

NESHAMINY SCHOOL DISTRICT
Langhorne, Pennsylvania

PUBLIC BOARD MEETING MINUTES
NESHAMINY BOARD OF SCHOOL DIRECTORS
(WORK SESSION/PUBLIC MEETING)
March 29, 2005

The Neshaminy Board of School Directors met in public session on March 29, 2005, in the Board Room of the Maple Point Middle School. The following persons were in attendance:

BOARD MEMBERS:

Mr. Richard M. Eccles, President
Dr. William H. Spitz, Vice-President
Mrs. Sue C. Barrett
Mrs. June R. Bostwick
Mr. Jason Bowman
Ms. Carol A. Drioli*
Mrs. Susan Cummings
Mrs. Kimberly A. Jowett
Mr. Ritchie Webb

ADMINISTRATORS:

Mr. P. Howard Wilson
Dr. Louis T. Muenker
Dr. Sandra Costanzo
Mr. Joseph V. Paradise
Mrs. Jacqueline Rattigan
Mr. Bruce Wyatt

BOARD MEMBER NOT PRESENT:

Mrs. Susan Cummings

SOLICITOR:

Thomas J. Profy, III, Esquire

SECRETARY: Mrs. Anita E. Walls

OTHERS: Approximately 55 persons from the public, staff and press

*Arrived at 7:10 p.m.

1. Call to Order

Mr. Eccles called the meeting to order at 7:00 p.m.

2. Pledge of Allegiance

Mr. Eccles requested those in attendance join in the salute to the flag.

3. Announcements

Mr. Wilson announced that each board member needed to complete the Ballot for Election of Members to the Bucks County Intermediate Unit Board of Directors.

4. Public Comment

Mr. Eccles suggested that the issue of the Lacrosse team would be turned over to a committee comprised of Mr. Wilson, Mr. Menio and two board members. Mr. Eccles advised that all board members have received information regarding the issues. Mr. Eccles is aware that there is a financial impact; however, being a sports enthusiast he is in favor of the sport. Mr. Eccles advised that the committee would meet as soon as possible.

Mrs. Eileen Forman, Langhorne, PA, stated that the idea of a committee is a good idea; however she would like to see some Lacrosse parents on the committee. Mrs. Forman advised that a commitment from the district would be needed as soon as possible since the team is on a deadline as far as next season is concerned.

Mr. Kevin Emig, Langhorne, PA, head of the Neshaminy Boy's Lacrosse club, stated that the deadline that the team is working with is by the end of April at which time the Suburban One League will be setting the 2006 schedule. Mr. Emig stated that he would provide the board with three names by the end of the evening to be a part of the committee. Mr. Emig tried to address some of the concerns of the board:

- Boy's Lacrosse is not recognized as a sport by the PIAA, however the Suburban One League does recognize boy's Lacrosse and provides operational rules.

Mr. Eccles advised Mr. Emig that the board has received a packet of information regarding the issue and the board is familiar with PIAA and Suburban One League. Mr. Eccles noted that all these items can be discussed at the committee in full length.

Mr. Emig made a final point noting that the club expects that costs will be an issue and Mr. Emig advised that the club is operating with a \$15,000 annual budget that covers all of the expenses except the player's equipment. Mr. Emig wanted the board to understand and recognize that the team is more than willing to partner with the board and school administration to discuss ways to transitioning the costs over a number of years.

Board members Mr. Webb and Ms. Jowett will also be a part of the committee on behalf of the school board.

Mr. Kevin Yeingst, Feasterville, PA, advised that he has been speaking with community members and of concern is the head tax for senior citizens. Mr. Yeingst questioned why the district is collecting the \$15.00 head tax being collected on individuals receiving social security. That \$15.00 is a prescription, doctor's visit, etc. Mr. Yeingst wanted to know if there was some way that the district could eliminate that tax on the seniors.

Mr. William O'Connor, Langhorne, PA, posed the question, "How would your spouse feel if he told you he was going over to the Philadelphia Race Track to gamble some money since you were having trouble with the home finances?" Mr. O'Connor stated that none of us would consider that a financially prudent solution. That is exactly what Governor Rendell and politicians from both parties want the district to do by supporting a plan that gambles on people losing their shirts at the craps table. This is just one reason why Mr. O'Connor encourages the school board not to opt in to Act 72. Another concern Mr. O'Connor has about Act 72 is the deadline. If the elected officials are so confident that gaming revenues will achieve the \$900M goal, then why not hold off on the Act 72 opt in date until after the amount is met. Districts at that point could be more confident about the viability of the program. If our districts will be bound by the fiscal restraints of this program, we need some assurance that the financial rewards are going to be there. Mr. O'Connor also stated that there is the issue of referendum when the district's budget exceeds the rate of inflation. Last year local republicans fought for referendum in Neshaminy, but at the same time on the County level, a \$100M new courthouse will be constructed with no referendum taking place. One of the supervisors of Middletown Township, Lisa Pflaumer, is shying away from voter approval for a new community center, this despite her impassioned support for a high school referendum at a school board meeting in 2003. Governor Rendell himself is inconsistent when it comes to referendum. The Governor stated "I am not for letting anything being decided by referendum. We don't have a system of government that says on every issue we go back and put it before the people." Yet, that is exactly what Act 72 will do by mandating voter approval of school budgets. Mr. O'Connor wants to know why there has not been any type of voter referendum on their ability to raise taxes. If politicians truly believed in referendum they would be doing it across the board, and not just when there are issues that they want to avoid confronting that may cost them the reelection. Act 72 may probably endanger public education. Other states that have imposed limits on school taxes have experienced increased class sizes, lower academic performance, and cuts to programs and supplies. When it comes to funding education, Pennsylvania lawmakers will be making an already bad situation even worse. Pennsylvania is one of the few states that do not use a foundation formula to pay for education. The result is a funding system that considers your zip code instead of the financial or educational needs of your school district. Act 72 will do nothing to

address this situation. Tax and educational funding reform are critical issues to the future of Neshaminy. People are on fixed incomes and in serious need of assistance and the district needs to keep the educational programs and buildings up to the challenges of the 21st century. Mr. O'Connor states that what we do need is leadership from our elected officials. We need people committed to fixing the problems. If the state representatives can't come up with an adequate solution on tax and educational funding reform, then maybe it is something that needs to be solved at the local level. Please, just say "No" to Act 72.

Mr. Howard Lindner, Langhorne, PA, stated that he is against Act 72, but will not speak regarding same. Mr. Lindner went back to a speech he made to the district two years. We live in a representative democracy. This is why Mr. Lindner used to teach. Since you cannot get everyone in one room you elect people that think your way. You elect people that will keep in touch with you and your needs. Many different types of politicians, US, State, County, Local. While Mr. Lindner was a teacher he would bring in politicians from all levels, democrat or republican, such as Mark Schweiker, Mike Fitzpatrick, Andy Warren, etc. Mr. Lindner's students have met people from the national level down to the constable. Mr. Lindner stated that when a person is elected they are elected by the people. Once you take office it does not mean that you have all the answers. Mr. Lindner told every school board candidate at the time if you don't listen to the people you would not be reelected. This board and the previous board lost complete contact with the people. Mr. Lindner stated that the biggest disgrace in his opinion is when you don't stop and listen to the views of the people. Mr. Lindner knows from experience that those politicians, who do not listen, do not stay in office. Mr. Lindner remembers when he was denied to speak at the second public comment. There was no answer. Mr. Lindner remembers certain school board members trying to cut out people from speaking and cut the minutes down to two. Mr. Lindner remembers Mr. Eccles being the head of the Finance and Facilities committee for two years, and when he did not agree with the Food Service hiring he was taken off that position without any justification. Mr. Lindner asks, "Is that democracy?" Mr. Lindner noted that when you are a politician and you are an elected official you must listen to the people or you will not remain in office.

Ms. Georgianna Ramella, Langhorne, PA, stated that she was concerned with the school zone sign at Walter Miller Elementary School since it sits up high on a hill and there is difficulty seeing the sign and the glare from the signs makes it difficult to see whether it is actually flashing. Ms. Ramella asked if there is anything that could be done with the sign.

The board advised Ms. Ramella that the signs are placed by the Township and it would be a Township issue.

Ms. Drioli stated that a democracy is the ability to express different opinions, have a vote, respect the vote, and then respect the people who had differences of opinion. Apparently, a democracy is simply one way to some people and if you don't think that way, then you are on a hit list. Ms. Drioli thinks that is an absolute disgrace when you speak about democracy in one breath and election in another. Ms. Drioli stated that many only had an opinion and expressed their opinion. The vote came and the vote went. Every single person on the board is respecting that decision. Every board member is working toward a renovated school, even though that may not have been the first choice of every member. The board saw the vote come and go, and absolutely the board is committed to doing what the people wanted. To say that some members are bad people because we had an opinion and the opinion was fought for is offensive and absolutely is a slap in the face of democracy. Democracy is the ability to have two opinions, fight it out in a public arena, come together, have a decision and move forward. Ms. Drioli is committed to moving forward and every single person on this board is committed to moving forward. Ms. Drioli is tired of having the past dragged up, berating people, telling them they will not be reelected. Some board members have decided not to run for another term. Let's move on and look to the future.

5. Items for Discussion

a) Charles R. Smith, XSPAND

Mr. Smith provided board members with a presentation regarding some changes in Pennsylvania law allowing school districts to avail themselves to revenue from under performing assets, primarily, delinquent taxes.

Mr. Smith stated the following:

- XSPAND operates in 21 states.
- Purchased over \$1 Billion dollars of tax delinquencies in those 21 states.
- Delinquent taxes are uncollected revenues by a district.
- XSPAND assists districts in recognizing that revenue and paying you for that delinquency and availing themselves to the right to collect the future interest that would accumulate on those assets.
- An amount of accumulated tax delinquencies exist in Neshaminy and in a matter of weeks that could be converted into revenue via the sale of the tax delinquencies.
- School districts are looking into this to avoid borrowing funds.
- Allows current taxpayers to be relieved of the burden of carrying the delinquencies which are accumulating interest for the taxing jurisdiction.
- Cost of engaging in a sale of tax claims is less than the cost of a borrowing.
- School districts rid themselves of the risk of nonpayment and avail themselves to the revenue of the transaction.
- The cost of the transaction is the foregoing of the future interest which would have accumulated on the delinquencies.
- There are no added charges to taxpayers in transactions that involve the sale of tax claims.
- Taxpayers would continue to pay their tax delinquencies as they have in the past.
- Taxpayers would continue to pay their tax delinquencies to the County Tax Claim Bureau.

Mr. Bowman stated that typically when people don't pay their taxes it is not because they choose not pay them; it is because they can't pay their taxes. To what extent does XSPAND go to ensure the collection of the taxes? Mr. Smith advised that taxpayers would continue to pay the tax claim bureau and XSPAND would not contact the taxpayer, and the cash flows would be received once the tax claim bureau collected the amounts. In the taxing jurisdictions where XSPAND does have interactions it is governed by a recovery plan that requires that all scripts, contacts with taxpayers be approved by the taxing jurisdiction, letters which would be sent out would also need approval regarding the timing, frequency, etc.

Ms. Drioli questioned what percentage of taxpayers which are delinquent eventually become current and why would the district benefit from using XSPAND. Mr. Smith advised that approximately 80% become current at some point. XSPAND would purchase the delinquent accounts from Neshaminy and the district would receive the delinquent taxes which are due the district. XSPAND would provide the district with the revenue, reduce the risk of nonpayment and the price that the district would pay for this service would be the foregoing of the future interest which would be accumulating on the delinquency.

Mr. Smith advised that specific information regarding Neshaminy School District has not yet been received from the Tax Claim Bureau, and presently the data is incomplete.

Mr. Smith noted that the interest that accumulates on the tax delinquency is part of the value of that asset, accruing 6% interest. Mr. Smith further noted that if the value of a lien delinquency significantly exceeds the value of the property it can safely be assumed that the delinquent taxpayer will never pay. A value exists on paper and if a property is sold the lien will be satisfied.

Mrs. Barrett inquired whether XSPAND assists businesses that are virtually shut down and not operational, for example, empty strip malls. Mr. Smith noted that XSPAND has assisted homeowners and communities in some instances to help reach their redevelopment goals.

b) Possible Options to Act 72

Mr. Wilson advised that board members would be receiving a summary of Act 72 with possible options. The board will receive this information prior to the close of this evening's meeting. Mr. Wilson would like to keep this information amongst board members only until there is a chance to review same and get back to the Administration with comments.

Ms. Drioli stated that she has a strong sense that this Act needs to be rewritten and go back to the drawing board. Ms. Drioli would like to see the school districts receive a greater benefit from this Act. Take out the language that could ultimately hurt the seniors, take out the language that could cripple the homeowner that works, etc. Any piece of legislation that needs this much explanation needs to be rewritten.

Mrs. Bostwick stated that she has heard that Moody's would downgrade all of the school districts that accept this Act. How will this affect our district? Mr. Paradise stated that it is a bit controversial; however, another rating agency argued the opposite point. Mr. Webb further advised that Moody's stated that it would evaluate on a case by case basis.

Mr. Eccles asked the board to modify the Work Session and allow the Student Representative Report to be heard.

Student Representative Report

Ms. Danielle Cope and Mr. Dustin Worthington provided the following report:

- Gym Night 2005 was a great success – Blue Team was victorious.
- Junior Prom was held on Saturday, March 19, 2005.
- Student Council is holding its March Madness Tournament.
- Jazz Festival will take place on Friday evening.
- Sophomore Dinner Dance will be held on April 8, 2005 in Gym 3.
- Spring sports have begun at NSD, Lacrosse, Baseball, Track, Soccer, Softball, Tennis, Girl's Lacrosse and Volleyball.

6. Items for Approval

a) Overnight Trips

Trip information distributed for the following trips:

- I. Sandburg Middle School – FBLA State Conference – Champion, PA, April 12-15, 2005
- II. Maple Point Middle School/Neshaminy Middle School – State Bowl Future Problem Solving Competition – Harrisburg, PA, April 18-19, 2005
- III. Neshaminy High School – PA Technology Student Association State Conference – Champion, PA, April 20-23, 2005

Mr. Wyatt asked for Board consensus for the trips.

There was Board consensus for the three trips.

b) Proposed School Calendar for 2005- 2006

Mr. Wilson recommended that the Board adopt the school calendar for 2005-2006. School will start before Labor Day.

Mr. Wilson advised that Graduation is scheduled for Monday, June 13, 2005.

c) BCIU#22 Programs and Services/Instructional Materials Budget for 2005-2006

Mr. Wilson stated that there has been a 1.06% increase in expenditures, but there is no increase to Neshaminy for total contributions.

d) Summer School Programs 2005

Mr. Wyatt advised board members that the program is almost a carbon copy of last years program. The dates and length of time is very similar to last years. Fees have been increased by \$5.00 per category to offset the increase in salary, energy, etc. The program is self-supporting and the costs are offset by the tuition.

e) Authorizing Resolution for Reimbursement of Prior Expenditures of Bond Funds

Mr. Paradise stated that the district will not be settling on a bond issue for about a year from now, but the district will begin extending some of the monies for the high school project for architectural, construction management fees, etc. The district will be borrowing cash from itself in order to pay the fees. It is necessary that the board adopts this Resolution in order that the district can reimburse itself when the monies are received. The Resolution will allow the district when the bond is settled upon a year from now to pay back the expenditures that have been advanced during the course of the last year.

f) Election of Board Members to Intermediate Unit Board

Mr. Wilson noted that the Board will be voting for five members this evening for the IU Board and Ms. Drioli will be the representative from Neshaminy appointed to the IU Board.

g) Forward Swap for High School Bond Issue

Mr. Paradise provided a handout with information regarding the interest costs for the Forward Swap based on today's rates.

Mr. Webb stated that the Finance Committee met with Public Finance Management (PFM) and PFM has prepared a financial plan brochure for the committee which has been distributed to all board members. Mr. Webb noted that whatever amount is borrowed would need to be spent. Mr. Webb would recommend that the amount of \$70M be borrowed. Mr. Webb provided the following breakdown:

Borrow Amount: \$70M
Average Household Assessment: 6700
Two year phase in – First year 8.24 mils additional
Second year 8.5 mils additional
Total of 16.74 mils – average cost per year of \$113.00
Save 10.6 mils with the closing of Neshaminy Middle School
Save 5 mils by renting Neshaminy Middle School
Net out .84 mils – cost of \$5.69 per year per household

Borrow Amount: \$72M
Average Household Assessment: 6700
Two year phase in – First year 8.6 mils additional
Second year 8.7 mils additional
Total of 17.38 mils – average cost per year of \$117.66
Save 10.6 mils with the closing of Neshaminy Middle School
Save 5 mils by renting Neshaminy Middle School
Net out 1.78 mils – cost of \$12.00 per year per household

Mr. Webb encourages that the Board act now and lock in today's interest rates to avoid higher rates of tomorrow. Mr. Webb noted the money will not be borrowed for approximately one (1) year.

Mrs. Bostwick inquired why the district should borrow only the minimum amount required. How will the district handle any overages, if only the smallest amount is borrowed? Mr. Webb stated that what the district borrows needs to be spent. Mr. Webb feels it is better to set the goal at \$70M, with the option that the district can borrow additional funds if needed.

Mr. Paradise clarified that what is being discussed is the SWAP amount. The amount borrowed will be a year from now. The SWAP amount determines that it can never be less than the amount chosen, but a maximum of \$85M could be borrowed in the future. Only \$70M will be protected by today's interest rates.

Board discussion ensued further regarding the borrowing amount and possible uses for the money at the high school facility.

Mr. Eccles noted that he has major concerns. The board has been meticulous interviewing prospective vendors for price and content since the referendum, and we failed to follow that on this bond issue. The board is voting on a SWAP. The board does not know what bond company fees will be or what counsel fees will be. Mr. Paradise noted that a proposal letter was distributed at the Finance Committee regarding bond counsel fees. Mr. Paradise noted that the job of the financial advisor is to assure the district that they will be receiving the best interest rate on the SWAPS and the underwriter is fair and competitive.

Mr. Eccles questioned why this was not put out for bid. Why is the district not doing so on a \$70M bond? Mr. Webb responded that the board voted 5-4 on August 24, 2004 to use RBC Dain Rauscher. The Financial Advisor was put out to bid and PFM was awarded the contract. The SWAP concept is a new concept and the district is relying upon the recommendations of PFM.

Mr. Eccles stated that there was a 5-4 on August 24th and it was a Resolution to incur debt. It was not a Resolution to employ either Saul Ewing or RBC Dain Rauscher. Mr. Jones of Saul Ewing stated on August 24th that "The Resolution is an authorization document, not a commitment document." Mr. Eccles questioned the difference between authorization and commitment. The Board ensued further discussion regarding the minutes of the August 24th meeting. Mr. Eccles reiterated quotes of Mr. Lillys and Mr. Jones made at the August 24th meeting.

Mr. Webb stated that he believes that time is of the essence and it is in the best interest of the taxpayers to go forth with RBC Dain Rauscher. Mr. Webb feels that RBC is a reputable and quality company. Possibly at a future date a policy could be created, however, when five members vote to pass a Resolution, the board is obligated to go forth.

Ms. Drioli noted that even the other bond company used by the district did not give the district a good issue. The district has been doing business with RBC Dain Rauscher for at least twelve years, and they have given the district good rates.

Mr. Profy stated that the Resolution adopted on August 24th authorized the incurrence of up to \$85M and not to exceed to finance the capital improvements. Mr. Profy noted that the Resolution also provides "The school district hereby awards and sells the bonds to RBC Dain Rauscher, Inc. an aggregate price not less than 95% and no more than 105%, precise amount to be negotiated in the future." Mr. Profy noted that RBC Dain Rauscher was appointed remarking agent for the bonds. The issue raised at the time and Mr. Eccles has spoken to same is "Could you substitute or amend this Resolution to provide for a company other than RBC Dain Rauscher, Inc." The answer is yes. On the issue of bond counsel it was addressed in the Bond Purchase Agreement which did reference Saul,

Ewing, LLP of Philadelphia as bond counsel. The board has the right to select its principals and professionals with which it deals. Mr. Profy advised that could another law firm be used, but, as it stands now, under this Resolution unless and until this Resolution is formally amended which would require some delays RBC Dain Rauscher is the underwriter for this up to and not to exceed \$85M in bonds.

Mr. Webb noted that it would take five votes to make a change.

Dr. Spitz stated that getting the best rates on the bonds themselves is not the only criteria to be used. Last year when the district went with another bond underwriter, costs to the district were over \$100,000 by going with that bond underwriter, even though they had a lower price per bond. Also, a 5-4 vote was taken last August; however, the great majority of the discussion to approve same was based on the amount of the bond. Dr. Spitz noted that the district is relying on the financial advisor to provide an opinion that the rates that the district is receiving, which includes the cost of selling bonds, is a reasonable and fair rate in today's market. Dr. Spitz is very comfortable that a good decision is being made for the community.

Mr. Eccles urged that every board member when making decisions needs to look at the taxpayers and make sure the best is being done. Mr. Eccles stated that he does not feel that the board has done its best with this situation since it was not put out for bid.

h) Scope of Renovations for Poquessing

Mr. Paradise advised that the committee is recommending that the district proceed and go out to bid. A handout was distributed to board members regarding the scope of the renovations. Mr. Paradise directed board members to turn to the last page which contained the project costs.

\$4.4 M in construction costs
\$140,000 for possible use of modular classrooms
Add on alternate bids would bring the total project costs to \$5.5M

Mr. Webb and Mr. Eccles requested that the additional \$551,634 received from the Wachovia Bank bond transactions to go towards the renovation project at Poquessing.

There was board consensus that the \$551,634 be used toward the Poquessing project. There was board consensus for the Poquessing project to go out to bid.

i) Bids/Budget Transfers

Information distributed prior to the meeting. Mr. Paradise reviewed the following bids:

Bid No. 06-02 Trash Removal & Recycling

Bid Amount: \$216,360.00

The bid is for trash removal and recycling for the district for the school years 2005/06, 2006/07, 2007/08.

Bid No. 06-03 Athletic/Physical Education Supplies

Bid Amount: \$73,038.53

Supplies for physical education programs and various team sports for school year 2005/2006.

Bid No. 06-05 Industrial Technology Education Supplies

Bid Amount: \$10,851.61

Supplies for the instruction of industrial technology including design, problem solving and research and development for school year 2005/2006.

Bid No. 06-06 Transportation Parts Supplies

Bid Amount: \$103,350.50

Various supplies for the maintenance of District vehicles for school year 2005/2006. Quantities on this bid are estimated. The actual quantities purchased may vary from this estimate, but will not exceed the total recommended for award.

Bid No. 05-30 Access Control – Time & Attendance & CCTV Integration – District Wide

Bid amount: \$693,890.00

Card readers, motion detectors, time & attendance terminals, and CCTV cameras installed to operate as a unified security system in all elementary and middle schools.

It was noted that this system does not include the high school building. Monies for this project are coming from the Capital Improvement Bond Issue.

The five bids will be presented for approval later this evening.

7. Superintendent's Report

No report.

8. Committee Reports

a) Board Policies

Mr. Bowman advised that there was no report.

b) Educational Development

Dr. Spitz advised that the committee met on February 9th and the following was discussed:

- Textbook requests for the upcoming budget year.
- Accreditation for Growth Program – improve student performance and test scores.
- Expanding enrollment into the AP and honors classes.

c) Finance and Facilities

Mr. Webb advised no further report.

d) IU Board

Mrs. Drioli advised no further report.

e) Educational Foundation

Mrs. Cummings was not present.

f) Technical School

Dr. Spitz advised that all the 9th grade slots will be filled at the Tech School. The Tech School Budget is looking at an increase of 8.8% due almost entirely to required salary and benefit increases in the contracts, plus five new positions are requested. Four of these positions will be special education positions. Neshaminy is way over represented in terms of special education.

g) Technology

Mrs. Jowett advised no report.

9. Future Topics

- a) 2005-2006 Working Draft Budget

10. Agenda Development for the March 29, 2005 Public Meeting

11. Other Board Business

12. Adjournment of Meeting

Mr. Webb moved the meeting be adjourned and Mrs. Jowett seconded the motion. The Board approved the motion with eight ayes. Mr. Eccles adjourned the meeting at 9:08 p.m.

PUBLIC MEETING

Call to Order

Mr. Eccles called the meeting to order at 9:22 p.m.

Approval of Minutes

Upon motion of Dr. Spitz and seconded by Mrs. Jowett, the Board unanimously approved the minutes of the February 22, 2005 Public Meeting.

Approval of Treasurer's Report, Bills for Payment, Investments, and Exonerations of Personal and Per Capita Tax – Mr. Paradise presented the following for approval:

February 2005 Treasurer's Report, subject to audit
Check Register – February 2005
Escrow Funds, Capital Improvement Funds, Investment Funds
Budget Transfer Report (Working Copy 05-3)
Personal and Per Capita Tax Exonerations

Dr Spitz moved the February 2005 Treasurer's Report be approved, subject to audit, and the February 2005 bills for payment, Budget Transfer Report (Working Copy 05-3), Escrow Funds, Capital Project Funds, Investments Funds. Mr. Bowman seconded the motion.

The Board unanimously approved the Treasurer's Reports, subject to audit, bills for payment, investments, escrow funds, capital project funds, budget transfer report and personal and per capita tax exonerations.

Bids

Mr. Paradise presented the following bids for approval:

Bid No. 06-02 Trash Removal & Recycling

Bid Amount: \$216,360.00

The bid is for trash removal and recycling for the district for the school years 2005/06, 2006/07, 2007/08.

Bid No. 06-03 Athletic/Physical Education Supplies

Bid Amount: \$73,038.53

Supplies for physical education programs and various team sports for school year 2005/2006.

Bid No. 06-05 Industrial Technology Education Supplies

Bid Amount: \$10,851.61

Supplies for the instruction of industrial technology including design, problem solving and research and development for school year 2005/2006.

Bid No. 06-06 Transportation Parts Supplies

Bid Amount: \$103,350.50

Various supplies for the maintenance of District vehicles for school year 2005/2006. Quantities on this bid are estimated. The actual quantities purchased may vary from this estimate, but will not exceed the total recommended for award.

Public Meeting (Work Session/Public Meeting) of the Neshaminy Board of School Directors (cont.)
March 29, 2005

Bid No. 05-30 Access Control – Time & Attendance & CCTV Integration – District Wide

Bid amount: \$693,890.00

Card readers, motion detectors, time & attendance terminals, and CCTV cameras installed to operate as a unified security system in all elementary and middle schools.

Dr. Spitz moved the five bids be approved and Mr. Bowman seconded the motion.

The Board unanimously approved the five bids. Mrs. Cummings was not present.

Certified and Support Personnel Actions

Mr. Wilson presented the following for approval:

Elections of Certified Personnel
Resignations/Leaves of Certified Personnel
Elections of Support Personnel
Resignations/Leaves of Support Personnel
Sabbatical Leaves of Certified Personnel
Extra-Curricular Staff and Salaries Report

Mr. Wilson requested approval of the personnel report and Extra-Curricular staff and salaries report as presented.

Dr. Spitz moved the personnel report be accepted. Mr. Bowman seconded the motion.

The Board unanimously approved the personnel report. Mrs. Cummings was not present.

Motion: 2005-2006 Proposed School Calendar

Mr. Webb presented the following motion:

WHEREAS, each year the Board of School Directors must establish an official school calendar for the coming year; and

WHEREAS, the six participating school districts of the Bucks County Technical High School strive to establish a common school calendar; and

WHEREAS, the Board of School Directors reviewed the proposed calendar at the March 29, 2005 Public Work Session; and

WHEREAS, the proposed calendar was forwarded for comments to each of the employee bargaining groups.

NOW, THEREFORE, BE IT RESOLVED, that the Neshaminy Board of School Directors adopt the attached school calendar for the 2005 – 2006 school year.

Mrs. Barrett seconded the motion.

Mrs. Eileen Forman, Langhorne, PA, stated that she has two children attending Neshaminy School District. Mrs. Forman is concerned that the students are starting back before Labor Day. Mrs. Forman would like the Board to look at this issue. Mrs. Forman does not know why the entire week is off at Easter.

Mr. Wilson advised that there are letters of agreement with the Bargaining Units. Mr. Wilson advised that it has been this way for approximately ten years. When Labor Day is late, school starts early.

Mrs. Forman stated that many parents are complaining about this issue.

The Board unanimously approved the motion. Mrs. Cummings was not present.

Motion: Intermediate Unit No. 22-2005-2006 Budget

Mrs. Barrett presented the following motion:

WHEREAS, the Neshaminy School District is one of the thirteen school districts in Bucks County that utilizes the services of the Bucks County Intermediate Unit No. 22; and

WHEREAS, the Neshaminy School District contributed to the support of the Bucks County Intermediate Unit; and

WHEREAS, the School Code requires that the Intermediate Unit budget be presented and acted upon by the Board of School Directors.

NOW, THEREFORE, BE IT RESOLVED, that the Neshaminy Board of School Directors approves the Bucks County Intermediate Unit Program and Services and Instructional Materials Budget for 2005 – 2006 in the amount of \$1,858,800 with our district share to be \$108,647.

Mrs. Jowett seconded the motion.

The Board unanimously approved the motion. Mrs. Cummings was not present.

Motion: Summer Programs – Summer of 2005

Mrs. Bostwick presented the following motion:

WHEREAS, the Neshaminy School District has operated a successful summer school program for 47 consecutive years; and

WHEREAS, in recent years has operated completely on a self-sustaining basis via student tuitions; and

WHEREAS, the following programs have been discussed with the Neshaminy Board of School Directors:

- Secondary Summer School (Enrichment and Make-up)
- Summer Fine Arts including Art, Dance, Instrumental Music, and Summer Stock

NOW, THEREFORE, BE IT RESOLVED, that the Neshaminy Board of School Directors approves the request to operate summer programs for the 48th year.

BE IT FURTHER RESOLVED, that students residing in Neshaminy School District be given first preference for program involvement and related program activities.

Mr. Bowman seconded the motion. The Board unanimously approved the motion. Mrs. Cummings was not present.

Motion: Approval of Authorizing Resolution for Reimbursement of Prior Expenditure of Bond Funds

Mr. Bowman presented the motion:

WHEREAS, the Neshaminy School District (the “School District”) has determined to undertake renovations and improvements to the Neshaminy High School (the “Project”); and

WHEREAS, the School District intends to finance some or all of the costs of the Project by the issuance of its bonds, notes or other obligations (the "Bonds") and intends to use a portion of the proceeds of the Bonds to reimburse itself for original expenditures made prior to the date of issuance of the Bonds; and

WHEREAS, no portion of the Project have yet been placed in service; and

WHEREAS, this Resolution is intended to constitute a statement of "Official Intent" pursuant to Treasury Regulations §1.150-2, T.D. 8476 (the "Treasury Regulations").

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

1. In accordance with the Treasury Regulations, the School District hereby states its intention that a portion of the proceeds of the Bonds will be used to reimburse itself for expenditures paid for costs of the Project prior to the date of issuance of the Bonds. All capitalized terms used herein and not otherwise defined have the meanings given to them in the Treasury Regulations.

All original expenditures to be reimbursed will be capital expenditures and other amounts permitted to be reimbursed pursuant to the Treasury Regulation.

The School District intends to reimburse the original expenditures through the School District's incurrence of debt to be evidenced by the Bond.

The estimated maximum principal amount of the Bonds to be issued to reimburse the costs of the Project paid prior to their issuance and to complete the Project is \$85,000,000, including the costs of issuance of the Bonds.

2. Once the Bonds are issued, the School District shall allocate Bond proceeds to reimburse a prior expenditure by making the allocation on its books and records maintained with respect to the Bonds, provided that such costs to be reimbursed were paid not more than 60 days prior to the date hereof, except to the extent that such costs constitute preliminary costs within the meaning of the Treasury Regulations. Such allocation shall specifically identify the actual original expenditure to be reimbursed. Such allocation shall occur not later than 18 months after the later of (i) the date on which the original expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid. If the Bonds are issued before the expiration of the period prescribed in the preceding sentence, then the reimbursement allocation shall occur not later than the date the Bonds are issued.
3. The Bond proceeds used to reimburse the School District for original expenditures will not be used within 1 year after the allocation in a manner that results in the creation of replacement proceeds (as defined in Treasury Regulation §1.148-1) for the Bonds or for other bonds.
4. The School District will not use the proceeds of the Bonds to reimburse, refinance or refund an original expenditure paid by another obligation (either tax-exempt or taxable).
5. This Resolution shall be effective immediately.
6. All resolutions heretofore adopted to the extent the same are inconsistent herewith are hereby repealed.

Dr. Spitz seconded the motion. The Board unanimously approved the motion. Mrs. Cummings was not present.

Motion: Election of Member to the Intermediate Unit Board

Dr. Spitz presented the following motion:

WHEREAS, the Bucks County Intermediate Unit #22 is governed by an Intermediate Unit Board of Directors, and

WHEREAS, the Neshaminy School District has duly elected a board member to participate on the Intermediate Unit Board, and Neshaminy's participation is critical to the operation of the Intermediate Unit, as well as the services afforded the Neshaminy School District, and

WHEREAS, the Neshaminy Board of School Directors has received notice from the Intermediate Unit that Carol Drioli's term on the Intermediate Unit Board expires on June 30, 2005, and she is eligible to succeed herself without limitations as to the number of terms or another representative from the school district may be nominated.

THEREFORE, BE IT RESOLVED that the Neshaminy Board of School Directors appoint Carol A. Drioli to serve as the representative to the Bucks County Intermediate Unit Board of Directors.

Mr. Bowman seconded the motion. The Board unanimously approved the motion. Mrs. Cummings was not present.

Motion: Approval of Plan for Forward Swap

Mrs. Jowett presented the following motion:

WHEREAS, Neshaminy School District (the "School District") has undertaken an extensive, multi-year capital improvement program, consisting of, among other things, substantial renovations and improvements to Neshaminy High School and various other School District facilities (collectively, the "Capital Improvement Program"); and

WHEREAS, in anticipation of the issuance of general obligation bonds (the "Bonds") to finance a portion of the Capital Improvement Program on a permanent basis, the School District desires to enter into a forward starting interest rate swap with RBC Dain Rauscher Inc., as swap counterparty, in order to lock in a lower interest rate today with respect to the Bonds (the "Swap"), pursuant to, among other things, an Interest Rate Management Plan (the "Plan") and an Interest Rate Management Agreement (the "Agreement"); and

WHEREAS, in order to consummate the Swap, it is now necessary and desirable for the School District to authorize its professional advisors, in conjunction with School District officials and Begley, Carlin and Mandio, LLP, solicitor to the School District (the "Solicitor"), to structure and prepare for the execution of the Swap, including, without limitation, through the preparation of the Plan, the Agreement and various schedules related to the Swap and the solicitation of bids for insurance on the Swap.

NOW, THEREFORE, BE IT RESOLVED by the Board of School Directors of the School District (the "Board") as follows:

1. Confirmation of Professional Advisors. The School District hereby confirms the appointment of Public Financial Management, Inc., Philadelphia, Pennsylvania, as Financial Advisor and Swap Advisor (the "Advisor"), RBC Dain Rauscher Inc.,

Philadelphia, Pennsylvania, as swap counterparty (the "Counterparty") and Saul Ewing LLP, Philadelphia, Pennsylvania, as bond counsel and special swap counsel ("Bond Counsel"), for the execution of the Swap.

2. Authorization to Proceed with Swap. The professional advisors, comprised of the Advisor, the Counterparty, Bond Counsel and the Solicitor, in cooperation with the School District Administration, are hereby authorized to take all action necessary to structure and prepare for the execution of the Swap, including, without limitation, through the preparation of the Plan, the Agreement and various schedules related to the Swap and the solicitation of bids for insurance on the Swap, in order to lock in a lower interest rate today with respect to the Bonds, which will ultimately provide permanent financing for the costs of the Capital Improvement Program.
3. Further Approvals by Board. The final terms and conditions of the Swap are subject to approval of the Board by further resolution to be considered at the time of the execution thereof.
4. Effective Date. This Resolution shall take effect immediately and shall supersede all prior resolutions to the extent that the same are inconsistent herewith.

Dr. Spitz seconded the motion. The Board approved the motion by a vote of seven ayes and one nay (Mr. Eccles). Mrs. Cummings was not present.

Ms. Drioli made a motion that the amount be \$70M. Mr. Webb seconded the motion.

The Board approved the motion by a vote of six ayes (Dr. Spitz, Mrs. Barrett, Mr. Bowman, Ms. Drioli, Mrs. Jowett and Mr. Webb) and two nays (Mr. Eccles and Mrs. Bostwick). Mrs. Cummings was not present.

Federal Programs

Mr. Wilson advised that there was nothing to report.

Public Comment

Mr. Howard Lindner, Langhorne, PA, stated that since there is a Girl's Lacrosse Team at the high school there should definitely be a Boy's Lacrosse Team. This sport would involve at least fifty kids. Mr. Lindner also stated that it should be looked into to see if school could start after the Labor Day holiday. Many people take their vacations at that time.

Mr. Kevin Yeingst, Feasterville, PA, stated that he is happy that a security system is being put into place. Mr. Yeingst inquired whether the security system could be installed during the renovations of Poquessing. Also, Mr. Yeingst attended the play "Damn Yankees" performed by Poquessing Middle School. A wonderful job was done by all.

Mrs. Marianne O'Connor, Langhorne, PA, inquired why Summer Stock is not being held at Maple Point where there is air conditioning and a more comfortable environment. When the calendar is revamped it would be better to have the day after Easter off, and it would not be necessary to have the entire week before off. Mrs. O'Connor congratulated all the middle school students who had their plays. The performances were wonderful. Those in the community who do not go out you should. It's an inexpensive night. Mrs. O'Connor is concerned that the plan for the high school is including Fine Arts. Hopefully, the funds will not be cut for the Fine Arts area when the renovations begin at the high school. It is a vital part of the student's education. Mrs. O'Connor is challenging everyone to move on. Mrs. O'Connor does not want to see political agendas at the school board meetings.

Board Comment

Mrs. Barrett reminded that an Act 72 meeting will take place at 7:00 p.m. on March 30 at the Intermediate Unit.

Dr. Spitz publicly commended four Neshaminy High School students who are National Merit Scholarship Finalists. These students are in the top 1 1/2% nationally in a group of over 1.3M students. They are Sara Beal, Dimitry Ekshtut, Morgan Hennessy, and Avinash Rajput. Great accomplishment for those students.

Mrs. Bostwick stated at this time the most concrete numbers the district has concerning the renovations is \$66M. The original amount for the new school building, just the building, was \$84.9M. That leaves \$18.9M. Mr. Webb stated that it is \$55M construction costs on this building and \$85M on the new school. Mr. Webb stated it is a \$30M.

Ms. Drioli reminded everyone to vote for Anthony Federov.

Adjournment

Mr. Webb moved the meeting be adjourned and Mr. Bowman seconded the motion. The Board unanimously approved the motion. Mr. Eccles adjourned the meeting at 9:50 p.m.

Respectively submitted,

Anita E. Walls
Board Secretary