

**SOUTHERN COLUMBIA AREA SCHOOL DISTRICT
800 SOUTHERN DRIVE
CATAWISSA, PA 17820**

The January 10, 2011, Board Meeting of the Southern Columbia Area School District Board of Directors convened in the High School Library at 7:37 p.m. with President Michael Yeager in charge of the meeting.

The Pledge of Allegiance was said by all.

President Yeager welcomed everyone, followed by a roll call of Board Members.

BOARD MEMBERS

Charles Porter
Jennifer Shoup
Eric Stahley

Paul Starr
Richard Steele
David Stellfox

Timothy Vought
Michael Yeager
John Yocum

OTHERS PRESENT

Charles Reh, Superintendent; Daniel Rodgers, Business Manager; Tresa Britch, Board Secretary; Richard J. Roberts, Solicitor; Joseph Shirvinski, Roger Nunkester, James Becker, Brenda Monick, Robert Mehalick, Administrators; Timothy George, Supervisor of Buildings and Grounds; district residents and members of the media.

AGENDA HEARING PERIOD

President Yeager announced that all Fiscal Items, all Personnel Items, and the Policy and Programs Item on the agenda would be considered action items.

Mr. Stahley stated that he would like to see Fiscal Items C and D as discussion items, because they will have a Finance meeting on the 12th that might impact how those items would be handled. President Yeager stated that with the Bond Counsel and Mr. Bradley present, it should be an action item. Mr. Porter stated that he agreed with Mr. Stahley. He stated that Mr. Reh called a special Finance meeting on Wednesday, which has to do with the district being able to meet Act I requirements. He stated that what the district spends on bonds and obligation notes, will be a huge factor into what they do. He asked if they would have problems meeting Act I and if it would be discussed on Wednesday. Mr. Rodgers replied that they will discuss it on Wednesday. The Act I index for the upcoming 2011-2012 school year is 1.8 percent, which translates into approximately \$100,000 in new real estate taxes. It will depend on what happens with the State reimbursement as that is currently unknown. He added that the purpose of Wednesday's meeting is to go over several different scenarios with the Board and potentially look at some of the cost savings that they might be able to incur to possibly offset some of the reduction in State reimbursement if that should occur. He asked the Board to keep in mind that from the start, when they began talking about the building project, they have always said that they were looking at a 1.0 mill increase to support the building project. He stated that is what the Board members have in front of them in terms of the proposed bond issue to pay for the building project. He noted that it is definitely going to be challenging. He stated that in the past several years the Board has passed a resolution stating that the district would not exceed the allotted Act I index. He noted that it is still an option this year, however some of the Board members expressed concern at the last Finance meeting. It was determined that a special meeting might be in the district's best interest to determine if they could stay within the index. If it would be necessary to go above the index, there would be enough time to file for an exception if necessary.

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Mr. Reh stated that over the past two years the index has been 5.3 and 3.8, and this year it is 1.8, which is exceptionally low. His recommendation for having the Finance Committee meeting was to have discussion to review with the Board the possibility of applying for an exception, which many districts do. He noted that Lewisburg School District files for an exception every year to give them the flexibility if they need it. That is what he wanted to discuss at the Finance meeting, but he didn't think that should interfere with the vote on the bond issue. He stated that they have known that this was going to be the scenario from the very beginning with the building project. Initially they looked at 1.03 mills for three years, but he believes now it is below that amount. He did not recommend cancelling the vote on the bond issue. President Yeager asked for the consensus of the Board. Mr. Porter questioned the necessity of voting at the current meeting versus the following week. Solicitor Roberts stated that it has been advertised. He stated that it could be moved, but it would need to be re-advertised. Mr. Bradley stated that the underwriter has gone out and marketed bonds, in which the offer is only good for today. It was the consensus of the Board to keep it an action item.

President Yeager asked for public comment on the action items. District resident, Florey Guarno, asked for some clarification on the hiring of a half-time paraprofessional, to which Mr. Mehalick responded. Mr. Guarno also asked if both Fiscal Items A and B pertained to the building project. President Yeager responded affirmatively and added that Item B pertains to the non-reimbursable part of the project; the security entrance and health area in the elementary. Mr. Reh explained that Plan Con G (Item A) is the project accounting based on the bids that were received and approved. Mr. Guarno stated that he understands that the stimulus money will go away. Mr. Rodgers replied that the stimulus funds will expire June 30, 2011. Mr. Guarno stated that taxes will need to be raised to cover the loss of stimulus funds, the teachers' pension, the teachers' salaries, and whatever interest and principle is due on the bond. He asked if Mr. Rodgers intended to use the Fund balance to keep the percentages low enough so it doesn't have to go to referendum. Mr. Rodgers replied that it would be a combination of all of the above. Based upon the different options that are presented to the Board, they may elect to use part of the Fund balance to balance the current year budget. He also noted that there are a lot of unknowns on the revenue side; especially at the state level. The new administration is looking at using revenue streams that are equivalent to two years ago, which would be less than the district received last year. He stated that some information recently came out on a new program that may offset some of the reductions in the state subsidies. He and Mr. Reh are meeting on a regular basis with the administration to maintain costs and potentially reduce costs in some departments. He stated that there will be challenges, but they will try to do what's right for both the residents and students of the district. He noted that if they decide to go for exceptions, they must submit the request by March 3rd.

President Yeager announced that an executive session was held to discuss possible litigation at the last Facilities/Finance Committee meeting.

SUPERINTENDENT'S REPORT

Mr. Reh's report included the following topics:

- 1.) Mr. Reh recognized the Board members in honor of School Director Recognition Month. He thanked them for their many hours of dedicated service to the district.
- 2.) Nominations for the Distinguished Alumnus Award are being accepted through February 28th.

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3.) He requested an executive session following the meeting to discuss personnel and a confidential matter regarding a student.

4.) A pre-construction meeting will be held Thursday at 10:00 a.m. in the High School Library.

5.) He requested to avert from the regular meeting agenda and to turn the meeting over to Attorney Paul Lundeen, from Rhoads & Sinon law firm; and Brian Bradley, from RBC Capital Markets. Mr. Bradley stated that due to the fact the bids were opened after February 10, 2010; the district is not obligated to pay back the approximate \$370,000 previously anticipated, and will continue to receive reimbursement. Mr. Porter asked if the note was restructured based on this new information. Mr. Bradley replied affirmatively. Mr. Bradley stated that the interest rate is 4.88. He stated that from a cost perspective, the debt service will remain the same in 2011, at a net of \$744,000 millage impact. The 2012 debt service will increase .87 mills. The debt service will go up .90 mills in 2012-2013 for a total of 1.78 mills, which is approximately \$320,000; however there are some anticipated cost savings due to no longer having to bus special needs students out of the district. With the project complete in 2013, the district is expected to save \$140,000, which is roughly .78 mills, so the aggregate budget impact for the district is 1.0 mill, .87 mill in 2012, and the net in 2013 is .12. The net is 1.0 mill, which is about \$179,000. The district would borrow \$17,370,000 and the budget impact of that amount would be \$180,000 per year on a net basis, taking into consideration state reimbursement and expected cost savings.

Attorney Lundeen stated that the underwriter has marketed the bond and the proposal that was on the table was only valid for that day. He stated to the Board that if they were planning to proceed, he strongly recommended that they pass the resolutions at the current meeting.

Mr. Porter asked if it would be better to use the cash flow to pay off the current bond, instead of refinancing. Mr. Bradley stated that the district would not want to draw down the Fund balance when they could save \$15,000 by refinancing. Mr. Rodgers pointed out that the refinancing was only for a four-year period.

Mr. Porter stated that the whole estimate for bond counsel was \$17,500. An additional \$4,500 has been incurred and half again that amount was paid to Mr. Roberts. Mr. Lundeen explained that the price quoted was for the capital project. The refinancing was additional. He noted that he believed the fees charged were fair. He stated that it was separated out for Federal tax purposes and reimbursement purposes among various other reasons.

On a motion by Vought and second by Steele a Resolution pertaining to the General Obligation Note to refund the outstanding General Obligation Bonds, Series of 2003 and the General Obligation Note, Series of 2005 (per Exhibit C), was presented for approval. By a roll call vote, the motion carried; 7-Yes, 2-No (Porter and Stahley voted No).

On a motion by Steele and second by Stellfox, a Resolution pertaining to the General Obligation Bonds to fund additions and improvements for the Middle/Senior High School (per Exhibit D), was presented for approval. By a roll call vote, the motion carried; 7-Yes, 2-No (Porter and Stahley voted No).

(Attorney Lundeen and Mr. Bradley left the meeting at 8:27 p.m.)

COMMITTEE REPORTS

Activities - Chairperson, Paul Starr, reported that the committee discussed the Pennsylvania Heartland Athletic Conference Fan Decorum Bylaws. Mr. Becker has posted copies throughout

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the gymnasium area. They are a set of rules for spectator and student conduct. Mr. Becker is working on a recommendation for the Athletic Director position. Mr. Becker is also working on an updated Athletic Policy Handbook.

Facilities & Services - Tim Vought reported that they discussed the summer projects, and what Mr. George's roll would be in the building project. They discussed field maintenance options. They discussed getting a quote for fixing the center of the football field, in conjunction with the sod work that would be done due to the track project. Mr. Stellfox stated that he would like to see a plan before it goes any further. Mr. George stated that it is difficult to successfully seed the field due to the football schedule. Mr. George reported on the preventative maintenance program.

Finance - Eric Stahley, Chairperson reported that the committee met January 3rd. Mr. Rodgers discussed that the financial audit for 2009-2010 is about 90 percent complete. A report should be presented at the second meeting in January. They discussed the 2011-2012 budget. The Act 1 adjusted index for this year would be 1.8 percent. The budget calendar was distributed to those members present at the committee meeting. The resolution not to exceed the index was also discussed, and will be discussed again Wednesday at the special Finance meeting at 6:00 p.m. They also discussed healthcare consultant services.

Policy - Rick Steele, Chairperson, reported that the committee met prior to the regular meeting to continue its discussion on policies regarding school volunteers, overnight trips and field trips, with representation from several organizations that are impacted by the policies (S.M.A.R.T., H.A.R.T., Music Department). They made progress, but are not quite ready to present it for approval. They also discussed a policy regarding medications, and a new policy regarding behavioral management plans for exceptional students.

CSIU - Mike Yeager reported that they heard a presentation regarding grant writing, and asked if they would like to have that presentation given to the Board. Mr. Stellfox stated that it would be okay as long as all of the proper administrative staff that deal with grant writing would be present. President Yeager stated that he spoke to someone who could help the district find funding for after school programs, similar to the 21st Century Grant funding. President Yeager asked Mr. Mehalick to give a brief presentation at the next meeting regarding the district's social worker services.

Vo-Tech - Eric Stahley reported that Mr. Chuck Peterson (CS Trust) was present at the meeting on the 16th to give a presentation. They had an executive session to discuss personnel issues. They also discussed a revision in their transportation department. They had been reimbursing Southern Columbia at a rate of \$127.53 per day for Bus run 11B. The new rate increased to \$193.27 per day due to improvements to our bus. They hired a new Director of Student Services. The 2009-2010 audit report was presented and finances came in \$600,712 better than expected. The Vo-Tech received \$173,000 more in state revenue, and on the expense side, they budgeted more for PSERS than was actually needed. They also replaced four retired teachers, and the support staff strike lowered payroll expenditures. That money is part of their undesignated Fund balance. They received an administrative update on Classrooms for the Future. Mr. Bacher reported on student senior projects. The Superintendent of Record, Mr. Wayne Brookhart, discussed pension bill updates. He reported that there will be no money to replace the stimulus funds and districts could be facing a ten percent decrease in state funding for the upcoming fiscal year. Several committees met following the regular meeting.

The Reorganization meeting was held the 21st of December. Mr. Fogarty was elected Chairman of the J.O.C. and Mr. Yeager was elected Vice Chairman. They discussed monthly reports and how they were presented. The Capital Reserve and General Fund balances will be

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included on the monthly reports to the JOC members. An executive session was held to discuss personnel. They formed a planning committee to look at long-term issues such as curriculum, building repairs, industry research and similar items. They discussed the budget timeline and the allocation of surplus funds to the district. In past discussion, it was the consensus of the Southern Columbia Board of Directors that the money should go back to the sending districts in proportion based upon the formula upon which the districts are billed. A vote was taken to send all of the surplus funds back to the districts. That vote tied, therefore the motion failed. Another vote was taken to return \$300,000 to the districts and place the remainder in reserve. That vote also tied and failed. They decided to table the decision and go back to the individual boards for more direction. They received a report regarding the Trust insurance costs. They would be increasing twenty percent, but the Trustees voted not to exceed a fifteen percent increase and use the Fund balance to offset the difference. Mr. Bacher gave a report on the Keystone Exam preparations. Mr. Brookhart gave a report on the Leader In Me program. Mr. Stahley asked for direction from the Board on how the surplus funds should be distributed. It was the consensus of the Board to have all of the approximate \$600,000 returned to the sending districts or use it to offset each district's portion.

CS Trust - Charlie Porter reported that they discussed the increase in healthcare insurance costs. They were told to expect a fifteen percent increase. They discussed blending the Keystone Health Plan members into the traditional and PPO. They discussed bringing the unions in and how they sold them that it was to their benefit also to reduce the cost. They also discussed a wellness program. The Trust has entered into a contract with Geisinger to perform healthcare screenings, paid for by the Trust, for employees and their spouses currently insured through the Trust. Employees not on the healthcare plan would be an additional cost. The employees would get an individual report and the district would get an aggregate report. The goal is to lower healthcare costs. Their recommendation was to perform the screening on an in-service day or a Saturday morning. Mr. Rodgers stated that the district has had similar screenings in the past.

ITEMS – TREASURER’S REPORTS

ITEMS – MINUTES/INVOICES

ITEMS – FISCAL

On a motion by Yocum and second by Stellfox, the following items were presented for approval:

- A. PlanCon G for the Middle/Senior High School (**per Exhibit A**).
- B. PDE-3074(a) for the G. C. Hartman Elementary Center (**per Exhibit B**).

Prior to voting, Mr. Porter stated that he did not want his “no” votes interpreted as being anti-education. He stated that he thought the whole thing could have been done better. He stated that he would like to have seen a smaller gym and larger classrooms. He also stated that the lowest track bid was not taken. Mr. Stellfox stated that the project could be cut apart, but it is not efficient in the long run. He noted that the prime contractor went with the people that would do the best job for them at the best price they could get. Mr. Stellfox stated that it is something he deals with daily and has experience in this area. By roll call vote, the motion carried; 7-Yes, 2-No (Porter and Stahley voted No).

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ITEMS – PERSONNEL

On a motion by Oiler and second by Vought, the following items were presented for approval:

- A. The addition of the following individual(s) to the 2010-2011 Substitute List effective as listed (pending completion of all employment requirements):
 - Wesley Servose (Paraprofessional) - effective January 3, 2011
 - Joseph T. Smith, III (Van/Bus Driver) - effective January 4, 2011
 - Brett Snyder (Earth and Space Science) - effective January 11, 2011
 - Timothy Bodman (Health & Physical Education) - eff. January 11, 2011
 - Nicole Baruch (Elementary) - effective January 11, 2011
 - Christopher Carter (Elementary) - effective January 11, 2011
 - Alyssa Henrie (Elementary) - effective January 11, 2011
 - Samantha Shutt (Art K-12) - effective January 11, 2011
- B. Employment of Wesley Servose as a Half-time Paraprofessional working 3-days of the 6-day cycle effective January 4, 2011 (pending completion of all employment paperwork); salary and benefits per the Collective Bargaining Agreement. *(This is a replacement position.)*
- C. To correct the effective date of employment of Caterina Scicchitano to November 16, 2010.

The motion carried by unanimous affirmative voice vote.

ITEMS - POLICY AND PROGRAMS

On a motion by Oiler and second by Stellfox, Homebound Instruction for a high school student (#58971) effective January 3, 2011, for a maximum of five (5) hours per week, until further evaluation by a physician, was presented for approval. The motion carried by unanimous affirmative voice vote.

BOARD COMMENTS

President Yeager reminded Board members that there would be a special Finance Committee meeting Wednesday at 6:00 p.m.

RECOGNITION OF THE PUBLIC

District resident, Florey Guarno, expressed his concern regarding the team rooms, storage rooms, and toilets in addition to the gym. President Yeager stated that they tried to do whatever they could to reduce costs in those areas.

ADJOURNMENT

On a motion by Porter and second by Stellfox, the meeting was adjourned at 9:32 p.m. The motion carried by unanimous affirmative voice vote.

Respectfully Submitted,

Tresa J. Britch, Board Secretary