

BETHLEHEM AREA SCHOOL DISTRICT  
BOARD OF SCHOOL DIRECTORS  
SPECIAL BOARD MEETING

OCTOBER 13, 2008

A Special Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, October 13, 2008, at 11:28 p.m. in the Dining Room at the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania.

SPECIAL  
MEETING

The Board Secretary called the roll:

MEMBERS  
PRESENT

Members present: Directors Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia and Leeson – 9.

Others present: Dr. Joseph A. Lewis, Superintendent of Schools; Donald F. Spry II, Solicitor; Stanley J. Majewski, Jr., Board Secretary; administrators, members of the press, and other interested citizens and staff members.

OTHERS  
PRESENT

At this point of the meeting, the Pledge of Allegiance was recited.

PLEDGE OF  
ALLEGIANCE

President Leeson requested that all present observe a moment of silent meditation.

SILENT  
MEDITATION

Dr. Lewis stated there was no information to report.

FEDERAL  
PROGRAMS  
UPDATE

President Leeson announced that the Halloween Parade would be held on October 26 at 1:45 p.m. She stated that most people received the invitation and noted the starting location as 15<sup>th</sup> Street. She also announced the Illick's Mill Gala would be held on Sunday, October 19 from 5 p.m. until 9 p.m. President Leeson concluded that Science Fest would be held at Marvine Elementary School this Sunday from 12 noon until 5 p.m. She highly recommended attendance, and pointed out that past attendees had enjoyed the event.

PRESIDENT'S  
COMMUNICATION

Dr. Lewis stated that he did not have a report this evening.

SUPERINTENDENT'S  
REPORT

Dr. Lewis stated there was no instructional report this evening.

INSTRUCTIONAL  
REPORT

President Leeson announced there were no reports.

REPORTS OF  
COMMITTEES  
AND OFFICERS

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President Leeson stated there were no minutes presented for approval.

APPROVAL OF  
MINUTES

Dr. Lewis presented the recommendations of the administration.

RECOMMENDATIONS  
OF THE  
ADMINISTRATION

October 13, 2008

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1. *Contracted Analysis for SWAPs and Debt Obligations*

**INFORMATION:**

The Board of School Directors met with representatives from Public Financial Management (PFM) and Public Resource Advisory Group (PRAG) to determine if there was interest in an agreement to contract for quantitative and qualitative analysis of the district's SWAPs and other debt obligations and for recommendations concerning these issues. Both PFM and PRAG expressed an interest in jointly providing this service and will prepare an agreement with terms for the school directors to consider. The analysis and its presentation will be provided at a cost not to exceed \$10,000.

**RECOMMENDATION:**

That the Board of School Directors approves that the Public Financial Management (PFM) and Public Resource Advisory Group (PRAG) be jointly contracted to provide quantitative and qualitative analysis of the school district's SWAPs and debt obligations and to provide recommendations to the Bethlehem Area Board of School Directors for a cost not to exceed \$10,000.

Mr. Majewski requested that the last sentence of the recommendation stating, "The terms of the agreement are attached." be removed, because there was no attachment.

President Leeson asked for a roll call on Item 1. The question was called with roll call as follows: Yea, Directors Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia, Amato and Leeson – 9.

ROLL CALL –  
ITEM 1

The motion passed 9 – 0.

**2. *Financial Advisors***

**INFORMATION:**

The Board of School Directors met with representatives from Public Financial Management (PFM) and Public Resource Advisory Group (PRAG) to determine if there was interest in an agreement to contract for a team financial advisor approach. Both PFM and PRAG expressed an interest in providing financial advisor services and will prepare an agreement with terms for the school directors to consider.

**RECOMMENDATION:**

That the Board of School Directors approves that \_\_\_\_\_  
be appointed as the financial advisors to the Bethlehem Area School District.

President Leeson stated that a name was required to complete the recommendation. She opened the floor for discussion.

Director Cann asked if it was something they wanted to do this evening.

President Leeson asked if she was making a recommendation to table the item.

Director Cann replied that she wanted to know if everyone felt ready, but was not recommending anything in particular.

Director Follweiler stated that she did not feel ready.

Dr. Lewis stated that administration wanted to move with the issue and recommended that they come to a decision. He realized it was awkward, but, whether it was one or the other, or both, he desired to hear discussion and an attempt to move forward.

Director Haytmanek inquired about the representatives being present for the discussion and vote.

Dr. Lewis replied that it was a public meeting.

One of the financial representatives offered to vacate the room.

Director Dexter expressed that she personally thought that they should adjourn to have an executive session regarding the matter and then reconvene.

Attorney Spry asked if she wanted an executive session regarding discussion of the selection.

Director Dexter suggested a session regarding a related matter to their financial problems – litigation.

Director McCann asked if it was one that might affect their selection.

President Leeson announced that the administration was recommending that they follow Director Dexter’s suggestion for executive session and reconvene for the second question.

Director Dexter moved to adjourn for executive session.

DIRECTOR  
DEXTER –  
MOTION FOR  
EXECUTIVE  
SESSION

Director McKeon seconded the motion.

Executive session began at 11:34 p.m. with the meeting reconvening at 11:50 p.m.

President Leeson asked if there was a recommendation from anyone on the floor to either table the item or fill in the blank.

Director Haytmanek moved to appoint Scott Shearer, of PFM (Public Financial Management).

DIRECTOR  
HAYTMANEK –  
MOTION TO  
APPOINT  
FINANCIAL  
ADVISOR

Director Tenaglia seconded the motion.

President Leeson opened the floor for discussion.

Director Cann stated that she preferred Stephen Goldfield, from PRAG (Public Resource Advisory Group). She expressed that she had known him for over 20 years, which in itself, had no bearing, but noted that she could personally vouch for his professional expertise, truthfulness, honesty and integrity. She pointed out how much she learned from working with him in the past couple of months. She thought that both firms could obviously do the job in the exact same way. She said that she liked that Mr. Goldfield’s firm was more like a boutique type firm, where they limited themselves to large, complicated transactions, of which they get personally invested in, to result in a good outcome for the district. She thought that the kind of personal enthusiasm was shown in what he did prior to their consideration of meeting a financial advisor, in that he was willing to come and offer his assistance with a new marketing agent, without a personal benefit. She also noted that since asking both parties to come forward, she thought that he was the one sending them many emails, articles, and updates, but they had not heard from PFM, with the exception of required documents. She thought it was a reflection of the kind of firm that would give them personal attention with enthusiastic investing.

Director Koch agreed with Director Cann. It was her point of view that Mr. Goldfield was better at explaining things than Mr. Shearer. She thought that he had obviously put a lot of effort into the explanations. She concluded that she would be supporting him.

Director Amato also agreed with Directors Cann and Koch. He thought that Mr. Shearer brought a little bit extra to the table with consideration that he was an attorney and had been involved with a school district as a director. He added that to hear him talk in executive session, he was an expert in his field who had been called upon by many agencies and not only school districts. He thought that by going with him, they would be getting more out of it than just the financial advisory.

Director Dexter asked the opinion of the administration.

Dr. Lewis replied that he thought they were of the same voice.

Mr. Majewski added that in all honesty, he thought they would be grateful to have either firm working with the district. He noted that he had worked previously with Mr. Goldfield in a different capacity. He stated that he had never personally worked with PFM, but he knew of many colleagues who had worked with them. He would be comfortable working with either financial advisor and believed they would provide quality service. He supported whatever the will was of the board.

Dr. Lewis replied that he had worked with PFM in the past and noted that they did all of the issues while he was at Pocono Mountain School District. He noted they went with RBC for their last issue. He thought it was because there was a competitive bid. He thought that both gentlemen were highly qualified. He pointed out that PFM probably had much more extensive background in school finance. He said that he respected both gentlemen and thought they were very well versed. He noted Director Cann's point in that the one firm was smaller and tended to become more intimate in terms of their involvement with the issues. The other firm perhaps had a broader base of a modeling tool. He concluded that he could work with either group.

Director Dexter asked why it would be important for them to make the decision tonight as opposed to a week from tonight.

President Leeson asked administration for their opinion.

Dr. Lewis replied that he had previous discussion about the matter. He was fine with a decision to delay, but if they moved forward, they could begin dialogue immediately. He added that both gentlemen noted that they were in need of immediate bond counseling and he also thought it was critical. He did not want to have that dialogue until they had a financial advisor in place. From his perspective, the bond counsel piece was secondary to the financial advisor.

Mr. Majewski stated that his feelings were that the market was very volatile; having many changes. He thought that a delay in having a financial advisor on board might or might not impact them with regard to opportunities or providing information or in generating the quantitative analysis that is needed for them to be prepared. In the bygone era, a week would have been nothing.

Director Dexter asked Mr. Majewski if he thought it was important to do it tonight.

Mr. Majewski replied that he thought it was very important to have somebody on board.

Director Follweiler stated that if they did feel it was critical to make a decision this evening, her initial feeling was leaning more towards PFM because of their résumé and their dual capabilities. She added that they were both very good. She understood what everyone had said about both firms, but if she had to choose right now, she felt that she better understood the information from PFM.

President Leeson requested a roll call on the motion that the board of school directors approves an agreement to contract with PFM (Public Financial Management). The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Haytmanek, McKeon, Tenaglia, and Leeson – 6. Nay, Directors Cann, Koch and Amato – 3.

ROLL CALL –  
APPROVAL OF  
CONTRACT WITH  
PUBLIC  
FINANCIAL  
MANAGEMENT

The motion passed 6 – 3 to appoint (PFM) Public Financial Management as financial advisors to the Bethlehem Area School District.

Director Follweiler moved the recommendations of the administration 1 and 2. Director Koch seconded the motion.

DIRECTOR  
FOLLWEILER  
MOTION TO ACCEPT  
RECOMMENDATIONS  
OF THE  
ADMINISTRATION

OCTOBER 13, 2008

There was no new business brought forth by any board member.

NEW AND  
MISCELLANEOUS  
BUSINESS

President Leeson offered courtesy of the floor to visitors. No one wished to address the Board of School Directors.

COURTESY  
OF THE  
FLOOR TO  
VISITORS

President Leeson requested a motion for adjournment. Directors Haytmanek and Tenaglia moved to adjourn the meeting, which carried by voice vote. The meeting was adjourned at 12:00 a.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.  
Board Secretary

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