

On December 12, 2011 the Special Board Meeting of the Board of School Directors of the Spring-Ford Area School District was called to order at 6:10 p.m. in the cafeteria of the Spring-Ford High School with the following in attendance:

Region I: Edward T. Dressler, Jr., Bernard F. Pettit and David R. Shafer
Region II: Julie A. Mullin and Dawn R. Heine
Region III: Mark P. Dehnert and Joseph P. Ciresi
Presiding Officer: Thomas J. DiBello
Superintendent: Dr. David R. Goodin
Business Manager: Timothy Anspach
Solicitor: Marc Davis, Esq.
Student Rep.: Elizabeth Brady

The following Board Member was absent: **Clara M. Gudolonis**

Board President, Mr. DiBello, opened the meeting with the call to order and the Pledge of Allegiance.

ANNOUNCEMENTS

There were no announcements.

I. PUBLIC TO BE HEARD ON AGENDA ITEMS ONLY

There were no questions or comments.

II. FINANCE

Mrs. Mullin made a motion to approve Item A and Mr. Pettit seconded it. The motion passed 6-2 with Mr. Dehnert and Mr. DiBello voting no.

- A. Administration recommends approval of **Resolution #2011-37** amending Resolution #2007-26 dated October 22, 2007 in order to expand the scope of the projects financed.

Megan Santana, Fox Rothschild, reported that the Board also has a second resolution in front of them which relates to the first resolution. The second resolution was not circulated with the first one as they were waiting for some final numbers based on the projects that were approved by the first resolution. Ms. Santana stated that based on the additional capital projects that the Board has approved to move forward with to be financed out of the 2007 A Bond proceeds which has a balance remaining of \$9.3 million, the remaining balance will be then \$5,587,815. Ms. Santana reported that what was discussed with the Board and what is being recommended was that if the district did not have any other capital projects that were imminent and could proceed with in a prompt and expeditious manner then the Internal Revenue Code does require that the remaining amount be used to defease the bonds that are outstanding. Ms. Santana stated that this second resolution would authorize the proper

officers of the district to work with Boenning & Scattergood to determine the exact 2007 A Bonds that would be defeased and redeemed so that money would go to pay the interest on the 2007 A Bonds and to redeem them when it is possible. Ms. Santana explained that the \$5.5 million would be deposited into an escrow account which would be used to pay off the bonds as they can be paid off. Ms. Santana stated that this resolution does authorize moving forward with that and the date that the funds would be deposited with an escrow agent to accomplish this would be January 3, 2012. Ms. Santana said if the resolution is approved and the Board was to move forward with placing the funds in escrow it is something that is irrevocable as once the funds are placed with the escrow agent those monies can only be used to defease and then redeem the bonds at the appropriate time.

Mr. DiBello asked if this is something that must be done at this point and time or is there a little leeway. Ms. Santana replied that there is not a magical date on when it has to be done but the IRS Code is very clear that the bond proceeds cannot remain outstanding as they have to be spent at the earliest date possible. Ms. Santana reported that the bonds were issued in 2007 and they really should have been spent within three years so you are beyond the dates that they were provided for but she cannot tell the Board at what point there may be an issue or when the IRS would come knocking. Ms. Santana added that if the monies are outstanding without any proposed use you are running a risk of incurring penalties, fines and perhaps the bonds being declared taxable. Mr. DiBello stated that it was his understanding that there was a five year window and not three years as Ms. Santana had previously stated. Ms. Santana said there are certain instances when five years can be possible but once you hit the five year mark rebate provisions start kicking in and there are a lot of requirements that you have to comply with. Ms. Santana stated that the bottom line is that the IRS can always come back and the term they use is over-issuance which means they basically say that because you have not spent the bond proceeds they believe that you should not have issued as many bonds as you did. Ms. Santana said that the IRS does not like to keep tax exempt paper out there and that is the theory behind it. Ms. Santana commented that there is not any sort of bright line test saying that this date is okay and that date is not okay but that is the theory that they will come back to you with. Ms. Santana stated that the easy answer is that there is not a magical date but it is something that the Board has been considering and talking about for a period of time and some action should be taken. Ms. Santana clarified that as she mentioned once action is taken to put the money into an escrow fund to defease and redeem the bond that is something that cannot be reversed.

Mr. Pettit stated that he is still a little concerned about the timing and the five-year mark and the fact that we are at that mark now. He questioned if the district is going to have a problem with this and Ms. Santana said she believes we are running the risk of a problem. Mr. Pettit asked how big of a risk if we were to get this done immediately and will it negate any possible problem we would have with the IRS and Ms. Santana replied as long as you are proceeding in a prompt and expeditious manner. Ms. Santana stated that the longer you wait the bigger an issue it is but they are comfortable that proceeding in a prompt manner at this point is going to help. Mr. Pettit commented that if the projects are approved in the next two months or so that be adequate and Ms. Santana stated that was correct.

Mr. DiBello commented that his original question was not regarding this but pertained to the remaining \$5 million and from what he understands that as long as there is a plan in place that would take care of the other portion. Ms. Santana confirmed this was correct and the second resolution deals with the remaining \$5+ million that has not been allocated to capital projects. Mr. DiBello said he is hesitant to move forward with the second resolution tonight.

Mr. Pettit made a motion to approve Item B and Mrs. Mullin seconded it.

Mr. Ciresi asked what the savings per year would be and Mr. Anspach replied on the amount given tonight it would be \$320,000 per year.

The motion passed 7-1 with Mr. DiBello voting no.

- B. The Board approved **Resolution #2011-38** authorizing the defeasance and redemption of the General Obligation Bonds, Series of 2007.

III. CONFERENCE/ WORKSHOP RECOMMENDATIONS

Mr. Ciresi made a motion to approve Items A-B and Mrs. Mullin seconded it. The motion passed 8-0.

The following individuals were approved for attendance at the following conferences and workshops.

CODE: 580 Account: Conference/Training, registration, food, and accommodations

5TH/6TH GRADE CENTER

- A. **Khrystin Herb**, Teacher, to attend "*PASAP Board Meetings*" in State College, PA on Friday, January 6 - Saturday, January 7, 2012 and on Friday, April 27 – Saturday, April 28, 2012. There is no cost for attendance at these meetings other than two days of substitutes. Total cost will be \$300.00 from the substitute account.

8TH GRADE CENTER

- B. **Kathleen D. Gebhard**, Autistic Support Teacher, to attend "*2012 PA Alternate System of Assessment Training*" at PaTTAN in King of Prussia, PA on the afternoon only of January 18, 2012. The only cost for this conference is \$75.00 for a ½ day substitute.

IV. OTHER BUSINESS

Mr. Ciresi made a motion to approve Item A and Mr. Pettit seconded it. The motion passed 8-0.

- A. The Board gave approval for the qualifying members of the High School Indoor Track Team to participate in the New Balance Games being held at the Armory Track & Field Center in New York City on Saturday, January 21, 2012. Funds for lodging (one night) and meals will be paid from the Winter Track Team Booster Club Account. There will be no cost to the district. Student-athletes will stay overnight Saturday evening and return home on Sunday, January 22, 2012. A district van will be used for transportation.

V. SOLICITOR'S REPORT

There was no report.

VI. PUBLIC TO BE HEARD

Kathleen Bryant, Upper Providence Township, questioned if Spring-Ford will consider having some of their printing needs accomplished by the students at the Western Center since there is

a brand new full color printing ability with students who can do a superb job and Dr. Goodin replied that the district is currently looking into that possibility. Ms. Bryant stated that would be excellent and real world experience for the students. Ms. Bryant reported that she had the pleasure of attending the open house at the vocational school and got to meet some Spring-Ford students and that facility is really a treasure to the district. Ms. Bryant asked if there are any provisions within Spring-Ford's contract with its outside janitorial vendor to take deductions when their workers are found on district property without identification. Mr. DiBello replied that he is not aware of any provisions at this point. Ms. Bryant asked specifically how many times have the custodial firm's workers been found on district property without identification or clearances, found by either District Administration or Spring-Ford School Board Members and Mr. DiBello replied that he is not aware of any instances. Ms. Bryant asked if any other Board Members were aware of this and perhaps Mr. DiBello could ask. Mr. DiBello asked if any Board Members were aware of any instances.

Mr. Dehnert replied that one time he thought that a custodian did not have a badge but when he went to use his key he unzipped his jacket and the badge was on underneath his shirt because when he leans over to work the badge would dangle in front of him. Mr. Dehnert said that in some cases they may stuff their badges in their shirt because they would get in the way.

Ms. Bryant questioned the evening of the "Taste of Spring-Ford" at the 5/6/7 Building and whether no one observed any custodians without identification and whether that was the Board's position. Dr. Goodin asked if Ms. Bryant knew something that they do not know and Ms. Bryant replied that she is asking them. Dr. Goodin stated that he did not know and he is just wondering if she knows something that he does not know.

Mr. Shafer stated that from his perspective as a Board Member that this contract along with any other contract the district may have he would rely on Administration to police it. Mr. Shafer stated that he views his job as an elected official, servant of the community, the students and staff to keep his eyes open when he is on campus but he is not an authority on policing a contract nor would he have any opinion on it other than that he would certainly rely on the staff and administration to be able to be a better source of information with regards to that. Mr. Shafer echoed what Dr. Goodin said and stated that if Ms. Bryant had any information when it comes to security and things like that then that is great and this is the forum to bring it to.

Ms. Bryant questioned if that was their knowledge that no Board Member or Administrator has ever seen an employee from that outside firm without identification and/or clearances, is that correct? Ms. Bryant asked if the person who might have mentioned this was mistaken or lying and was that their view. Dr. Goodin replied that he does not recall anyone mentioning an employee from Jani-King not having an ID card on them. Mr. Bryant asked if there were any provisions to have any deduction or anything else if they are and Dr. Goodin said not that he is aware of. Ms. Bryant stated that personally he thinks that the district should be far more concerned and/or vigilant about these individuals in the schools rather than grabbing children off of our high school track in broad daylight in front of the local police, local doctors, and Olympic athletes in training.

Mrs. Mullin stated that their job is to enforce the policy on the books and if they were policing this they would be told they were micro-managing. Mrs. Mullin added that they are enforcing the policy that has been on the books for how many years and they are wrong for that as well.

Mr. DiBello stated that he does not know if there is any point to any of that.

Mr. Ciresi commented that at last week's meeting they heard the discussion and the one thing they did not take into the project was the health and wellness center. Mr. Ciresi said the reason he voted no was because the Board saw nothing about it other than the cost. He requested that this go back to the Property and Extracurricular Committees to have a real vetting presentation of what this is so that it can come back to the Board as a presentation on how it would be curriculum based and what it would look like for the future. Mr. Ciresi said this does not mean they are going to do it but if the Board is in favor of this then he would like to see the idea revisited.

Mrs. Mullin stated that she agrees and since the meeting on Monday she has received information that she does not know whether she missed seeing at previous meetings or if it just never made it to the table. Mrs. Mullin said she also would be very interested in additional information and where the whole plan came from. Mrs. Mullin stated that she thinks there was a lot more to it than what they received that night although she was one who pushed to keep the meeting moving. Mrs. Mullin said she does not know if at that hour of the previous meeting if a presentation would have sold it at that point but she believes it deserves more time than what it got that night.

Mr. Dressler said he agrees with Mr. Ciresi and he would like to see more discussion of this.

Mr. DiBello stated that it would be brought back to the Property Committee and put on the agenda for the January meeting, bring in the appropriate people, go through a presentation, do the necessary investigation, and then make a recommendation to the Board.

Mr. Dehnert stated that the funds would need to come out of the Capital Reserve or the General Fund because the \$5.6 million is now by resolution sealed. Mr. DiBello replied that he did not think they had gotten that far yet and Mrs. Mullin added that she is fine with that.

VII. ADJOURNMENT

Mrs. Mullin made a motion to adjourn and Mr. Pettit seconded it. The motion passed 8-0. The meeting adjourned at 6:29 p.m.

Respectfully submitted,

Diane M. Fern
Board Secretary