

REQUEST FOR BOARD ACTION

To: ESD Board of Education
From: ESD Finance Director, Ron Patera *RP*
Date: June 20, 2018
Business Date: June 25, 2018
Subject: Lease/Purchase ten school buses

RECOMMENDATION:

Approve resolution as presented.

BACKGROUND AND FINDINGS:

During a thorough review of the school district's transportation fleet, it has been determined that ten school buses need to be replaced. There are not enough reserves in the district's budget to reasonably fund this critical need. Therefore, it is necessary to enter into a lease/purchase agreement with a financial institution to fund the acquisition of the vehicles.

The attached resolution authorizes the execution and delivery of the Master Lease Purchase Agreement to acquire the buses. It also ratifies previous actions taken by the Board of Education. Furthermore, the resolution approves the escrow agreement and other documents related to the master lease.

FISCAL IMPACT:

The District will be able to acquire ten buses without overburdening the District's budget in any one year.

Superintendent's Review: *DRB*

ELIZABETH SCHOOL DISTRICT

A Resolution Authorizing the Execution and Delivery of a Master Lease Purchase Agreement for the acquisition of certain equipment for District purposes; Ratifying Action Previously Taken Concerning the Referenced Lease; Approving the form of the Master Lease, Escrow Agreement and other Related Documents, and Providing for Other Matters Relating Thereto.

RESOLUTION NO. 5

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF ELIZABETH SCHOOL DISTRICT, IN THE COUNTY OF ELBERT, STATE OF COLORADO:

WHEREAS, Elizabeth School District, in the County of Elbert, State of Colorado (the "District") is a duly and regularly created, organized and existing school district, existing as such under and by virtue of the Constitution and laws of the State of Colorado; and

WHEREAS, the Board of Education of the District (the "Board") has the power, pursuant to Section 22-32-110(1)(c), Colorado Revised Statutes, to provide furniture, equipment, library books and everything needed to carry out the education program of the District; and

WHEREAS, for the purpose of financing the costs of acquiring approximately 10 buses for school purposes (the "Leased Property"), the District has determined that it is in the best interest of the District and its residents and taxpayers to enter into a Master Lease Purchase Agreement, including any amendments and/or supplements thereto required for any advance or draw thereunder (collectively, the "Lease") with Signature Public Funding Corp. (the "Lender") in an amount not to exceed \$1,000,000, for the purpose of acquiring such buses in order to replace certain buses in an aging fleet (the "Project"); and

WHEREAS, pursuant to the terms of such Lease, the Lender will advance funds for the Project to the District (an "Advance"), and such funds related to the Advance shall be held in an escrow account pursuant to the terms of an escrow agreement, as may be amended or supplemented for each specific Advance, by and between the District, and an escrow bank selected to provide such services (the "Escrow Agreement"); and

WHEREAS, pursuant to the Lease, and subject to the right of the District to terminate the Lease and other limitations as therein provided, the District will pay certain rental payments ("Rent") in consideration for the right of the District to use the Leased Property; and

WHEREAS, the District's obligation under the Lease to pay Rent shall be from year to year only; shall constitute currently budgeted expenditures of the District; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a

mandatory payment obligation of the District in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the "Supplemental Act"), provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF ELIZABETH SCHOOL DISTRICT, ELBERT COUNTY, COLORADO:

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this resolution) by the Board or the officers, agents or employees of the Board or the District relating to the Lease, the Escrow Agreement, and the implementation of the Project is hereby ratified, approved and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution and the laws of the State of Colorado that the acquisition and implementation of the Project and financing the costs thereof pursuant to the terms set forth in the Lease are necessary, convenient, and in furtherance of the District's purposes and are in the best interests of the residents and taxpayers of the District and the Board hereby authorizes and approves the same.

Section 3. Supplemental Act; Parameters. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Lease and in connection therewith delegates either the President, the Superintendent or the Director of Finance of the District independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease, and to execute a sale certificate for each Advance (the "Sale Certificate") setting forth such determinations, including without limitation, the term of the Lease, the Rent to be paid; and the interest rate on the rental payments under the Lease, subject to the following parameters and restrictions:

- (a) the Lease Term shall not extend beyond April 1, 2025;
- (b) the aggregate principal amount of the amounts available under the Lease shall not exceed \$1,000,000;
- (c) the interest rate under the Lease shall not exceed 3.13%;
- (d) the Lease shall be subject to prepayment as described in the Lease.

Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to any of the President, the Superintendent or the Director of Finance the independent authority to sign the Lease, including any addendums or supplements, and any term sheet or commitment as may be required by a Lender, and to execute any agreement or agreements in connection therewith.

Section 4. Approval of Documents. The Lease and Escrow Agreement, in substantially the form as on file with the District and as hereafter approved by the President, the Superintendent or Director of Finance, are in all respects approved, authorized and confirmed, and the President, the Superintendent or the Director of Finance are hereby authorized and directed for and on behalf of the District to execute and deliver the Lease and the Escrow Agreement, provided that any and all such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this resolution.

Section 5. Authorization to Execute Collateral Documents. The Secretary is hereby authorized and directed to attest all signatures and acts of any official of the District in connection with the matters authorized by this resolution and to place the seal of the District on any document authorized and approved by this resolution. The President, the Secretary and other appropriate officials or employees of the District are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including without limiting the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the District any and all necessary documents, instruments or certificates and performing all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any document or instrument by the aforementioned officers or members of the Board shall be conclusive evidence of the approval by the District of such document or instrument in accordance with the terms hereof and thereof.

Section 6. No General Obligation Debt. No provision of this resolution or the Lease shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional, statutory provision, nor a mandatory charge or requirement against the District in any ensuing fiscal year beyond the then current fiscal year. The District shall have no obligation to make any payment with respect to the Lease except in connection with the payment of the Rent and certain other payments under the Lease, which payments may be terminated by the District in accordance with the provisions of the Lease. The Lease does not constitute a mandatory charge or requirement of the District in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation whatsoever. No provision of the Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The Lease shall not directly or indirectly obligate the District to make any payments beyond those budgeted and appropriated for the District's then current fiscal year.

Section 7. Reasonableness of Rentals. The Board hereby determines and declares that the Rent due under the Lease, in the maximum amount authorized pursuant to Section 3 hereof, constitutes the fair rental value of the Leased Property and does not exceed a reasonable amount so as to place the District under an economic compulsion to renew the Lease

or to exercise its option to purchase the Leased Property pursuant to the Lease. The Board hereby determines and declares that the period during which the District has an option to purchase the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Leased Property.

Section 8. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Rent. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Lease and as a part of the consideration of their sale or purchase, the Lender specifically waives any such recourse.

Section 9. Severability. If any one or more sections, sentences, clauses or parts of this resolution shall for any reason be held invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this resolution, but shall be confined in its operation to the specific sections, sentences, clauses or parts of this resolution so held unconstitutional or invalid, and the inapplicability and invalidity of any section, sentence, clause or part of this resolution in any one or more instances shall not affect or prejudice in any way the applicability and validity of this resolution in any other instances.

Section 10. Repealer. All bylaws, orders, and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any bylaw, order, or resolution, or part thereof, heretofore repealed.

Section 11. Interpretation. This resolution shall be so interpreted and construed as to effectuate its general purpose.

Section 12. Effective Date. This resolution shall be in full force and effect upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this June 25, 2018.

ELIZABETH SCHOOL DISTRICT,
ELBERT COUNTY, COLORADO

By: _____
President of the Board of Education

(SEAL)

ATTEST:

Secretary of the Board of Education

STATE OF COLORADO)
)
 COUNTY OF ELBERT)SS.
)
 ELIZABETH SCHOOL DISTRICT)

I, Paul Benkendorf, am the duly qualified and acting Secretary of Elizabeth School District (the “District”), in the County of Elbert and State of Colorado, and I do hereby certify:

(1) The foregoing pages are a true and correct copy of a resolution (the “Resolution”) passed and adopted by the Board of Education of the District (the “Board”) at a special meeting of the Board held on June 25, 2018.

(2) The Resolution was duly moved and seconded and the Resolution was adopted at the special meeting of June 25, 2018, by an affirmative vote of a majority of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Carol Hinds, President	X			
Dee Lindsey, Vice-President	X			
Paul Benkendorf, Secretary	X			
Cary Karcher, Treasurer	X			
Richard Smith, Assistant Secretary-Treasurer	X			

(3) The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

(4) The Resolution was approved and authenticated by the signature of the President of the Board, sealed with the District seal, attested by the Secretary and recorded in the minutes of the Board.

(5) Attached hereto as Exhibit A is a copy of the notice of the meeting on June 25, 2018, which notice was posted in one place within the District at least 24 hours before such meeting and which notice included agenda information, if available.

(6) There are no bylaws, rules or regulations of the Board which prevent the immediate adoption of the Resolution set forth in the foregoing proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of
said District, this June 25, 2018.

Secretary

(SEAL)

EXHIBIT A

(Notice of Meeting)

42755949v2



Elizabeth School District Board of Directors' Meeting

634 S. Elbert Street, PO Box 610, Elizabeth, CO 80107 | 303-646-1836 | www.elizabethschooldistrict.org

District Mission

We believe that students are at the heart of everything we do.

Board's Purpose

We will strive as a unified team of elected citizen volunteers to keep students at the heart of our decisions, to grow the district in a positive direction, and to focus on student success at every level.

Essential Board Roles

- Guiding the district through the superintendent
- Engaging stakeholders
- Ensuring alignment of policy, resources, and structure
- Measuring and celebrating achievement
- Modeling excellence

Monday, June 25, 2018 Working Session Board Room 6 – 8 p.m. Agenda		
1.0 2.0 3.0	Call to Order Roll Call Pledge of Allegiance	6:00 - 6:05 (5 min)
4.0	Approval of Agenda/Additions/Deletions/ Blanket Motion	6:05 – 6:10 (5 min)
5.0 5.1 5.2	Approval of Minutes Minutes from BOE Retreat 6/5/18 Minutes from BOE Meeting 6/11/18	6:10 – 6:15 (5 min)
6.0	Education Showcase/Recognitions	6:15 – 6:25 (10 min)
7.0 7.1 7.2 7.3 7.4	Communications Elizabeth High School Washington DC Trip (10 min) Middle School Language Arts Curriculum (10 min) State Treasurer's Interest-Free Loan Program (10 min) Superintendent Update (10 min) -Student Discipline & Attendance Report	6:25 - 7:05 (40 min)
8.0 8.1 8.2 8.3 8.4 8.5 8.6	Consent Agenda New Hires Resignations Transfers/Changes Recommendation for 2018-2019 Administrator Contract Approval for signature on educator effectiveness assurances Approval for signature on CDE Verification of Actual Assessment Measures for AEC Data	7:05 – 7:10 (5 min)
9.0 9.1 9.2	Action Items Approve name change of district to " Elizabeth School District" Beginning Fund Balance Resolution 2018-2019	7:10 - 7:20 (10 min)

Board's Core Values

- Students first
- Respect
- Teamwork
- Learning
- Continuous improvement
- Fiscal sustainability

Board's Focus Areas

- Increasing student achievement
- Investing in excellence for all students
- Enhancing sustainable employee salaries and benefits
- Building a long-term planning culture and system

Board's Strategic Listening Links

- Committees and associations
- Conferences and conventions
- Constituent surveys
- BOE meet and greet
- BOE school ambassador program

9.3	Approve Appropriation Resolution for Fiscal Year 2018-2019 Budget	
9.4	Resolution Authorizing the Execution and Delivery of a Master Lease Purchase Agreement for the acquisition of certain equipment (buses) for District purposes; Ratifying Action Previously Taken Concerning the Referenced Lease; Approving the form of the Master Lease, Escrow Agreement, and other Related Documents, and Providing for Other Matters Relating Thereto	
9.5	Appoint Designated Election Official	
9.6	Approve Middle School Language Arts Curriculum	
9.7	Approve 2019 EHS Washington DC trip	
	Second Reading of New Policies	
9.8	JFABE – Students in Foster Care	
9.10	KLMA – Relations with Military Recruiters, Postsecondary Institutions and Prospective Employers	
	Second Reading of Revised Policies	
9.11	EEA – Student Transportation	
9.12	GCA – Professional Staff Positions	
9.13	JF – Admission and Denial of Admission	
9.14	JF-E – Admission and Denial of Admission – Exhibit	
9.15	JFABD – Homeless Students	
9.16	JFABD-R – Homeless Students – Regulation	
9.17	JFABE-R – Students in Foster Care – Regulation	
9.18	JH – Student Absences and Excuses	
9.19	JLC – Student Health Services and Records	
9.20	JLCB-R - Immunization of Students – Regulation	
9.21	JRA/JRC – Student Records/Release of Information on Students	
9.22	JRA/JRC-E-2 – Opt-Out Form for Disclosure of Information to Military Recruiters	
9.23	KF – Community Use of School Facilities	
10.0	Discussion Items	7:20 – 7:30
10.1	MLO	(10 min)
11.0	BOE Planning Next Board Meeting 8/13/18	7:30 – 7:35 (5 min)
12.0	Executive Session if needed under C.R.S. 24-6-402 (4)	7:35 – 7:45 (10 min)
13.0	Adjournment	7:45 pm