

PUBLIC NOTICE

ORLEANS PARISH SCHOOL BOARD
RESOLUTION NO. 13-22

The following resolution was offered by Ethan Ashley and seconded by Katherine Baudouin.

A resolution authorizing the issuance of Revenue Anticipation Note, Series 2022, of the Orleans Parish School Board, State of Louisiana in a principal amount not to exceed \$75,000,000 in order to provide for noncapital contractual obligations and for stabilized cash flows to charter schools; making application to the State Bond Commission for consent and authority for such borrowing; and providing for other matters with respect thereto, foregoing.

WHEREAS, pursuant to the Consolidated Local Government Public Finance Act (the "**Act**"), including Section 527 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto, Orleans Parish School Board, State of Louisiana (the "**School Board**") may borrow money in order to provide for noncapital contractual obligations and for stabilized cash flows to charter schools for their expenses and to issue evidences of indebtedness to evidence such borrowing; and

WHEREAS, based on the cash flow projection of the School Board for the fiscal year ending June 30, 2023, there is a need for the School Board to borrow money in anticipation of revenues in order to provide for noncapital contractual obligations and for stabilized cash flows to charter schools for their expenses for the fiscal year ending June 30, 2023; and

WHEREAS, the School Board desires to borrow a principal amount not to exceed Seventy-five Million Dollars (\$75,000,000) pursuant to the Act from a bank, a consortium of local banks or any investment banking firm or any other approved purchaser and to dedicate and set aside taxes and other revenues for the payment of a Revenue Anticipation Note, Series 2022 (the "**2022 Note**") to be issued under the provisions of the Act and this resolution, which 2022 Note will fall due and be payable not later than June 29, 2023, together with interest thereon as provided herein; and

WHEREAS, the School Board intends to issue and sell the 2022 Note to a bank, a consortium of banks, or an investment banking firm, or any other approved purchaser in a principal amount not to exceed \$75,000,000; and

WHEREAS, the School Board has adopted its budget for its General Fund for the fiscal year ending June 30, 2023; and

WHEREAS, the borrowing authorized pursuant to this Resolution does not exceed one-half of the anticipated revenues of the School Board for the remainder of the fiscal year ending June 30, 2023; and

WHEREAS, in connection with the issuance and sale of the 2022 Note, the School Board will be required to enter into a Purchase Agreement (the "**Agreement**") with a bank, a consortium of local banks or any investment banking firm or any other approved purchaser; and

WHEREAS, the issuance of the 2022 Note is subject to approval by the Louisiana State Bond Commission.

NOW, THEREFORE, BE IT RESOLVED by the School Board, that:

SECTION 1. There is hereby authorized the incurring of debt and the issuance of Revenue Anticipation Note, Series 2022 of Orleans Parish School Board, State of Louisiana in the principal amount not to exceed \$75,000,000 to be designated "Revenue Anticipation Note, Series 2022" (the "**2022 Note**") to provide for noncapital contractual obligations and for stabilized cash flows to charter schools for the fiscal year ending June 30, 2023 pursuant to the provisions of the Consolidated Local Government Public Finance Act (the "**Act**"), including Section 527 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto.

SECTION 2. The 2022 Note shall mature not later than June 29, 2023 and shall bear interest, payable as stated therein, at the rate or rates stated thereon; provided, however, that the interest rate borne by the 2022 Note from its date of issuance until its maturity date shall not exceed 6.0% per annum. The 2022 Note issuable hereunder shall be issued in substantially the form attached hereto as **Exhibit "A"** with such necessary or appropriate variations, omissions and insertions as are required or permitted by law or by this Resolution or by the Agreement.

SECTION 3. All sales and use tax revenues and property (ad valorem) tax revenues to accrue to the General Fund of the School Board for the fiscal year ending June 30, 2023 shall be pledged to secure the payment of the principal of and interest on the 2022 Note.

SECTION 4. The sale of the 2022 Note to the Authority, to a bank, a consortium of banks, or an investment banking firm, or any other approved purchaser herein referred to as the "**Purchaser**"), for a purchase price equal to the principal amount thereof is hereby approved.

SECTION 5. The form of the Agreement as presented at this meeting and on file with the Secretary of the School Board attached hereto as **Exhibit "B"**, with such additions, omissions and changes as may be approved by the President, Vice President, and/or Secretary of the School Board, is hereby approved. The signature of the President, Vice President and/or Secretary on the Agreement constitutes conclusive evidence of their approval of such additions, omissions and changes.

SECTION 6. There is hereby created a separate and distinct restricted account to be entitled "Orleans Parish School Board Revenue Anticipation Note, Series 2022 – Sinking Fund" (the "**2022 Sinking Fund Account**") to be maintained at a financial institution to be designated by the Purchaser. Amounts deposited in the said 2022 Sinking Fund Account may be applied to a lien in favor of the Purchaser of said 2022 Note.

SECTION 7. The President, Vice President or Secretary of the School Board is hereby authorized and directed to execute and deliver a letter to the Director of Finance of the City of New Orleans (the "**City**"), in substantially the form set forth as **Exhibit "C"** to the Agreement, with such necessary or appropriate variations, omissions and insertions as are required or permitted by law or by this Resolution or the Agreement that will irrevocably direct certain payments of property taxes collected on behalf of the Issuer for the fiscal year ending June 30, 2023 to be deposited into the 2022 Sinking Fund Account.

SECTION 8. The President, Vice President, Secretary and/or Superintendent are authorized to enter into any other instruments or agreements and to take such further actions as may be necessary or desirable in connection with the issuance of the 2022 Note and the transactions contemplated by this Resolution.

SECTION 9. The President, Vice President, Secretary and/or Superintendent are fully empowered and authorized to execute all documents necessary for the issuance of the 2022 Note and to affix the seal of the School Board to such documents.

SECTION 10. Application be and same is hereby formally made to the State Bond Commission, Baton Rouge, Louisiana, for its consent and authority to issue, sell and deliver the aforesaid 2022 Note, and a certified copy of this Resolution shall be forwarded to the State Bond Commission, together with a letter requesting the prompt consideration and approval of this application.

SECTION 11. The School Board hereby finds and determines that a real necessity exists for the employment of special bond counsel in the issuance of the 2022 Note, and accordingly the law firm of Butler Snow LLP, Bond Counsel, is hereby employed as Bond Counsel to handle all matters of a legal nature in connection with the negotiation, sale, issuance and delivery of the 2022 Note. Said special bond counsel shall prepare and submit to this School Board all proceedings necessary for the due authorization, issuance, sale and delivery of the 2022 Note. The fee of special bond counsel in this connection is hereby fixed at \$85,000, plus expenses, which sum is less than the maximum fee allowed by the Attorney General's fee schedule for comprehensive legal and coordinated professional services in the issuance of the 2022 Note, based on the amount of said 2022 Note actually issued, sold and delivered, plus "out-of-pocket" expenses, said fee to be contingent upon the issuance, sale and delivery of said Notes. A certified copy of this resolution shall be forwarded to the Attorney General of the State of Louisiana for his approval of the employment herein provided for.

SECTION 12. The School Board covenants and agrees that to the extent permitted by the laws of the State Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), in order to establish, maintain and preserve the exclusion from "gross income" of interest on the 2022 Note under the Code. The School Board further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the 2022 Note or any other funds of the School Board to be used directly or indirectly in any manner, the effect of which would be to cause the 2022 Note to be "arbitrage bonds" or would result in the inclusion of the interest on the 2022 Note in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Note proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the 2022 Note in a manner which would cause the 2022 Note to be "private activity bonds".

SECTION 13. If any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect the other provisions, items, or applications of this Resolution which can be given effect without the invalid provisions, items, or applications. And to this end the provisions of this Resolution are hereby declared severable.

SECTION 14. The foregoing Resolution shall take effect immediately upon its adoption.

SECTION 15. A copy of this Resolution shall be published at least once in the official journal of the School Board or, if there is none, in a newspaper having general circulation therein. For thirty days after the date of publication, any person of interest may contest the legality of this Resolution and of any provision herein made for the security and payment of the 2022 Note. After that time, no one shall have any cause of action to test the regularity, formality, legality or effectiveness of this Resolution and provisions thereof and, thereafter, it shall be conclusively presumed that every legal requirement for the issuance of the 2022 Note has been complied with. No court shall have authority to inquire into any of these matters after the thirty days.

SECTION 16. By virtue of the School Board's application for, and acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) reserved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns, to full and continuing compliance with the "State Bond Commission Policy Approval of Proposed Swaps or Other Forms of Derivative Products, Hedges, Etc.," adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation of any swap(s) or other product(s) or enhancement(s) covered thereby. This resolution having been fully read to and by the School Board, the following:

YEAS: Ethan Ashley, Katherine Baudouin, Nolan Marshall, Jr., Olin G. Parker, Carlos Luis Zervigon

NAYS: None

ABSENT: Leila Jacobo Eames

ABSTENTIONS: None

PASSED AND ADOPTED AT THE ORLEANS PARISH SCHOOL BOARD BUSINESS MEETING held at 2401 Westbank Parkway, Suite 1050, New Orleans, Louisiana, on the 28th day of July, 2022.

ORLEANS PARISH SCHOOL BOARD
Olin G. Parker, President

EXHIBITS A, B, AND C TO THIS RESOLUTION HAVE NOT BEEN PUBLISHED. SAID EXHIBITS A, B, AND C ARE AVAILABLE FOR PUBLIC INSPECTION AT THE OFFICES OF THE ORLEANS PARISH SCHOOL BOARD, 2401 WESTBANK PARKWAY, SUITE 1050, NEW ORLEANS, LOUISIANA, MONDAYS THROUGH FRIDAYS DURING NORMAL BUSINESS HOURS.

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