

**Sherman Central School
Board of Education
SPECIAL BOARD MEETING
October 7, 2014**

TIME & PLACE: 7:30 AM - Board Room # 118

MEMBERS PRESENT: Brian Bates, Gary DeLellis, Colleen Meeder, Emily Reynolds

MEMBERS ABSENT: Melissa Lyon

OTHERS PRESENT: Kaine Kelly, Michael Ginestre, Kimberly Oehlbeck, Tracie Cederquist

Vice President Bates called the **meeting to order** at 7:35 AM. The pledge of allegiance was recited and board member roll call was taken with 4 members present.

**ORDER
PLEDGE
ROLLCALL**

C. Meeder moved to approve the following resolution for financing of the Energy Project:

**APPROVE
RESOLUTION**

**RESOLUTION RELATING TO
INSTALLMENT LEASE/PURCHASE FINANCING**

**FINANCE ENERGY
PROJECT**

**A RESOLUTION AMENDING INSTALLMENT/LEASE PURCHASE
FINANCING AUTHORIZATION**

WHEREAS, the Sherman Central School District, Chautauqua County, New York (hereinafter referred to as the "School District") pursuant to a board resolution dated May 12, 2014 (the "Original Resolution") approved the acquisition of certain Energy Equipment, as defined in the Original Resolution; and the execution and delivery of a proposed Master Lease Agreement, Lease Number [01] and Equipment Schedule No. 01 by and between the School District and the low bidder pursuant to the Request for Proposals process, Municipal Leasing Consultants, LLC; and

WHEREAS, such low bidder has declined to proceed with such proposed financing; and

WHEREAS, it is now desired to amend such Original Resolution to authorize financing such acquisition with the next lowest bidder, under the Lease, hereinafter defined; and

WHEREAS, the funds made available under the Lease will be deposited with **Manufacturers and Traders Trust Company**, as escrow agent ("Escrow Agent"), pursuant to an Escrow Agreement between the Lessor, as hereinafter defined, the School District and Escrow Agent (the "Escrow Agreement") and will be applied to the acquisition of the Equipment in accordance with said Escrow Agreement; and

WHEREAS, the School District now proposes to enter into the Lease with the Lessor and the Escrow Agreement with Lessor and Escrow Agent substantially in the forms presented to this meeting.

NOW THEREFORE, BE IT RESOLVED BY THE School District as follows:

Section 1. Section 1 of the Original Resolution is hereby amended to read as follows:

Section 1. Based on the School District's evaluation of such proposals, the President of the Board of Education of said School District, the chief fiscal officer (the "Board President"), or the Vice President in the event of the absence or unavailability of the Board President, is authorized to execute, acknowledge and deliver the Energy Performance Contract Municipal Lease/Purchase Agreement, dated as of October 10, 2014, between **Real Lease, Inc.** (the "Lessor") and the School District (the "Lease"), such Lessor duly selected by the School District and the Board President pursuant to the requirements of Section 104-b of the General Municipal Law of the State of New York, when the Lease shall have been prepared for execution and the Board President or District Clerk is authorized (but not required) to attest the seal of the School District on the Lease. The Lease shall be

for a term of approximately eleven (11) years but not to exceed eighteen (18) years, beginning with the earlier of (x) the time of receipt of possession of the Energy Equipment, and (y) the execution and delivery of the Lease, or such lesser term permitted by law or by regulation of the State Education Department, the aggregate principal amount of the installment purchase/lease payments pursuant to the Lease shall be approximately \$767,493 (not to exceed \$800,000) plus the interest portion accruing thereon, and the total amount of installment purchase/lease payments in any fiscal year shall not exceed an amount necessary to comply with Section 109-b of the General Municipal Law of the State of New York and the Lease shall otherwise comply with the requirements of said Section 109-b, to the extent applicable thereto, except for certain competitive bidding and referendum requirements which, pursuant to the Energy Law shall not apply to the Lease. It is hereby found and determined that the terms of the Energy Savings Contract, the Lease and the Escrow Agreement (collectively, the "Financing Documents") in substantially the forms presented to this meeting and incorporated in this resolution are in the best interests of the School District for the acquisition of the Equipment. The Financing Documents shall be subsequently in the form approved by the Board President with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by such Board President (or the Vice President in the event of the absence or unavailability of the Board President) and the execution and delivery thereof by such Board President shall be conclusive evidence of such approval. Subject to the express limitations as set forth above the installment purchase/lease payments under the Lease shall be a sum necessary to pay the sum required to acquire the Energy Equipment in accordance with the Lease at the interest rate or rates applicable therein, such debt service reserve fund and/or purchase/lease payment fund as shall be necessary or desirable to be capitalized with respect to any financing in connection with the Lease, and a sum sufficient to pay the costs and expenses allocable to any financing respecting the Lease including the costs of credit enhancement, insurance, or municipal credit rating, if any.

Section 2. A re-evaluation of financing alternatives pursuant to, and in accordance with, the regulations of the State Comptroller, is attached hereto.

Section 3. All other provisions of the Original Resolution remain in full force and effect, as hereby modified.

Section 4. This resolution shall take effect immediately upon its adoption.

**EVALUATION OF
FINANCING ALTERNATIVES**
(NYS Comptroller Reg. §39.2)

- (a) a statement indicating the estimated cost of each capital improvement to be financed, exclusive of the cost of financing:
\$767,493
- (b) a statement indicating whether the proposed capital improvements may be financed with indebtedness issued under the Local Financing Law and if not, the specific reasons why such financing is not authorized:
[Financing under the Local Finance Law or through the auspices of the NYS Dormitory Authority ("DASNY") would require an additional authorizing referendum and may not be assured in as timely a manner as lease financing.]
- (c) if the capital improvements may be financed with indebtedness, a statement indicating the estimated total cost of the capital improvements, inclusive of the cost of financing, if financed pursuant to the Local Finance Law:
[Financing under the Local Finance Law or through DASNY has not been authorized.]
- (d) a statement indicating the estimated total cost of the proposed capital improvements, inclusive of the cost of financing, if financed pursuant to an installment purchase contract:
[EPC amount of \$767,493 + interest as set forth on the Lease Schedule]

- (e) a comparison of the estimated total costs required by subdivisions (c) and (d) above:
[Financing under the Local Finance Law or through DASNY is not authorized.]
- (f) a recommendation as to whether it is in the best interests of the School District to finance the capital improvements pursuant to the Local Finance Law, or pursuant to an installment purchase contract and the specific reasons for such recommendation:
[Installment Purchase/Lease financing is a board prerogative and the request for proposal process will assure a market interest rate on the lease purchase financing.]

**APPROVE
RESOLUTION
FINANCE ENERGY
PROJECT**

Second by E. Reynolds, carried 4-0.

G. DeLellis moved to approve Heather Warner to a one-year probationary appointment as a **full-time bus driver**, effective immediately. Compensation and benefits as per the current CSEA negotiated agreement.
Second by E. Reynolds, carried 4-0.

**BUS DRIVER
(HEATHER
WARNER)**

E. Reynolds moved to **adjourn** the meeting at 7:43 AM. Second by G. DeLellis, carried unanimously.

ADJOURN

Respectfully submitted,

Tracie Cederquist
District Clerk