

SCRANTON, PENNSYLVANIA

The Scranton School Board of Directors held a Special Meeting on Monday, December 8, 2014 at 6:00pm prevailing time for the purpose of authorizing the debt resolution and TAN, in the Board Room of the Administration Building, 425 N. Washington Ave, Scranton, PA 18503.

President Douaihy called the meeting to order with a Pledge of Allegiance to the Flag.

Roll Call: By the Secretary.

Present: Directors Casey, Donahue, Duffy, McAndrew, Oleski, Ruane, Sheridan and Douaihy.

Absent: Director Martinelli.

VISITING DELEGATIONS

Kevin Kays, SFT, spoke about audits as far back as 2009 and stressed that he is against cutting programs and staff layoffs.

BUDGET AND FINANCE COMMITTEE

The following resolution was submitted by Director Donahue.

10-B-1

A RESOLUTION OF THE SCHOOL DISTRICT OF THE CITY OF SCRANTON, LACAKWANNA COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ONE OR MORE SERIES OF FEDERALLY TAXABLE AND/OR TAX EXEMPT GENERAL OBLIGATION BONDS OR NOTES OF THE SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS (\$25,000,000) (COLLECTIVELY, THE "BONDS") PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, PA C.S. 53, CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATIONS IS IN THE BEST FINANCIAL INTERESTS OF THE SCHOOL DISTRICT; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE SCHOOL DISTRICT; SPECIFYING THAT SUCH INDEBTEDNESS TO BE INCURRED TO PROVIDE FUNDS FOR A CERTAIN PROJECT OF THE SCHOOL DISTRICT CONSISTING OF ALL OR ANY OF THE FOLLOWING: (1) ADVANCE REFUNDING THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 2006; (2) ADVANCE REFUNDING THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2006; (3) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 2007; (4) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES B OF 2007; (5) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS SERIES C OF 2007; (6) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 2011; (7) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS SERIES C OF 2011; (8) REFUNDING A PORTION OF THE SCHOOL DISTRICT'S OUTSTANDING FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES D OF 2011; (9) PLANNING, DESIGNING, ACQUIRING, CONSTRUCTING, INSTALLING, FURNISHING AND EQUIPPING OF IMPROVEMENTS AND RENOVATIONS TO FACILITIES OF THE SCHOOL DISTRICT; (10)

PURCHASING CAPITAL EQUIPMENT FOR USE BY THE SCHOOL DISTRICT;(11) ADDITIONAL CAPITAL PROJECTS OF THE SCHOOL DISTRICT TO THE EXTENT APPROVED BY THE BOARD OF SCHOOL DIRECTORS OF THE SCHOOL DISTRICT; AND (12) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIVES OF THE CAPITAL PROJECTS THAT ARE TO BE FINANCED AND REFINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE SCHOOL DISTRICT; FIXING THE DENOMINATIONS, SERIES DESIGNATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS, OPTIONAL AND MANDATORY REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE SCHOOL DISTRICT TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE SCHOOL DISTRICT IN SUPPORT THEREOF; CREATING A SINKING FUND FOR EACH SERIES OF BONDS IN CONNECTION WITH SUCH SERIES OF BONDS, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE SCHOOL DISTRICT(IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT AND THE REFUNDING OF THE PRIOR BONDS; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE SCHOOL DISTRICT TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO AFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE SCHOOL DISTRICT, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE SCHOOL DISTRICT TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; IF APPLICABLE, SETTING FORTH CERTAIN COVENANTS PRECLUDING THE SCHOOL DISTRICT FROM TAKING ACTIONS WHICH WOULD CAUSE THE BONDS TO BECOME "ARBITRAGE BONDS" OR "PRIVATE ACTIVITY BONDS", AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF, IF APPLICABLE; AUTHORIZING THE EXECUTION OF ONE OR MORE ESCROW AGREEMENTS BY AND BETWEEN THE SCHOOL DISTRICT AND AN ESCROW AGENT NAMED THEREIN CONNECTION WITH THE REFUNDING OF THE PRIOR BONDS; APPROVING THE PREPARATION, USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT BY THE PURCHASER IN CONNECTION WITH THE MARKETING OF THE BONDS; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING WHEN THIS RESOLUTION SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS INSOFAR AS THE SAME SHALL BE INCONSISTENT HERewith.

See Attached.

The resolution was seconded by Director Casey and passed unanimously on roll call vote.

ALSO

The following resolution was submitted by Director Donahue.

10-B-2

RESOLUTION AUTHORIZING THE INCURRING OF TAX AND REVENUE ANTICIPATION DEBT AND THE
ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE IN THE FACE AMOUNT OF \$18,500,000.00
ACCEPTING THE OFFER OF FIRST NATIONAL BANK AND ESTABLISHING THE TERMS OF THE NOTE.

SEE ATTACHED.

The resolution was seconded by Director Casey and passed unanimously on roll call vote.

There being no further business a motion to adjourn was made by Director Oleski, seconded by Director
Ruane and the meeting adjourned at 6:36pm.

BY: _____
Secretary