

HeldFriday, January 15, 201010:00 a.m.

The Board of Education of the Madison Local School District met in special session Friday, January 15, 2010 at the Madison Board of Education Office with the following members present: Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward. President, Rex Reigert, presided.

Jacqueline Azbill moved and Jay Fabian seconded that the Board adopt the agenda as presented and with such modifications made by the Superintendent. Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

**#14-10  
Agenda**

#### **RECOMMENDATIONS OF THE SUPERINTENDENT**

Jacqueline Azbill moved and Jay Fabian seconded that the Board adopt the following resolution.

#### **RESOLUTION RETAINING BOND ATTORNEYS**

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Madison Local School District (hereinafter called the "Board of Education"), Counties of Lake and Geauga, Ohio:

SECTION 1. That Peck, Shaffer & Williams LLP, Attorneys of Cincinnati and Columbus, Ohio, be and are hereby retained to prepare the necessary proceedings for the Board of Education in connection with its proposed bond issue. Peck, Shaffer & Williams LLP will prepare all necessary proceedings for the issue to be qualified for the May 4, 2010 ballot (or any alternative election date selected by the Board of Education) and for the bonds (and notes in anticipation thereof, if any) to be sold thereafter. Bond Counsel charges shall be \$1,000, plus any out of pocket expenses, for the proceedings to place the issue on the ballot. Bond Counsel fees for issuance of notes and/or bonds will be negotiated, based upon the standard fee schedule of Peck, Shaffer & Williams LLP, upon determination of the principal amount of such notes or bonds, and memorialized in an Engagement Letter between the Board of Education and Peck, Shaffer & Williams LLP, to be prepared by Peck, Shaffer & Williams LLP.

SECTION 2. That this Board of Education hereby finds and determines that all formal actions relative to the adoption of this resolution were taken in an open meeting of this Board of Education; and that all deliberations of this Board of Education and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

Jacqueline Azbill moved and Jay Fabian seconded that the Board adopt the following resolution.

#### **RESOLUTION DESIGNATING STIFEL NICOLAUS & COMPANY, INC. AS BOND UNDERWRITER FOR MADISON LOCAL SCHOOL DISTRICT**

WHEREAS, the Board of Education of the Madison Local School District, of the Counties of Lake and Geauga, Ohio, will submit to the electors of the Madison Local School District the question of issuing bonds for the purpose of providing certain capital improvements for the school district (the "Bond Issue"), which Bond Issue will be considered by the electors of the school district at the election held on May 4, 2010; and

WHEREAS, in order to develop a plan of financing, as well as to market, price and sell the Bond Issue, it is necessary to select a bond underwriter;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education (the "Board of Education") of the Madison Local School District (the "School District"), of the Counties of Lake and Geauga, Ohio:

**#16-10  
Bond  
Underwriter  
Stifel  
Nicolaus**

Held

Friday, January 15, 2010

10:00 a.m.

SECTION 1. That in order to develop a plan of financing for the Bond Issue, this Board of Education hereby declares it necessary to designate a bond underwriter for the School District, and this Board of Education hereby designates Stifel Nicolaus & Company, Inc. (the "Underwriter") to serve in such capacity.

SECTION 2. That the Underwriter shall advise the Board of Education on the timing of bond and note sales, the structuring of the bonds and notes, the need from time to time for ratings, bond insurance or other credit enhancement on the School District's bonds or notes, and shall prepare such reports and attend such meetings as requested by the Board of Education. The Underwriter shall make itself available as requested by the Board of Education. The Underwriter shall serve as underwriter of the School District's bonds or notes upon such terms as the Board of Education and the Underwriter shall agree.

SECTION 3. That it is found and determined that all formal actions of the Board of Education concerning and relating to the passage of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board of Education 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 Section 121.22 of the Ohio Revised Code.

Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

Jacqueline Azbill moved and Teresa Ward seconded that the Board adopt the following resolution.

#17-10  
Reimb.  
Temp. Adv.

DECLARATION OF OFFICIAL INTENT WITH RESPECT TO  
REIMBURSEMENT OF TEMPORARY ADVANCES MADE FOR  
CAPITAL EXPENDITURES TO BE MADE FROM SUBSEQUENT  
BORROWINGS

WHEREAS, Treasury Regulation § 1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that an Issuer (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty days after payment of the Capital Expenditure and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, the Madison Local School District (the "Issuer") wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved by the Board of Education of the Issuer that:

SECTION 1. Definitions. The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the Issuer for such payments. "To allocate" means to make such an allocation.

"Capital Expenditure" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

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"Declaration of Official Intent" means a written declaration that the Issuer intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Issuer" means either a governmental unit that is reasonably expected to issue Obligations, or any governmental entity or 501(c)(3) organization that is reasonably expected to borrow funds from the actual issuer of the Obligations.

"Reimbursement" means the restoration to the Issuer of money temporarily advanced from other funds, including moneys borrowed from other sources, of the Issuer to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"Reimbursement Bonds" means Obligations that are issued to reimburse the Issuer for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the Issuer.

"Reimbursement Regulations" means Treasury Regulation § 150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the Issuer for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as "spent" for purposes of Sections 103 and 141 to 150 of the Code.

**SECTION 2. Declaration of Official Intent.**

(a) The Issuer declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Issuer in the maximum principal amount, for such Reimbursements, of \$22,000,000; and

(b) the Capital Expenditures to be reimbursed are to be used for: new construction, additions, renovations and improvements to school facilities and providing equipment, furnishings and site improvements therefore in connection with the construction of a new elementary school, a new middle school and related costs.

**SECTION 3. Reasonable Expectations.** The Issuer does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

**SECTION 4. Open Meeting.** It is found and determined that all formal actions of this Board of Education of the Issuer concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board of Education of the Issuer; and that all deliberations of this Board of Education of the Issuer and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

The undersigned has been authorized by Board of Education of the Issuer to sign this resolution on behalf of the Board of Education of the Issuer.

Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

**Held**

**Friday, January 15, 2010**

**10:00 a.m.**

**#18-10**  
**Cert.**  
**Maturity**  
**Of Bonds**

Jay Fabian moved and Jacqueline Azbill seconded that the Board adopt the following resolution.

**RESOLUTION REQUESTING FISCAL OFFICER TO  
CERTIFY MAXIMUM MATURITY OF BONDS**

WHEREAS, this board of education contemplates the issuance of bonds in an aggregate principal amount not to exceed \$21,857,274, a portion of which shall be issued for the purpose of paying the local share of school construction under the State of Ohio Classroom Facilities Assistance Program by means of a locally donated contribution; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Madison Local School District (hereinafter called the "Board of Education"), Counties of Lake and Geauga, Ohio;

SECTION 1. That the treasurer of this Board of Education, as fiscal officer thereof, is hereby requested to certify to this Board of Education the estimated life of the improvements, assets and/or property to be made and/or acquired with the proceeds of the sale of the bonds referred to in the Preambles hereof and the maximum maturity of said bonds as provided in Section 133.20 of the Ohio Revised Code.

SECTION 2. That it is found and determined that all formal actions of this Board of Education concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board of Education, and that all deliberations of this Board of Education 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 Section 121.22 of the Ohio Revised Code.

Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

**#19-10**  
**Bond**  
**Issue**  
**& Tax Levy**

Jacqueline Azbill moved and Teresa Ward seconded that the Board adopt the following resolution.

**RESOLUTION DECLARING THE NECESSITY OF BOND ISSUE AND OF  
TAX LEVY, CERTIFYING THE SAME TO THE COUNTY AUDITOR AND  
BOARD OF ELECTIONS AND SUBMITTING THE QUESTIONS TO THE  
ELECTORS OF THE SCHOOL DISTRICT**

WHEREAS, Madison Local School District (the "School District") previously received Controlling Board approval for participation in the Ohio School Facilities Commission's Classroom Facilities Assistance Program (the "Program"); however, such certification has lapsed, and accordingly, the School District shall proceed as a lapsed district under the Program; and

WHEREAS, this Board of Education (hereinafter called "Board of Education") of the School District is working with the Ohio School Facilities Commission (the "Commission") to obtain assistance from the State of Ohio, under Section 3318.01 to Section 3318.20, inclusive, of the Ohio Revised Code by virtue of the Program; and

WHEREAS, the Commission previously determined the amount of the State's portion of the cost of such classroom facilities; and

WHEREAS, the provisions of the Program require, in order for the School District to be eligible for State assistance, that the School District's portion of the basic project cost ("Basic Project Cost") shall be an amount equal to the School District's required percentage of Basic Project Cost as determined pursuant to Section 3318.01 of the Ohio Revised Code (the "Required Percentage of Project Costs"); however, school districts may also finance a portion of the Basic Share Costs if a project is segmented pursuant to Section 3318.034 of the Ohio Revised Code; and

WHEREAS, the School District's Required Percentage of the Basic Project Costs stated in dollars was previously estimated to be \$30,970,298; and

WHEREAS, it was previously estimated that total project costs for the School District's participation in the Program would be \$77,425,746 and, presently, it will be necessary for this Board of Education to issue \$21,857,274 of bonds (the "Bonds"), which amount represents a segmented portion of the School District's portion of Basic Project Costs and the cost of other improvements to school facilities, including (without limitation) equipment, furnishings and site improvements; and

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## SPECIAL MEETING

**Held****Friday, January 15, 2010****10:00 a.m.**

WHEREAS, this Board of Education proposes to submit to the electors of this School District at the election to be held on the 4<sup>th</sup> day of May, 2010, the question of issuing bonds of this Board of Education in the amount of \$21,857,274 for the purpose of paying a segmented portion of the local share of school construction under the State of Ohio Classroom Facilities Assistance Program, together with, as applicable, new construction, renovations and other improvements to school facilities, equipment, furnishings, site improvements, all necessary appurtenances and capitalized interest, all in connection with a new middle school and a new elementary school; and the question of levying an annual direct tax on all of the taxable property in this School District outside of the ten-mill limitation to pay the interest on and to retire said bonds, under authority of Section 133.18 of the Ohio Revised Code; and

WHEREAS, the questions of issuing the Bonds and levying a tax for maintenance as required by the Program shall be combined under Section 133.18 of the Ohio Revised Code; and

WHEREAS, this School District desires to proceed with the project; and construction of the additional improvements, to protect the health and safety of its students; and

WHEREAS, it is unable, by issuing bonds in an amount equal to a portion of the Required Percentage of Basic Project Cost, to provide adequate classroom facilities without assistance from the State, and in order to qualify for such State assistance, it is necessary to levy taxes outside the limitation imposed by Section 2 of Article XII, Ohio Constitution to pay the interest on and to retire Bonds to pay a portion of the local share of school construction, for other improvements to school facilities and it is necessary to provide an additional one-half mill levy for each one dollar of valuation for maintenance purposes under the Program (apart from the tax needed to pay debt service on the Bonds), and that the question of such tax levies shall be submitted to the electors of the School District at the election to be held May 4, 2010; and

WHEREAS, pursuant to the provisions of Section 3318.05 and 3318.06, it is necessary that the rate which is necessary to be levied for an additional tax, apart from the tax needed to pay debt service on the Bonds, shall be at the rate of not less than one-half mill for each one dollar of valuation and that such tax shall be levied for a period of twenty-three (23) years; and

WHEREAS, this Board of Education desires to adopt a resolution declaring the necessity of said Bond issue, said direct tax and said election; and

WHEREAS, the Treasurer of this Board of Education has certified the maximum maturity of the bonds to be thirty-seven (37) years.

NOW THEREFORE, BE IT RESOLVED by the Board of Education of the Madison Local School District, Counties of Lake and Geauga, Ohio:

SECTION 1. That it is necessary to issue Bonds of this Board of Education in the principal amount of \$21,857,274 for the purposes described in the Preambles hereof. Said Bonds shall be dated approximately January 1, 2013, shall bear interest at the rate now estimated at four and fifty hundredths percent (4.50%) per annum, and shall mature in substantially equal annual or semiannual installments over a period not exceeding thirty-seven (37) years after their issuance.

SECTION 2. That it is necessary that there shall be annually levied on all of the taxable property in this School District, a direct tax outside the limitation imposed by Section 2 of Article XII of the Constitution of the State of Ohio to pay the interest on and to retire said Bonds.

SECTION 3. That this School District seeks to avail itself of Section 3318.034 of the Ohio Revised Code in order to segment the School District's classroom facilities needs and finance a portion of the School District's Basic Project Cost.

SECTION 4. That the question of issuing the Bonds and of levying said direct tax shall be submitted to the electors of this School District at the election to be held on the 4<sup>th</sup> day of May, 2010, pursuant to Section 133.18 of the Ohio Revised Code.

**Held**

**Friday, January 15, 2010**

**10:00 a.m.**

SECTION 5. That the question of an additional levy of taxes, apart from the tax needed to pay debt service on the Bonds, for a period of twenty-three (23) years to benefit the School District, the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, at the rate of one-half mill for each one dollar valuation, for a period of twenty-three (23) years, shall also be submitted to the electors as hereinafter provided. The question of issuing Bonds shall be combined in a single proposal with the question of such tax levy.

SECTION 6. That the treasurer of this Board of Education be and is hereby directed to certify a copy of this resolution to the county auditor for the determination of total current assessed value and calculation of the average annual levy that will be required to pay the interest on and retire the Bonds.

SECTION 7. That this Board of Education hereby applies pursuant to Sections 133.06(C) of the Ohio Revised Code to the Ohio Department of Taxation and the Superintendent of Public Instruction for consents to submit to popular vote at the election to be held on the date described in Section 4 hereof, the question of issuing the bonds described in the Preambles hereof. The treasurer of this Board of Education be and is directed to certify to said Department of Taxation and said Superintendent of Public Instruction a copy of this resolution.

SECTION 8. That it is found and determined that all formal actions of this Board of Education concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board of Education; and that all deliberations of this Board of Education 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 Section 121.22 of the Ohio Revised Code.

Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

Jacqueline Azbill moved and Michelle Hayes seconded that the Board allow public participation at the meeting. Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

**EXECUTIVE SESSION**

Jay Fabian moved and Michelle Hayes seconded that the Board enter into executive session for the purpose as outlined below, pursuant to ORC §121.22.

(4) preparing for, conducting, or reviewing negotiations or bargaining sessions with public employees.


Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0.

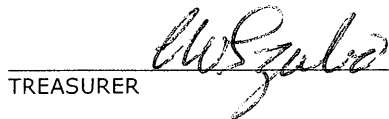
The Board, Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward entered into executive session. Time: 12:40 p.m.

The meeting was reconvened from executive session with a roll call: Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward. Time: 1:00 p.m.

Jacqueline Azbill moved and Teresa Ward seconded that the Board adjourn the meeting. Jacqueline Azbill, Jay Fabian, Michelle Hayes, Rex Reigert and Teresa Ward voted "Yes". Vote: 5-0. Time 1:02 p.m.

The audiotape recording of the public sessions of this meeting, as found on file in the Treasurer's office, is incorporated herein by reference, pursuant to Board policy BCCG.

  
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PRESIDENT

  
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TREASURER