

**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD NEW JERSEY  
PUBLIC BOARD MEETING  
September 21, 2020**

**RESOLUTION            4057**

**FOR ACTION**

**SUBJECT:                    RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF \$60,000,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL BONDS, SERIES 2020 OF THE BOARD OF EDUCATION OF THE SOUTH ORANGE-MAPLEWOOD SCHOOL DISTRICT IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR THEIR SALE AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH**

BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE SOUTH ORANGE-MAPLEWOOD SCHOOL DISTRICT IN THE COUNTY OF ESSEX, NEW JERSEY AS FOLLOWS:

**SECTION 1.** The \$60,000,000 School Bonds, Series 2020 of The Board of Education of the South Orange-Maplewood School District in the County of Essex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) authorized by virtue of a proposal adopted by the Board on July 15, 2019 pursuant to N.J.S.A. 18A:24-1 *et seq.*, as amended and supplemented, and specifically, N.J.S.A. 18A:24-10(b), shall be issued as School Bonds (the "Bonds"). The Bonds shall mature in the principal amounts on November 1 in each of the years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$1,550,000	2034	\$2,850,000
2023	1,550,000	2035	3,100,000
2024	1,550,000	2036	3,100,000
2025	1,550,000	2037	3,100,000
2026	1,600,000	2038	3,100,000
2027	1,700,000	2039	3,100,000
2028	1,650,000	2040	3,100,000
2029	2,200,000	2041	3,100,000
2030	2,200,000	2042	3,100,000
2031	2,350,000	2043	3,100,000
2032	2,500,000	2044	3,100,000
2033	2,650,000	2045	3,100,000

The Bonds shall be subject to optional redemption prior to maturity as set forth therein. The Bonds shall be twenty-four (24) in number, with one certificate being issued for each year of maturity and shall be numbered SCH-1 to SCH-24 inclusive. The Bonds are entitled to the benefits of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended and supplemented.

**SECTION 2.** The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Both 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 and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds (the "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 or the transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers of such beneficial interests. Individual purchases of the beneficial interests in the Bonds may be made in the principal amount of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book entries made on the books and the records of DTC and its participants.

Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interest in the Bonds, but each book-entry Bond owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased.

The Bonds will be dated their date of delivery and will bear interest from such date, which interest shall be payable, commencing November 1, 2021 and semiannually thereafter on the first day of May and November in each year until maturity or prior redemption, at a rate or rates per annum, expressed in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one per centum (1%), as proposed by the successful bidder in accordance with the Notice of Sale authorized and defined herein. The principal of and interest on the Bonds will be paid to the Securities Depository by the Board 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 of each next preceding October 15 and April 15 (the "Record Dates" for the Bonds). The Bonds shall be executed by the manual or facsimile signature of the Board President under the official seal (or facsimile thereof) affixed, imprinted, engraved or reproduced thereon and attested by the manual signature of the Business Administrator/Board Secretary. The following matters are hereby determined with respect to the Bonds:

Date of Bonds:	Date of Delivery
Principal Payment Dates:	November 1, 2022 and each November 1 thereafter until maturity or prior redemption
Interest Payment Dates:	Semiannually on each May 1 and November 1 of each year beginning November 1, 2021 until maturity or prior redemption
Place of Payment:	Cede & Co., New York, New York

**SECTION 3.** The Bonds shall be substantially in the form set forth in Exhibit A attached hereto, with such additions, deletions and omissions as may be necessary for the Board to market the Bonds in accordance with the requirements of DTC.

**SECTION 4.** The Notice of Sale (the “Notice of Sale”) and the Official Form of Proposal for Bonds shall be substantially in the form set forth in Exhibit B with such additions, deletions and omissions as may be necessary for the Board to market the Bonds in accordance with the requirements of DTC.

**SECTION 5.** The Bonds shall be sold upon receipt of electronic bids on October 22, 2020 at 11:00 a.m. by the Business Administrator/Board Secretary of the Board on i-Deal's Bidcomp®/PARITY® electronic competitive bidding system ("PARITY") in accordance with the Notice of Sale authorized herein. The use of the services provided by PARITY and the fees associated therewith are hereby approved. The Business Administrator/Board Secretary or Wilentz, Goldman & Spitzer, P.A., Bond Counsel ("Bond Counsel") is hereby authorized and directed to arrange for the publication of the Notice of Sale, such publication to be not less than seven (7) days prior to the date of sale, in summary form in The Bond Buyer, a nationally recognized local government bond marketing publication devoted to financial news and municipal bonds, and the full text of such Notice of Sale in the News-Record. The Board hereby delegates to and designates the Business Administrator/Board Secretary as the officer authorized to sell and to award the Bonds in accordance with the Notice of Sale authorized herein, and the Business Administrator/Board Secretary shall report in writing the results of the sale to this Board as required by law. **Furthermore, the Board hereby delegates to the Business Administrator/Board Secretary the authority to postpone and reschedule the sale of the Bonds, upon consultation with Bond Counsel, without readvertisement in accordance with the Notice of Sale authorized herein and to adjust the maturity schedule of the Bonds up to twenty-four (24) hours prior to the date of sale indicated herein, which adjustment shall not exceed ten percent (10%) of the principal amount of any maturity or in the aggregate, the overall issue.**

The Board President, the Business Administrator/Board Secretary, Bond Counsel, the Municipal Advisor, Phoenix Advisors, LLC (the "Municipal Advisor"), the Board Auditor and the Board Attorney, are each hereby further authorized and directed to do and accomplish all matters and things necessary or desirable to effectuate the offering and sale of the Bonds.

**SECTION 6.** The Bonds shall have affixed thereto a copy of the written opinion with respect to the Bonds that is to be rendered by Bond Counsel to the Board.

**SECTION 7.** The Official Statement to be distributed in preliminary form on or about October 15, 2020 (the "Preliminary Official Statement"), prepared in connection with the offering and sale of the Bonds, is hereby "deemed final" for the purposes of Rule 15c2-12, as amended and supplemented (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the provisions of the Securities and Exchange Act of 1934, as amended and supplemented, with the exception of certain information permitted to be omitted thereby and is hereby approved and authorized for the information of purchasers of the Bonds, with such changes and corrections not inconsistent with the substance thereof, including those required to reflect the effect of the sale of the Bonds, as are deemed necessary and advisable by the Business Administrator/Board Secretary in consultation with Bond Counsel.

**SECTION 8.** Bond Counsel is hereby authorized and directed to arrange for the printing of the Preliminary Official Statement and the Official Statement. Bond Counsel is hereby authorized and directed to arrange for the distribution of the Preliminary Official Statement on behalf of the Board to those financial institutions that customarily submit bids for such Bonds. The Board President or the Business Administrator/Board Secretary is hereby authorized and directed to deliver the Official Statement to the purchaser of the Bonds for its use in connection with the sale, resale and distribution of the Bonds, where and if applicable. Bond Counsel is hereby authorized and directed to prepare the Preliminary Official Statement and the Official Statement as necessary in connection with the issuance of the Bonds, and the Board President or the Business Administrator/Board Secretary is hereby authorized and directed to execute the Official Statement and any certificates necessary in connection with the distribution of the Official Statement. Bond Counsel is hereby further authorized and directed to arrange for the printing of the Bonds.

**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 interest on the Bonds, including, if

necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Bonds.

**SECTION 10.** The Business Administrator/Board Secretary, Bond Counsel, the Municipal Advisor and the Board Attorney are hereby authorized and directed 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 11.** The Board reasonably expects to reimburse itself from the proceeds of the Bonds for certain costs of the school project paid prior to the issuance of the Bonds. No funds from sources other than the Bonds have been or are reasonably expected to be reserved, allocated on a long-term basis or have otherwise been set aside by the Board, or any member of the same "Controlled Group" as the Board, within the meaning of Treasury Regulation Section 1.150-1(e), pursuant to their budget or financial policies with respect to any expenditures to be reimbursed. This Section 11 is intended to be and hereby is a declaration of the Board's official intent to reimburse any expenditures toward certain costs of the school project, as described above, to be incurred and paid prior to the issuance of the Bonds in accordance with Treasury Regulation Section 1.150-2, and no further action (or inaction) will be an abusive arbitrage device in accordance with Treasury Regulation Section 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements under Section 148 of the Code. The proceeds of the Bonds used to reimburse the Board for any expenditures toward certain costs of the school project to be financed by the Bonds will not be used directly or indirectly (i) to "refund" an issue of governmental obligations within the meaning of Treasury Regulation Section 1.150-1(d), (ii) to create or increase the balance in "replacement proceeds", within the meaning of Treasury Regulation Section 1.148-1 of the Bonds, or any other Bond issue, with respect to any obligation of the Board or to replace funds or (iii) to reimburse the Board for any expenditure or payment that was originally paid with the proceeds of any obligation of the Board (other than borrowing by the Board from one of its own funds or the funds of a member of the same "Controlled Group" within the meaning of Treasury Regulation Section 1.150-1(e)). The Bonds used to reimburse the Board for any expenditures toward certain costs of the school project, as described above, will be issued in an amount not to exceed \$60,000,000. The costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" in accordance with the meaning of section 150 of the Code and Treasury Regulation Section 1.150-1. This section shall take effect immediately, but will be of no effect with regard to expenditures for costs paid outside the permitted reimbursement period set forth in Treasury Regulation Section 1.150-2(d)(2).

**SECTION 12.** In the event that DTC may determine to discontinue providing its service with respect to the Bonds or is removed by the Board and if no successor securities depository is appointed, the Bonds which were previously issued in book-entry only form shall be converted to registered Bonds (the "Registered Bonds") in denominations of \$1,000, or any integral multiple thereof with a minimum purchase of \$5,000 required. The beneficial owner under the book-entry system, upon registration of the Bonds held in the beneficial owner's name, will become the registered owner of the Registered Bonds. The Board shall be obligated to provide for the execution and delivery of the Registered Bonds in certified form.

**SECTION 13.** The Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (the "Certificate") which will set forth the obligation of the Board to file budgetary, financial and operating data and notices of certain enumerated events deemed material in accordance with the provisions of the Rule. The Business Administrator/Board Secretary is hereby authorized and directed to execute and deliver the Certificate evidencing the Board's undertaking with respect to the Rule. Notwithstanding the foregoing, failure of the Board to comply with the Certificate shall not be considered a default on the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance to cause the Board to comply with its obligations hereunder.

**SECTION 14.** The Board President and the Business Administrator/Board Secretary are each hereby authorized and directed to determine all matters in connection with the issuance of the Bonds by the Board not determined by this or a subsequent resolution, all in consultation with Bond Counsel and the manual or facsimile signature of the Board President or the Business Administrator/Board Secretary upon any documents shall be conclusive as to all such determinations. The Board President and the Business Administrator/Board Secretary and any other Board representative, including but not limited to, Bond Counsel and the Board Attorney, are each hereby authorized and directed to take such actions or refrain from such actions as are necessary to consummate the transaction contemplated by the issuance of the Bonds by the Board and any and all such actions or inactions heretofore taken by the Board President and the Business Administrator/Board Secretary and any other Board representative, including, but not limited to Bond Counsel and the Board Attorney, are hereby ratified and confirmed. Wherever herein the Board President is authorized and directed to act or execute and deliver documents, including the Bonds, the Board Vice President is hereby authorized and directed to do same in the Board President's place.

**SECTION 15.** After a process seeking proposals, the Business Administrator/Board Secretary, in consultation with the Municipal Advisor is hereby authorized to appoint an investment agent to invest the proceeds of the Bonds and provide arbitrage/rebate services.

**SECTION 16.** The Bonds will **not** be designated as "qualified tax-exempt obligations" for purposes of section 265(b)(3)(B)(ii) of the Code.

**SECTION 17.** This resolution shall take effect immediately.

The foregoing resolution was adopted by the following vote on September 21, 2020.