

**CHESTER UPLAND SCHOOL DISTRICT  
MINUTES OF THE RECEIVER'S  
MEETING OF THE PUBLIC  
*SPECIAL MEETING***

**July 28, 2020  
6:00 P.M.**

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A Public Meeting of the Receiver of the Chester Upland School District was held this evening at the Administration Building of the Chester Upland School District located at 232 West 9<sup>th</sup> Street, Chester, Pennsylvania and via Zoom.

Executive Staff Present:

Dr. Juan Baughn, Receiver  
Dr. Carol Birks, Superintendent  
Dr. Jala Olds-Pearson, Assistant Superintendent  
Ms. Sharon Brokenbough, COO

School Board:

Mr. Anthony Johnson, President  
Ms. Joan Neal, Vice President  
Mr. Fred Green, Secretary  
Mr. William Riley, Treasurer  
Ms. Tyra Quail  
Mr. Ken Washington  
Ms. Beverly Harris  
Ms. Christina Delva

The Receiver's meeting opened with a call to order by Receiver, Dr. Juan Baughn and the Pledge of Allegiance.

**NOTICE OF ADVERTISED MEETING**

(COPY OF ADVERTISED NOTICE ATTACHED)

**Dr. Juan Baughn** - I am going to change the agenda just a bit. We have with us this evening, and it's a part of the agenda on approval, authorizing the issuance of bond to refinance the 2011-A and 2011-C bonds. And I beg your indulgence while the bond refinancing votes take us through an understanding of what that agenda item is about. So, Ms. Allen or Mr. Cares, are you there?

**Timothy Cares of PNC** - Okay, perfect. So, as he was mentioning, the proposed refinancing is of the district's 2011-A and 2011-C. This bond refinancing will allow the district to save approximately \$700,000. Basically, this will operate exactly like a mortgage refinancing works. We're going to take the high rates that you're paying on the 2011-As and the 2011-Cs and we're going to replace them with much lower rates.

Currently, the district is paying approximately anywhere from a 3.5% to a 5.25% on the 2011-As. On the 2011-Cs issue, you're paying 4.375-5%. The proposed rates are the indicative rates that we're seeing right now. The district would realize payments of anywhere between 2.16% and 2.49%, so pretty... Almost cutting the rates in half, basically.

Based on this refinancing, the district would save 4% of the refunded bonds, and this is a standard sort of thing that districts around the commonwealth do. The sort of pull the trigger level is 3% saving, so you're well in excess of the sort of standard model. Like I said, you're earning about 4% savings, so that's kind of the high-level overview.

We're going to structure the bonds so that we're going to be able to take all the savings upfront in the 2021 fiscal year. Because we're going to structure them that way, we're going to... the calendar's going to move a little bit quicker. We're aiming to close this by September 14th, which is one day before the next principal payment that the district is scheduled to make, so that way we can take all that savings upfront.

Does anybody have any questions on the overview of how this will work?

**Beverly Harris – Board Member** - Okay. Thank you. When will this be paid off? Because this is from 2011. I mean, how many years in the future is this bond for?

**Mr. Cares** - So, this is going to... We're not extending the debt at all. We're matching the current term, which the final maturity for these bonds is 2026, so we're not extending anything. We're just replacing with a lower rate.

**Pamela Waters (via Facebook)** - What is the per annum savings and how is that going to be allocated in the budgets?

**Mr. Cares** - Like I said, we're going to take the savings all upfront in the 2021 fiscal year, so the remainder of the debt service will remain basically identical to the way it currently is. So, again, all that 700,000, roughly, given current market rates, will be in the fiscal 2021 year.

**Dr. Baughn** - And we have not decided because this hasn't been voted on. We have not decided how that is going to be used. That is still to be decided with the superintendent.

**Mr. Cares** - This won't be a private sale. This will be a public sale. Once we have approval from the district we will be moving forward with putting the offering documents together and then we will offer it to the investing public, so this will go to investors across the country. It's not a private... It's not between the bank and the school district. It's a public offering.

## **PUBLIC COMMENTS**

**Dr. Will Richan** – This has to do with education item agenda A2, which has to do with the health and safety plan for the district. Now, really appreciated getting information, including polling responses from substantial numbers of parents, as well as staff. Now, I note from those that a majority of parents polled say they would not send their children to school if schools reopened. And then on page four of the proposed health and safety plan, it says, "Schools could in a blended program." That would be a combination of part-time in class and part-time by internet. I note again from the polling responses that three-fourths of the parents polled opposed full-time. Either they were for not reopening or they were for a blended program. So, I'm wondering why the district would even consider a full-time reopening when most of the parents are saying they're not for that. But I'll go on and then you can respond as you want to. It also says that in considering they could be a blended program that they would follow CDC guidelines to the extent possible. I trust we are all aware that CDC, which originally stressed the difficulties in reopening the schools made a U-turn and now stresses the importance of reopening, most likely under the pressure from the president. So, the question really, in that respect, is how useful are the guidances from the CDC? Let us say that school does reopen. In that case, will students be under observation or supervision of staff at all times to assure that the restrictions, mask, et cetera are being followed? And if so, I'm wondering how you would deal with students needing the restrooms. Do the teachers trail the students into the restrooms? Those are just some of the questions I have about the idea of reopening under any circumstances.

**Dr. Baughn** - Thank you for your question. Dr. Richan, Dr. Birks will answer those questions and more as a part of her presentation. If, in fact, at the end of her presentation you do not feel that your questions has been answered then raise your hand again, please. But most of those points are in her presentation. Okay?

*Dr. Carol Birks and Mr. Ronald Simonson gave a presentation on the School District Safety Plan for opening schools, which can be found on the District Website.*

*Dr. Baughn called for any questions or comments.*

**Anthony Johnson** - To the community, from the local school board, we back the superintendent and the receiver on their recommendations for the community.

**Jean Arnold (via Chat)** - Has a budget been provided for this plan? How can we accept it without a budget and we voted on a bond?

**Dr. Carol Birks** - We are assessing our fiscal situation right now as it relates to our... all options, as well as remote. As we know, we do have a shortfall in the district, so we are in the process of still mitigating that shortfall, and so I just want to know more about, I guess, a little bit what her question is, but at this time, this is our recommendation and, again, we have a shortfall, a budget shortfall, and we are trying to mitigate that.

**Ms. Arnold** – Why are there no teachers on the team? We need teachers on the team.

**Dr. Carol Birks** - We have two teachers, the union leadership, on the task force. Both the president and the vice president. We also have many teachers who serve on the workgroups, and we will present that list to anyone who would like to see it. We're at about 46 people who are involved on the workgroups and they are working diligently, so I want to thank them.

**Ms. Arnold** – How have we ensured that special ed needs that require on-site activities are covered during distance learning?

**Dr. Baughn** - Let me speak to that. I'm going to... I haven't voted yet, but if, in fact, I vote for this, I will be asking the superintendent and her team to come back to us with a full implementation plan at a later date. They have been exercising a tremendous amount of energy in deciding which plan they were going to recommend to me. My charge to them is going to be once we decide whichever plan it is I vote on tonight, that they come to us in mid-August, by the next board meeting with the implementation plan. I think we need to give them time to work through those details. Okay?

**Ms. Arnold** – Are we maximizing the recruitment of students via Chester High's digital academy?

**Dr. Birks** - So, we have a technology workgroup and Dr. Barnett is a vital part of that workgroup, so she is weighing heavily on whether the best practices have been implemented as part of our virtual high school program. So, she's a lead expert in this process, so yes.

**Ms. Arnold** – What are we doing for re Chester's response to Census, which will help our funding for COVID, et cetera?

**Dr. Baughn** - I would ask the community, what are we doing in response to the Census? We're signing up. I don't know if the community will be doing the same thing.

**Ms. Arnold** – Philadelphia just announced distance learning until winter term. How will that affect us?

**Dr. Baughn** - What happens in Philadelphia will not affect my decision tonight.

**Ms. Arnold** – Thanks for adding the teachers who were not included at first. How are we preparing for potential lawsuits from COVID?

**Dr. Baughn** - We will come back to that. That's something we're going to be looking into as we move forward.

**John Shelton, Jr. (via Chat)** - Have the buildings been certified clean by the state or the county health team?

**Dr. Baughn** - Let's wait and see how I vote before we answer that. I'm going to move to vote, and I have been doing this a long time and this is the toughest... This is tough, as a father, as a grandfather, as a son, as a human being, I want to thank the pandemic committee, this school board, and this community for your participation. I want to thank you for your concerns for our young people, and I want you to know that this vote that I am going to take tonight is born out of all of the work that has been done, all of the reading that I have done, all of my conversations with board members sitting behind me. I'm going to be doing it in the interest of 7,000 students across this community, 500 or so staff, and the families and friends of all of us.

But before I do vote, I want to make one edit to the resolution. I'm going to ask that the committee come back to me and to us in December rather than January in terms of converse concerning what we do next. So, I'm just moving it up to December rather than January.

And further questions should be sent to either the pandemic team or to the superintendent's office, and I'm sure she'll be happy to get back to you. On the matter of the district health and safety plan and the recommendation of the committee and the superintendent with support of the school board to start our academic year virtually, I am approving that resolution. I'm approving that resolution and my request is that we immediately begin to look at how we can make our remote learning, our virtual experience for the students across this city, and I'm talking about all the students across the city, as engaging, as rigorous, as interactive as humanly possible. So moved, and that's item number two.

I've spent 20-plus years in education at all levels, and this has been one of the most difficult decisions that I've had to make in order to ensure that there's educational equity from all our students in balancing the health and safety concerns. So, please, I would just like the community to know that you have my commitment to continue to be vigilant about making sure that our students are well-educated. And this is my appeal to the community that we need your support. Families, extended community, we have to educate our children. Our children have to show up on these Zoom meetings. We want you zooming in with the superintendent, zooming in with your teachers, zooming in with the principals. We need your children on these.

We're going to do our part, but we need the collective community to make sure that, one, that 2,790 that we are responsible for, but as Dr. Baughn said, the 7,000 students in Chester, they deserve the same quality education as all the students outside of this particular district. So, please, please, I'm imploring you. We need your children to show up on these sessions to learn. This is important, so I wanted to say that.

Next, we are going to present our athletic plan, and as we begin that next presentation, I want to commend Mr. Simonson, as well as Coach Bell. There is a state-approved form that is required that all districts complete. This form is very comprehensive and I want to thank Coach Bell and Mr. Simonson for helping through this... create this plan, and so I'm going to present just a very little. But I'm going to allow them to present the presentation to you.

And I know people are probably saying, "Well, we're going remote," but we don't make the decision about what competitions happen. That falls under the guise of the PIAA, and so right now, to date, PIAA is still in the state saying that students can engage in conditioning for fall sports. There is a meeting tomorrow evening. The PIAA is convening, and so I'm not sure what the agenda items are, but if any guidance changes we will inform you. This particular plan will be presented on our website. Mr. Simonson.

***Dr. Carol Birks and Mr. Ronald Simonson** gave a presentation on the School District Athletic Safety Plan, which can be found on the District Website.*

**Dr. Birks** - So, the question was, did this information come from the Chester Upland Athletic Department? So, the Chester Athletic Department completed a plan, but did not complete the approved state's plan, so some of the information was extrapolated from the initial document, but it was transposed to the state's approved plan and it was built upon because there were many factors that we needed to include that weren't in the original plan.

**Ms. Arnold (via Chat)** - Dr. Baughn, can you restate what you approved re the school opening in one sentence?

**Dr. Baughn** - The Chester Upland School District will be opening with remote learning in September. That's my one sentence.

## **EDUCATION AGENDA**

### **A-1 Approval of the Chester Upland School District Athletic Safety Plan**

RESOLVED, that the Receiver, acting as the Board of School Directors, grant approval of the Chester Upland School District Athletic Safety Plan.

**Executive Sponsor:** Dr. Carol Birks

### **A-2 Approval of the Chester Upland School District Health and Safety Plan**

RESOLVED, that the Receiver, acting as the Board of School Directors, grant approval of the Chester Upland School District Safety Plan.

**Executive Sponsor:** Dr. Carol Birks

**EDUCATION AGENDA ITEMS #A-1 AND #A-2 WERE APPROVED BY DR. JUAN BAUGHN, RECEIVER.**

## **PERSONNEL AGENDA**

### **B-1 Approval of resignation**

RESOLVED, that the following **resignation** be approved on the effective date respectively noted:

<b><u>Name</u></b>	<b><u>Position/Location</u></b>	<b><u>Effective Date</u></b>
Brokenbough, Sharon	Chief Operating Officer Administration	8/5/2020

**Executive Sponsor:** Kinya Robinson

**B-2 Approval of Safety Coordinator Stipend**

RESOLVED, that the Receiver, acting as the Board of School Directors, grants approval for Ronald Simonson to receive a Safety Coordinator stipend.

**Payable From:** CARES Act Fund

**Cost:** Not to exceed \$5000

**Executive Sponsor:** Dr. Carol Birks

***PERSONNEL AGENDA ITEMS #B-1 AND #B-2 WERE APPROVED WITH A CORRECTION TO ITEM #B2 TO READ “COST NOT TO EXCEED \$10,000”, BY DR. JUAN BAUGHN, RECEIVER.***

**BUSINESS AGENDA**

**C-1 Approval authorizing the issuance of Bond(s) to refinance 2011A and 2011C Bonds**

A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF BONDS IN THE AMOUNT OF UP TO TWENTY-THREE MILLION DOLLARS (\$23,000,000); PROVIDING FOR THE DATE, MAXIMUM INTEREST, MAXIMUM MATURITY DATES AND PLACE OF PAYMENT WITH RESPECT TO THE BONDS; SETTING FORTH THE PARAMETERS FOR ACCEPTANCE OF A PROPOSAL AND AUTHORIZING ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE BONDS; AUTHORIZING THE RECEIVER AND PROPER OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AND SETTING FORTH A FORM OF BOND

WHEREAS, Dr. Juan Baughn, or his lawful successor, has been duly appointed to the position of Receiver (the "Receiver") by the Court of Common Pleas of Delaware County, pursuant to the provisions of the Public School Code of 1949, as amended by Act No. 141 of the 195<sup>th</sup> Pennsylvania General Assembly (convened in its 2011-12 Regular Session), approved July 12, 2012 ("Act 141 of the School Code"); and

WHEREAS, pursuant to Act 141 of the School Code, the Receiver is authorized to exercise all the powers and duties imposed or conferred by law on the Board of School Directors of the Chester Upland School District, Delaware County, Pennsylvania (the "School District" or "Local Government Unit"), except for the power to levy taxes or fix the tax rate of the School District, and the Board of School Directors of the School District understand that they are required to levy taxes as directed by the Receiver and take actions that in the Receiver's judgment are necessary to implement the School District's Financial Recovery Plan, as amended, and approved by the Court of Common Pleas of Delaware County (the "Amended Financial Recovery Plan"); and

WHEREAS, the School District has heretofore issued its State Public School Building Authority (the “SPSBA”) School Revenue Bonds, Series A of 2011 (the “2011A Bonds”); and

WHEREAS, the proceeds of the School District’s 2011A Bonds were used for the purposes of and to provide financing for: (i) the funding of the costs of constructing alterations, renovations and additions to and the furnishing and equipping of the Showalter Middle School in order that the Showalter Middle School would become a science and discovery high school as part of the Chester High School; (ii) refund the outstanding principal and interest due on certain outstanding indebtedness of the School District; and (iii) paying the costs and expenses related to the issuance of the 2011A Bonds; and

WHEREAS, the School District has heretofore issued its State Public School Building Authority School Revenue Bonds, Series C of 2011 (the “2011C Bonds”); and

WHEREAS, the proceeds of the School District’s 2011C Bonds were used for the purposes of and to provide financing for: (i) the funding of the costs of constructing alterations, renovations and additions to and the furnishing and equipping of the Showalter Middle School in order that the Showalter Middle School would become a science and discovery high school as part of the Chester High School; (ii) refund the outstanding principal and interest due on certain outstanding indebtedness of the School District; and (iii) paying the costs and expenses related to the issuance of the 2011C Bonds; and

WHEREAS, the School District has determined to undertake a project for the purposes of and to provide financing for: (a) the advance or current refunding of all or a portion of the School District’s 2011A Bonds (the “2011A Refunded Bonds”) on a taxable or tax-exempt basis; (b) the advance or current refunding of all or a portion of the School District’s 2011C Bonds (the “2011C Refunded Bonds” and collectively with the 2011A Refunded Bonds, the “Refunded Bonds”) on a taxable or tax-exempt basis; (c) the addition of air conditioning to un-air conditioned school buildings, window repairs and replacements at various school buildings and the other various capital projects of the School Districts (collectively, the “Capital Projects”); (d) funding the School District’s contributions to the Public School Employee’s Retirement System; and (e) paying the costs and expenses related to the issuance of the Bonds (hereinafter defined) (collectively, the “Project”); and

WHEREAS, the School District has determined to finance the Project by incurring indebtedness and issuing its Bonds in accordance with the Pennsylvania Local Government Unit Debt Act, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177) (the “Act”), the proceeds of which shall be used for the purpose of financing the Project and paying the expenses of issuing the Bonds; and

WHEREAS, the School District has determined to establish certain parameters under which it will accept a proposal (the “Proposal”) for the purchase of the Bonds, hereinafter described, and has determined that it is in the best interest of the School District to secure a purchase proposal by private negotiated sale in connection with the above-described financing; and

WHEREAS, the School District has received an acceptable Proposal for the purchase in one or more series of its general obligation bonds in the aggregate principal amount of up to TWENTY-THREE MILLION DOLLARS (\$23,000,000) (the “Bonds”) by PNC Capital Markets,



LLC (the “Purchaser”), which Bonds are to be issued in one or more series beginning effective in or around September 2020 or as otherwise determined by the School District in accordance with the terms and conditions of the Proposal, within and subject to the parameters and in the form of Proposal as herein provided; and

WHEREAS, the School District desires to authorize the issuance of the Bonds, in the aggregate principal amount of up to TWENTY-THREE MILLION DOLLARS (\$23,000,000) for the purposes set forth herein, upon the terms and conditions and in the form as herein provided, and to authorize the acceptance of the Proposal.

NOW, THEREFORE, BE IT RESOLVED, by the Receiver and the Board of School Directors of the School District, that:

SECTION 1. Establishment of Parameters for Bonds. The School District hereby establishes that the issuance of the Bonds authorized hereunder shall be subject to the Bonds satisfying the following parameters: (a) the Bonds shall be issued in one or more series on a taxable or tax-exempt basis, and shall not exceed TWENTY-THREE MILLION DOLLARS (\$23,000,000) in aggregate principal amount (net original issue discount and original issue premium); (b) the Bonds shall not mature later than the dates set forth on Schedule “A” attached hereto and made part hereof; (c) the purchase price for the Bonds shall not be less than 95% or more than 125% of par of the Bonds; (d) the Underwriter’s discount shall not exceed \$6.50 per \$1,000.00 of Bonds; (e) the net present value savings resulting from the refunding of a portion of the Refunded Bonds shall not be less than 3 percent (3%) of the principal amount of the Refunded Bonds being refunded, net of costs of issuance; and (f) the maximum principal amounts and the maximum interest rates shall not exceed those stated on Schedule “A”.

The School District hereby acknowledges receipt of a form of Proposal from the Purchaser submitting a final Proposal in the form thereof pursuant to which the School District agrees to sell its Bonds to the Purchaser subject to the Purchaser satisfying the conditions and parameters set forth therein as shall be confirmed as set forth below. A copy of the form of Proposal, as well as the Addendum to the Proposal for each series of the Bonds, shall be delivered to the Receiver or Secretary of this School District and shall be affixed to and shall become part of this Resolution. Upon a determination by the Receiver or Superintendent that the final Proposal and Addendum to the Proposal submitted to the School District by the Purchaser meets the parameters set forth above, and that the timing of the proposed closing is appropriate in relation to the pending call dates of the Refunded Bonds, the Receiver or Superintendent, or any duly appointed successor, as the case may be, is hereby authorized and directed to accept the Proposal and Addendum to the Proposal on behalf of the School District and execute the Proposal and Addendum to the Proposal in accordance therewith, and deliver a copy of the same to the Receiver or Secretary of the Board of Directors of the School District pursuant to the procedure set forth below.

The Purchaser shall determine the final terms of each series of the Bonds within the parameters set forth in the Proposal and this Resolution, including without limitation the final interest rates, initial offering prices and yields and any other appropriate terms and conditions applicable to each such series of the Bonds, and shall present such final terms to the Receiver for the School District. The Receiver is hereby authorized and directed to review and approve the final terms of each series of the Bonds presented by the Purchaser and to determine if such terms are within the

parameters established hereunder. Upon presentation by the Purchaser of the final terms of each series of the Bonds in satisfaction of the conditions and parameters set forth in the Proposal and this Resolution, the Receiver or Superintendent, or any duly appointed successors, as the case may be, are hereby authorized and directed to confirm in writing that such conditions and parameters have been satisfied, to accept the final terms of the applicable series of the Bonds, to execute and deliver an

Addendum to the Proposal setting forth the final terms of the applicable series of the Bonds and to authorize the release of the applicable series of the Bonds upon settlement thereof.

SECTION 2. Authorization of Issuance of Bonds and Approval of Project. The School District hereby approves the Project described in the recitals hereto and authorizes the incurring of indebtedness pursuant to the Act by the issuance of the Bonds in the principal amount of up to TWENTY-THREE MILLION DOLLARS (\$23,000,000) for the purpose of providing funds for and toward the costs of the Project, including the financing of expenses associated therewith. The portion of the Project to refund the Refunded Bonds is being undertaken by the School District for the purpose of reducing total debt service over the life of the series, in compliance with Section 8241(b)(1) of the Act. The Bonds are to be sold and delivered as hereinafter provided.

SECTION 3. Useful Lives.

A. Refunded Bonds. The realistic estimated useful lives of the capital projects financed or refinanced with the proceeds of the Refunded Bonds were determined at the time of issuance of the Refunded Bonds to be not less than thirty (30) years and will extend beyond the maturity of the Bonds.

B. Capital Projects. The proceeds of the Bonds designated for the Capital Project shall be deposited in the School District's Capital Project Fund and shall be applied by the School District from time to time to the Capital Project as approved by the Receiver or Business Manager. It is hereby determined and declared that the average estimated useful life of the components of the Capital Project is not less than fifteen (15) years and that the School District has obtained realistic estimates of the costs of such projects through bid prices or estimates from qualified persons as required by Section 8006 of the Act. It is hereby determined that the Bonds are scheduled to mature in accordance with the limitations set forth in Section 8142 of the Act.

SECTION 4. Non-Electoral Debt. All of the debt to be incurred upon issuance of the School District's Bonds shall be incurred as non-electoral debt.

SECTION 5. Execution of Debt Statement and Bonds and Filing of Debt Proceedings. The Receiver, President and the Secretary of the Board of Directors or Superintendent, Vice President and Assistant Secretary, in the absence of the Receiver, President or Secretary, or any duly appointed successors, as the case may be, are hereby directed to prepare and certify and to file the debt statement required by Section 8110 of the Act, to execute and deliver the Bonds evidencing the debt to be incurred to the purchaser thereof, and to prepare and certify all filings required pursuant to Section 8111 of the Act, pertaining to submission to the Pennsylvania Department of Community and Economic Development (the "Department"), of the transcript of the proceedings, which shall include certified copies of this Resolution, proofs of proper publication, the accepted proposal for the purchase of the Bonds and such other documents as may be necessary in connection with the same and to take

all such further action and to execute and deliver such other documents as may be necessary or appropriate to comply with all requirements of the Act or to carry out the intent and purposes of this Resolution. Any actions taking with respect to the foregoing prior to the date of this Resolution are hereby ratified and approved.

SECTION 6. Terms and Form of Bonds. The Bonds when issued shall be general obligation bonds issued in fully registered form and shall be in the denomination of Five Thousand Dollars (\$5,000), or in any integral multiple thereof within the limitations provided herein. The Bonds shall be issued in one or more series in the aggregate principal amount of not more than TWENTY-THREE MILLION DOLLARS (\$23,000,000), shall be dated such date as shall be determined in accordance with the final terms of the Bonds (the “Bond Issuance Date”), shall bear interest from the Bond Issuance Date at the rates per annum in accordance with and within the parameters established pursuant hereto, all as set forth in Schedule “A” and in the Proposal, and shall mature on those dates contained therein, but in no event later than June 30, 2027. The Bonds shall be

payable at the place and in the manner and shall be substantially in the form attached hereto as Schedule “B” and made a part hereof. The Bonds shall be numbered as issued, without regard to denomination or maturity.

SECTION 7. Appointment of Paying Agent and Sinking Fund Depositary. U.S. Bank National Association, Philadelphia, Pennsylvania, is hereby appointed to serve as paying agent, Bond registrar and sinking fund depositary (the “Paying Agent”) for the Bonds and the Receiver and the Secretary of the Board of School Directors, or Acting Superintendent and Assistant Secretary (or any Acting Secretary or Assistant Secretary appointed for such purpose), or any duly appointed successor, as the case may be, are directed to contract with the Paying Agent to obtain its services in the aforementioned capacities, which contract may include an intercept agreement. The School District shall cause to be kept, and the Paying Agent is hereby directed to keep, at the designated corporate trust offices of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as Bonds shall remain outstanding. The Paying Agent is hereby directed to make such registrations, exchanges and transfers without charge to Bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

SECTION 8. Establishment of Sinking Fund. The School District covenants to establish, and there is hereby established, a sinking fund (the “Sinking Fund”) for the payment of each series of the Bonds with the Paying Agent. The School District Treasurer or Business Manager shall pay the amounts required pursuant to the covenants contained herein into the Sinking Fund, which shall be maintained until such series of Bonds are paid in full. Sums sufficient to meet the requirements of the semi-annual interest payments and scheduled maturities shall be deposited into the Sinking Fund not later than the date when interest and/or principal is to become due on the applicable series of Bonds, or earlier as required pursuant to any intercept agreement with the Paying Agent. The funds in the Sinking Fund shall be subject to withdrawal by the Paying Agent only to pay the principal and interest on the applicable series of Bonds as the same becomes due and payable in accordance with the terms thereof. The School District hereby covenants that such monies, to the extent required, will be applied to such purpose. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust offices of the Paying Agent.

SECTION 9. Covenant to Pay Bonds. The School District covenants that, to the fullest extent authorized under law:

- a. The amount of the debt service with respect to the Bonds payable in each fiscal year shall be included in the School District budget for that year;
- b. The School District shall appropriate such amounts from its general revenues necessary for the payment of such debt service;
- c. It shall duly and punctually pay, or cause to be paid from its sinking fund or any other of its revenues or funds, the principal of and interest due upon the Bonds, to the extent of its obligation, on the dates, at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof; and
- d. For such payment, budgeting and appropriation the School District herewith irrevocably pledges its full faith, credit and taxing power.

The covenant contained in this Section shall be specifically enforceable.

SECTION 10. Sale of Bonds. In compliance with Section 8161 of the Act, the Receiver hereby determines that a private sale by negotiation is in the best financial interest of the School District and that the Bonds shall be sold as provided herein.

SECTION 11. Acceptance of Proposal for Purchase of Bonds. The Proposal presented at this meeting by the Purchaser is hereby found by the Receiver to be in conformity with the requirements of the Act and of this Resolution for the purchase and sale of the Bonds, and is, together with any Addendum to the Proposal executed pursuant hereto, hereby authorized to be accepted, and the Bonds are hereby authorized to be awarded to the Purchaser subject to the provisions of Section 1 of this Resolution and the submission of a final Proposal and Addendum to the Proposal satisfying the parameters set forth therein. The officers of the School District are hereby authorized to deliver the Bonds to the Purchaser upon receipt of the principal amount thereof and upon compliance with all of the conditions precedent to such delivery required by the Act, the Resolution, the Proposal, and Addendum to the Proposal.

SECTION 12. Execution, Authentication and Delivery of Bonds. The Bonds, when issued, shall be executed either manually or by facsimile by the Receiver, Superintendent or President of the Board of School Directors of the School District and shall have the corporate seal or facsimile thereof of the School District affixed thereto and be duly attested by the Secretary or Assistant Secretary (or any acting Secretary or Assistant Secretary appointed for such purpose) of the Board of School Directors. The Bonds shall be authenticated by the manual signature of the Paying Agent. Furthermore, the Receiver, Superintendent, and President of the Board of School Directors and Secretary (or any acting Secretary or Assistant Secretary appointed for such purpose) are authorized and directed to deliver the Bonds, but only after the Department has certified its approval pursuant to Section 8204 of the Act, and to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issuance, sale and delivery of the Bonds, all in accordance with this Resolution and the Act and/or the Proposal.

SECTION 13. Appointment of Securities Depository. The Depository Trust Company, New York, New York (“DTC”), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system (“DTC Participants”). The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each Bond will be in the aggregate principal amount of such maturity as established in accordance with the final terms of the Bonds within the parameters set forth herein shown on Schedule “A” attached hereto and as accepted by the School District in accordance with Section 1 hereof. The School District shall cause the Bonds to be delivered to DTC for the benefit of the Purchaser on or before the date of issuance of the Bonds.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the “Beneficial Owner”) will not receive certificated Bonds and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant’s interest in the Bonds, which will be confirmed in accordance with DTC’s standard procedures. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the School District nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The School District is authorized to execute such documents as may be necessary or desirable in connection with DTC’s services as securities depository. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the School District officials then holding the offices set forth in Section 13 of this Resolution are hereby authorized to designate a successor securities depository or to deliver certificates to the Beneficial Owners of the Bonds.

SECTION 14. Redemption Provisions. Specific redemption provisions, including mandatory redemption provisions, if any, will be as set forth in the Proposal and as further set forth in the Bonds.

The Paying Agent shall give notice of any such redemption by first-class mail, postage prepaid, mailed not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered owner of Bonds to be redeemed at its registered address as it appears on the bond register maintained by the Paying Agent, or such other notice of redemption as deemed appropriate. Such notice having been mailed and funds sufficient for redemption having been deposited with the Paying Agent, the Bonds so called for redemption shall become due and payable on the date fixed for redemption and interest thereafter shall cease to accrue thereon, whether such Bonds shall be presented for payment or not.

SECTION 15. Limitation on Indebtedness. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Local Government Unit, is not in excess of any limitation imposed by the Act upon the incurring of debt by the School District.

SECTION 16. Federal Tax Covenants. The School District hereby covenants with the holders from time to time of the Bonds, if issued on a tax-exempt basis, that it will at all times do and perform all actions and things within its power which are necessary or desirable in order to assure that interest paid on the Bonds will, for purposes of federal income taxation, be and remain excludable from the gross income of the recipients thereof and that it will refrain from doing or performing any act or thing that would cause such interest not to be so excludable and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”). The School District further covenants with the holders from time to time of the Bonds issued on a tax-exempt basis that it will make no investment or other use of the proceeds of the Bonds, which, if such investment or use had been reasonably expected on the date of issuance of the

Bonds, would cause the Bonds to be “arbitrage bond(s)” within the meaning of Section 148 of the Code, and the regulations applicable thereto and that this covenant shall extend throughout the term of the Bonds and shall apply to all amounts which are proceeds of the Bonds for purposes of said section and regulations. Neither the Treasurer nor any other official or agent of the School District shall make any investment inconsistent with the foregoing covenant. The Treasurer and all other School District officials responsible for investment shall request and follow, if given, the advice or direction of bond counsel for the School District (the “Bond Counsel”) as to investments, which may be made in compliance with this covenant. The appropriate officers of the School District are hereby authorized to execute a tax compliance agreement (the “Tax Compliance Agreement”) to carry out the foregoing covenants.

The Tax Compliance Agreement shall be substantially in the form acceptable to Bond Counsel, with such changes as may be approved by the officer executing the Tax Compliance Agreement, upon the advice of Bond Counsel, such approval to be conclusively evidenced by such officer’s execution of the Tax Compliance Agreement. If required under the Tax Compliance Agreement, there shall be established a “bond rebate fund,” which shall be held and maintained by the School District in accordance with the Tax Compliance Agreement, separate and apart from other funds of the School District. The foregoing tax covenants in this Section 16 may be excused or modified if, and to the extent that, the School District receives an opinion of nationally recognized bond counsel that such absence of compliance will not adversely affect the exemption from federal income taxation of interest on the Bonds.

SECTION 17. Continuing Disclosure. The School District covenants to provide, pursuant to Rule 15c2-12(b) promulgated by the Securities and Exchange Commission, for the benefit of the holders of the Bonds certain financial and operating data in accordance with the terms of a continuing disclosure agreement to be executed by the School District in connection with the issuance of the Bonds, upon terms and in the form approved by the solicitor and bond counsel to the School District.

SECTION 18. Approval of Official Statement. The appropriate officers of the School District authorized by Section 1 of this Resolution to accept the final terms of each series of the Bonds in accordance with such Section 1 are hereby authorized to approve the Preliminary Official Statement for each applicable series of the Bonds in the form to be prepared in connection with the public offering and sale of the Bonds by the Purchaser, and such Preliminary Official Statement as so approved shall be “deemed final” by the School District as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12. A final Official Statement to be dated on or

about the date of each Addendum to the Proposal setting forth the final terms of each series of the Bonds within the parameters established hereunder as accepted by the School District, substantially in the form of the Preliminary Official Statement approved by the appropriate officers of the School District in accordance with the foregoing provisions with such additions and other changes, if any, as may be approved by the appropriate officers of the School District with the advice of the School District Solicitor and containing the final terms of each series of the Bonds, shall be prepared and delivered to the Purchaser within seven (7) business days from the date of the applicable Addendum to the Proposal, and the School District hereby approves the use thereof in connection with the public offering and the sale of the Bonds.

SECTION 19. Bond Insurance. If the proposal for the purchase of any series of the Bonds offering the lowest interest cost to the School District is based on insurance for such Bonds, the officers of the School District are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on such Bonds, to pay the premium for such policy from the proceeds of such Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the applicable Bonds issued under this Resolution may include a statement of the terms of such insurance policy and the Authentication Certificate of the Paying Agent appearing on each Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Paying Agent.

SECTION 20. Refunding of Refunded Bonds.

The proper officers of the School District are hereby authorized and directed to contract with the respective paying agents or trustees for the Refunded Bonds (the “Refunded Bond Paying Agents/Trustees”) as the true and lawful attorney and agent of the School District to effect the redemption and payment, including payment of interest, of the Refunded Bonds on such date as may be approved by the Receiver or Acting Superintendent of the School District with the advice of the School District Solicitor and Bond Counsel. The Refunded Bond Paying Agents/Trustees, in the name, place and stead of the School District, shall mail, with respect to the Refunded Bonds, a notice of redemption as required by the terms of the Refunded Bonds. The School District hereby agrees to provide for payment of the expenses of such mailings from proceeds of the Bonds or from moneys otherwise made available by the School District and gives and grants the Refunded Bond Paying Agents/Trustees full authority to do and perform all and every act and thing whatsoever requisite and necessary to effectuate said purposes as the School District might do on its own behalf, and hereby ratifies and confirms all that said agents shall do or cause to be done by virtue thereof.

Subject only to completion of delivery of, and settlement for, the Bonds, the School District hereby calls for redemption and payment of the Refunded Bonds on such date as may be approved by the Receiver or Acting Superintendent of the School District with the advice of the School District Solicitor and Bond Counsel. The Receiver and Acting Superintendent and Secretary or Assistant Secretary (or any Acting Secretary or Assistant Secretary appointed for such purpose) or any duly appointed successors, as the case may be, are hereby authorized to execute any agreements or documents deemed appropriate concerning the same, including, but not limited to, a Tax Compliance Agreement and/or Escrow and Pledge Agreements.

The proper officers are hereby authorized and directed to cause the Paying Agent to use proceeds of the Bonds to purchase United States Treasury Securities in connection with the Project as and when directed by the Business Manager, and to engage a verification agent with respect to the advance refunding of the Refunded Bonds.

SECTION 21. Application of Bond Proceeds. The purchase price of each series of the Bonds and any accrued interest payable by the Purchaser shall be paid to the Paying Agent on behalf of the School District. In addition, the School District shall deposit with the Paying Agent the bid security and make such additional deposits of cash from the funds of the School District as shall be necessary to cover all of the issuance costs of each series of the Bonds.

Upon receipt of such funds, the Paying Agent shall deposit the same in a settlement account. From the settlement account of any series of Bonds used to finance the Project, the Paying Agent shall transfer to the Refunded Bond Paying Agents the amount required to effect all or a portion, as applicable, of the refunding of the Refunded Bonds, as provided in Section 20 hereof, and shall make the deposits and disbursements set forth on the Closing Statement executed by the officers of the School District and payment of the issuance costs on behalf of the School District upon presentation of proper invoices therefor.

SECTION 22. Qualified Tax-Exempt Obligations. The School District may designate all or any portion of the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code. In the event of such designation, as confirmed by the Receiver or Business Manager, the School District hereby authorizes the proper officers of the School District to execute a certificate to that effect at the time of the closing.

SECTION 23. Reimbursement Resolution. This School District may, from time to time, apply money from its general fund (consisting of general tax and related revenues, including proceeds of any tax and revenue anticipation notes), or from any capital reserve fund, for the purpose of paying certain expenditures relating to the Capital Project. The School District declares its intention to reimburse its general fund (consisting of general tax and related revenues, including proceeds of any tax and revenue anticipation notes), or any capital reserve fund, for such amounts paid for expenditure allocable to the Capital Project from and after the date which is sixty (60) days prior to the date of this Resolution, from proceeds of a borrowing by this School District, through the incurrence of tax-exempt debt, if the Bonds allocable to the Capital Project are issued on a tax-exempt basis.

SECTION 24. SPSBA. The School District hereby authorizes and directs the proper officers of the School District to execute, among other things, an amendment to the lease/sublease agreement or schedules thereto between the School District and the SPSBA to reflect the refunding of the Refunded Bonds, amend, modify or supplement the escrow agreement, or schedules thereto, or to enter into or modify, amend or supplement other agreements and certificates to or in connection with the 2011A and 2011C Bonds as necessary or desired to reflect the refunding of the Refunded Bonds, to obtain the consent of any party to the 2011A and 2011C Bond transaction, if needed or desired in connection with the refunding of the Refunded Bonds, including without limitation, the SPSBA, the Commonwealth, or the Indenture Trustee, and to pay the costs and expenses of such parties and their counsel.



SECTION 25. Further Actions. The Receiver and Acting Superintendent and the Secretary or Assistant Secretary (or any Acting Secretary or Assistant Secretary appointed for such purpose) are, or any duly appointed successor, as the case may be, in the name of and on behalf of the School District are hereby authorized to execute any agreements, instruments or documents and to do or cause to be done any and all acts and things deemed necessary or appropriate for the carrying out of the purposes of this Resolution and to comply with the Act.

SECTION 26. Severability. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the School District that such remainder shall be and shall remain in full force and effect.

SECTION 27. Repealer. All prior resolutions or parts thereof inconsistent herewith, are hereby repealed.

SECTION 28. Effective Date. This Resolution shall take effect on the earliest date permitted by the Act.

**Executive Sponsor: Dr. Carol Birks**

**C-2 Approval for William A. Jacobs, Esq. to represent the Elected School Board in legal matters**

RESOLVED, that the Receiver, acting as the Board of School Directors, grants approval for William A. Jacobs, Esq. to represent the Chester Upland Elected School Board in all legal matters for a fee of \$150.00 hour.

**Payable From:** General Fund budget

**Cost:** NTE \$50,000

**Executive Sponsor:** Dr. Carol Birks

**C-3 Approval of the contract with Buchanan Public Relations**

RESOLVED, that the Receiver, acting as the Board of School Directors, grant approval to enter into a contract with Buchanan Public Relations for August 1, 2019 thru June 30, 2020 on a month-to-month basis with either party able to discontinue the contract with a 15 day notice, to provide public relations support to CUSD with the primary goal of generating positive exposure for the School District.

**Payable From:** General Fund Budget


**Cost:** NTE \$3,000/month


**Executive Sponsor:**

***BUSINESS AGENDA ITEMS #C-1 THROUGH #C-3 WERE APPROVED BY DR. JUAN BAUGHN, RECEIVER***

There being no further business *Receiver, Dr. Juan Baughn* adjourned the meeting at 7:32pm.

**CHESTER UPLAND SCHOOL DISTRICT**  
**FINANCIAL RECOVERY RECEIVER**

  
\_\_\_\_\_  
Dr. Juan Baughn  
Receiver

  
\_\_\_\_\_  
Date