

**THE SCHOOL DISTRICT OF PHILADELPHIA
SPECIAL MEETING OF THE SCHOOL REFORM COMMISSION
PHILADELPHIA, PA**

OCTOBER 20, 2016

A special meeting was held by the School Reform Commission on October 20, 2016 in the Auditorium of the School District of Philadelphia Education Center, 440 North Broad Street.

The meeting was convened at 10:04 a.m. by Chair Neff.

Chair Neff stated that the main purpose of the meeting is to consider two financial matters. She also stated there are three capital resolutions on the agenda for repair work on schools that we hope can begin before bad weather sets in.

Miles Shore, Interim General Counsel, stated that notice of this special meeting of the School Reform Commission was published on October 14, 2016 in the *Philadelphia Daily News* and the *Philadelphia Inquirer*, and posted on the school district's website.

Members present: Mr. Green, Ms. Jimenez (*via telephone conference call*), Ms. Simms, Chair Neff – 4

Members Absent: 0

Zachary Epps, Office of the Superintendent, stated a representative from the Deaf-Hearing Communication Center is here to provide sign language interpretation of the proceedings. He also stated that the proceedings of today's School Reform Commission meeting are being streamed live on the internet and recorded by the School District of Philadelphia. Mr. Epps also stated that the School District's recordings are protected by the Copyright Laws of the United States and may not be used in any manner without the express written consent of The School District. By participating in today's meeting, members of the public acknowledge that the School District may use its recordings for any purpose without obtaining permission or paying any compensation.

Chair Neff stated that the School Reform Commission is considering two resolutions related to bond issuances: SRC -1 is a resolution to authorize the issuance of GO bonds in the amount of \$821,745,000 Series 2016 consisting of the following: \$92,345,000 GO bonds, Series D of 2016, \$147,245,000 GO (Qualified School Construction Bonds which are federally taxable with a direct pay subsidy, Series E of 2016, and \$582,155,000 GO Refunding Bonds, Series F of 2016. She also stated SRC -2 is a resolution to authorize the issuance of Lease revenue refunding bonds in the amount of \$570,010,000 Series A of 2016 Bonds.

Chair Neff introduced Uri Monson, Chief Financial Officer, who briefed the Commission on the financial resolutions before them. The details of Mr. Monson's presentation are available online.

Chair Neff recognized Commissioner Green for a question. He expressed his thanks to Mr. Monson for such tremendous results and asked how much per year is available because of present value savings.

Mr. Monson stated roughly three to \$4 million are available per year and the debt was not stretched out to make the savings appear larger. He also stated this savings is on top of the 5-year plan.

Commissioner Green stated he would like to know what factors the rating agencies were looking at as the moved the School District from negative to stable.

Mr. Monson stated the two key factors were having a fund balance and our ability to weather the impasse. He also stated that it was due to our continued efforts to reduce risk.

The meeting was opened to the public for presentation of statements.

Lisa Haver stated she had questions regarding the District's Right to Know Law Policy. She also stated she had questions with regard to the details of the contract with Cambridge.

The following resolutions were presented for formal action by the School Reform Commission:

I. SCHOOL REFORM COMMISSION

SRC-1*

Authorization of the Issuance of General Obligation Bonds, Qualified School Construction Bonds and General Obligation Refunding Bonds in an aggregate principal amount not to exceed \$937,620,000

**A complete copy of resolution SRC-1 is on file with the minutes of the School Reform Commission*

The vote was as follows:

Yeas: Mr. Green, Ms. Jimenez, Ms. Simms, Ms. Neff – 4

Nays: 0

SRC-2*

Authorization of the Issuance of State Public School Building Authority School Lease Revenue Refunding Bonds in an aggregate principal amount not to exceed \$670,000,000

**A complete copy of resolution SRC-2 is on file with the minutes of the School Reform Commission*

The vote was as follows:

Yeas: Mr. Green, Ms. Jimenez, Ms. Simms, Ms. Neff – 4

Nays: 0

Chair Neff opened the floor to Commissioners for questions about the Education Support Services resolutions and invited Fran Burns, Chief Operating Officer, to the floor.

Commissioner Simms stated she wanted to know how the District decides which schools will be fixed first. She also asked if a potential school closure in the near term was taken into consideration when making these decisions so money was not wasted on schools that the District was going to close.

Fran Burns stated they had to immediately focus on Kenderton School because the District was taking it back. She also stated they then looked at schools with the greatest need. Ms. Burns further stated we do consider potential school closings before making decisions but the conflict in that is there are still children in those schools that we need to protect.

Chair Neff stated she assumes asphalt repair is a yearly occurrence and would like to know why these resolutions were not presented more timely if it's something we do every year.

Fran Burns stated they just had a reinvestment of funds that allowed them to put money into these services.

II. EDUCATION SUPPORT SERVICES

Operations

A-1

General Fund: \$200,000 Contract with Gessler Construction Co., Inc. – Asphalt Repairs

RESOLVED, that the School Reform Commission authorizes The School District of Philadelphia, through the Superintendent or his designee, to execute, deliver, and perform contract B-001 G of 2016/17 with Gessler Construction Co., Inc. for asphalt repairs, for an amount not to exceed \$200,000, for the period commencing November 18, 2016 through June 30, 2018.

Description: This Contract provides Facilities Management and Operations with immediate response capabilities to initiate and complete asphalt repairs, on an as needed basis, throughout the School District of Philadelphia.

Spec: B-001 G of 2016/17: General Service Contract - Asphalt Repairs

Various locations throughout the School District
Gessler Construction Co., Inc. - Not to exceed \$200,000
565 East St. Andrew Drive
Media, Pennsylvania 19063

ABC Code/Funding Source	\$200,000.00
1100-031-9270-2621-4541 FY17 (\$100,000.00)	
1100-031-9270-2621-4541 FY18 (\$100,000.00)	

The vote was as follows:

Yeas: Mr. Green, Ms. Jimenez, Ms. Simms, Ms. Neff – 4

Nays: 0

A-2

General Fund: \$200,000 Contract with Pannulla Construction Co., Inc. – Concrete Block Repairs

RESOLVED, that the School Reform Commission authorizes The School District of Philadelphia, through the Superintendent or his designee, to execute, deliver, and perform contract B-002 G of 2016/17 with Pannulla Construction Co., Inc., for concrete block repairs, for an amount not to exceed \$200,000, for the period commencing November 18, 2016 through June 30, 2018.

Description: This Contract provides Facilities Management and Operations with immediate response capabilities to initiate and complete concrete block repairs, on an as needed basis, throughout the School District of Philadelphia.

Spec: B-002 G of 2016/17: General Service Contract - Concrete Block Repairs

Various locations throughout the School District
Pannulla Construction Co., Inc. - Not To Exceed \$200,000.00
454-456 Conarroe St., Ste. 1
Philadelphia, Pennsylvania 19128

ABC Code/Funding Source \$200,000.00
1100-031-9270-2621-4541 FY17 (\$100,000.00)
1100-031-9270-2621-4541 FY18 (\$100,000.00)

The vote was as follows:

Yeas: Mr. Green, Ms. Jimenez, Ms. Simms, Ms. Neff – 4

Nays: 0

A-3

General Fund: \$200,000 Contracts with Devine Brothers, Inc., Gem Mechanical Services, Inc., General Asphalt Paving Co. of Philadelphia, and Herman Goldner Co, Inc. – Steam Pipe Repairs

RESOLVED, that the School Reform Commission authorizes The School District of Philadelphia, through the Superintendent or his designee, to execute, deliver, and perform contract B-003 G of 2016/17 with Devine Brothers, Inc., Gem Mechanical Services, Inc., General Asphalt Paving Co. of Philadelphia, Herman Goldner Co., Inc. for steam pipe repairs, for an aggregate amount not to exceed \$200,000, for the period commencing November 18, 2016 through June 30, 2018.

Description: This Contract provides Facilities Management and Services with immediate response capabilities to initiate and complete steam pipe repairs, on an as needed basis, throughout the School District of Philadelphia.

Spec: B-003 G of 2016/17 General Service Contract - Pipe Repairs
Various locations throughout the School District

Devine Brothers, Inc.
600 Clark Avenue
King of Prussia, Pennsylvania 19406

Gem Mechanical Services, Inc.
5101 Birney Highway
Aston, Pennsylvania 19014

General Asphalt Paving Co. of Philadelphia
9301 Krewstown Road
Philadelphia, Pennsylvania 19115

Herman Goldner Co., Inc.
7777 Brewster Avenue
Philadelphia, Pennsylvania 19153-2698

Total Contract : Shared amount \$200,000.00

ABC Code/Funding Source \$200,000.00
1100-031-9270-2621-4541 FY17 (\$100,000.00)
1100-031-9270-2621-4541 FY18 (\$100,000.00)

The vote was as follows:

Yeas: Mr. Green, Ms. Jimenez, Ms. Simms, Ms. Neff – 4

Nays: 0

Chair Neff thanked the School District's financial advisor, Andre Allen from Phoenix Capital, Joan Stern and Robert Tuteur from Eckert Seamans as bond counsel, as well as Tony Griffith from Bank of America for their fine work on behalf of the School District. Chair Neff also thanked Uri Monson and his team for their continued efforts.

The meeting was adjourned at 10:25 a.m.

Chair Neff announced that the next meeting of the School Reform Commission is Tuesday, November 15, 2016 at 4:30 p.m.

Marjorie G. Neff, Chair
School Reform Commission

William R. Hite, Jr.
Superintendent