

NESHAMINY SCHOOL DISTRICT
Langhorne, Pennsylvania

PUBLIC BOARD MEETING MINUTES
(WORK SESSION)
NESHAMINY BOARD OF SCHOOL DIRECTORS
March 9, 2004

The Neshaminy Board of School Directors met in public session on March 9, 2004, at the Maple Point Middle School Board Room. 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
Mrs. Susan Cummings
Ms. Carol A. Drioli
Mrs. Kimberly A. Jowett
Mr. Ritchie Webb

ADMINISTRATORS:

Mr. P. Howard Wilson
Dr. Raymond J. Boccuti
Mr. Harry P. Jones
Mr. Richard S. Marotto
Mr. Joseph V. Paradise
Mr. Bruce M. Wyatt

OTHERS: Approximately 52 persons from the public, staff and press

SECRETARY: Mrs. Anita E. Walls

SOLICITOR: Thomas J. Profy, III, Esquire

I. **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**

No Announcements.

4. **Public Comment**

Mrs. Yvonne Butville, Levittown, PA stated that it has been several months since she had been sitting at the board table. Mrs. Butville reviewed some of the progress made since she left. Mrs. Butville was a member of the study team that looked at all the possibilities and spent many hours studying what could be done to the present facility. Presented to the public was what that team decided was the best possible solution for the education of the students and the ability of the taxpayers to pay. Comparing construction there were different building materials suggested with various durabilities. Mrs. Butville is aware of buildings in Philadelphia that last over 100 years, however, they were built of different construction. Neshaminy High School was built to last 40 years, which is documented in the BASCO report. The building has surpassed that by ten years. Mrs. Butville noted that there were different renovation costs presented depending on which renovation would take place. Basic renovation at \$40M or up to \$99M which was the renovation cost of the entire building plus adding on needs to comply with the Department of Education requirements and to bring the 9th grade to the high school. Mrs. Butville noted that the present facility was

built over several different years. Mrs. Butville agrees that building new is actually better. Mrs. Butville was concerned that the public was not given the proper information last year. A campaign to provide half truths and actually misinformation to the public. Mrs. Butville is hopeful that the correct information will be provided to the public. Mrs. Butville commented that what the Board had planned on for \$100M included outstanding bills that would be paid with that bond and the complete construction of a new high school.

Mr. Kevin O'Donnell, Feasterville, PA stated that he has lived in Neshaminy School District since 1993, has three children in the district schools. Mr. O'Donnell voiced his support for building the new Neshaminy High School. Mr. O'Donnell feels that presently there is an excellent group of teachers at the high school, a committed administration and staff with vision, however, a fifty plus year old building with poor heating/air conditioning units as well as low insulation windows creating a less than comfortable environment for excelled learning. Mr. O'Donnell says his children have multiple complaints about classroom size versus student population, rodent infestation and accessibility to classroom location. Major renovations have not been done since 1963. Over 75% of the high school is in very poor condition which is to be expected in a 40 year old facility. The layout is inadequate similar to a wheel hub with many spokes and a few halls connecting major class areas. Mr. O'Donnell feels to build a new high school is the most cost effective and least teacher/class disruptive option since land is available. Upgrading the existing building will have classes in session, which will be another burden to bear in an already difficult situation. A major investment is necessary to revitalize the high school. Mr. O'Donnell states to let the public choose to invest in the young adults future and strengthen the community by voting April 27th to build a state of art new high school.

Mr. Joe Loomis, stated that he has two children in Neshaminy School District and they will be attending the high school in eight or nine years. Mr. Loomis supports a new high school. Renovations are always more costly than originally assumed. The original price tag will never be met. The cross over runs will probably be \$10-\$20M. Mr. Loomis feels a new high school can be built without worrying about time lines, asbestos, lead paint or scheduling.

Mr. Solis Basen, Langhorne, PA stated that he feels like the DiTech Mortgage man. Mr. Basen advised that four homeowners in the development have moved to Delaware. Approximately 14 homes are for sale in the Flowers Mill development. Mr. Basen states that taxes are the problem. Mr. Basen would like the following questioned answered:

- Is money allocated for overruns for the proposed high school?
- Has the Board looked at the architectural proposal and can some frills be be cut such as parking lots, etc.?
- Is the proposed income from the middle school included?

Mr. Basen stated the Philadelphia school system has a building at 21st & Parkway that has been available for rent for over one year.

Mr. Howard Lindner, Langhorne, PA, stated that at the last Public School Board meeting a certain Board member defined democracy and stated that once a matter is voted on we should move on. Mr. Lindner was accused of using terror tactics against Board members who voted opposite of what he believes is right. Democracy is a government in which all the people are allowed to have a voice. A government in which the people determine the rules and laws. All citizens who are registered have the right to vote at the age of 18. Mr. Lindner has stated more than one time that politicians who do not listen to the public would not be reelected. Our government is a democracy in which the people rule indirectly through elected representatives. People who are elected are obligated to pay attention to the wishes and feelings of the majority of people who voted them into office. Many politicians once in office operate under the assumption that voters have short memories. People like myself and other watchdogs of the community speak out, because we feel is it irresponsible government even though the majority of the Board may have voted to approve a matter. The watchdogs have a responsibility to the public to remind the voter who voted for what and why. If irresponsible government is to be curbed, the people must do it on Election

Day. The last School Board election proved the preceding. Mr. Lindner noted that everyone must have faith in their importance as a citizen. Citizens cannot be content with what they believe is wrong. Always remember that sometimes politicians have used government for their own selfish interests. Mr. Lindner stated that President Franklin Roosevelt had four freedoms. Two were freedom of speech and freedom from fear. In a democracy a person can speak against matters, which may have been approved without being placed in jail or forced to be quiet. One Board member accused Mr. Lindner of using terror tactics. It was nothing more than Mr. Lindner's use of freedom of speech and fear. Mr. Lindner was accused of terror tactics because of what he had said. Remember, people can be manipulated by those in power.

Mrs. Marianne O'Connor, Langhorne, PA stated that her decision to vote for a new high school was made after gathering facts for well over one year. It was not just because she wants a new high school. For people to expect their taxes not to go up is unrealistic. All taxpayers will be paying more for what they have right now. Mrs. O'Connor feels that one reason not to renovate is the health issue. The school is full of asbestos. Mrs. O'Connor believes that no one would want to be in the school when renovations take place. Finally, Mrs. O'Connor stated that she grew up with a very wise man who raised 11 children, put all 11 through private school through 8th grade with the option to continue in private school through high school. He also paid his school taxes without ever once complaining and stated the following: "I never complained about the cost of school taxes. I look at it as an investment in all of our future. I take great pride in the fact that I may be educating the next doctor who may find a cure to eliminate cancer or some other terrible disease that I or someone I love may be stricken with. A scientist who may find a way to better our environment, maybe even the next president who may achieve world peace. It is the responsibility of the adult community to make sure that future generations of children have the best that we can give them. Sometimes that means that we have to sacrifice a little, but it is always worth it in the end."

Mr. Joe DeAngelis, Langhorne, PA commented that before he looked at the issue he was very neutral on the fight. Mr. DeAngelis has looked at both sides of the issue. Mr. DeAngelis feels there are two sides. The parents who have students that will attend the high school, parents who have students that attend Neshaminy School District who think that the new high school will give a better education and parents that want to give back to the community. The other side that is against the high school does not want to pay higher taxes. Mr. DeAngelis did research regarding the money issue. Mr. DeAngelis noted that he has read articles regarding what new schools do to the property values in the district. Mr. DeAngelis urged Board members and the public to do search and find articles that have the effects of new schools on property values. Professors from Tufts, Clemson and East Carolina all agreed that school quality increases the price of your home. What is school quality? Test scores, quality of teachers, new buildings, ratio of students to teachers. An article written by the Wharton School of Business, University of Pennsylvania, "Why do households without children support local public schools?" Conclusion of that article is that higher taxes for new schools are really an investment for a higher home sale. Mr. DeAngelis urged everyone to look at the articles. Mr. DeAngelis did not find any that stated a new school will decrease your home value. Mr. DeAngelis says, "Vote yes for a new school!"

Mr. Kevin Yeingst, Feasterville, PA thanked the School Board for televising the meetings. Mr. Yeingst stated he is approached every day by people who have seen the meetings on TV. Mr. Yeingst noted that people at home can now see some of the ridiculous statements that are being made. Mr. Yeingst stated that our children do need a new school. They need a new school that will meet today's ever changing technology. Mr. Yeingst noted that Council Rock has spent \$34M so far, and the job is not completed. Their school is twenty years younger than Neshaminy. Neshaminy needs a new school for the students to keep up, to give them a better education because they are our leaders. They will be sitting here in the future leading us. Mr. Yeingst stated it is your right to go out and vote. Vote to build a new high school.

Mr. Steve Rodos, Langhorne, PA stated he is a resident of Flowers Mill. Mr. Rodos spoke about an organization he would like to get started in Neshaminy School District. The name is SAGE. Since no educational program is ever complete without an acronym, SAGE stands for Senior Adults for Greater

Education. It was started in the Council Rock School District, and basically seniors volunteer their time and effort within the school district. It has been in existence for three years in Council Rock. Presently the district has 700 seniors that volunteer to help out in the school district. Mr. Rodos feels that this would be an invaluable aide to our district. More information can be obtained from the web site or speak with Dr. Kirby at Council Rock.

Mr. William O'Connor, Langhorne, PA stated that in the past he has inquired about a public communications plan. Recently, some information was released via school newsletters, but not all the voters in the community have school age children. Not all will get that information. Mr. O'Connor stated that if this community is to vote based on facts, then the facts need to be supplied. Mr. O'Connor states that the web site provides information. Mr. O'Connor understands that all Board members do not agree on this issue, but by jockeying behind the scenes, to minimize the facts that you do not agree upon is only providing this community with a disservice. Many people have heard that the \$50M renovation plan is equivalent to new construction. That is obviously false. This information needs to be addressed. Mr. O'Connor provided information regarding web sites in communities in New Jersey and Illinois. Please compare the information they are providing their community versus what the district is sharing with our community. Mr. O'Connor feels that the district is virtually supplying no information. Please compare the information. Mr. O'Connor feels that part of the problem is that the Board is not expressing their individual honest opinion. Mr. O'Connor feels that if a Board member is against the new high school, say so. Go on record, take a vote, put the information on the web site. It is open and honest and you would be expressing your opinion. Maybe this will stop the behind the scenes. Please provide the community with the facts it needs by adopting a public communications plan. We need the Board's leadership.

Mr. Alden Thorpe, Levittown, PA questioned do we need another school? Do we need to move the 9th grade into the high school? Is the township growing? Each taxpayer who votes for a school today will need to absorb the tax. The township has no more land to build on, so therefore, the tax base is set. Mr. Thorpe noted the school enrollment is declining for the next 10 years. Mr. Thorpe is not opposed to new schools. Mr. Thorpe stated that this community does not need a new high school. The enrollment will decline and the taxes will increase. Mr. Thorpe is not opposed to a new school if his taxes do not increase. However, that is impossible. The new school will affect every citizen, not just seniors. Mr. Thorpe noted that the state is trying to find a way to lower taxes, because the high school taxes would affect whether new corporations would consider the area. Mr. Thorpe would like to see the books open, show what will happen, not just now, but in the future and show the public why we need this school. Several schools have said moving the 9th grade in with high school is a bad idea. Mr. Thorpe would like the School Board to open up the budget and let the public know what is going on.

Ms. Drioli advised Mr. Rodos that within Neshaminy School District there is an existing program that allows seniors to come in and do volunteer work and they will obtain credit for their real estate tax. The program is already in place. Ms. Drioli stated that Mr. Dengler, Mr. Soifer and she were influential in starting the program.

Mr. Wilson addressed the comments regarding 9th grade in the high school. Mr. Wilson stated that there are 42 administrators in the school district and each one feels 9th grade should be in the high school. Mr. Wilson stated that is his educational recommendation, it will never change, and Mr. Wilson would like to see which districts are moving students back to 9th grade buildings. Mr. Wilson stands by his position that 9th graders are in high school, 9th graders belong at the high school.

Mr. Webb stated that Bristol Township is considering and is looking at the possibilities. Mr. Webb did a survey and the vast majority of teachers in the district stated that 9th graders did not belong in the high school setting, due to immaturity. The study is being completed at the present time.

Mr. Dennis Hliwski, Langhorne, PA stated that the test scores in Neshaminy are horrible. More students are less proficient in mathematics than you have proficient. 53% of the students are basic or below basic,

which means they are not at grade level. 47% are proficient or advanced. If a new school is going to be built, the students attending must improve the scores. Mr. Hliwski does not understand why in an affluent neighborhood the children are doing so poorly in math and reading. The districts are sliding backwards. Mr. Hliwski states that with 42 administrators in the district, someone needs to see why the test scores are so low. Neshaminy is at a critical stage. One out of every three students is below basic, and more than one half of the students are not at proficient level.

Dr. Boccuti addressed the last comments by stating that at the recent Educational Development Committee meetings an analysis has been studied regarding PSSA performance of students over a long period of time. Dr. Boccuti understands the concerns, however, the District is following the guidelines of No Child Left Behind, which gives all school districts in the country expectations until the year 2014. There are schools within Neshaminy School District that are literally performing where No Child Left Behind expects the District to be in 2012. The District's test scores are improving all the time. The below basic category includes students that do not speak English, but are forced to take the test. Dr. Boccuti believes that some special education students who are mandated to take the test should not need to do so. A full presentation has taken place at the Educational Development Committee meeting. Dr. Boccuti would be pleased to meet with anyone who has continued concerns.

5. **Items for Discussion**

a) **Referendum Information**

Dr. Spitz led discussion with Board members regarding referendum information. Dr. Spitz distributed a list of facts to each Board member to be a starting point for discussion. Dr. Spitz advised that there are a great majority of residents in the community who only have a basic understanding of the issues regarding this proposal and now the District is asking for their vote. The District will be bound by their decision regarding the new high school. It is incumbent upon this Board to have a public communication plan to get the information out to the public. Dr. Spitz feels the information provided should be fact based. The proposal to build a new high school and close a middle school has been the topic of discussion for over two years.

Dr. Spitz feels that the Board should move together and authorize the Administration to put together a communication plan. Such a plan could include newspaper advertising, radio advertising and mailings.

Dr. Spitz advised Board members that time is of the essence. A decision needs to take place in the near future. Ms. Drioli feels that a decision needs to be reached this evening regarding promotion of the facts.

Mr. Eccles stated there are two issues:

- The information that needs to be disseminated to the public.
- The avenues that the Board will take to release the information.

Mr. Eccles suggested that the information distributed be reviewed line by line and the Board can reach a consensus as to what information should be released to the public.

Mr. Webb feels that both viewpoints should be shown. Mr. Eccles stated that should the Board take a position that we all agree that something needs to be done, if this referendum is not approved, where do we go from there.

Ms. Drioli stated that she is aware of a group that will be expending money to advertise to vote "No" for the referendum. The Board has spent the last three years going over the information. It will be impossible to provide to the public every piece of information. Ms. Drioli advised that just because you vote "No" for a new high school, does not mean that you are not going to have some type of bond issue or tax burden due to renovations. People need to recognize this.

Dr. Spitz noted that is a proposal for the future and every number given is a projection and best estimate of the effects and impacts of the project. Documentation exists for virtually every statement.

Board members read the following:

“The existing high school is 50 years old and houses grades 10-12. It has over two miles of hallways, 23 roofs and single pane glass throughout. The existing roof deck contains asbestos and would have to be removed prior to installing new roofing. Existing fire safety and security systems do not meet current building codes. Existing plumbing, heating, ventilation and plumbing systems are in need of major repair or replacement.”

Dr. Spitz noted that the building needs to be replaced or requires major renovations.

Mr. Paradise noted that the building is not up to existing building codes, nor does it need to comply with codes due to the fact that it is a 40-50 year old building.

Ms. Drioli advised that if a percentage of the building is renovated it will most likely need to be entirely brought up to code if you exceed the percentage that the state allows by code.

Additional comment to be added: “ Approximately \$___M has been spent to renovate areas A,B, C and D.”

“An in depth facilities study of the high school was completed in 2002 by an outside architect on a square footage basis. The study concluded that about 15% of the existing building is in excellent or in good condition. 9% is in fair condition and 76% is in poor or very poor condition.”

Dr. Spitz noted that this statement provides an overview of the building according to the architects, BASCO's 2002 Facilities Studies.

“The existing high school science labs are about half the size recommended by the PA Department of Education and need to be replaced. In addition, major upgrades and replacements are needed in many other areas of the existing building.”

Ms. Barrett noted that arrangements could be made to bring the labs up to speed. Example, removing walls to make them larger.

“The project that will be voted upon is part of a proposed package to build a new high school. Move 9th grade to the new facility and close a middle school.”

Mr. Eccles noted that if the referendum does not pass, the Board will need to discuss whether 9th grade moves, does not move, what will be done with the school. Presently, there was Board consensus to move forward with the proposal as it stood. The information discussed this evening is information that will be included in a communications package released to the public.

If any Board member feels that there is any information before the Board is inaccurate then that needs to be discussed, however, certainly not the proposal as it was intended.

Mr. Webb noted that the question before the voters with a figure of \$97M was agreed upon by the Board.

“The cost of the new high school that would be built if the voter referendum is approved is \$97M including financing costs. The expected construction period is three years.”

Solicitor suggested including the word "initial" financing costs.

"Millage increases for the bond issue would be phased in over the following three years. The total costs related to the bond issue itself from new construction are equivalent to about 26 mills."

"9th graders are cut off from part of the high school curriculum because the existing high school cannot accommodate them, so they will attend the four middle schools. Construction on a new high school would allow 9th graders to move out of the four middle schools and into the new building."

Discussion ensued regarding the activities, courses and clubs that the 9th graders are unable to participate in and the necessity of moving 9th grade to the high school. Curriculum is designed presently as part of the high school curriculum.

"Staffing costs would be reduced by about \$440,000 if the 9th grade were moved to the high school. Additional savings would accrue from operating one 9th grade extra-curricular program instead of four."

"Once 9th graders were moved to the high school, Neshaminy Middle School could be immediately closed resulting in expected annual savings of \$1.5M. If the school were also rented out in its current condition the District would realize estimated annual rental income of \$1M."

Board discussion ensued regarding savings, reduction of staff, operating costs, etc. due to the closure of Neshaminy Middle.

"Rental of Neshaminy Middle School would require a one time cost of about \$500,000 to prepare the building."

"Because of its larger size an upgrade of HVAC capability it is estimated that the new high school would incur additional annual operating costs of about \$136,000 relative to the existing building."

"Taking into account all of the above projected costs and savings the net millage increase averaged over 25 years required to fund construction of the new high school and close/rent Neshaminy Middle School would be about 11 mills."

Board discussed the millage rates expected, income rental expected, and where such funds would be applied.

"The construction of a new high school would allow relocation of the Facilities Department which in turn would allow for the current Eisenhower property to be sold."

Discussion took place regarding the Eisenhower property and the sale of said property or rental of same. Board consensus was to eliminate the statement regarding the Eisenhower property.

"A full renovation of the existing high school would cost about \$50M plus financing costs. According to two different studies commissioned by the District, such a renovation would not accommodate 9th graders at the renovated facility.

Suggestion to include the following: Renovation costs have been estimated at \$___M - \$ ___M providing the public with a range. Discussion ensued regarding grade level configuration, time expectancy of renovations and what the life expectancy of the renovations would be. Concerns were raised regarding what figures would be supplied to the public for renovations. Renovation numbers are difficult to project depending on what will actually be renovated.

Mr. Eccles called for a Board recess at 8:45 p.m.

The Board reconvened at 9:00 p.m.

Mrs. Jowett suggested the following: "Estimated renovation costs of the existing high school could range from \$50M or more plus financing costs."

Member of the public provided the following: "If the referendum fails the Board may consider other options, such as renovation. Previous studies of renovation projects have included \$30M for a minimal renovation, \$50M + for a full renovation, with a 10-20 year life span and \$99M for a complete renovation that would accommodate 9th grade. The Board does not necessarily endorse any of these plans, but is reporting results of past studies."

Board members agreed to provide additional statement.

Dr. Spitz suggested that additional fliers could be included with this information. Board discussion took place regarding the public providing comments on the web site regarding the project.

Dr. Spitz reread the following: "If the referendum fails the Board may consider other options, such as renovation. Previous studies of renovation projects range from \$50M for a full renovation with a 20 year life span to \$99M for a complete renovation that would accommodate 9th grade. The Board does not necessarily endorse any of these plans, but is reporting the results of past studies."

Mr. Paradise reminded Board members that any debt which would be incurred would be over 20 years, therefore, a capital improvement or renovation item that would last for 10 years and paid for over 20 years would never occur.

"The Board does not necessarily endorse any of these plans, but significant monies will be spent at the high school in any event." Significant monies will be spent regardless of what happens with the referendum.

"The expected construction period for full renovation is at least six years with significantly larger disruptions to students and staff compared to the new building proposal."

Board discussion took place regarding disruptions, which would take place new construction versus renovation.

"If Neshaminy Middle School is not closed, it is estimated that a full renovation of the building would cost approximately \$22M plus financing costs."

Mr. Eccles requested a final copy be e-mailed to all Board members so it could be reviewed by each Board member.

Discussion ensued regarding how the communication would be provided to the public, i.e., School channel, mailings, radio, newspaper, newsletters, etc. Postage rates for a mailing were discussed by the Board. Mr. Wilson provided costs for newspaper ads and radio channel coverage.

By providing the information in print, the facts would remain accurate and would not be misconstrued by the public.

Direct mail pieces do not do very well. However, it needs to be provided on the T.V., website, radio and newspaper.

Dr. Spitz added that the majority of people will not be reached through a newspaper ad and/or radio coverage. However, the people need to be given the information through a direct mailing, and if they do not want to read same that is their choice. Complaints will be heard since some residents do not have cable, etc. The direct mailing is a necessity.

Projected costs for advertising facts:

- First Class mailing costs approximately \$11,000/Bulk rate \$8,000-\$9,000 – 32,000 homes.
- Newspaper ads costing approximately \$3,300 (One full page, 2 half pages).
- Radio costs - \$1,200.
- Voter registration lists (substantial cost to obtain super voter list and is the current list up-to-date).

There was Board consensus to provide a budget of \$15,000, with no more than \$20,000 to be spent on advertising the facts.

Mr. Eccles suggested that someone read the statement to provide the information to the public and same be provided on the Neshaminy channel prior to the meetings replay.

b) Food Services Financial Report and Price Increase

Mr. Paradise provided a Financial Analysis of Operations and Proposal to Increase Revenue.

- Food Services Department is a self-supporting entity.
- Revenue is derived from sales.
- A price increase has not taken place since 1997 and the Board must approve any such increase in the future.
- Refer to Finance Committee for review in much greater detail and make a recommendation to the Board.

6. Items for Approval

a) Overnight Trips

Trip information distributed for the following trips was self-explanatory.

- Future Business Leaders of America State Leadership and Competition Conference - Neshaminy High School to Seven Springs Hotel, Champion, PA – March 28-31, 2004**
- National Dialogue on Digital Literacy, Washington, D.C. – March 30-31 and April 1, 2004**

There was Board consensus for the two trips.

b) Proposed School Calendar for 2004-2005

Mr. Wilson noted that classes are scheduled to begin before Labor Day.

c) Refinancing for Compass Learning Labs

Dr. Boccuti advised that this is a four year lease for the software for the elementary school computer labs that are currently being installed and hopefully to be in place by September, 2004. Compass Learning is a company that the District has had a long history with in the past. Mr. Profy reviewed the lease agreement and the District could not support Exhibit "F." Dr. Boccuti has contacted the vendor and the vendor stated that the Exhibit can be eliminated from the lease agreement.

d) IU #22 Programs and Services/Instructional Materials Budget for 2004-2005

Ms. Drioli noted that the budget is a decrease from last years budget. Resolution will be presented at the March 23, 2004 public meeting.

A member from the IU unit would provide a presentation to Board members at the March 23, 2004 public meeting.

e) Summer School Programs 2004

Dr. Boccuti provided information to Board members regarding the Summer School Program. This year will be the 47th annual summer program and it is completely self-sufficient.

f) Appointment of Investment Banker

Mr. Webb advised that the Finance Committee met and interviewed four firms. Mr. Webb's recommendation and most on the Financial Committee recommend that the District deal with Wachovia Bank. A price was negotiated and Wachovia has resources that the District could use and meet the District needs. The Wachovia fee for the \$25M bond is \$31,000 lower than the existing company.

Dr. Spitz thought the committee had agreed upon splitting the bond issue between two firms, RCB Dain Rauscher and Wachovia. Dr. Spitz is concerned that the recommendation is based purely on the fact that the fees are lower.

Board discussion ensued regarding the presentations provided by RCB Dain Rauscher and the other presenters. Up front costs need to be looked at and Wachovia has a means of saving the District money up-front.

Board members provided the Solicitor with a copy of a letter for review.

Mr. Eccles stated that Wachovia is a large institution that offers many other financial services that other firms do not. Wachovia will save the taxpayers \$31,000. Wachovia is looking for the School District's business. A savings of \$750,000 could be incurred by the District by doing a bond swap.

Dr. Spitz has concerns with the presentation of Wachovia. The presentation was focused on the bond swap issue, which was not the focus of the presentation. In terms of municipal bond issues RCB is the largest in the state and specializes in educational, municipal bond issues.

Mr. Paradise noted that the District has a history of dealing with RCB and prior to them Butcher & Singer. They are number one in the state and they have done 157 bond issues in the state of Pennsylvania, 91 of which were for school districts. Wachovia has done three for school districts and a total of 19 municipal bonds.

Mr. Paradise noted that RCB wished to put the information in writing to the Board. Due to the higher bond issuance costs they can market the bonds better and receive a lower interest rate.

Mr. Webb noted that all the presenters stated that they would sell the bonds at the lowest rate; however, Wachovia stated they would also buy them if they could not sell them.

Mr. Eccles noted that there is a certain security that comes along with doing business with someone who the District has dealt with before, however, at times that costs the District money.

Mr. Profy advised that the memorandum states a) Dain Rauscher would at the time of the sale of the bonds determine what the true interest cost is which is that you take into account not only the bond discount but the rates and yields and develop a true interest cost. Dain Rauscher is stating that on the day they buy the District's bonds the combination of the interest rate and the discount the total interest costs will be no more than any other issue of comparable credit rating maturity structure size and bank qualification status. They are prepared to guarantee that. The letter in and of itself does not do that. The District would need to make this commitment part of a resolution, a mechanism would need to be built in for an independent financial advisor to determine, if in fact, the District received the lowest true interest costs. The District would need to determine present value.

Mr. Profy advised that the "guarantee" could be molded into a contractual provision, but it would need to be included in the resolution, mechanism to determine the true interest rate, mechanism to determine what additional costs incurred and a mechanism for Dain Rauscher to escrow the money up-front or to set in place a mechanism for the payment.

Mr. Profy advised Board members that this is not a common type communication that exists on a bond issue.

Mr. Profy advised that the Board will be voting on the underwriter which will be incorporated into the Resolution which will be adopted at the March 23, 2004 Public Meeting.

Mrs. Barrett made a motion to designate Wachovia Bank as the underwriter for the \$25M bond issue. Mrs. Barrett, Mr. Bowman, Mrs. Cummings, Mr. Eccles and Mr. Webb were for Wachovia. Mrs. Bostwick, Ms. Drioli, Mrs. Jowett and Dr. Spitz passed.

g) Bids/Budget Transfers

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

Bid No. 04-28 Bus Washing System

Bid Amount: \$18,354.60

Automatic bus washing equipment for the Transportation Department.

Mr. Paradise noted that the District is required by the state to keep the school buses clean. Presently individuals are washing the buses on weekends with pressure washers.

Bid 05-04 Athletic/Physical Education Supplies

Bid Amount: \$69,399.21

Supplies for physical education programs and various team sports for school year 2004/2005.

Bid 04-27 Energy Efficient Transformers (Replacements) Re-Bid

Bid Amount: \$128,068.60

Purchase of thirteen energy efficient transformers for Maple Point M.S., Hoover and Lower Southampton Elementary Schools.

The two bids 05-04 and 04-28 and Budget Transfer Report No. 04-5 (Working Copy) will be presented for approval at the March 23rd Public Meeting.

Ms. Drioli made a motion to accept Bid No. 04-27 Energy Efficient Transformers (Replacements) Re-Bid. Mr. Webb seconded the motion.

The Board unanimously approved Bid 04-27 Energy Efficient Transformers (Replacements) Re-Bid.

7. **Superintendent's Report**

No report.

8. **Committee Reports**

a) **Board Policies**

Mr. Bowman advised that a meeting is scheduled for Thursday, April 25th at 7:30 p.m. Mr. Marotto has completed his review of the Board policy book sections 800-1200, which was a goal before his retirement. Mr. Marotto will be missed by the District due to his retirement.

b) **Educational Development**

Dr. Spitz advised that a meeting took place on March 2, 2004 at 6:00 p.m. and summer programs were discussed. Textbook purchases for next year were also discussed.

c) Finance/Facilities

Mr. Webb commented that despite differences everyone has been very professional and constructive and everyone has worked well together.

d) IU Board

Ms. Drioli advised that the IU ballots need to be completed and return to the Board Secretary.

e) Educational Foundation

Mrs. Cummings advised that two additional grants were given out. The Spring Raffle will take place, however, a specific date has not been chosen. Tickets are \$5.00 for one and \$10.00 for three. Fall Fundraiser will be held at Trevoze Fire Hall on October 15, 2004, 7:00-11:00 pm. Fifties Theme.

f) Technical School

Dr. Spitz advised that a Board member is needed to fill the District's three spots. Mr. Bowman was unable to continue. Anyone interested in attending one meeting per month on Monday evening please advise.

g) Technology

Mrs. Jowett advised that a meeting will not take place until the Spring.

9. Future Topics

10. Agenda Development for March 23, 2004 Public Meeting

11. Correspondence

The Board Secretary advised that there was no correspondence.

12. Other Board Business

Mrs. Cummings advised that Gym Night was fantastic. Mrs. Cummings commended Judy Cunningham and her staff for a wonderful job. The students had a wonderful time, as well as the audience. The Blue team won.

There is an invitation from Ferderbar Elementary School on Friday, March 26, 2004, to attend their show "Putting on the Kids."

13. Adjournment

Mr. Eccles moved the meeting be adjourned and Mr. Webb seconded the motion. The Board unanimously approved the motion. Mr. Eccles adjourned the meeting at 10:45 p.m.

Respectively submitted,

Anita E. Walls
Board Secretary