

HOPATCONG BOARD OF EDUCATION

SPECIAL MEETING

July 7, 2022

The meeting will begin at 6:00 p.m in a Virtual Format Only

CALL TO ORDER

Time: __6:00__ pm

1. **FLAG SALUTE**

2. **OPENING STATEMENT**

In accordance with Section 5 of the Open Public Meetings Act, Chapter 231, P.L. 1975, this public body, the Hopatcong Board of Education hereby announces that The New Jersey Herald and the Daily Record have been notified by email that this Board of Education Special Meeting will take place at 6:00 pm on July 7, 2022 in a Virtual Format Only.

3. **ROLL CALL**

Present	Scott Francis	Present	Nicole Falconi-Shubert	Present	Jayna Gulan
Present	Joe Falconi	Present	Gerard Gruenfelder	Absent	Philip DiStefano
Present	Jackie Turkington	Absent	Jennifer Polowchena	Present	Kelly Gravatt

4. **PUBLIC COMMENT – GENERAL DISCUSSION**

5. **FINANCE**

Approval of the following Finance items, 5a-5c, as recommended by the Superintendent of Schools:

- a. It is recommended by the Superintendent that the board approve the lease-purchase of 9 Blue Bird Vision Busses under the Educational Services Commission of New Jersey Cooperative Bid #ESCNJ 21/22-23 with Hoover Truck and Bus Centers and 2 Van Con Type B, 24 passenger busses under ESCNJ Bid # IBNJ – ESCNJ 4 20/21-33 in the amounts listed below.

Schedule 1

(6) new 2023 Blue Bird Visions \$122,426.52/bus

(3) new 2023 Blue Bird Visions \$124,853.88/bus

Total: \$1,109,120.12

Term: annual payments - 5

Rate: 2.698%

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Payment: \$172,820.36

Schedule 2

(2) new 2023 Van Con Type B 24 \$63,542.90/van

Total: \$127,085.80

Term: annual payments – 5

Rate: 2.698%

Payment: \$19,802.20

Financing for the 5 year lease purchase is awarded to First Hope Bank as the lowest responsible bidder through a bid opening on June 10, 2022 at 1:00pm.

b. **Schedule 1 - Bus Lease Purchase Authorizing Resolution**

Lessee: Board of Education of the Hopatcong Borough School District

Principal Amount Expected to be Financed: One Million One Hundred Nine Thousand One Hundred Twenty Dollars and 12/100 (\$1,109,120.12)

WHEREAS, the Lessee named above (the “Lessee”) is a political subdivision of the State of New Jersey (the “State”) and is duly organized and existing pursuant to the Constitution and laws of the State;

WHEREAS, pursuant to applicable law, the Lessee acting through its governing body (the “Governing Body”) is authorized to acquire and lease personal property necessary to the functions or operations of the Lessee;

WHEREAS, the Governing Body hereby finds and determines the execution of the lease-purchase agreement (“Equipment Lease”) in the principal amount not exceeding the amount stated above (the “Principal Amount”) for the purpose of acquiring the equipment described generally below (the “Equipment”) and to be described more specifically in Exhibit A, Description of Equipment, attached to the Equipment Lease, is appropriate and necessary to the functions and operations of the Lessee;

Brief Description of Equipment: Nine 54-passenger school buses

WHEREAS, First Hope Bank, A National Banking Association (the “Lessor”) is expected to act as the Lessor under the Equipment Lease;

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WHEREAS, the Lessee may pay certain capital expenditures in connection with the Equipment prior to its receipt of proceeds of the Equipment Lease ("Lease Purchase Proceeds") for such expenditures, and such expenditures are not expected to exceed the Principal Amount; and

WHEREAS, the Lessee hereby declares its official intent to be reimbursed for any capital expenditures made for the Equipment after adoption of this resolution but prior to the issuance of the Equipment Lease from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Lessee as follows:

Section 1. The Lessee hereby determines that it has critically evaluated the financing alternatives and that entering into the Equipment Lease and financing the acquisition of the Equipment thereby is in the best interests of the Lessee.

Section 2. The Lessee is hereby authorized to acquire and install the Equipment and is hereby authorized to finance the Equipment by entering into the Equipment Lease. Any action taken by the Lessee in connection therewith is hereby ratified and confirmed.

Section 3. Either one or both of the School Business Administrator or the Board President (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Lease in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other agreement or documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate.

Section 4. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Lease on behalf of the Lessee.

Section 5. The aggregate original principal amount of the Equipment Lease shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Lease and the Equipment Lease shall contain such options to purchase by the Lessee as set forth therein.

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Section 6. The Lessee's obligations under the Equipment Lease shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease, and the Lessee's obligations under the Equipment Lease shall not constitute indebtedness of the Lessee under the laws of the State.

Section 7. It is hereby determined that the acquisition of the Equipment is permitted under the laws governing the Lessee and is essential to the efficient operation of the Lessee.

Section 8. The Governing Body of the Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Equipment following adoption of this resolution but prior to the receipt of the Lease Purchase Proceeds for the Equipment. The Governing Body of the Lessee hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for such Equipment expenditures. This section of the resolution is adopted by the Governing Body of the Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of this resolution does not bind the Lessee to make any expenditure, incur any obligation, or proceed with the acquisition of the Equipment.

Section 9. The Lessee covenants that it will comply with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") necessary to ensure that the interest portion of rental payments due under the Equipment Lease will be excluded from gross income under Section 103(a) of the Code. [The Lessee reasonably expects it will not issue more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" that are not "qualified 501(c)(3) bonds") during the calendar year in which each of the Equipment Lease is issued and hereby designates each Equipment Lease as a qualified tax-exempt obligation for purposes of Section 265(b) of the Code.] The Authorized Representative is further authorized to take such actions and execute such documents as may be necessary to ensure the continued status of the interest portion of the rental payments due on the Equipment Lease authorized by this resolution as excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Section 11. This resolution shall take effect immediately upon its adoption and approval.

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c. **Schedule 2 - Bus Lease Purchase Authorizing Resolution**

Lessee: Board of Education of the Hopatcong Borough School District

Principal Amount Expected to be Financed: One Hundred Twenty-Seven Thousand Eighty-Five Dollars and 80/100 (\$127,085.80)

WHEREAS, the Lessee named above (the "Lessee") is a political subdivision of the State of New Jersey (the "State") and is duly organized and existing pursuant to the Constitution and laws of the State;

WHEREAS, pursuant to applicable law, the Lessee acting through its governing body (the "Governing Body") is authorized to acquire and lease personal property necessary to the functions or operations of the Lessee;

WHEREAS, the Governing Body hereby finds and determines the execution of the lease-purchase agreement ("Equipment Lease") in the principal amount not exceeding the amount stated above (the "Principal Amount") for the purpose of acquiring the equipment described generally below (the "Equipment") and to be described more specifically in Exhibit A, Description of Equipment, attached to the Equipment Lease, is appropriate and necessary to the functions and operations of the Lessee;

Brief Description of Equipment: Two school buses

WHEREAS, First Hope Bank, A National Banking Association (the "Lessor") is expected to act as the Lessor under the Equipment Lease;

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Equipment prior to its receipt of proceeds of the Equipment Lease ("Lease Purchase Proceeds") for such expenditures, and such expenditures are not expected to exceed the Principal Amount; and

WHEREAS, the Lessee hereby declares its official intent to be reimbursed for any capital expenditures made for the Equipment after adoption of this resolution but prior to the issuance of the Equipment Lease from the Lease Purchase Proceeds.

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Section 2. The Lessee is hereby authorized to acquire and install the Equipment and is hereby authorized to finance the Equipment by entering into the Equipment Lease. Any action taken by the Lessee in connection therewith is hereby ratified and confirmed.

Section 3. Either one or both of the School Business Administrator or the Board President (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Lease in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other agreement or documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate.

Section 4. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Lease on behalf of the Lessee.

Section 5. The aggregate original principal amount of the Equipment Lease shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Lease and the Equipment Lease shall contain such options to purchase by the Lessee as set forth therein.

Section 6. The Lessee's obligations under the Equipment Lease shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease, and the Lessee's obligations under the Equipment Lease shall not constitute indebtedness of the Lessee under the laws of the State.

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Motion to approve 5a-5c:

(ACTION) Motion by Gruenfelder, seconded by Falconi-Shubert

Yes	Scott Francis	Yes	Nicole Falconi-Shubert	Yes	Jayna Gulan
Yes	Joe Falconi	Yes	Gerard Gruenfelder	Absent	Philip DiStefano
Yes	Jackie Turkington	Absent	Jennifer Polowchena	Yes	Kelly Gravatt

6. BOARD MEMBER COMMENTS

7. ADJOURNMENT

Motion to adjourn:

(ACTION) Motion by Gravatt, seconded by Turkington

All in favor: __Yes__ Time: __6:05pm__

Respectfully Submitted,



Jeff Hallenbeck
Board Secretary