interest payment date. The Bonds will be executed on behalf of the School District by the manual or facsimile signature of the President of the Board or Vice President of the Board, attested by the manual signature of the Business Administrator/Board Secretary. (such execution

shall constitute conclusive approval by the School District of the form of the Bonds), and shall bear the affixed, imprinted or reproduced seal of the School District thereon.

Section 4. The School District is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with DTC, as may be necessary in order to provide that the Bonds will be eligible for deposit with DTC, and to satisfy any obligation undertaken in connection therewith.

Section 5. In the event that DTC may determine to discontinue providing its service with respect to the Bonds or is removed by the School District and if no successor Securities Depository is appointed, the Bonds which were previously issued in book-entry form shall be converted to registered bonds in denominations of \$5,000, or any integral multiple thereof, or the necessary odd denomination ("Registered Bonds"). The beneficial owner under the book-entry system, upon registration of the Bonds held in a beneficial owner's name, will become the registered owner of the Registered Bonds. The School District shall be obligated to provide for the execution and delivery of the Registered Bonds in certified form

Section 6. The Bonds maturing on and after July 15, 2026 are subject to redemption prior to their stated maturity dates at the option of the School District, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the School District shall determine and within any such maturity by lot) on any date on or after July 15, 2025, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Section 7. Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the School District, or its hereinafter designated paying agent. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC and not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant of any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of the Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bonds or portion thereof to be redeemed shall cease to accrue and be payable.

Section 8. The preparation of a preliminary official statement ("Preliminary Official Statement") relating to the Bonds, and the distribution (in physical and/or electronic form) of said Preliminary Official Statement to prospective purchasers of the Bonds and others having an interest therein, are hereby authorized and directed. The President of the Board, Vice President of the Board, Superintendent of Schools and Business Administrator/Board Secretary are each hereby authorized to deem the Preliminary Official Statement "final", as contemplated by

paragraph (b)(1) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

Section 9. The Business Administrator/Board Secretary is hereby authorized to solicit proposals for, and to engage the services of, one or more firms (collectively, the "Printer") to provide for the electronic and/or physical dissemination of the Preliminary Official Statement and Official Statement (hereinafter defined) and to provide electronic bidding services associated with the sale of the Bonds, all pursuant to and in accordance with the provisions of the School Bond Law and the regulations promulgated thereunder. The Business Administrator/Board Secretary is hereby authorized to enter into agreement(s) with the Printer for the services to be provided.

Section 10. Pursuant to Section 36 of the School Bond Law, *N.J.S.A. 18A:24-36*, the Business Administrator/Board Secretary is hereby authorized and directed to award and sell the Bonds at electronic public sale. The sale of the Bonds shall be in accordance with the provisions of the School Bond Law and the advertised terms of such public sale. The Business Administrator/Board Secretary is hereby authorized and directed to cause a notice of sale and summary notice of sale in connection with the Bonds to be prepared and published in accordance with Section 36 of the School Bond Law, *N.J.S.A. 18A:24-36*. If necessary or desirable, the Business Administrator/Board Secretary is hereby authorized to postpone, from time to time, the date and time established for receipt of bids for the sale of the Bonds in accordance with the School Bond Law. If any date fixed for receipt of bids and the sale of the Bonds is postponed, the Business Administrator/Board Secretary is hereby authorized to announce an alternative sale date at least forty-eight (48) hours prior to such alternative sale date. At the next meeting of the

Board after the award and sale of the Bonds, the Business Administrator/Board Secretary shall report, in writing, to the Board, the principal amount, the rate of interest, the maturities, the dates upon which interest on the Bonds shall be paid, the price and the purchaser or purchasers of the Bonds.

Section 11. The preparation of a final official statement ("Official Statement") is hereby authorized and directed. Within seven (7) business days of the sale of the Bonds, but in no event later than five (5) business days prior to the settlement thereof, the School District will deliver sufficient copies of the Official Statement to the purchaser of the Bonds in order for the same to comply with Paragraph (b)(4) of Rule 15c2-12. The President of the Board, Vice President of the Board, Superintendent of Schools and Business Administrator/Board Secretary are each hereby authorized to execute the Official Statement in final form, and the distribution thereof to purchasers and others is hereby authorized and directed. The execution of the Official Statement by the President of the Board, Vice President of the Board, Superintendent of Schools or Business Administrator/Board Secretary shall constitute conclusive evidence of approval by the Board of the changes therein from the Preliminary Official Statement. The Business Administrator/Board Secretary is hereby authorized to approve any amendments or supplements to the Official Statement.

Section 12. The Bonds shall be a general obligation of the School District. The full faith and credit of the School District are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds and, to the extent payment is not otherwise provided, the School District shall levy ad valorem taxes on all taxable real property without limitation as to rate or amount for the payment thereof.

Section 13. The Bonds shall be entitled to the benefits of the New Jersey School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State of New Jersey, as amended, and shall bear the legend set forth in Section 6 thereof, *N.J.S.A. 18A:56-20*.

Section 14. In order to assist the underwriters of the Bonds in complying with the secondary market disclosure requirements of Rule 15c2-12, the President of the Board, Vice President of the Board, Superintendent of Schools and Business Administrator/Board Secretary are each hereby authorized to execute on behalf of the School District prior to the issuance of the Bonds an agreement providing for the preparation and filing of the necessary reports in accordance with Rule 15c2-12.

Section 15. The School District hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code") and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

Section 16. The School District hereby covenants as follows: (i) it shall timely file with the Internal Revenue Service, such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; and (ii) it shall take no action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 17. To the extent not otherwise exempt, the School District hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Treasury Regulation Sections 1.148-1 through 1.148-11, 1.148-11A, 1.149(b)-1, 1.149(d)-1, 1.149(d)-1A, 1.149(g)-1, 1.150-1, 1.150-1A and 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds.

Section 18. The appointment of NW Financial Group, LLC ("Financial Advisor"), to provide financial advisory services for the School District in connection with the authorization, issuance, sale and delivery of the Bonds is hereby authorized, approved, ratified and confirmed. The Business Administrator/Board Secretary is hereby authorized and directed to enter into an agreement with the Financial Advisor for the services to be provided.

Section 19. Application to Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, and others for a rating of the Bonds, and the furnishing of certain information concerning the School District and the Bonds, for the purpose of qualifying the Bonds for municipal bond insurance, are hereby authorized, ratified, confirmed and approved.

Section 20. All actions heretofore taken and documents prepared or executed by or on behalf of the School District by the members of the Board, Superintendent of Schools, Business Administrator/Board Secretary or by the School District's professional advisors, in connection with the issuance and sale of the Bonds, are hereby ratified, confirmed, approved and adopted.

Section 21. The President of the Board, Vice President of the Board, Superintendent of Schools and Business Administrator/Board Secretary are each hereby authorized to determine all

matters and execute all documents and instruments in connection with the Bonds not determined or otherwise directed to be executed by the School Bond Law, or by this or any subsequent resolution, and the signatures of the President of the Board, Vice President of the Board, Superintendent of Schools or Business Administrator/Board Secretary on such documents or instruments shall be conclusive as to such determinations.

Section 22. All other resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 23. This Resolution shall take effect immediately upon adoption this ___ day of May, 2015.

**BOARD OF EDUCATION OF THE BOROUGH OF GLASSBORO
SCHOOL BONDS, SERIES 2015**

FINANCING SCHEDULE

May 2015						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2015						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2015						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

<u>Date</u>	<u>Activity</u>
May 27, 2015	Distribute first draft of POS
May 27, 2015	Financial Advisor to Submit Rating Package
May 27, 2015	Board to adopt Form and Sale Resolution
June 5, 2015	Comments due on first draft of POS
June 10, 2015	Distribute second draft of POS
June 17, 2015	Receive Rating
June 19, 2015	Comments due on second draft of POS
June 25, 2015	Distribute final draft of POS
July 2, 2015	Comments due on final draft of POS
July 2, 2015	Qualify bonds for Bond Insurance
July 6, 2015	Finalize POS/NOS
July 7, 2015	Submit POS/NOS to Parity
July 14, 2015	Competitive Sale
July 21, 2015	Print & Mail Final Official Statement
July 27, 2015	Pre-closing
July 28, 2015	Closing

Pudelko, Walter S.

From: Craig A. Gargano <cgargano@parkermccay.com>
Sent: Thursday, May 14, 2015 11:22 AM
To: Pudelko, Walter S.
Cc: bmorris@nwfinancial.com; Willow DiMartino
Subject: Execution of Bonds
Attachments: Glassboro BOE - Authorizing Resolution (revised).doc

Walt,

Per our conversation this morning, *N.J.S.A. 18A24-32* states that school bonds shall be executed by the *manual or facsimile signature* of the president or vice president of the board of education and attested by the *manual signature* of the secretary of the board. Currently, the resolution I sent you states in Section 5, "The Bonds will be executed on behalf of the School District by the manual signature of the President of the Board or Vice President of the Board, attested by the Business Administrator/Board Secretary". I have revised that section so it now reads, "The Bonds will be executed on behalf of the School District by the manual *or facsimile* signature of the President of the Board or Vice President of the Board, attested by *the manual signature of* the Business Administrator/Board Secretary." (emphasis added) With this language you can have either the Board President or Vice President sign the bonds using either a manual signature or stamp. However, you, as Board Secretary, will have to attest the bonds with a manual signature as required by law. A revised version of the resolution is attached hereto.

Please let me know if you have any questions.

Thank you.

Craig

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