

NESHAMINY SCHOOL DISTRICT  
Langhorne, Pennsylvania

PUBLIC BOARD MEETING MINUTES  
NESHAMINY BOARD OF SCHOOL DIRECTORS  
(WORK SESSION)  
April 12, 2005

The Neshaminy Board of School Directors met in public session on April 12, 2005, in the Board Room of the Maple Point Middle School. The following persons were in attendance:

**BOARD MEMBERS:**

Mr. Richard M. Eccles, President  
Mrs. Sue C. Barrett  
Mrs. June R. Bostwick  
Mr. Jason Bowman  
Ms. Carol A. Drioli  
Mrs. Susan Cummings  
Mrs. Kimberly 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 M. Wyatt

**BOARD MEMBER NOT PRESENT:**

Dr. William H. Spitz, Vice President

**SOLICITOR:**

Thomas J. Profy, III, Esquire

**SECRETARY:** Mrs. Anita E. Walls

**OTHERS:** Approximately 23 persons from the public, staff and press

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**1. Call to Order**

Mr. Eccles called the meeting to order at 7:10 p.m.

**2. Pledge of Allegiance**

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

**3. Announcements**

No announcements.

**4. Public Comment**

Mr. Dan Finley, Lower Southampton, PA, stated that he hopes that \$5.5M for the proposed renovations to Poquessing will be enough. Mr. Finley realizes that the district is planning on doing some work with the classrooms, but also, the gymnasium and sound system in the auditorium need work. Mr. Finley hopes that the asbestos abatement is done according to procedure and the district will not have difficulties like in the Council Rock School District.

Mr. Kevin Yeingst, Lower Southampton, PA, provided board members with a sketch of the Poquessing facility. Mr. Yeingst is concerned about the exiting of the vehicles around Poquessing. Mr. Yeingst noted that there is no crossing guard and there are no sidewalks. When vehicles are exiting there is no school zone sign. Cars are traveling at 35 mph and the vehicles do not come to the school zone until they are a quarter of the way up the block. Mr. Yeingst is also concerned about the Ferderbar facility and the playground area. There is also no school zone sign until the bottom of the hill which is past the playground. Mr. Yeingst wondered whether it would possible to move the school zone sign to the top of the hill. Children are crossing the street and no crossing guard is present.

Ms. Diane Danieloft, Oakford, PA, stated that she lives behind Tawanka School and she has been dealing with a water runoff problem with the property. The property is graded into a valley and when a bad rain storm comes, the water rushes down like a stream into her yard. Ms. Danieloft has an inground pool and the water runs into the pool. Lately the problem has been getting worse. Mr. Whitlock advised that it is a natural runoff and is the homeowner's problem. The water has come down so bad that it has gone under the inground pool and pushed it up into the air about four feet. Ms. Danieloft has a problem accepting the fact that it is her responsibility. Ms. Danieloft wants to redo the yard. Her insurance company has stated that if she does her own drainage system and it runs into any neighbor's yard, she would get sued for redirecting the water. Ms. Danieloft provided board members with pictures of her yard.

Mr. Solis Basen, Langhorne, PA, stated that he may be premature but he has noticed on the agenda that alternatives to tax proposals is on the agenda for this evening, however, Mr. Basen feels he is speaking on behalf of many senior citizens, and he would like to know if there will be any contingency plan if Act 72 does not go through. Since the year 2001 the school taxes have gone up 20%. This is not in line with other inflation figures that we see. Mr. Basen is aware that the board will be working on the budget. Mr. Basen is aware that 80% of the budget is a fixed amount of money which is necessary for salary and benefits. Please give us some consideration.

## **5. Items for Discussion**

### **a) Alternative to Tax Proposals**

Mr. Wilson provided a handout to board members for review regarding the one percent earned income tax. Mr. Wilson advised that Lower Southampton currently has the one percent income tax and some of the boroughs are looking into also collecting the one percent. Neshaminy School District is entitled to one-half of that one percent. Mr. Wilson stated that this would be an alternative to Act 72. The district could levy the one percent earned income tax. The figures on the handout are from 2002 and the numbers have gone up.

Mr. Paradise advised that the information from Berkheimer suggests that the first year instead of the amount collected being \$3.1M the district would yield between \$3.9M and \$4.2M. Many individuals pay this type of tax quarterly. Mr. Paradise advised that presently the district could yield between \$7M and \$7.1M which represents one-half of the one percent and that would be the district's share.

Mrs. Bostwick questioned why personal income tax is not an alternative. Mrs. Bostwick stated that it is taxing everyone more fairly. Mr. Paradise stated that it is not an option.

Mr. Profy stated that under the local tax abatement Act 511, the district cannot impose a personal income tax; the district can impose only an earned income tax. Mr. Profy advised that if the district adopts Act 72, then a personal income tax could be collected, but not until the 2006-2007 referendum.

Mr. Wilson stated that if the earned income tax were enacted the following are some ideas that could provide possible tax relief:

- Increase funding for the senior citizen tax assistance program
- Expand the eligibility for the senior citizen tax assistance program

Mr. Eccles stated that Act 72 is only being complicated by the people who are trying to explain the Act. At least under Act 72 you will have seniors that will receive tax relief, but also the wage earners would have an opportunity to get some property tax relief.

Ms. Drioli feels that Act 72 will cripple the district. Act 72 will benefit one age group only. Ms. Drioli is looking at the student's welfare. The students have needs today that did not exist forty years ago.

Mr. Eccles made the point that how much longer can districts in this state impose large increases on the taxpayers. The state has attempted to take a step to alleviate the problem.

Board discussion ensued regarding the pros and cons of Act 72 for the district.

Mrs. Barrett noted that there is a lawsuit pending regarding the constitutionality of Act 72. Mr. Wilson advised that arguments have taken place from both sides; however, there is no time frame as to when the court will render a decision.

Mr. Webb recommended that the board take a vote regarding Act 72 for the next meeting.

Mr. Eccles asked the board permission to move on Item #6, b) Motion for Swap Resolution and Interest Rate Management Plan.

There was board consensus to amend the agenda.

## **6. Items for Approval**

### **b) Approval of Motion for Swap Resolution and Interest Rate Management Plan**

Mr. Paradise introduced Mr. Jeff Pearsal, Financial Advisor from PFM Group, Robert Jones, Esquire, Bond Counsel from Saul Ewing and Jim Lofty from RBC Dain Rauscher.

Mr. Pearsal provided board members with a handout regarding the Interest Rate Management Plan which is a requirement under the PA Local Government Unit Debt Act which authorizes interest rate swaps. Mr. Pearsal stated that the plan is a comprehensive overview providing the following:

- What are the proposed transactions
- Effects on the district's debt service
- Fees
- Two interest rate swaps

Mr. Pearsal stated that the Swaps will protect the district from rising interest rates. Each Swap will be in the approximate amounts of \$35M. One of the Swaps will be based upon the bond market association or (BMA) index and the other will be based upon the 67% of the LIBOR.

Robert Jones, Esquire from Saul Ewing distributed to board members the Resolution which is the formal legal action to approve the Swaps. The board will be authorizing the locking in of interest rates in today's market place on a fixed rate basis using a Swap. The Debt Act requires that formal steps in order to implement a Swap transaction. The Resolution and Interest Rate Management Plan are responsive to those legal requirements.

Mr. Jones advised that there will be an opinion of the Financial Advisor that the terms of the Swap are fair and reasonable to the school district. Mr. Jones stated that the Swap is a contract and there are covenants in that contract similar to the covenants in a Bond contract.

Mr. Jones stated that the Swap market is a very active and large market. The rates are changing every minute. Mr. Jones advised that the formal action needed this evening would be a motion to approve the Resolution. Mr. Jones opened the meeting to questions or discussions.

Mr. Webb made a motion to approve the Resolution. Ms. Drioli seconded the motion.

Mr. Eccles required a roll call vote on the approval of the Resolution. The roll call tally indicated the motion passed with six ayes (Mrs. Barrett, Mr. Bowman, Mrs. Cummings, Ms. Drioli, Mrs. Jowett, Mr. Webb) and two nays (Mrs. Bostwick, Mr. Eccles). Mrs. Bostwick stated that she understands that this is a good deal; however, she also knows it is not enough money. Mrs. Bostwick feels that in two years

the district will need further monies at a higher cost. Mr. Eccles commented that he voted no due to the fact that it was not placed out for bid.

Mr. Eccles requested the agenda be amended to have Items for Discussion – Boys Lacrosse be next of the agenda. The board was in agreement to amend the agenda.

**5. Items for Discussion**

**c) Boys Lacrosse**

Mr. Wilson advised that a meeting took place regarding Boys Lacrosse and it was a very productive meeting. Mr. Wilson encouraged the board to support Boys Lacrosse. Mr. Wilson asked Mr. Webb and Mrs. Jowett to provide the findings of the meeting.

Mr. Webb advised that he was taken back by the dedication of the people involved with the Lacrosse team. Mr. Webb advised that Mrs. Murphy does not have the money in her budget to subsidize this program which was estimated to have a cost of \$43,000. The equipment and uniforms are quite expensive.

Mr. Webb advised that the Lacrosse parents agreed to help the district finance the sport by fundraising. The team would contribute \$15,000 toward the financing of the sport. Mr. Webb encourages the board to agree to allow Boys Lacrosse to be a team sport for Neshaminy.

There was board consensus to move forward.

Mr. Kevin Emig read the following: “The undersigned recognizing the commitment of the Board of School Directors hereby pledge their support both financially and otherwise to the Neshaminy High School Boys Lacrosse program.” Mr. Emig is in the process of getting all the parents to sign the above.

Mr. Emig advised that a significant portion of the initial cost is equipment. Mr. Emig does not feel that the equipment would need to be repurchased every year. The budget should be significantly less than \$43,000 in upcoming years.

**b) 2005-2006 Working Draft of Budget**

Mr. Paradise distributed a Working Draft Budget to all board members. Mr. Paradise stressed that it is a Working Draft Budget and it is not a public document at this point. Mr. Paradise reviewed the following points with board members:

- Projected enrollment - stable with a slight increase
- Employee contractual agreements
- State and Federal mandates
- Revenues – Real Estate taxes
- Income from investments
- Expenditures – Contracting bargaining agreements (Support Staff 3% increase, Certified Staff – 2 ¾% increase) - Total Salary increases will be 4.6%
- Associated health benefit increases – 11.3%
- Special Education (constantly rising costs – Total Expense \$20.3M  
Subsidy from the State is \$5.6M)
- Charter School tuition/Private School tuition/Tech School tuition
- Fuel Oil/Diesel Fuel - \$1.08 for 2004/2005  
\$1.75 for 2005/2006 (estimated)  
Increase of \$831,000  
Total amount for oil - \$2.2M

Mr. Paradise advised board members that presently there is a reconciliation gap of \$6.7M which is based on the new millage. All of the assessments in the County were quadrupled. Additional mills to fund this budget would be 8.8 mills. Mr. Paradise advised that the average assessment which was 6,770 is now 27,080.

Mr. Paradise advised that the increase for the average residential assessment would be \$239.00.

Mr. Paradise advised that the district is not happy with these figures. The budget is a working draft in progress.

Mr. Paradise noted that the Fund Balance as of June 30, 2004 was audited at about \$12.5M. Assuming the district uses the \$3.8M the Fund Balance would be down in the neighborhood of \$8.5M.

Mr. Profy left the meeting at 8:20 p.m.

Mr. Eccles commented that there are businesses that close their books monthly and quarterly. Mr. Eccles noted that we have a fantastic district; however, this district could work better and smarter. We need to begin thinking outside the box. Mr. Eccles noted that the main focus is to educate the children and make sure the best possible education is given and the facilities are good.

Mr. Wilson commented that there is no creativity when 80% of the district costs are fixed by contract, fuel oil prices, etc.

Mr. Eccles noted that the state of Delaware is concerned that when gambling is introduced in Pennsylvania, Delaware will lose 70% of their income.

Mr. Wilson advised that the Governor is concerned. Only five school districts have said that they would participate in Act 72 at the present time. Most districts are delaying their votes.

Mr. Webb questioned what will happen to Neshaminy's portion of the gambling money if the district does not opt to participate in Act 72. Will the surrounding districts receive our money?

Ms. Drioli suggested the vote for Act 72 be taken at the end of May when the law requires the action be taken.

Mr. Eccles feels the district needs to take a leadership role. If the board votes down Act 72 the board needs to start looking at other alternatives.

The board was divided four to four as to whether to have Act 72 placed on the upcoming agenda. Dr. Spitz was not present.

Mr. Wilson announced it would be a discussion item at the public meeting at the end of the month.

## **6. Items for Approval**

### **a) BCIU #22 Special Education Contracted Services for 2005-2006**

Mr. Wilson advised that the Agreement will be placed on the agenda at the end of the month. The district contribution will be approximately \$5.5M which reflects an 18% increase or approximately \$900,000.

### **c) Bids/Budget Transfers**

#### **05-31 Electrical Service Upgrade at Everitt Elementary School**

Bid Amount: \$55,595.00

Upgrade of the building electrical system at Samuel Everitt Elementary School.

**06-08 Science Supplies**

Bid Amount: \$12,769.60

Various supplies for the instruction of science curricula district wide for the 2005/2006 school year.

**06-09 Bituminous Concrete Paving, Resurfacing and Repair**

Bid Amount: \$76,550.00

Paving repairs at Neshaminy High School, Poquessing Middle School, Neshaminy Middle School and Lower Southampton Elementary School

**06-11 Classroom & Art Aids**

Bid Amount: \$34,663.71

Classroom and art supplies for the 2005/06 school year which include: paints, drawing paper, brushes, markers, yarn, cloth and other arts and crafts materials for classroom use.

**06-12 Swimming Pool Timing System & Scoreboard**

Bid Amount: \$26,055.00

Swimming pool timing system and scoreboard for Poquessing Middle School.

Board discussion ensued regarding the approval of the bids even though the budget is currently being worked upon.

Mrs. Barrett suggested that the district create a policy stating that any service, professional or otherwise, more than \$10,000, automatically goes out to bid. Mrs. Barrett noted that by law the district is not required to do same; however, the district could go the extra mile and do so.

Mr. Eccles suggested the matter be discussed at the next Board Policy meeting.

**7. Superintendents Report**

Mr. Wilson advised that Mr. Collins' son is in critical intensive care at Children's Hospital and Mr. Wilson asked all board members and all of the Neshaminy community to say a pray for Mr. Collins' son.

**8. Committee Reports**

**a) Board Policies**

Mr. Bowman advised that a meeting will take place on April 21<sup>st</sup> at 7:00 p.m. at which time Bid Processing, No Child Left Behind and Weapons policy will be discussed.

**b) Educational Development**

No report.

**c) Finance/Facilities**

Mr. Webb advised the 2005-2006 budget process is starting.

**d) IU Board**

Ms. Drioli stated there was no report.

**e) Educational Foundation**

Mrs. Cummings stated that the foundation is having its Spring Fundraiser and a Phillies Basket is traveling from school to school selling raffle tickets. Details will follow regarding the Fall Fundraiser.

**f) Technical School**

No report.

**g) Technology**

Mrs. Jowett reported the following:

- 609 instructional computers were replaced
- 101 staff computers were installed
- 82 instructional computers are scheduled to be installed
- servers in the computer center

**9. Future Topics**

**10. Agenda Development for the April 26, 2005 Public Meeting**

**11. Other Board Business**

Mrs. Barrett asked the board whether it could be considered to use a geothermal heating and cooling system at the high school project. The systems have been improved in recent years and the payoff to the district would be immediate.

Mr. Wilson advised that he would contact ATS&R to look into the matter.

Mrs. Bostwick provided board members with comparison sheets regarding preliminary costs for both the new building and the renovation. Mrs. Bostwick pointed out that the savings is not near what has been stated in the past, especially in light of the fact, that at least three items on the renovation project that have not yet been determined.

Mrs. Bostwick asked that the district continue to present real numbers to the public.

Mr. Webb stated that the savings are closer to \$50M. Mr. Webb noted that the payback between the interest on \$93M would have been \$170M. At today's rate it comes out to \$120M. Bottom line there is a \$50M savings.

Board discussion ensued. Mr. Wilson advised that the numbers that Mrs. Bostwick is speaking about are the numbers of the new construction, the first time before it was stopped by a letter which was sent to the school district. Mr. Webb is referring to numbers that went for the referendum which are prices, because it later went up, based on new construction.

Ms. Drioli stated that the board needs to move forward. Mrs. Bostwick just wants to assure that real numbers are provided to the public.

**12. Adjournment of Meeting**

Ms. Drioli moved the meeting be adjourned and Mrs. Cummings seconded the motion. The Board approved the motion with eight ayes. Mr. Eccles adjourned the meeting at 9:00 p.m.

Respectfully submitted,

Anita E. Walls  
Secretary

