



MINUTES OF PUBLIC HEARING IN COMPLIANCE WITH ACT 34

West Broad Street Elementary School

Thursday, October 24, 2024

Generated by Renai Cardillo on Monday, October 28, 2024

Members present: Nicholas Braccio, Janet Flisak, Andrew Landis, Ken Keith, Stephen Nelson, William Formica, Kimberly Wheeler, Michael Barnacz

Members absent: William Brong

Others present: Jamie Doyle (PFM), Frank Gallagher, Timothy Gilsbach (Fox Rothschild), Christopher Hey, Katie Kennedy-Reilly, Joe Messmer (GKO), Michael Taylor, Megan Zweiback

1. Opening Remarks

1.1 Opening Remarks

Solicitor, Mr. Gilsbach called the meeting to order at 6:00 P.M stating that the Souderton Area School District Board of Directors is here to convene for an Act 34 Hearing.

2. Purpose of the Hearing

2.1 Purpose of the Hearing

Mr. Gilsbach stated that under the Act 34 of 1973, Section 701.1 of the Pennsylvania School Code, under certain conditions a public hearing is required regarding the construction of new school buildings or substantial additions to existing school buildings. The purpose of this Act 34 hearing is to present the proposed additions and renovations to the West Broad Street Elementary School to the district residents, district employees, and to provide them with a public forum to express their opinions regarding the project.

Mr. Gilsbach stated that if the building construction costs exceed the proposed maximum projection cost of \$6.1M, to be adopted by the Board of School Directors on December 18, 2024, is exceeded by 8% upon the receipt of bids. A second public hearing will be required and will be scheduled in accordance with the law.

Mr. Gilsbach also stated that it is important to understand that this hearing is not a public debate. It is an opportunity for the public to learn about the proposed construction project.

3. Procedures for Public Comment

3.1 Procedures for Public Comment

Mr. Gilsbach stated that during the course of this evening's hearing, we will have several presentations about the project in question. Under the statute, there is an opportunity for a verbal presentation.

He stated that during the hearing individual's public comments will be limited to three minutes and pursuant to the public notice of the hearing which was issued and is also on the district's website. Request for comment during that portion had to be received by October 18, 2024. Mr. Gilsbach stated that to date, no written comments, nor requests for those comments had been received. In addition, request for written testimony needed to be received by October 18, 2024.

Mr. Gilsbach stated that there will be a period for testimony and those individuals who wish to comment, comment is limited to three minutes. Mr. Gilsbach also stated that no person shall be allowed to speak a second time until all persons who wish to speak have had an opportunity to be heard from, and that period of public comments will occur after the various presentations, so that hopefully any questions, will already have been answered through that period.

Mr. Gilsbach stated that during the period of comment, individuals should identify themselves by name, address and resident or employee of the district and present their comment or questions. If objections are raised, it would be

beneficial to discuss what should be done to resolve the problem. Mr. Gilsbach stated that it is important to understand that this is not a debate. It is not an open forum and the Board is not required and generally does not comment or respond to comments.

Mr. Gilsbach reiterated that this is a public meeting to allow an opportunity to respond to the project and ultimately the resolution. The resolution considering this project will be done at the December Board meeting.

In addition, following this hearing, if anyone wishes to provide written communication to the Board, they have a period of 30 days to do so. Public comment regarding the project which will be included in the materials that will be forwarded to the Pennsylvania Department of Education should be mailed or delivered to Michael Taylor, Board Secretary, to the District Office at 760 Lower Road, Souderton, PA 18964. All comments must be submitted no later than 12 noon on November 25th, 2025 and on all written communication, should include the name and address of the person submitting comments, identifying the sender as a resident or employee, and the description of the support or objection to the project.

4. Need for the Project

4.1 Need for the Project

Superintendent Gallagher spoke to the history of West Broad Street Elementary School, originally built in 1966. Dr. Gallagher stated that former State Representative Robert Godshall was on the Board of School Directors at that time and enjoyed sharing how the school had been built in nine months and on budget. Superintendent Gallagher stated that the school has served the district well, but it needs some upgrades.

5. Alternatives/Options Considered

5.1 Alternatives/Options Considered

Dr. Gallagher noted that West Broad Street Elementary School is the last school in the district to have modular classrooms, and it is time to remove them. Dr. Gallagher stated that because West Broad is in a sending area with steady enrollment, part of its sending area is in the Borough of Souderton and part in Franconia Township, it is important that buildings be planned for how education happens in schools today. A permanent addition will be built and there will be a lot of spaces for small group instruction. This new construction will provide a lot of flexibility for us.

6. Description of Project Building, Special Features

6.1 Description of Project Building, Special Features

Mr. Taylor called for Mr. Messmer of GKO to speak.

At this time a comment was made from the audience stating an objection to the Sunshine Law, requesting that the meeting be moved to a larger venue.

Mr. Gilsbach stated that the objection should be noted in the minutes.

7. Direct Costs for the Project

7.1 Direct Costs for the Project

Mr. Messmer of GKO Architect's stated that he would be reviewing the site plan. He noted that the modular units would be removed at the end of the project, so that they could remain in use while the addition is being built. He noted that the car line will be extended out front, and a small area of the playground would be removed to extend the parking lot. He noted that we are not deleting any hard play area, basically relocating it.

He noted that this will allow the traffic that backs out on to West Broad Street off of the street and allow for more car traffic. He indicated that there are approximately four buses that are onsite at any one time at West Broad Street, there is a lot of parent pick up and a lot of walkers. It is one of the goals of the project to get traffic off West Broad Street. There will also be an additional parking spaces on the site to allow for overflow for special events. The parking lot will be milled and overlaid and new LED lighting will be added around the whole building. The approach to the school will be a much safer and easier way to get into the building.

Mr. Messmer noted that the interior building addition will be approximately 16,000 square feet. There will be small group instruction rooms and other areas will be refurbished into teaching spaces. All of the old ceilings, lighting finishes, and wall paneling will be removed and make this space fresh for hopefully, the next 40 - 60 years.

Mr. Messmer noted that the kitchen and cafeteria will be renovated, as well as the HVAC system and the library will be modernized, all new LED lighting throughout and new gas service to the building. He noted that the building does not presently have gas service and that PECO will be providing the installation service free of charge to the district.

Mr. Messmer notes that the safety systems will be upgraded and new building security, including a new secure vestibule.

8. Indirect Costs for the Project

8.1 Indirect Costs for the Project

Mr. Taylor stated that all estimated costs for the additional renovations to West Broad Street Elementary School are reflected in the planning construction workbook Part D section of the booklet. Overall cost: Act 34 of 1973: Maximum Building Construction Cost for new Building or Substantial Addition: (PLANCON D20 form). The Board to adopt the figure \$6,166,562, maximum building construction cost. If the maximum building construction cost based on bids is equal to or higher than the maximum building construction cost based on estimates plus eight percent; A second hearing will be required prior to entering contracts and starting construction.

9. Financial Alternatives Considered

9.1 Financial Alternatives Considered

Ms. Doyle, Financial Advisor of PFM stated that as the independent financial advisor to the school district it is their job to determine the most cost effective way of paying for the project. Ms. Doyle stated that they first looked at cash or short term loan, which was not feasible given the size and scope of the project. She states that when they compared the three long term methods of financing which consist of a general obligation bond issue, a local through a local authority issue or financing through the state public school building authority. It was determined that the least costly alternative for financing the project is in fact, the general obligation bond issue. Ms. Doyle referred to the slide presentation on the screen.

Ms. Doyle stated that the school district is considering the use of a wrap around debt service structure for the future issuance of bond series 2025 to fully fund the project. This will eliminate the mileage impact of the project due to a drop off in existing debt service. The school district will also consider the use of bond insurance.

Ms. Doyle stated that on this future bond issue in 2025, that it will increase the credit rating and marketability of the future bonds, it increases the size of the bond issue, but reduces the interest rate that the school district must pay on the bonds and ultimately results in lower debt service.

Ms. Doyle stated that for discussion purposes only, an estimate is provided of what this bond issue in the amount of \$11,385,000 might look like on Table 1 of the presentation.

Ms. Doyle stated that regarding state reimbursement, the school district does not anticipate receiving any reimbursement from the state on this project due to the PlanCon moratorium that is currently in place.

10. Effect of Project Costs on Taxes

10.1 Effect of Project Costs on Taxes

Ms. Doyle stated the indirect costs are anticipated in the amount of \$36,602.00 annually. When you divide that by the current collected value of a mill which is 2,798,000, the indirect cost will have an annual mileage equivalent of 0.01 mills each year. The bond issue itself is anticipated to have a savings, a slight savings of 0.02 mills, again because of that drop off in the existing debt in the districts portfolio. So when you add that .01 mileage increase from the indirect costs, which consists of custodial supplies, fuel and utilities and contracted maintenance and repairs, and that gets offset by the -0.02 mil decrease from the bond issue. The net impact is a savings of -0.01 mills. So basically, there is no cost.

Superintendent Gallagher spoke about the recent notification to the district of an awarded grant in the amount of \$1,000,000 for this project from the Public School Facilities Improvement Grant program through The Pennsylvania Department of Community and Economic Development. Superintendent Gallagher also noted that an additional grant award in the amount of \$1,000,000 was awarded and will be allocated to a future project to be discussed later.

11. Public Comment

11.1 Public Comment

Mr. Gilsbach announced public comment, stating that those wishing to make public comment would be taken one at a time. He asked that speakers identify themselves and be aware that comment is limited to three minutes.

A member of the audience spoke aloud and was asked to approach the podium.

Ms. Gilmore of Harleysville asked how much this project is going to raise taxes.

Mr. Taylor responded that because the district's debt service is actually dropping off, the district will actually be paying less in debt service annually. Therefore, it will not have an impact on the mileage increase based off of debt service for these projects.

Mr. Waldenburger of Telford questioned the removal of the S.A.V.E. house and concerns of asbestos in the school.

Mr. Ball stated that over the years, there has been mitigation of the school and while there remains a very small amount of asbestos in the school, it will be removed.

Dr. Gallagher responded that the S.A.V.E. house is no longer used the way it once was. It was built in the '90's and used extensively. However, since the building of the High School Greenhouse by The Education Foundation, and the use of the retention basin on the high school campus, most all environmental activities occur on campus. Dr. Gallagher noted that a committee has been formed to honor the S.A.V.E. House and its removal.

Mr. Detweiler of Souderton expressed concern about the destruction of the S.A.V.E. house and if there was any possibility of other use by the community.

Dr. Gallagher stated that the buildings will be raised. He stated that they are hard to maintain and despite the plan that fundraising would keep the maintenance going on them, it is not happening. He reiterated that a Committee has been established to honor the history of the S.A.V.E. house and the evolution of the S.A.V.E. program.

Mr. Detweiler stated understanding and disappointment. He stated his desire for the buildings to be utilized by area organizations.

Mr. Pipe of Souderton asked for clarification on the deadline date for comments as stated by the Solicitor as November 25, 2025. Mr. Gilsbach responded that he misspoke, the correct date for comments would be by November 25, 2024.

Mr. Gilsbach hearing no other public comments, closed the public comment.

Mr. Gilsbach read aloud the Act 34 Resolution as contained on the following two pages:

SOUDERTON AREA SCHOOL DISTRICT
BUCKS AND MONTGOMERY COUNTIES, PENNSYLVANIA

RESOLUTION

WHEREAS, the Souderton Area School District (the “School District”) is a school district created and existing under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Board of School Directors of the School District has determined that additional and improved school facilities are required for use of pupils of this School District and has authorized certain preliminary steps to be taken to alter and renovate West Broad Elementary School, 342 West Broad Street, Souderton, Pennsylvania 18964 in the School District (the “Project”); and

WHEREAS, the Pennsylvania Public School Code of 1949, as amended and supplemented, including amendments made pursuant to Act 34 of the Session of 1973 of the General Assembly (the “School Code”) requires, inter alia, that a public hearing be held prior to the construction, or the entering into a contract to construct a substantial addition to an existing school building; and

WHEREAS, the School Code requires that a notice of such hearing be advertised twenty (20) days prior to such hearing in a newspaper of general circulation in the School District, and that certain information be made available to persons in attendance at such hearing, and that certain financial information be available for inspection by interested citizens during the period of such advertisement;

WHEREAS, the Board of School Directors desires to authorize the Architect, Solicitor, Bond Counsel and Financial Advisor to take certain action with respect to the Project; and

WHEREAS, the School District wishes to take certain action with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of School Directors of the Souderton Area School District, Montgomery County, Pennsylvania:

Section 1. The School District hereby authorizes a public hearing to be held in accordance with and in compliance with the requirements of the School Code, in the Tinner Board Room of the Souderton Area School District Administrative Office, 760 Lower Road, Souderton, PA 18964, on October 24th at 6:00 P.M., prevailing time.

Section 2. The Secretary of the Board of School Directors is hereby authorized and directed to advertise the Notice of Public Hearing set forth in Exhibit A which is attached hereto and made a part hereof in accordance with requirements therefore and of the School Code.

Section 3. This School District authorizes a maximum project cost of \$11,624,885.00 and a maximum building construction cost of \$6,166,562.00 in connection with the Project.

Section 4. The Board of School Directors of this School District hereby approves the description of the Project as presented at this meeting, subject to such modification or additions as may be required to conform to law and Department of Education guidelines and regulations, and hereby directs the Secretary of this School District to make copies of such description of the Project available to interested citizens requesting the same at the place and during the reasonable hours stated in the Notice of Public Hearing, from the date of advertisement of the Notice of Public Hearing.

Section 5. This School District hereby authorizes Jeffery Sultanik, Esquire, of Blue Bell, Pennsylvania, Solicitor of this School District, to perform such acts on behalf of this School District as may be necessary in connection with the Project.

Section 6. This School District hereby authorizes the law firm of Fox Rothschild LLP, of Blue Bell, Pennsylvania, to perform such acts on behalf of this School District as may be necessary in connection with the Project.

Section 7. This School District hereby authorizes the firm of Godshall Kane O'Rourke Architects, LLC, Ambler, Pennsylvania, Architects for this Project, to perform such acts, on behalf of this School District, as may be necessary in connection with the Project.

Section 8. This School District hereby authorizes the firm of Public Financial Management, Inc., Harrisburg, Pennsylvania, Financial Advisor of this School District, to perform such acts, on behalf of this School District, as may be necessary in connection with the Project.

Section 9. The Secretary is directed to make the financial information with respect to the Project available for inspection by interested citizens requesting such inspection at the School District Administrative Office located at 760 Lower Road, Souderton, Pennsylvania during normal business hours.

Section 10. This School District approves, ratifies and confirms all action heretofore taken in connection with the Project.

DULY ADOPTED, by the Board of School Directors this 19th day of December, 2024.

ATTEST:

Michael Taylor, Secretary

By: _____
Ken R. Keith, President

12. Adjournment

12.1 Adjournment

Mr. Gilsbach asked for other comments and hearing none, he adjourned the hearing at 6:33 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Taylor". The signature is written in a cursive, flowing style.

Michael Taylor, C.P.A.
Board Secretary / Director of Business Affairs