

*SHALER AREA SCHOOL DISTRICT
Special Voting Meeting
July 1, 2020 – Virtual
Minutes*

The Board of School Directors of the Shaler Area School District held a Special Voting Meeting on Wednesday, July 1, 2020, on Zoom, a virtual meeting platform, with Mr. Jim Tunstall, School Board President, presiding. This meeting began at 6:05 p.m.

Board Members Present:

- Mrs. Suzanna Donahue
- Mr. James Fisher
- Mr. Tim Gapsky
- Dr. April Kwiatkowski
- Mr. Jason Machajewski
- Mrs. Jeanne Petrovich
- Mrs. Eileen Phillips
- Mr. Steve Romac
- Mr. James Tunstall

Others Present:

- Mr. Sean Aiken, Superintendent
- Ms. Sherri Ludwig, Director of Business Affairs
- Mr. Matt Hoffman, Solicitor
- Mr. Randy Frederick
- Mr. Ron Brown
- Mr. Vic Adams

Notice of this meeting was posted as required.

- Mr. Tunstall opened the meeting at 6:05 p.m.
- Mr. Tunstall recognized the Public to Speak on Agenda Items.
 - There was none.
- Mr. Tunstall then called the meeting to order at 6:05 p.m. and invited all in attendance to stand for the Pledge of Allegiance.
- On a motion by Dr. Kwiatkowski and a second by Mr. Romac, the following Minutes were approved by all in attendance:
 - Combined COW/Voting Meeting – June 17, 2020
- On a motion by Mr. Romac and a second by Mrs. Petrovich, the following motion was approved by all in attendance:
 - Motion to suspend any applicable Shaler Area School District policies in order to authorize the conduct of this regular meeting of the Board of School Directors via telephone conference in consideration of the public health concerns and governmental directives arising from the COVID-19 pandemic. Notice of such action, along with information as to how members of the public may access the telephone conference meeting, previously was posted at the District Administration office and to the District website.
- Mr. Tunstall then announced items tabled or removed from the agenda:
 - There were none.
- On a motion by Mr. Fisher and a second by Mrs. Petrovich, the agenda was approved by all Board members in attendance.

Ms. Ludwig then presented the following Finance items for approval:

<u>ITEM #</u>	<u>FINANCE & OPERATION ITEMS RECOMMENDED FOR APPROVAL</u>	<u>SUP. #</u>	<u>ACTION TAKEN</u>
C.1	APPROVE FUND PROFILES A. 2019 Bond Proceeds B. 2016 Bond Proceeds	C.1A C.1B	<u>Bond Proceeds</u> <u>Bond Proceeds</u>
C.2	Approve a three-year contract with Siemens Controls beginning July 1, 2020 and ending June 30, 2023 upon solicitor review. Siemens will provide advisory and performance services for the automated control system at Scott Primary School.	C.2	<u>Siemens Controls Contract</u>
C.3	Approve the amending and extending the term of the district’s agreement with ABC Transit Inc. dated March 15, 2017 upon solicitor review. This addendum will extend the current contract through and including June 30, 2027 and will allow payment of renegotiated costs to ABC Transit Inc. during the period of school closure during the 2019-20 school year due to the COVID-19 pandemic.	C.3	<u>ABC Transit Contract Extension</u>
C.4	Approve Resolution No. 2020-7-15-1, a resolution terminating three qualified interest rate management agreements (swap agreements) to enable the district to receive positive concluding payments from the swap counterparties and authorizing all actions necessary to put the within resolution into effect.	C.4	<u>Swap Agreements</u>

- Dr. Kwiatkowski asked if we are extending an existing contract with Siemens Controls. Ms. Ludwig explained that this is a new contract.
- Mr. Romac asked why we are extending the ABC Transit contract five more years. Ms. Ludwig explained that we are holding rates stable from 2019-20 and we are able to get funding from the state. She also pointed out that the Section 6 of the contract was amended to include extra cleaning costs due to COVID-19. Section 7 is added as new to the agreement stating that the Contractor shall provide mitigation measures such as wearing masks, using hand sanitizer, etc., as recommended by the CDC, PA Department of Health and other public health authorities to address COVID-19.
- Mr. Gapsky asked if Mr. Hoffman had reviewed the contract. Mr. Hoffman stated that he had reviewed the contract and was comfortable with it. Mr. Gapsky asked if there were any cons to the contract. Mr. Hoffman said that ABC Transit will assume costs of cleaning but if the state requires additional cleaning measures we would have to sit down and discuss any additional costs.
- Dr. Kwiatkowski asked if what the affect would be if we have to go to ½ capacity on our buses. Mr. Ludwig said that there would be 2 students per seat. Mr. Aiken stated that we are following guidelines from the state. He also mentioned that 45% of the parents would be willing to transport their children.
- Mr. Tunstall asked about payment of the renegotiated costs. Ms. Ludwig said that the contracted daily rates from March 16, 2020 thru June 5, 2020, was \$741,985 which is half of what we would have paid.

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A motion was made by Mr. Fisher with a second by Mr. Gapsky, to approve Items C.1AB – C.3

After no further discussion, these items were then approved by a roll call vote.

Motion Carried: 9 aye; 0 nay

ACTION:
Approved
Items
C.1AB – C3

Donahue	Fisher	Gapsky	Kwiatkowski	Machajewski	Petrovich	Phillips	Romac	Tunstall
Y	Y	Y	Y	Y	Y	Y	Y	Y

Ms. Ludwig introduced Mr. Ron Brown, Mr. Randy Frederick and Mr. Vic Adams, Swap Advisor, and welcomed questions.

- Ms. Ludwig has been in conversations with our bond underwriters and Swaption advisor since March during the market fluctuation. Ms. Ludwig and Mr. Adams explained that in discussions with the professional team mentioned above that the district could receive a favorable payment for the termination of three of the interest rate swaptions. Mr. Adams, DerivGroup, discussed the inner workings of the swaptions and associated risk. Mr. Frederick spoke about the district’s decision and weighing the options to benefit from payment to the district today or receiving future cash flows that could be affected by fluctuations in the market. Mr. Brown also discussed the legal aspects of the resolution.
- The group discussed the potential for the swaps to generate the positive cash flow and the interest rate markets and that there are no assurances that the swaps’ expected cash flow will increase or decrease.
- Ms. Ludwig thanked the group and expressed the professionalism and the exceptional cooperation during the process. The professional team also thanked Ms. Ludwig for the same.
- Accordingly, the administration is recommending that the Board approve a resolution at terminate certain interest rate swaptions. Working with the SWAP advisor the following helps explain the recommendation:
- Mr. Tunstall thanked all involved for the work that was done to save money for the district.

A motion was made by Dr. Kwiatkowski with a second by Mr. Gapsky, to approve Item C.4

After no further discussion, these items were then approved by a roll call vote.

Motion Carried: 9 aye; 0 nay

ACTION:
Approved
Item C.4

Donahue	Fisher	Gapsky	Kwiatkowski	Machajewski	Petrovich	Phillips	Romac	Tunstall
Y	Y	Y	Y	Y	Y	Y	Y	Y

- Mr. Tunstall then announced the following upcoming meetings:
 - Wednesday, July 15, 2020 – Combined COW/Voting Meeting
 - Executive Session – 5:30 p.m.
 - Public Session – 6:00 p.m.
- Mr. Tunstall then asked if there was any other business to come before the board.
 - There was none.

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After no further items were presented, on a motion by Mrs. Petrovich and second by Mr. Romac, the Business Meeting was adjourned at 6:43 p.m.

Mr. Tunstall then recognized the public to speak on any non-agenda item:

- There was none.

The meeting's Final Adjournment occurred at 6:43 p.m.

Respectfully submitted,

Sherri L. Ludwig
Board Secretary