



THE SCHOOL DISTRICT OF PHILADELPHIA
SPECIAL PUBLIC MEETING OF THE BOARD OF EDUCATION
MINUTES
JULY 9, 2018

A special public meeting of the Board of Education was held on July 9, 2018 in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 5:00 p.m. by William R. Hite, Superintendent. Dr. Hite stated that he was honored to welcome the public to the first meeting of the new Board of Education. He stated that tonight's meeting is an exciting and important step as the School District of Philadelphia makes its historic return to local control. Dr. Hite stated that we are here today because of the work of many individuals over the years who made tough decisions and sacrifices for our schools and for our students. He stated that their work re-stabilized our district finances and operations and has enabled our current progress around early literacy, graduation rates and the transition to high school. Dr. Hite stated that he looks forward to working with the Board, assembled here this evening, who represent a diverse cross-section of Philadelphia, and who will be dedicated to making our public schools the very best they can be for our students, our families and our city.

Dr. Hite stated that the first order of business for the Board this evening will be to elect a pro-tempore President to facilitate today's meeting.

Lynn Rauch, General Counsel, announced that the proceedings of this meeting are being streamed live on the internet at www.philasd.org/live and can be seen on PSTV's Comcast Channel 52 and Verizon Fios Channel 20. The proceedings are also being recorded by The School District of Philadelphia. The School District's recordings are protected by the Copyright Laws of the United States and may not be used in any manner without the express written consent of The School District.

By participating in tonight's meeting, members of the public acknowledge that the School District may use its recordings for any purpose without obtaining permission or paying any compensation.

Additionally, at each meeting of the Board of Education we have representatives from the Deaf-Hearing Communication Center to provide sign language interpretation of the proceedings.

Also, representatives from the Office of Family and Community Engagement are stationed in the lobby to help with interpretation services.

Ms. Rauch also introduced her colleague JD Luning, an attorney in the Office of General Counsel, who will be attending Board meetings to assist the Board with rules of order.

Ms. Rauch conducted Roll Call.

Members Present: Ms. Danzy, Ms. Egea-Hinton, Ms. Fix Lopez, Mr. Huang, Dr. McColgan, Dr. McGinley, Dr. McIver, Mr. Walker, Ms. Wilkerson – 9

Members Absent: 0

Dr. Hite opened the nomination for election of Pro-Tempore President.

Ms. Wilkerson nominated Dr. McGinley for Pro-Tempore President. There were no other nominations.

The vote for Dr. McGinley for Pro-Tempore President was as follows:

Yes: Ms. Danzy, Ms. Egea-Hinton, Ms. Fix Lopez, Mr. Huang, Dr. McColgan, Dr. McGinley, Dr. McIver, Mr. Walker, Ms. Wilkerson – 9

No: 0

Dr. McGinley thanked his fellow Board Members stating that it is a great honor to open tonight's meeting as the School District returns to local control. He thanked the Mayor for his trust and thanked Dr. Hite for his patience as they embark in their new role as a Board of Education.

Dr. McGinley stated that after hearing from tonight's speakers, Members of the Board of Education will elect a Board President and Vice President, announce our proposed committee structure and ask Board members to indicate on what committees they may want to serve, and vote on the proposed Board meeting schedule for this school year and this year's Tax and Revenue Anticipation Notes. He stated that in addition to the offices of President and Vice President we are voting on tonight, Dr. Hite, as Superintendent, serves as the Secretary and Treasurer of the Board under the terms of the Philadelphia Home Rule Charter, as a non-voting member of the Board.

Dr. McGinley stated that directly after this meeting, he and his fellow board members invite the public to join the Board for a meet and greet and some light refreshments in the board committee room on the first floor of this building.

Dr. McGinley recognized dignitaries in attendance and offered them an opportunity to make remarks.

The following individuals in City government presented statements of welcome and support of the Board of Education:

- City Councilwoman Mari Quinones Sanchez
- City Council President Darryl Clark
- Mayor James Kenney
- City Councilwoman Helen Gym
- City Councilman Derek Green
- City Councilwoman Jannie Blackwell

The meeting was opened to the public for presentation of statements.

Dr. McGinley provided the applicable provisions of the speaker's policy for this evening's meeting.

Rich Migliore offered support and encouragement to the Board of Education.

Naomi Studevan expressed the need for teacher training.

Kristin Luebbert encouraged the Board of Education to listen and ask questions.

The following individuals expressed concerns with Kelly Services:

- Beatrice Okeke
- Mohamed Mansaray (Dr. McGinley indicated that he would meet with Mr. Mansaray.)
- Fode Sidibe

Barbara Dowdall encouraged the Board of Education to care for all schools.

Karel Kilimnik welcomed the members of the Board of Education, and encouraged them to listen to stakeholders. She also expressed concerns about contracted services and charter business being considered as quasi-judicial matters.

Sharita Cromwell thanked and welcomed the new Board. She expressed concerns about low performing schools which happen to be located in low income communities. She stated that families are tired of being disrespected and stated that the new Board of Education needs support to get schools to perform better.

Sylvia Simms expressed concerns about the “failing schools” in her North Philadelphia community.

Lisa Haver expressed concerns about outsourcing of services, the need for funding, small classrooms, libraries, and no new charters. She expressed hope that the Board of Education will be transparent in its decision making.

Lurline Jones expressed concerns about Title IX and violations.

Marie Borowski expressed concerns about the move of Mayfair School students to Meehan School.

Robin Cooper, Teamsters 502 (CASA), offered greetings and support to the members of the Board of Education.

Catherine Blunt, retired teacher and principal, requested that the Board of Education vacate the vote by the School Reform Commission on resolution A-19b from June 21, 2018.

Mark Gleason, Executive Director of the Philadelphia Schools Partnership, thanked the members of the Board for volunteering their services and thanked the former School Reform Commission. He suggested that the Board invest in transparency.

Julian Terrell, Executive Director of Philadelphia Student Union, expressed support of the Board Listening Sessions and the non-voting Student Representative, but the student representative should have voting powers.

Kimberly Ramirez expressed support of and described challenges in education technology.

Heather Marcus expressed the need for more school counselors.

Angela Crawford, educator, expressed support of the hiring of more Black educators.

Tanya Foster expressed support of Strawberry Mansion High School.

Stephanie Elizzaire described difficulty in getting her students enrolled in schools and expressed the need for school choice. She was referred to Karyn Lynch, Chief of Student Support Services.

Lynda Rubin expressed support of the return of a locally controlled Board of Education.

Deborah Grill welcomed the members of the Board of Education. She described a District traumatized by seventeen years of the School Reform Commission.

Jada Pennick welcomed the members of the Board of Education and described the importance of school choice. She expressed support of Mastery – Pickett.

Tonya Bah raised a number of concerns with education in Philadelphia.

Beth Yiung expressed concerns about the relocation of Ad Prima Charter School and its impact on established neighborhood schools.

Robin Roberts, Director of Parent United for Public Education expressed concerns about Mayfair students moving to Meehan and building conditions.

Sherri Brown expressed support of Strawberry Mansion High School.

Zoe Rooney offered five action recommendations: 1. Improve conditions of facilities; 2. Initiate immediate hold on new charters; 3. Include students, families, and community voices in all

decision making; 4. Actively support trauma informed care; and 5. More transparency around budgeting.

Tamera Hill Bennett expressed concerns about the relocation of Ad Prima Charter School.

Nelida Sepulveda, citing Read by 4th, stated that there are positive shifts in student reading scores.

Donna Cooper, Executive Director, PCCY, welcomed the members of the Board of Education. She described difficult decisions to be made and encouraged transparency. She questioned what is the Board going to do to improve funding.

Danita Bates welcomed the members of the Board of Education. She expressed concerns with School Police and Philadelphia Police. She recommended a task force to address safety issues.

Robert Toporek described his non-profit business that gives away computers.

At the request of Dr. McIver, Dr. Hite provided an update on Mayfair/Meehan. He stated that the District staff led a tour of Meehan on June 25th. Parents saw a model classroom, work to bathroom improvements, multi-purpose room, playground, and separate entrance. Dr. Hite stated that District staff will lead another tour closer to school opening, and will have a parent orientation in mid-August.

Dr. McGinley opened the nomination for the election of Board President.

Ms. Danzy nominated Joyce Wilkerson for President of the Board of Education. Ms. Fix Lopez, Dr. McColgan, and Dr. McIver offered remarks on behalf of Ms. Wilkerson.

There were no further nominations.

The vote on the nomination of Joyce Wilkerson for President of the Board of Education was as follows:

Yes: Ms. Danzy, Ms. Egea-Hinton, Ms. Fix Lopez, Mr. Huang, Dr. McColgan, Dr. McGinley, Dr. McIver, Mr. Walker, Ms. Wilkerson – 9

No: 0

Board President Wilkerson offered acceptance remarks.

Dr. McGinley opened the nomination for the election of Board Vice President.

Ms. Fix Lopez nominated Wayne Walker for Vice President of the Board of Education. Ms. Fix Lopez and Dr. McIver offered remarks on behalf of Mr. Walker.

Ms. Egea-Hinton nominated Julia Danzy for Vice President of the Board of Education. President Wilkerson offered remarks on behalf of Ms. Danzy.

The vote on the nomination of Mr. Walker and Ms. Danzy for Vice President of the Board of Education was as follows:

For Mr. Walker: Ms. Fix Lopez, Mr. Huang, Dr. McColgan, Dr. McIver, Mr. Walker – 5

For Ms. Danzy: Ms. Danzy, Ms. Egea-Hinton, Dr. McGinley, President Wilkerson – 4

Dr. McGinley stated that with the election of a new Board President, Joyce S. Wilkerson, and Vice President, Wayne Walker, an authorization to file new signatures and facsimile signatures with depositories is needed. He proposed an add-on motion that the Board authorizes the filing of signature cards for the newly elected officers of the Board with depositories of the School District and that the

Board authorizes the use of facsimile signatures for the newly elected President and Vice President and the filing of these signatures where required.

The vote on the motion to file signatures cards was as follows:

Yes: Ms. Danzy, Ms. Egea-Hinton, Ms. Fix Lopez, Mr. Huang, Dr. McColgan, Dr. McGinley, Dr. McIver, Vice President Walker, President Wilkerson – 9

No: 0

Dr. McGinley announced that with the Board President and Vice President having been elected, Board President Wilkerson will now preside over the meeting.

Board President Wilkerson and Board Vice President Walker offered remarks.

Board President Wilkerson stated that a set of proposed Board Policies are listed on the Agenda. She stated that these policies are intended to serve as a tool for the Board to govern itself, and that these policies provide clear statements reflecting the Board's collective beliefs and authorize a framework within which the Board will operate. Board President Wilkerson stated that these policies are being considered for a first reading, meaning that the Board will only consider them and will not take action on them tonight. She stated that this is in alignment with the process being recommended within Policy 002.1, Policy Manual. President Wilkerson stated that the Board will consider formally adopting these policies at the second reading which will be at the next Board meeting scheduled August 16, 2018.

President Wilkerson stated that over the past three months, the Board has participated in a series of orientation and training sessions where they began thinking about Board norms and how the Board wanted to structure itself to support our governing responsibilities. She stated that three of her fellow Board members, Mr. Walker, Ms. Danzy, and Dr. McGinley began outlining a committee structure to support our governing responsibilities, and that this structure is outlined in Board Policy 004.1, School Board Committees. President Wilkerson asked Ms. Danzy to outline the four committees proposed under this policy and Mr. Walker to outline how these committees will be structured and describe the role committees will play in the Board's work.

Ms. Danzy stated that under this policy, the School Board will operate with four standing committees:

- Finance and Facilities Committee, which will meet monthly and will engage with financial and operational matters of the District.
- Student Achievement and Support Committee, which will meet monthly and will discuss items related to student performance, the District's progress on its Anchor goals, and, as relevant, matters related to the Board's role as charter authorizer.
- Policy Committee, which will meet quarterly to discuss and recommend the development and review of all Board policies; and
- District Partnerships and Community Engagement Committee, which will meet quarterly to discuss new and established partnerships that benefit students and schools.

Ms. Danzy encouraged the public and all stakeholders to participate in the Committee meetings. She stated that all Committee meetings will be public, and that meeting logistics will be advertised and materials will be posted on the Board's website in advance of each meeting.

Vice President Walker stated that the goals of each committee taken together provide governance oversight for all of the activities of the District. He stated that each of these committees will meet at regular intervals in public and will be convened by a Chairperson, and will consist of no more than

four (4) Board members, including the chairperson. He stated that these committees will be fundamental to the way we intend to do business and carry out our responsibilities as school board members, and that the Committees will allow us to look closely and deeply at many of the critical issues facing the District and make proposals to the Board for consideration and action. Vice President Walker stated that Committee chairpersons will report to the Board at the Action meetings with a brief summary of their recommendations, and that the Committees will also engage with communities on issues that come before us. He stated that the Committee meetings may be held in different places, at different times, and in different styles.

President Wilkerson stated that these committees will provide the Board with opportunities to govern the District in partnership with the Philadelphia community that we serve. She stated that she will collect statements of interest from Board members indicating their interest in being appointed to one or more committees. Chair Wilkerson stated that she will then consider all expressions of interest and make appointments of committee members and chairpersons, and that the appointments will be communicated on the Board's website, through a press release, and through the Board's social media platforms. This will enable the anticipated committees to begin planning for their first meetings. Planning sessions will not involve deliberative discussion. President Wilkerson stated that the Planning sessions will involve establishing the scope of work for each committee, meeting logistics, outlining responsibilities of committee chairs, and discussing opportunities for public participation. She stated that the Committees will also be responsible for planning and executing the Board's engagement with the Parent and Community Advisory Council and twice yearly meetings between the Mayor and City Council, as outlined in the Home Rule Charter. President Wilkerson asked each Board Member to express their interest in serving on a committee and indicate whether or not they would like to serve as committee chairperson.

Board Members expressed Committee interest as follows: Ms. Danzy – Partnerships and Community Engagement Committee (co-chair), and Finance and Facilities Committee; Ms. Egea-Hinton – Finance and Facilities Committee, Policy Committee (priority), and Partnerships and Community Engagement Committee; Ms. Fix Lopez – Student Achievement and Support Committee, and Partnerships and Community Engagement Committee (co-chair); Mr. Huang – Finance Committee (Chair), and Policy Committee; Dr. McGinley – Policy Committee, and Student Achievement and Support Committee (chair or co-chair); Dr. McColgan – Policy Committee, and Partnerships and Community Engagement Committee; Dr. McIver – Student Achievement and Support Committee (co-chair), and Partnerships and Community Engagement Committee; and Mr. Walker – Finance Committee.

Dr. Hite provided an update on the selection process for the non-voting Student Representative, including an overview of the Qualifications for Application, and the application process. Dr. Hite also stated that an alternate student representative will be selected by the Committee to fill a vacancy that is caused by the nominated student missing three meetings or if an individual can no longer uphold responsibilities of the position. Dr. Hite stated that Applications are due no later than 5:00 p.m. on August 13, 2018.

Each Board Member offered statements of their vision, roles and responsibilities as a Member of the Board of Education: Ms. Danzy; Ms. Egea-Hinton; Ms. Fix Lopez; Mr. Huang; Dr. McGinley; Dr. McCoghan; Dr. McIver; Vice President Walker; and President Wilkerson.

Uri Monson, Chief Financial Officer provided an overview of Action Item BOE-2: Authorization of the Issuance and Sale of Tax and Revenue Anticipation Notes of the School District of Philadelphia Fiscal Year 2019. Mr. Monson's presentation included an overview of the School District's Funds – Operating Fund; Grant/Categorical Fund; Capital Fund; and Special Purpose/Internal Services Funds; Cash Flow and Fund Balance – Operating Fund; Short-Term Debt; 2018-19 Projected Cash Flow – No TRAN and With TRAN; and details of the 2018-19 TRAN. Mr. Monson stated that the TRAN borrowing amount is \$450 million, with a closing date of July 12, 2018. He stated that the borrowing will be split 50/50 by both banks, Bank of America Merrill Lynch - \$225 million and PNC Bank NA - \$225 million. Mr. Monson stated that the estimated interest rate is 2.52% (as of June 18, 2018), but that the final rate will be set on the date of sale. He stated that final maturity of June 28, 2019 – payment for full principal will be made to Trustee on June 1, 2019.

**A complete copy of Mr. Monson's powerpoint presentation is on file with the minutes of the Board of Education.*

The following Action Items were presented for formal action by the Board of Education:

I. BOARD OF EDUCATION

BOE-1

Adoption of Board of Education Public Meeting Schedule 2018-2019

RESOLVED, that the Board of Education adopt the following public business meeting schedule for the 2018-2019 school year:

Action Meetings @ 5:00 p.m.: August 16, 2018; September 20, 2018; October 18, 2018; November 15, 2018; December 6, 2018 (*Board Reorganization – Time TBD*); December 20, 2018; January 17, 2019; February 21, 2019; March 21, 2019 March 28, 2019 (*Lump Sum Statement*); April 18, 2019 (*Budget Hearing*); April 25, 2019; May 16, 2019; May 30, 2019 (*Budget Adoption*); June 20, 2019; June 27, 2019 (*Levy Taxes*)

The vote was as follows:

Yes: Ms. Danzy, Ms., Egea-Hinton, Ms. Fix Lopez, Mr. Huang, Dr. McColgan, Dr. McGinley, Dr. Mclver, Vice President Walker, President Wilkerson – 9

No: 0

BOE-2 (Updated 7.9.18)*

Authorization of the Issuance and Sale of Tax and Revenue Anticipation Notes of the School District of Philadelphia Fiscal Year 2019

WHEREAS, the Board of Education (the "Board") of The School District of Philadelphia, a school district of the first class of the Commonwealth of Pennsylvania ("School District"), has the power and authority, pursuant to the Local Government Unit Debt Act, 53 Pa. C.S.A. §§ 8001 *et seq.* ("Act"), to borrow money from time to time in any fiscal year in anticipation of the receipt by the School District in that fiscal year of current taxes and revenues, and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

WHEREAS, the cash flow forecast with respect to budget requirements of the School District for the fiscal year ending June 30, 2019 ("2019 Fiscal Year"), indicates that the School District will experience cash flow deficits during the 2019 Fiscal Year pending receipt of taxes and other revenues of the School District; and

WHEREAS, the Board has found and determined that, in light of the current anticipated and potential future cash needs of the School District during the 2019 Fiscal Year, it is desirable for the Board to authorize tax and revenue anticipation borrowing in an aggregate principal amount not to exceed \$450,000,000, to be undertaken in two (2) series, the proceeds of which shall be applied to the funding of the School District's cumulative cash flow deficits for the 2019 Fiscal Year; and

WHEREAS, the Board has determined to authorize, in accordance with the Act, the issuance and sale, in the 2019 Fiscal Year, of tax and revenue anticipation notes evidencing such tax and revenue anticipation borrowing.

NOW THEREFORE, BE IT RESOLVED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT OF PHILADELPHIA, AS FOLLOWS:

Section 1. Authorization. Authorization is hereby given for the issuance of (a) tax and revenue anticipation notes of the School District in the 2019 Fiscal Year, designated "Tax and Revenue Anticipation Notes, Series A of 2018-2019," to be issued on or about July 12, 2018, in an aggregate principal amount not to exceed \$225,000,000 ("Series A Notes"); and (b) tax and revenue anticipation notes of the School District in the 2019 Fiscal Year, designated "Tax and Revenue Anticipation Notes,

Series B of 2018-2019,” of the School District, to be issued on or about July 12, 2018 in an aggregate principal amount not to exceed \$225,000,000 (“Series B Notes” and, together with the Series A Notes, the “Notes”). The Series A Notes and the Series B Notes are being authorized hereby to be issued in the 2019 Fiscal Year for the purpose of funding the cumulative cash flow deficits of the School District forecasted to occur in the 2019 Fiscal Year.

Section 2. Term of Notes. Each Series of the Notes shall be dated the date of issuance thereof, and shall be stated to mature on June 28, 2019, which date is within the fiscal year of the School District in which the Notes are authorized and issued.

Section 3. Aggregate Amount of Notes Within Statutory Limit. It is hereby determined that the aggregate principal amount of the Notes will not exceed the lesser of:

(a) Eighty-five percent (85%) of the sum of taxes levied for the 2019 Fiscal Year and current revenues for such fiscal year to be received by the School District during the period when the Notes shall be outstanding and which are pledged for payment of the Notes, as estimated and certified by any member of the Board, the Superintendent of the School District or the Chief Financial Officer of the School District (collectively, the “Authorized Officials” and individually, an “Authorized Official”) in accordance with the Act (said certified estimate being annexed hereto as Exhibit “A” and made a part hereof); and

(b) The maximum anticipated cumulative cash flow deficit of the School District during the 2019 Fiscal Year, as computed by the Chief Financial Officer of the School District in accordance with the Internal Revenue Code of 1986, as amended (“Code”), and the regulations promulgated thereunder (said initial computation in connection with the issuance of the Series A Notes and the Series B Notes being annexed hereto as Exhibit “B” and made a part hereof).

Section 4. Purchase of the Notes.

(a) It is hereby determined that it is in the best financial interest of the School District to effect a private, negotiated sale of the Series A Notes. The proposal of Bank of America to purchase the Series A Notes in a principal amount not to exceed \$225,000,000, from the School District for its own account at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting (“Series A Note Purchase Agreement”), is hereby accepted.

Bank of America has represented to the School District that it is purchasing the Series A Notes for its own account and not with the present intent for further distribution or resale.

Any Authorized Official is hereby authorized to evidence the acceptance authorized hereunder by executing and delivering the Series A Note Purchase Agreement to Bank of America.

(b) It is hereby determined that it is in the best financial interest of the School District to effect a private, negotiated sale of the Series B Notes. The proposal of PNC to purchase the Series B Notes in a principal amount not to exceed \$225,000,000 from the School District for its own account at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting (“Series B Note Purchase Agreement”), is hereby accepted.

PNC has represented to the School District that it is purchasing the Series B Notes for its own account and not with the present intent for further distribution or resale.

Any Authorized Official is hereby authorized to evidence the acceptance authorized hereunder by executing and delivering the Series B Note Purchase Agreement to PNC.

Section 5. Rates of Interest.

(a) The Series A Notes shall bear interest, payable at maturity, calculated on the basis of actual days elapsed in a 365/366-day year, at the rate of 2.55% per annum.

(b) The Series B Notes shall bear interest, payable at maturity, calculated on the basis of actual days elapsed in a 365/366-day year, at the rate of 2.55% per annum.

Section 6. Pledge and Security Interest. As required by Section 8125 of the Act, the Notes shall be equally and ratably secured by a pledge of, security interest in, and lien and charge on, the taxes and revenues of the School District to be received from the respective dates of issuance of the Notes until the stated maturity date thereof (“Pledged Revenues”), a certified estimate of the aggregate amount of such taxes and revenues being set forth in Exhibit “A” hereto. Notwithstanding the foregoing, the amounts irrevocably directed by the School District to be deposited on a daily basis directly into the School District’s general obligation bond sinking funds (“Daily Sinking Fund Deposits”) are not subject to such pledge, security interest, lien and charge. The certified estimate of the aggregate amount of taxes and revenues to be received in the 2019 Fiscal Year set forth in Exhibit “A” does not include the Daily Sinking Fund Deposits.

Any Authorized Official is hereby authorized and directed to prepare or cause to be prepared, on behalf of the School District, in favor of the Fiscal Agent, as secured party on behalf of the holders of the Notes, appropriate financing statements and cause the filing of such financing statements in accordance with the Pennsylvania Uniform Commercial Code in order to perfect such pledge, security interest, lien and charge.

The holders of the Notes shall have the right to enforce such pledge of, security interest in, and lien and charge on, the pledged taxes and revenues of the School District against all state and local public officials in possession of any such taxes and revenues at any time, which revenues and taxes may be collected directly from such officials upon notice by such holders for application to the payment of the Notes, as and when due or for deposit in the Sinking Fund, at the times and in the amounts specified herein and in the Notes, all in accordance with Section 8125 of the Act. The Fiscal Agent shall enforce such pledge, security interest and lien and charge equally and ratably for the benefit of and on behalf of the holders of the Notes, at the expense of the School District, in accordance with the provisions of this Resolution and the Act, including, without limitation, Section 8125 of the Act. The holders of the Notes shall deliver their Notes to the Fiscal Agent upon request of the Fiscal Agent in order to enable the Fiscal Agent to implement such enforcement.

Section 7. Form and Provisions.

(a) The forms and provisions of the Series A Notes and Series B Notes shall be substantially as set forth in the forms annexed hereto as Exhibit “C” and made a part hereof, which forms and provisions are hereby affirmed, approved and adopted.

(b) The Series A Notes, upon original issuance, are to be issued in the form of one fully registered note in the principal amount not to exceed \$225,000,000 registered to Bank of America.

(c) The Series A Notes are not subject to redemption prior to maturity.

(d) The Series B Notes, upon original issuance, are to be issued in the form of one fully registered note in the principal amount not to exceed \$225,000,000 registered to PNC.

(e) The Series B Notes are not subject to redemption prior to maturity.

Section 8. Registration and Transfer.

(a) The School District shall keep, at the designated corporate trust office of the Fiscal Agent, books for the registration, exchange and transfer of Notes and hereby appoints the Fiscal Agent its registrar and transfer agent to keep such books and to make such registrations, exchanges and transfers under such regulations as the School District or the Fiscal Agent may prescribe and as set forth in the forms of the Notes.

(b) The Notes may be transferred upon the registration books upon delivery to the Fiscal Agent of the Notes accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Fiscal Agent, duly executed by the registered owner of the Notes to be transferred or his duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Notes. No transfer of any Note shall be effective until entered on the registration books maintained by the Fiscal Agent or its successor. In a like manner Notes may be exchanged by the registered owners thereof or by their duly authorized attorneys-in-fact or other

legal representative for Notes of authorized denomination or denominations in the same aggregate principal amount.

Section 9. Execution and Authentication of Notes. The Notes shall not be valid or obligatory in the hands of the holders thereof unless: (i) executed in the name and on behalf of the School District by the facsimile or manual signature of a member of the Board, with the seal of the School District impressed, imprinted or otherwise reproduced thereon, attested by the facsimile or manual signature of the Secretary of the Board; and (ii) authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 10. Sinking Fund Depository and Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., having a corporate trust office in Philadelphia, Pennsylvania, is hereby appointed Sinking Fund Depository and Fiscal Agent ("Fiscal Agent") to act as registrar and transfer agent, sinking fund depository, fiscal and paying agent for the Notes. Any successor sinking fund depository and fiscal agent shall be a bank or national banking association with trust powers or a trust company. The Chief Financial Officer of the School District is hereby authorized and directed to contract with the Fiscal Agent for its services. The Fiscal Agent's Agreement between the Fiscal Agent and the School District ("Fiscal Agent's Agreement") substantially in the form presented to this meeting, a copy of which shall be filed with the minutes of this meeting, is hereby approved. Any of the Authorized Officials is hereby authorized and directed to execute and deliver the Fiscal Agent's Agreement in substantially such form, with such changes therein as counsel may advise and the Authorized Official executing the same shall approve, such execution being conclusive evidence of such Authorized Official's approval.

Section 11. Sinking Fund. There is hereby established a sinking fund for the Notes to be designated "The School District of Philadelphia, Pennsylvania, Tax and Revenue Anticipation Notes, Series of 2018-2019 Sinking Fund" ("Sinking Fund"), and, within the Sinking Fund, accounts as follows:

- (a) an account designated as the "Series A Account," to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent; and
- (b) an account designated as the "Series B Account," to be held by the Fiscal Agent separate and apart from all other funds of the School District and the Fiscal Agent;

The accounts established in the Sinking Fund pursuant to this Section shall be held by the Fiscal Agent in trust for the equal and ratable benefit of the holders of the Series A Notes and Series B Notes.

The School District hereby covenants, and the Chief Financial Officer of the School District is hereby authorized and directed, to pay to the Fiscal Agent for irrevocable deposit, on June 3, 2019 ("Deposit Date") (i) into the Series A Account, \$225,000,000, plus all interest due on the Series A Notes on June 28, 2019 ("Series A Debt Service Requirement"); and (ii) into the Series B Account, \$225,000,000, plus all interest due on the Series B Notes on June 28, 2019 ("Series B Debt Service Requirement"). The Series A Debt Service Requirement and the Series B Debt Service Requirement are each referred to herein as a "Debt Service Requirement" and are collectively referred to herein as the "Debt Service Requirements".

The Fiscal Agent shall, no later than Noon, Philadelphia time, on June 4, 2019, determine whether the amount on deposit in each Account within the Sinking Fund is equal to the applicable Debt Service Requirement. In the event that the Fiscal Agent determines that there is a deficiency in any Account, it shall immediately, and in no event later than 3:00 p.m. on June 4, 2019, notify the School District of the amount of such deficiency. The School District hereby covenants, and the Chief Financial Officer of the School District is hereby authorized and directed, to deposit an amount equal to such deficiency into such Account or Accounts within the Sinking Fund, on a pro-rata basis, no later than Noon, Philadelphia time, on June 7, 2019.

Failure of the School District to make payment in full when due on the final date specified for deposit in the preceding paragraph shall be cause for the immediate enforcement of the pledge, security interest, lien and charge granted in Section 8125 of the Act and in Section 6 hereof. The Fiscal Agent shall enforce such pledge, security interest, lien and charge as provided in Section 8125 of the Act, Section 6 hereof and in the Fiscal Agent's Agreement.

The School District shall have the right, as soon as the amount on deposit in each and every Account in the Sinking Fund is equal to the Debt Service Requirement for the applicable Series of Notes, to

withdraw from such Account in the Sinking Fund at such intervals as the School District shall direct in writing to the Fiscal Agent any amounts in excess of the applicable Debt Service Requirement; provided that every other Account in the Sinking Fund contains the Debt Service Requirement for the applicable Series of Notes.

Section 12. Investment of Sinking Fund Moneys. At the written direction of the School District, the Fiscal Agent shall, to the extent not required for immediate payment of the Notes, invest the moneys held in the Sinking Fund in: (i) direct obligations of the United States of America or obligations, the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America, and senior debt obligations rated, at the time of investment, "Aaa" by Moody's Investors Service and "AAA" by Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, issued by Fannie Mae or the Federal Home Loan Mortgage Corporation, senior debt obligations of the Federal Home Loan Bank System, and obligations of the Resolution Funding Corporation, which obligations are not guaranteed by the United States of America (collectively, "Government Obligations"); (ii) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including, without limitation, any such investment company for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from such funds for services rendered, (b) the Fiscal Agent charges and collects fees for services rendered pursuant to this Resolution, which fees are separate from the fees received from such investment companies; and (c) services performed for such investment companies and pursuant to this Resolution may at times duplicate those provided to such funds by the Fiscal Agent or its affiliates; provided, that the following are met: (1) investments of that company are only in the authorized investments listed in clause (i) in this Section 12 and Repurchase Agreements (hereinafter defined); (2) the investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (3) the investment company is rated at the time of investment in the highest category by a nationally recognized rating agency, or (iii) interest bearing deposits in any bank or bank and trust company or national banking association having a combined net capital and surplus in excess of \$100,000,000 (including the Fiscal Agent or any of its affiliates); provided that all such deposits shall, to the extent not insured by a federal agency or instrumentality, be secured as to principal by a pledge of Government Obligations. The Fiscal Agent, in purchasing Government Obligations, may make any purchase subject to agreement with the seller for repurchase of such Government Obligations at a later date, and in such connection may accept the seller's agreement for the payment of interest in lieu of the right to receive the interest payable by the issue of the Government Obligations purchased; provided that: (A) the seller is a bank or bank and trust company or national banking association having a combined net capital and surplus in excess of \$100,000,000 or a government securities dealer approved by the School District; and (B) such Government Obligations shall be pledged as hereinafter provided (such agreements are hereinafter referred to as "Repurchase Agreements").

Proper officers of the School District may direct the Fiscal Agent in writing to enter into agreements with providers approved by the School District for the forward purchase and delivery of Government Obligations.

All Government Obligations and interest bearing deposits shall mature or be subject to redemption at the option of the holder at not less than par or the purchase price therefor on or prior to the date fixed for payment of principal of or interest on the Notes. All Repurchase Agreements shall have a term no greater than thirty (30) days.

Any Government Obligations pledged as security for Repurchase Agreements shall be subject to a perfected first security interest in favor of the Fiscal Agent, free and clear of all claims of third parties and shall be: (i) in the case of direct obligations of the United States which can be pledged by a book-entry notation under regulations of the United States Department of the Treasury, appropriately entered on the records of a Federal Reserve Bank; or (ii) in the case of other Government Obligations, either (A) deposited with the Fiscal Agent or with a Federal Reserve Bank for the account of the Fiscal Agent, or (B) if the Government Obligation is shown on the account of the pledgor on the books of a clearing corporation, as defined in Division 8, Section 102(a) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8102(a)), by making appropriate entries evidencing the acquisition of a securities entitlement

on the books of the clearing corporation as provided in Division 8, Section 501(b) of the Pennsylvania Uniform Commercial Code (13 Pa. C.S.A. §8501(b)). All Repurchase Agreements entered into by the Fiscal Agent, at the written direction of the School District, shall provide that the required ratio of the market value of the Government Obligations so purchased to the repurchase price thereof shall be 102% and shall further require the market value of all Government Obligations so purchased to be determined daily during the term of each Repurchase Agreement.

Section 13. Application of Sinking Fund Moneys. The Fiscal Agent shall apply the moneys, deposits and investments held in the Sinking Fund only to the payment of principal and interest due to the holders of the Notes, equally and ratably, when the same become due and payable on June 28, 2019, in accordance with the Act and the provisions hereof. Payments from the Sinking Fund shall be applied first to interest and then to principal. When payment in full of the principal and interest due to the holders of the Notes has been made from the Sinking Fund, any balance in the Sinking Fund shall be paid by the Fiscal Agent to the School District, at the written direction of the School District.

Section 14. Acts of the Fiscal Agent. The Fiscal Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder. The Fiscal Agent may rely and shall be protected in acting on any notice, telegram, request, consent, waiver, certificate, statement, affidavit or other document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Resolution; the Fiscal Agent shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The Fiscal Agent shall not be answerable for the exercise of any discretion or power hereunder, except only its own willful misconduct or negligence.

Section 15. Covenants in Respect of Federal Tax Laws. The School District hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of the Notes of the interest on the Notes under Section 103 of the Code and the regulations promulgated thereunder. The School District hereby further covenants that it will not directly or indirectly use or permit the use of any proceeds of the Notes or any other funds of the School District, or take or omit to take any action that would cause the Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and that it will comply with all requirements of Section 148 of the Code to the extent applicable to the Notes. In the event that at any time the School District is of the opinion that for purposes of this Section 15 it is necessary to restrict or limit the yield on the investment of any moneys held by the Fiscal Agent, the School District shall so instruct the Fiscal Agent in writing, and the Fiscal Agent shall take such action as may be necessary to comply with such instructions.

Without limiting the generality of the foregoing, the School District shall pay or cause to be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Notes from time to time. This rebate obligation shall survive payment in full or defeasance of the Notes.

Section 16. Notes to be General Obligations of the School District. The Notes shall be general obligations of the School District and, if the same shall not be paid within the fiscal year in which they are issued, shall be deemed to be non-electoral debt of the School District enforceable in the manner of a general obligation which, unless funded pursuant to the Act, shall be included in the budget of the School District for the ensuing fiscal year and shall be payable from the taxes and revenues of such ensuing fiscal year, as required by the Act.

Section 17. Continuing Disclosure Agreements. The School District hereby covenants that it shall continue to comply with its continuing disclosure agreements in effect relating to the debt of the School District incurred under the Act so long as the Notes remain outstanding under the Act.

Section 18. Ratification of Prior Action. All actions heretofore taken and all documents heretofore prepared by all officers of the School District in connection with the Notes and other matters contemplated hereby are hereby ratified, confirmed and adopted.

Section 19. Resolution and Act a Contract; Amendment. This Resolution and the Act as in force on the date hereof shall constitute a contract between the School District and the registered owners from time to time of the Notes. Said contract may be modified without the consent of said registered owners insofar as any such modification does not adversely affect their rights as such, and in other respects it may be modified with the consent of the registered owners of not less than fifty-one percent (51%) in principal amount of the Notes then outstanding; provided, however, that no such modification may be made which would reduce such percentage required for consent, or affect the rights of the owners of less than all of the outstanding Notes, or affect the terms of payment of the principal of, or interest on, or the security interest in the pledged taxes and revenues securing the Notes without the consent of the registered owners of all of the affected Notes. If and for so long as a securities depository is the sole registered owner of the Notes, any amendment that would otherwise require the consent of registered owners shall require the consent of the beneficial owners of not less than fifty-one percent (51%) or one hundred percent (100%), as applicable, in principal amount of the Notes then outstanding.

Section 20. Appointment of Bond Counsel and Financial Advisor.

(a) The law firm of Eckert Seamans Cherin & Mellott, LLC of Philadelphia, Pennsylvania is hereby appointed Bond Counsel in connection with the Notes.

(b) The financial advisory firm of Phoenix Capital Partners LLP of Philadelphia, Pennsylvania, is hereby appointed Financial Advisor with respect to the Notes.

Section 21. Further Action. The Authorized Officials are hereby jointly and severally authorized and directed to take or cause to be taken such further action and to prepare, execute and file such documents and instruments as they may consider necessary or appropriate to implement the purposes of this Resolution, the Series A Note Purchase Agreement, the Series B Note Purchase Agreement and the Fiscal Agent's Agreement.

Section 22. Filing with the Pennsylvania Department of Community and Economic Development. Any of the Authorized Officials are hereby authorized and directed to cause the filing of a certified copy of this Resolution, the certificate as to the taxes and revenues remaining to be collected and true copies of the Series A Note Purchase Agreement and the Series B Note Purchase Agreement with the Pennsylvania Department of Community and Economic Development, as required by Section 8128 of the Act.

Section 23. Headings. Headings used in this Resolution are for the ease of reference only and do not form a part hereof.

Section 24. Repeals. All resolutions and parts of resolutions, to the extent the same are inconsistent herewith, are hereby rescinded and repealed.

Section 25. Effective Date. This Resolution shall be effective immediately, this 9th day of July, 2018.

Yes: Ms. Danzy, Ms., Egea-Hinton, Ms. Fix Lopez, Mr. Wuang, Dr. McColgan, Dr. McGinley, Dr. Mclver, Vice President Walker, President Wilkerson – 9

No: 0

BOE-3 (FOR REVIEW – NO ACTION TAKEN)

Review of Proposed Board Policies: Policy 000 Foundations & Basic Commitments; Policy 001 Name and Classifications; Policy 002 Functions; Policy 002.1 Policy Manual; Policy 002.2 Employment of Superintendent; Policy 003 Membership; Policy 003.1 Non-Voting Student Representative; Policy 004 Board Norms and Organization; Policy 004.1 School Board Committees; Policy 005 Meetings; Policy 005.1 Attendance at Meetings via Electronic Communications; Policy 006 Public Engagement

RESOLVED, that the Board of Education hereby adopts the following Board Policies, in the form attached, effective August 16, 2018:

Policy 000 Foundations & Basic Commitments
Policy 001 Name and Classification
Policy 002 Functions
Policy 002.1 Policy Manual
Policy 002.2 Employment of Superintendent
Policy 003 Membership
Policy 003.1 Non-Voting Student Representative
Policy 004 Board Norms and Organization
Policy 004.1 School Board Committees
Policy 005. Meetings
Policy 005.1 Attendance at Meetings via Electronic Communications
Policy 006 Public Engagement

Description: The Board of Education proposes this set of policies as bylaws and procedures to govern themselves. These policies are intended to provide clear statements on the purpose and beliefs of each policy, authorize a framework within which the Board shall operate, and set the tone to outline its beliefs. These policies are aligned with current local, state, and federal laws and regulations.

President Wilkerson noted that there is no formal action on BOE-3 Review of Proposed Board Policies.

II. EDUCATION SUPPORT SERVICES

None Submitted

III. EDUCATION SERVICES

None Submitted

On, motion, the meeting was adjourned at 8:41 p.m. President Wilkerson announced that the next meeting of the Board of Education will be held on August 16, 2018 at 5:00 p.m. She also invited the public to a meet and greet in the Office of the Board of Education in Suite 101.

Joyce S. Wilkerson, President
Board of Education

William R. Hite, Superintendent
School District of Philadelphia