

**RECORD OF PROCEEDINGS
MINUTES OF
ZANE TRACE LOCAL SCHOOL DISTRICT**

**Regular Meeting
March 20, 2019
6:30P.M.**

The Zane Trace Local Board of Education held a Regular Board Meeting on March 20, 2019, at 6:30 P.M. in the Administrative Conference Room. The following Board Members responded to roll call: Mr. Bryan, present; Mrs. Chester, present; Mr. Graves, present; Mrs. Lochbaum, present; Mr. Patterson, present.

Kim Lashley, Jennifer Johnston and several students from the swim team spoke with the Board of Education requesting for the Swim Team to be recognized as a Varsity Sport beginning with the 2019-2020 school year.

Mr. Robert Dunn addressed the Board of Education explaining issues related to the FY2018 audit report.

030119

Mrs. Lochbaum made a motion, seconded by Mr. Bryan that the Board of Education, Zane Trace Local School District approve the following operational items:

1. Board Agenda as presented
2. Board Minutes from the February 20, 2019 Board Meeting and the March 2, 2019 Board Workshop
3. February Financial Reports
4. FY2019 Permanent Appropriation
5. February "Then and Now" expenditures over \$3,000.00
6. Accept the amounts and rates as determined by the Budget Commission (Tax Year 2019) and authorizing the necessary tax levies and certifying them to the county auditor
7. Updated copy of the Elementary/Middle School Principal contract days
8. Resolution Authorizing Required Third Grade Assessments in Paper Format

Zane Trace Board of Education hereby ADOPTS the following Resolution:

WHEREAS, Ohio Revised Code Section 3301.0711, as amended by Senate Bill 216 enacted by the 132nd Ohio General Assembly, authorized a school district to administer the required third grade English language arts or mathematics assessments, or both, in a paper format in any given school year; and

WHEREAS, it is the desire of the Board of Education of Zane Trace Local School District for its grade three students to make the English language arts and mathematics assessments in said paper format; and

NOW THEREFORE, BE IT, AND IT IS, HEREBY RESOLVED that the grade three assessments in English language arts and mathematics shall be administered in a paper format for the 2019-2020 school year; and

BE IT FURTHER RESOLVED that if any student whose individualized education program or plan developed under section 504 of the "Rehabilitation Act of 1973," 87 Stat. 355,29 U.S.C. 794, as amended, specifies that taking the assessment in an online format is an appropriate accommodation for the student, then that the student may take the assessment in an online format; and

BE IT FURTHER RESOLVED that the Superintendent of Schools is hereby authorized and directed to submit a copy of this resolution to the Ohio Department of Education in accordance with Ohio Revised Code Section 3301.0711.

This resolution was adopted by the Zane Trace Board of Education in public session on the 20th day of March, 2019

Roll Call: Mr. Graves, yes; Mrs. Lochbaum, yes; Mr. Patterson, yes; Mr. Bryan, yes; Mrs. Chester, yes. Motion Carried.

030219

Mrs. Lochbaum made a motion, seconded by Mr. Graves that the Board of Education, Zane Trace Local School District approve the following operational items:

1. Retirement of **Debbie Vaughn** effective August 1, 2019
2. **Todd O'Dell** for Lawn Maintenance from April 1, 2019 through November 1, 2019
3. The following Supplemental Coaches for 2019-2020 in accordance with ORC 3313.53 (D) (I) the Board of Education has offered the following positions for the 2019-2020 school year to licensed employees of the District and licensed individuals outside the District and no such person qualified.
Brenda Nichols High School Football Cheerleading Coach

Roll Call: Mrs. Lochbaum, yes; Mr. Patterson, yes; Mr. Bryan, yes; Mr. Graves, yes; Mrs. Chester, yes. Motion Carried.

030319

Mr. Bryan made a motion, seconded by Mrs. Chester that the Board of Education, Zane Trace Local School District approve the following:

LEASE-PURCHASE RESOLUTION

AUTHORIZING THE BOARD OF EDUCATION OF THE ZANE TRACE LOCAL SCHOOL DISTRICT TO ENTER INTO A GROUND LEASE OF SCHOOL DISTRICT LAND AND FACILITIES, AND A LEASE OF THE SAME BACK TO THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT, FOR THE PURPOSE OF CONSTRUCTING, IMPROVING, FURNISHING AND EQUIPPING SCHOOL FACILITIES, INCLUDING BUT NOT LIMITED TO ACQUIRING AND INSTALLING HEATING, VENTILATION , AND AIR CONDITIONING (HVAC) AND ENERGY CONSERVATION EQUIPMENT, SYSTEMS AND IMPROVEMENTS; AND APPROVING THE EXECUTION OF A GROUND LEASE AGREEMENT, A LEASE-PURCHASE AGREEMENT, AND OTHER DOCUMENTS RELATING THERETO; AND APPROVING RELATED MATTERS

WHEREAS, Ohio Revised Code (the "Revised Code") Section 3313.375 further provides that the obligations of the board of education of a school district may enter into a lease-purchase agreement providing for the construction enlarging or other improvement, furnishing, and equipping of facilities or improvements to facilities for any school district purpose, and in conjunction therewith, may grant a lease for land or facilities under the board's control for a series of one-year renewable lease terms totaling not more than the number of years equivalent to the useful life of the asset and in no event more than 30 years; and

WHEREAS, Revised Code Section 3313.375 further provides that the obligations of the board of education of the school district under such a lease-purchase transaction shall not be construed as net indebtedness of that school district pursuant to Revised Code Section 133.06; and

WHEREAS, the School District previously entered into a Lease-Purchase Agreement (the "Prior Lease"), dated as of July 29, 2004, with the Columbus Regional Airport Authority (the "Authority"), under which the Board leased its school facilities located at 946 State Route 180, Chillicothe, Ohio 45601 (the "Prior Project Site") from the Authority in order to finance the acquisition and construction of additions and improvements to the facilities of the School District, including (i) extending the middle school – high school cafetorium and adding up to nine new classrooms, a multi-purpose conference room, offices and an equipment room, and (ii) constructing a two story multi-purpose fitness center; and

WHEREAS, the School District borrowed \$3,575,000 that was secured by the Prior Lease, of which \$1,451,000 in principal amount remains outstanding and is secured by the Prior Lease; and

WHEREAS, the Board has determined that it is advisable and in the best interest of the School District to construct, improve, furnish and equip school facilities, including but not limited to acquiring and installing heating, ventilation, and air conditioning (HVAC) and energy conservation equipment, systems and improvements (the "Project"), which Project will improve the School District's facilities located at 946 State Route 180, Chillicothe, Ohio 45601; and

WHEREAS, it will be necessary for the Board to enter into a lease-purchase transaction in accordance with the provisions of Revised Code Section 3313.375 in order to provide financing for the Project, and the Board has determined that it is advisable to enter into a Ground Lease Agreement (the "Ground Lease"), a Lease-Purchase Agreement (the "Lease"), and such other documents as are necessary to effectuate such a lease-purchase transaction in accordance with Revised Code Section 3313.375 and the laws of the State of Ohio; and

WHEREAS, the School District must prepay, refund and defease the Prior Lease and the existing lien on the Prior Project Site created thereby in order to proceed with financing the Project pursuant to the Ground Lease and the Lease and the School District will be required to pay a swap termination fee in order to defease the Prior Lease; and

WHEREAS, the estimated cost of the Project will not exceed \$2,100,000 and the amount needed to prepay, refund and defease the Prior Lease, including the payment of accrued interest and the swap termination fee, will not exceed \$1,650,000, for a combined total of \$3,750,000.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE ZANE TRACE LOCAL SCHOOL DISRICT, ROSS COUNTY, OHIO, THAT:

Section 1. It is hereby determined to be necessary and in the best interest of the inhabitants of the School District, and the Board hereby agrees to enter into a lease-purchase arrangement with such lessor as shall provide the most advantageous terms for financing the Project (the "Lessor") as shall be determined by the Treasurer of the Board (the "Treasurer") on behalf of the Board.

Section 2. The Board shall convey to the Lessor a leasehold interest in the real property and any improvements thereon upon which the Project is to be constructed (the "Project Site") pursuant to the Ground Lease, which shall be executed on behalf of the Board by the President of the Board (the "President") and the Treasurer. The term of the Ground Lease shall be for a term not exceeding five years beyond the final renewal term of the Lease, as determined by the Treasurer and reported to this Board. Rental payments under the Ground Lease shall be for a term not exceeding five years beyond the final renewal term of the Lease, as determined by the Treasurer.

Section 3. The Board shall sublease the Project Site and related grounds, including the Project, from the Lessor pursuant to the Lease, which shall be executed by the President and Treasurer and dated of even date with the Ground Lease. The Lease shall require the Board to acquire or cause to be acquired the Project on the Project Site, and the Lease shall provide, among other things, for payments (the “Base Rent”) from the Board to the Lessor.

Base Rent shall be payable in periodic installments over the term of the Lease, in such amounts and at such times as shall be determined by the Treasurer and reported to this Board, provided that the interest component of the actual Base Rent payments shall not exceed in any year the amounts that would be required if the applicable interest rate were 6.00% per annum applied on a principal amount of not to exceed \$3,750,000. The term of the Lease shall be for one initial term and such one-year (or partial-year for final renewal term) renewal terms as shall be determined by the Treasurer and reported to this Board; provided, however, that the sum of the initial term and all renewal terms may not exceed the lesser of the number of years equivalent to the useful life of the assets financed (including under the Prior Lease) or 30 years. The lease shall provide for termination in the event the Board fails to appropriate funds adequate to pay rent due with respect to any renewal term.

Section 4. The President of the Board (the “President”) and the Treasurer are hereby authorized and directed (i) to take such action (including, but not limited to, hiring legal counsel, a municipal advisor, a placement agent, and such other professionals or consultants as may be needed, in their discretion, to facilitate the financing of the Project as set forth herein) and (ii) to execute and deliver on behalf of the Board the Ground Lease, the Lease, and such additional instruments, agreements, certificates, and other documents as may be in their discretion necessary or appropriate in order to carry out the intent of this Resolution. Such documents shall be in a form substantially consistent with the terms of this Resolution, as such officers in their discretion shall deem necessary or appropriate. Notwithstanding any other provision contained herein, the leasehold interests described in Sections 2 and 3 of this Resolution may be conveyed through one combined lease if the Treasurer determines that it would be advantageous in order to carry out the intent of this Resolution, and, in such situation, the references herein to the Ground Lease and the Lease shall be interpreted as referring to such combined lease.

Section 5. The Board agrees to execute and perform the Ground Lease and the Lease in accordance with their terms. The Board agrees to comply with the terms and conditions of any additional instruments, agreements, certificates, and other documents relating to the Ground Lease and the Lease as shall be deemed, by the Treasurer or the President,

in their discretion, necessary or appropriate in connection with the financing described in this Resolution.

Section 6. Nothing in the Ground Lease, the Lease, or any related instruments, agreements, certificates, and other documents shall constitute or be construed or deemed to constitute a debt or bonded indebtedness or a general obligation of the School District, the Board, or any agency of the School District. Neither the taxing power nor the full faith and credit of the School District are pledged or shall be pledged for the payment or security of the Ground Lease, the Lease, or any other related instruments, agreements, certificates, and other documents.

Section 7. The Board hereby covenants that it will comply with all existing and future laws applicable to the exemption of interest portion of the rent due on the Lease from federal income taxation. The Board further covenants that it will restrict the use of the proceeds of the Lease in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Lease is executed, so that it will not constitute an arbitrage bond under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder (the "Regulations").

The Treasurer is hereby authorized and directed (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the Board with respect to the Lease as permitted or required to be made or given under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or the status of the Lease or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing any rebate amount or any payment of penalties, or making any payments of special amounts in lieu of making computations to determine, or paying, any excess earnings as rebate, or obviating those amounts or payments, as determined by the Treasurer, which action shall be in writing and signed by the Treasurer, on behalf of the Board;(b) to take any and all actions, make or obtain calculations, and make or give reports, covenants and certifications of and on behalf of the Board and the School District, as may be appropriate to assure the status of the Lease as tax-exempt obligations; and (c) to give an appropriate certificate on behalf of the Board, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances, and reasonable expectations of the Board pertaining to Section 148 and the Regulations, and the representations, warranties and covenants of the Board regarding compliance by the Board with Sections 141 through 150 of the Code and the Regulations, as applicable.

The Treasurer shall cause to be kept and maintained adequate records pertaining to investment of all proceeds of the Lease sufficient to permit, to the maximum extent

possible and presently foreseeable, the Board and the School District to comply with any federal law or regulation now or hereafter having applicability to the Lease which limits the amount Lease proceeds which may be invested at an unrestricted yield or requires the Board and the School District to rebate arbitrage profits to the United States Department of the Treasury. The Treasurer is hereby authorized and directed to file such reports with, and rebate arbitrage profits to, the United States Department of the Treasury, to the extent that any federal law or regulation having applicability to the Lease requires any such reports or rebates.

Notwithstanding any other provision of this Resolution, if the Treasurer determines to issue any portion of the Lease as obligations that the interest thereon is included in the holders' gross income for federal income tax purposes, then the foregoing provision of this Section shall not apply to such portion of the Lease and the interest portion of the rent thereon.

Section 8. All proceeds received by the School District from the Lessor are hereby appropriated for (i) the payment of the costs of the Project, (ii) the costs of prepaying, refunding and defeasing the Prior Lease, and (iii) for the payment of fees related to the financing of (i) and (ii) as set forth in this Resolution.

There is further appropriated, from unappropriated funds to be deposited or currently on deposit in the permanent improvement fund and/or the general fund of the School District, a sum not to exceed \$100,000.00 to pay the cost of lease payments due or coming due under the Lease for the initial lease term ending June 30, 2019.

Section 9. It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Revised Code Section 121.22.

Roll Call: Mr. Patterson, yes; Mrs. Lochbaum, yes; Mr. Graves, no; Mr. Bryan, yes; Mrs. Chester, yes. Motion Carried.

030419

Mr. Bryan made a motion, seconded by Mrs. Lochbaum that the Board of Education, Zane Trace Local School District adjourn the Board Meeting at 7:51 P.M. Roll Call: Mr. Patterson, yes; Mr. Bryan, yes; Mr. Graves, yes; Mrs. Lochbaum, yes; Mrs. Chester, yes. Motion Carried. Meeting Adjourned.

ATTEST:

PRESIDENT

TREASURER