

ORDER OF BUSINESS

1. Call to Order; Pledge of Allegiance

President Ann Thompson called the meeting of the East Penn Board of School Directors to order at 7:30 p.m. in the Board Room, followed by the Pledge of Allegiance.

Board Members Present: C. H. Ballard, A. Earnshaw, F. Fuller, E. Gannon, S. Kowalchuk, T. Richwine, M. Robert, V. Thomas, A. Thomspson

Solicitor: Marc S. Fisher, Esq., Worth, Magee & Fisher

Board Secretary: Cecilia R. Birdsell

Treasurer: Gary Reigal

Substitute Superintendent of Schools: Dr. George A. Ziolkowski

Press Present: Randy Kraft, Morning Call Reporter
Loretta Fenstermacher, East Penn Press

2. Requests to Address the Board-None

3. Approval of Minutes

Motion by Thomas, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors approve the minutes for the June 12, 2006 Board Meeting.

This resolution was unanimously adopted by voice vote.

4. Report of the Substitute Superintendent of Schools – Dr. George Ziolkowski

1. Personnel

Motion by Thomas, Seconded by Robert

RESOLVED, That the East Penn Board of School Directors approve the following personnel items:

Resignations

-Stefani Hauze, Biology Teacher at EHS, effective June 19, 2006 (Exhibit 1)

-Robin Hagy, Teacher Aide at Alburdis School, effective immediately (Exhibit 2)

Appointment of Administrative Assistant

Name/Address: Betty Gibson

4988 Jasper Road, Emmaus 18049

Assignment: Maintenance Office (Vacancy created by retirement of S. Hammel)

Effective: July 10, 2006 (on or about)

Salary: \$23,800

2006-07 Per Diem Substitute List

Denise Yuhas, Food Services Department

Co-Curricular Advisor

Lena Harris

EHS Music Marching Assistant

\$1040.00

Revised List of Jumpstart Summer Program Teachers, Remedial Assistants, and Teacher Aide

See Exhibit 3

Extended School Year Teacher Aide

Deanna Reidenhour Autistic Support 36 hours (maximum)

Internal Transfers

<u>Employee</u>	<u>From</u>	<u>To</u>
Kathleen Prindible	Administrative Assistant, EHS	Administrative Assistant, LMES
Rosalie Schiffert	LMMS, Special Education	IST, Lincoln
Melanie Hirsch	Grade 4, Lincoln	Grade 3, Lincoln

Appointment of Chief School Physician – Exhibit 4

That the East Penn Board of School Directors approve Dr. Robert A. Barnes as the Chief School Physician from July 1, 2006 to and including June 30, 2007 on a retainer of \$6,000 and in accordance with the terms listed on Exhibit 4.

Approval of Act 93 Compensation/Non-Bargaining Unit Salaries –Exhibit 5

That the East Penn Board of School Directors approve the 2007-07 Act 93 Salaries and Compensation Plan; and, that the salaries and fringe benefits for the non-bargaining unit employees be approved, effective July 1, 2006.

Meal Reimbursement for Conferences/Offsite Professional Development Activities

That the East Penn Board of School Directors increase the meal allowance for conferences/offsite Professional Development Activities from \$18.00/day to \$35.00/day, effective July 1, 2006.

Note: "The standard meal allowance is federal M & MIE rate. For most small localities in the United States, this rate is \$31/day for the period from January 1 through September 30, 2005 and \$39/day for the period from October 1 through December 31, 2005. Most major cities and many other localities in the United States qualify for higher rates."

Educational Conferences – Exhibit 6

That the East Penn Board of School Directors approve the expenses for the individuals attending educational conferences as listed on Exhibit 6.

Resignations

-Deanna Fisher, School Psychologist, effective date to be determined (Exhibit 2A)
-Scott Ware, Special Education Teacher at LMMS, effective June 23, 2006 (Exhibit 2B)

Appointment of Assistant Principal – Emmaus HS

Name/Address: James F. Brown
 221 Folk Road, Allentown 18031
Education Level: B. A. Degree (1979)
 B. S. Degree (1993)
 M. Ed. Degree (2000)
Undergraduate School: Kutztown University
Graduate School: Kutztown University
Assignment: Assistant Principal, Emmaus HS
 Vacancy created by resignation of D. Domchek
Effective: To be determined
Experience: 8/04-Present: Allentown SD
 8/95-8/04: East Penn SD
 9/93-6/95: Allentown SD (per diem substitute)
Salary: \$73,000

Mr. Brown was introduced to the members of the Board.

Internal Transfers

<u>Employee</u>	<u>From</u>	<u>To</u>
-----------------	-------------	-----------

Christina Finney	Macungie, Grade 2	Gifted, Shoemaker/ Alburtis
Kim Wanish	Administrative Assist. Macungie	Administrative Assist. Curriculum Center

Approval of Affiliation Agreement with Indiana University of PA-Exhibit 7

RESOLVED, That the East Penn Board of School Directors approve the Affiliation Agreement with Indiana University of PA for Student Teaching as outlined in Exhibit 7.

These resolutions were duly adopted by the following roll call vote:

Aye: Ballard, Earnshaw, Fuller, Gannon, Kowalchuk, Richwine, Robert, Thomas, Thompson-----9

5. Policy

1. Final Adoption

Motion by Thomas, Seconded by Gannon

RESOLVED, That the East Penn Board of School Directors approve the following policies for inclusion in the Board Policy Manual:

Board Policy 239-Foreign Exchange Students (Exhibit 8)
Board Policy 246-Student Wellness and East Penn School District
Guidelines for Competitive Foods (Exhibit 9)

In answer to a question from Mr. Ballard, Mrs. Thompson said that principals will be addressing the Student Wellness Policy, especially the competitive foods section, at the beginning of the new school year.

This resolution was duly adopted by the following roll call vote:

Aye: Ballard, Earnshaw, Fuller, Gannon, Kowalchuk, Richwine, Robert, Thomas, Thompson-----9

6. Facilities

1. Informational

-PLANCON Part K: Project Refinancing – GOB Series of 2005 (Exhibit 10)

7. Legislative

C. Ballard

Mr. Ballard reviewed the background of SS HB 39 and the subsequent approval by the Senate and the House. It is anticipated that Governor Rendell will be signing the bill into law on June 27. Additional legislation is expected to be introduced to address the time lines that were set up in the original bill and are now well past those time periods. The proposed legislation will also make the law effective for the 2007-08 fiscal year since most 2006-07 budgets have already been adopted. Act 39 requires school districts to propose referenda on primary election ballots to collect or raise an earned income tax and a net income tax or a personal income tax. A Tax Study Commission similar to the one for Act 50 must be appointed by the Board by September 14 and the report of the Commission is due in mid December. The primary function of the Tax Study Commission will be to determine the type and amount of tax that will be best for the district and the community. They will evaluate the taxing options under Act 39 and report their findings back to the Board. The Commission will consist of five, seven, or nine members. Only one member may be a board member. The Commission must be representative of a cross section of the community. No school district officials, employees, or their families may sit on the Tax Study Commission. Non-residents who have businesses in the district are also eligible to be member. The Commission is advisory only and the Board does not have to accept the recommendation of the Commission. Another provision of Act 39 provides for installment tax payments. This will be effective July 30, 2007. Mr. Ballard said there are still a number of questions involved in the interpretation of Act 39. He noted that the budget cycle will be affected by the new timelines that require districts to start the process in early fall for adoption shortly after the first of the year. Mr. Ballard reviewed the back end referenda, the court procedure, the exceptions and the advertising procedures that require the information also be posted on the district web site. Mr. Reigal indicated that the new state guidelines raising the amount of income for senior citizens may affect the district's current Tax Rebate Program. It is something that the Board will have to review in light of all the new requirements. PSBA will holding training in 14 cities beginning in September.

Mr. Ballard proposed the following legislative items for consideration by the PSBA Platform Committee:

Motion by Ballard, Seconded by Richwine

RESOLVED, That the East Penn Board of School Directors approve and forward to PSBA the following resolution:

PSBA will actively pursue litigation to remedy inequitable and/or inadequate state funding, to seek requirements for the Commonwealth to provide full and timely funding of all state-imposed mandates for school districts, their fair share of special education costs, reasonable levels of state aid for the construction, renovation or purchase of school buildings and the majority of funding for public education.

Mr. Ballard talked about the legislators not taking responsibility for funding education so they do not have to raise taxes at the state level, while forcing school boards to meet mandates and then having to raise taxes locally. Mr. Earnshaw clarified that what the resolution was asking for is an increase in basic education subsidy to 50%. Mr. Reigal said he thought that it was around 30%. Mr. Earnshaw expressed some concern about asking PSBA to go to court and becoming involved in costly litigation. Ms. Kowalchuk said she understood the frustration behind the resolution but was concerned about litigation and the cost. She suggested that there be a specific percentage mentioned for subsidy reimbursement. The procedure is for the Board to vote on suggested resolutions; the Board Secretary certifies the action and submits it to PSBA; and then the Platform Committee either accepts or rejects the items. If rejected, the sponsoring district may introduce the item(s) at the PSBA Legislative Policy Council in October if there is a 2/3 majority vote. Ms. Fuller said it could spark an interesting debate. Mr. Earnshaw said he was not in favor of additional law suits and he would like to see the real dollar commitment that we would be asking legislators to support. Mrs. Thompson said she had some difficulty with the litigation angle. Mr. Ballard said he felt the message needed to be sent to legislators, commenting on a letter received from Representative Reichley who takes no responsibility for the legislation that has been enacted. Mr. Ballard felt it was time to quit being so nice. Mrs. Thompson commented on litigation that was supported by small and rural districts that was not successful. Mr. Ballard felt it was difficult for a small number of districts to bring a compelling case to the court and admonish the legislators for their actions. He felt PSBA would have a better advantage. Mr. Robert said he would support the motion because it would open debate at the PSBA level.

Ms. Kowalchuk asked if there would be some type of public invitation for citizens to indicate their interest in being on the Tax Study Commission. Dr. Ziolkowski felt the same procedure could be used when the last Tax Study Commission was formed. This will be discussed further when additional information is available on the make up of the Commission.

This resolution was duly adopted by the following roll call vote:
 Aye: Ballard, Fuller, Richwine, Robert, Thompson-----5
 Nay: Earnshaw, Gannon, Kowalchuk, Thomas-----4

8. Other Educational Entities

-Carbon Lehigh Intermediate Unit T. Richwine

Mr. Richwine reported that the IU Board will be receiving a notebook containing the 40 budgets that the IU prepares. The Board is receiving more information than in the past. A resolution approving a 5 million dollar Tax Anticipation Note was approved. He noted the increase in the numbers of students being serviced from East Penn by the IU. In May, the number of students rose from 229 to 238. There were an additional 13 students in June. Dr. Ziolkowski indicated that the representation is significant to the growth the district has experienced.

-Lehigh Career & Technical Institute F. Fuller
 T. Richwine
 V. Thomas
 A. Thompson

Ms. Fuller indicated that the JOC will be meeting on Wednesday. She spoke about the award presentation that LCTI has for employees who have perfect attendance. There are 18 employees who will be receiving cash bonuses. There is a big savings to the school because substitutes are not required.

9. Business Operations

1. Approval of Bill List

Motion by Ballard, Seconded by Robert
 RESOLVED, That the East Penn Board of School Directors approve the attached bill list, and that the Treasurer be authorized to issue checks and vouchers in the amounts indicated.

General Fund Transfers (Exhibit 11)

RESOLVED, That the East Penn Board of School Directors approve the attached list of General Fund Transfers.

Insurance Advisory Council Recommendations

PACKAGE POLICY

RESOLVED, That the East Penn Board of School Directors accept the Recommendation of the Insurance Advisory Council and Award the contract for the package policy including EDP Coverage and boiler coverage, to ACE USA (PSBA Insurance Trust Program) through USI (Flanigan, O'Hara, Gentry and Associates) at the quotation price of \$124,774.

Note: Last year this policy was awarded to ACE USA for a total premium of \$106,668.

UMBRELLA COVERAGE

RESOLVED, That the East Penn Board of School Directors accept the Recommendation of the Insurance Advisory Council and Award the contract for \$15 million umbrella coverage to Old Republic Insurance Company (PSBA Insurance Trust Program) at a quotation price of \$24,800 Through USI (Flanigan, O'Hara, Gentry and Associates).

Note: Last year this policy was awarded to Old Republic Insurance Company for a total premium of \$24,800.

ERRORS & OMISSIONS POLICY

RESOLVED, That the East Penn Board of School Directors accept the Recommendation of the Insurance Advisory Council and Award the contract for School Leaders Errors & Omissions, Including an enhanced employment liability endorsement, to The Pennsylvania School Boards Insurance Trust at a Quotation rate of \$41,648 through the Miers Insurance Agency.

Note: Last year this policy was awarded to the Pennsylvania School Boards Insurance Trust for a total premium of \$39,105.

FLEET INSURANCE

RESOLVED, That the East Penn Board of School Directors accept the Recommendation of the Insurance Advisory Council and Award the contract for fleet insurance to the CIGNA Companies (PSBA Insurance Trust Program) at the Quotation price of \$17,836 through USI (Flanigan, O'Hara, Gentry, and Associates).

Note: Last year this policy was awarded to CIGNA for a premium of \$19,950.

WORKERS' COMPENSATION POLICY

RESOLVED, That the East Penn Board of School Directors accept the Recommendation of the Insurance Advisory Council and Award the contract for Workers' Compensation Insurance To Old Republic Insurance Company (PSBA Insurance Trust Program) at the quotation price of \$327,449 through USI (Flanigan, O'Hara, Gentry and Associates).

Note: Last year this policy was awarded to Old Republic for a total premium of \$256,508.

STUDENT/ACCIDENT INSURANCE

RESOLVED, That the East Penn Board of School Directors award the Contract for Student/Accident Insurance to ACE American Insurance Company for the Interscholastic all sports Package AAA, which includes junior and senior high school Football, junior and senior high school interscholastic and

Intramural sports, gym classes, band, cheerleaders and Majorettes, loss of use, and expanded sports/medicine Rider and \$10,000,000 catastrophic accident medical Benefit for the total annual premium of \$14,943 for Primary Excess over \$100.00 plan, as made available through Mid-Penn Insurance Associates, Inc.

And be it further

RESOLVED, That the East Penn Board of School Directors make Available the voluntary enrollment primary excess over \$100 Student insurance plan AA with a maximum benefit of \$500,000, which is offered to parents on a voluntary basis through Boston Mutual Life Insurance Company at \$30 for school-time coverage and \$116 for 24 hour coverage, through Mid-Penn Insurance Associates, Inc.

Note: Last year this policy was awarded to Boston Mutual Life Insurance Company \$14,500.

Authorization to Participate in Contracts issued by the Department of General Services for the 2006/07 Year

WHEREAS, Act 57 of May 15, 1998 permits local public procurement units to participate in those contracts for supplies, services, or construction entered into by the Department of General Services (DGS) that are made available to local public procurement units. A "local public procurement unit" is defined as any political subdivision, public authority, education, health, or other institution; and to the extent provided by law, any other entity, including a council of governments or an area government; non profit fire, rescue, or ambulance company; and any nonprofit corporation operating a charitable hospital be it

RESOLVED, That the East Penn School District hereby requests authorization to participate in DGS's contracts for the procurement of supplies, services or construction, subject to the following conditions:

1. That the East Penn School District agrees to be bound by such contract terms and conditions DGS may prescribe.
2. That the East Penn School District agrees to be responsible for payment directly to the contractor under each contract for those supplies, services or construction ordered by the local public procurement unit.

Authorization to participate in Joint Purchasing for the 2006/07 Year

WHEREAS, The General Assembly of the Commonwealth of Pennsylvania has enacted an act known as the "Cooperative Purchasing Act, Act 31 of July 1971, and;

WHEREAS, Act 31 of 1971 permits local governments to purchase materials, supplies, and equipment from purchase contracts of the Commonwealth of Pennsylvania; be it

RESOLVED, That the East Penn School District hereby requests authorization to participate in purchase contracts of the Carbon Lehigh Intermediate Unit, Lehigh Career & Technical Institute, PENCON, AND PEPPM.

These resolutions were duly adopted by the following roll call vote:

Aye: Ballard, Earnshaw, Fuller, Gannon, Kowalchuk, Richwine, Robert, Thomas, Thompson-----9

10. Board Sharing

-Title I Funds

Mrs. Thompson asked the Board that in light of recent information received from *Renee Palakovic, Senior Program Officer, Division of Federal Programs, did they want to make any changes in the decision about refusing Title I funds. Mr. Robert felt the district should take the Title I funds. Mrs. Thompson said the last time the Board voted not to accept the funds because of the sanctions outlined in No Child Left Behind. Mr. Earnshaw asked when the classification of a Title I building is done. Ms. Jan Hoffman responded that it is done at the time the district is making the application.

It is based on the number of Free and Reduced Price lunches, grade span averages, and district averages. Ms. Hoffman said the district was determined eligible in March. The designated Title I schools for 2006-07 are Lincoln and Jefferson. Mr. Ballard asked how close is the high school to being determined a Title I school. Ms. Hoffman responded that the high school is below the district average and the grade span average. Ms Hoffman did not know the exact percentage and numbers. Mr. Ballard asked Mr. Reigal if all the programs were funded without the Title I funds. Mr. Reigal responded that all programs were funded. Mr. Ballard said the fund balance would be increasing by the \$141,000, not the expenditure side. Mr. Robert pointed out that the \$141,000 would represent one-tenth of a mill which could be construed that the district was overtaxing the residents by one-tenth of a mill or we are foregoing one-tenth of a mill of revenue. Mr. Ballard contended that one time money is not the same as keeping the tax revenue of one-tenth of a mill. In answer to a question asked by Ms. Kowalchuk, Ms. Hoffman said there are currently no Title I schools and the way to decide that is by the number of free and reduced price lunches and Jefferson and Lincoln qualify for the funds. These schools are considered targeted assisted schools. Mrs. Thomas pointed out that Emmaus High School is not a Title I school now if we accept the funds. If that would change, then the Board would have to evaluate and have this conversation again next year. Ms. Kowalchuk asked about the application process and what would happen. Ms. Hoffman explained the application process and how it affects Title II, III, and V. Mr. Ballard said the are two things to consider when making a decision – parliamentary procedure and time lines. He pointed out that the time line for NCLB issues are not the same as Title I. Ms. Hoffman said the district would apply as a district in improvement. She noted that a school is not in SES and school choice under NCLB until the second year. Mrs. Thompson emphasized that whatever the Board decides at this meeting, no services have been taken away that would have been paid by Title I. The services needed are part of the budget. Mr. Earnshaw said the amount spent is far in excess of the Title I funds. Ms. Hoffman noted that the district serves all the elementary schools and the two middle schools. Solicitor Fisher concurred that the information contained in the email from Ms. Palakovic was sufficient. Mr. Earnshaw said because there is a written opinion he would support accepting Title I funds. Mr. Robert introduced the following motion:

Motion by Robert, Seconded by Gannon
 RESOLVED, That the East Penn Board of School Directors amend the application to include Title I funds.

Referring to parliamentary procedure, Solicitor Fisher indicated that in order to bring this motion back to the floor, the motion must be moved by one who voted with the prevailing side. The motion was then reintroduced:

Motion by Gannon, Seconded by Kowalchuk
 RESOLVED, That the East Penn Board of School Directors amend the application to include Title I funds.

This resolution was duly adopted by the following roll call vote:
 Aye: Earnshaw, Fuller, Gannon, Kowalchuk, Richwine, Robert, Thomas, Thompson-----8
 Nay: Ballard-----1

*(Secretary's Note: June 15 Email from *Renee Palakovic, Senior Program Officer, Division of Federal Programs is included in the permanent minutes of this meeting.)
 -Pandemic

Mr. Ballard talked about the Pandemic Flu Preparation Meeting that was held by the Commonwealth. Dr. Michael Murphy, Director of Pupil Personnel Services, and Mrs. Ann Johnson, School Nurse, also attended the meeting. There were two sessions – one general meeting and an invitation only session where various representatives from state agencies discussed the role problems that may occur among state government, hospitals, and schools. Mr. Ballard indicated that a pandemic is inevitable but when it will occur is not known. He talked about the Spanish Flu outbreak during World War I and an epidemic in the mid 1950's. There is also a state web site that links to the federal level. He presented the following statistics – local resources will be needed because there will be no federal intervention; 30-40% of the workforce could be effected so businesses should have a plan; schools will be overflow areas (PODS) for hospitals; 50 million Americans will need outpatient treatment; 2 million will need hospitalization; and 500,000 deaths will occur. Mrs. Thompson indicated that there were a series of free workshops on Preparedness at LCCC and there will be one in Lower Macungie Township in October. Dr. Ziolkowski said the district has had representation at the training sessions that have occurred in the last week. Another training session is being held on July 19 which will look at countywide planning. There is also a template from the state. Fortunately, Pennsylvania has a good structure in place for poultry management and disease surveillance. There will be a workshop for school nurses on August 16 with a nationally renowned authority.

-Act 39

Mr. Robert mentioned the change in the budget cycle. Mr. Reigal said the new budget cycle will be shared with the Board, adding it will be moved up and adoption will be taking place much earlier with projections that are not as solid as in the past. Mr. Robert said if the district does not need exceptions it could go on with the regular schedule. Mr. Ballard indicated that there are timelines that need to be adhered to so it may not be as flexible as in the past.

-July 10 Board Meeting

Mrs. Thomas indicated that she would not be attending the board meeting due to a work commitment.

-Retirement Dinner

Mrs. Thompson, Francee Fuller, and Alan Earnshaw attended the district Retirement Party on June 22. Mrs. Thompson noted the number of long-term employees who have retired. She said that Mrs. Daniel, Director of Personnel, will certainly have a big job replacing the number of people who have retired.

-Senior Citizen Discount

Mr. Robert asked if the program was going to be left with the same parameters now that Act 39 has been passed. Solicitor Fisher expressed some reservations because the timelines may not be effective yet. Mr. Ballard pointed out that the rebate is on last year's taxes. Mr. Reigal said the budget has been adopted with a specific number and he had no idea how it would affect the budget if the guidelines are changed. He felt it may significantly increase with the change in eligibility. It actually may affect the whole program being offered.

11. Announcements

Monday, June 26	6:45 p.m.-Executive Session (Personnel, Real Estate, Negotiations, Confidentiality) 7:30 p.m.-Board Meeting
Tuesday, July 4	All offices closed
Monday, July 10	7:30 p.m. – Board Meeting (Only Board Meeting in July)

12. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 9:00 p.m.

Cecilia R. Birdsell, Board Secretary