

ORDER OF BUSINESS

1. Call to Order; Pledge of Allegiance

President Francee Fuller called the meeting of the East Penn Board of School Directors to order at 7:30 p.m. in the Board Room located at 800 Pine Street, Emmaus, PA, followed by the Pledge of Allegiance.

Board Members Present: C. H. Ballard, A. Earnshaw, F. Fuller, E. Gannon, C. Jones, S. Kowalchuk, M. Prinzing, T. Richwine, J. Stolz

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

Treasurer: Gary Reigal

Board Secretary: Cecilia R. Birdsell

Superintendent of Schools: Dr. Thomas L. Seidenberger

Press Present: Loretta Fenstermaker, East Penn Press Reporter  
Sarah Fulton, Morning Call Reporter

2. Requests to Address the Board-None

3. Approval of Minutes

Motion by Ballard, Seconded by Earnshaw

RESOLVED, That the East Penn Board of School Directors approve the minutes for the June 23, 2008 meeting.

Mr. Earnshaw complimented and thanked Miss Birdsell for the minutes that included a lot of public comment from the audience. He felt she had captured the content and the tenor of the meeting.

This resolution was unanimously adopted by voice vote.

4. Public Financial Management-Bond Refinancing

Mr. Scott Shearer of Public Financial Management reviewed the attached Bond Sale Document. This was an internet competitive bond sale and the successful bidder was Sovereign Securities LLC and the savings to the district amounted to \$176,021.45. There are very few bond issues being done in Pennsylvania because of the volatility of the market. Mr. Ballard thanked PFM for their service to the district, noting they have saved taxpayers millions of dollars with these refinancings. In response to Ms. Fuller, Mr. Shearer indicated that the turmoil in the market has not affected Pennsylvania school district debt and that most of these transactions are bank qualified. East Penn received another Triple A rating from Moody's.

Mr. Jonathan Cox, Rhoads and Sinon, reviewed the attached resolution. The following motion was introduced:

Motion by Ballard, Seconded by Earnshaw

RESOLVED, That the East Penn Board of School Directors authorized and directed issuance of its General Obligation Bonds, Series AA of 2001 in the original aggregate principal amount of \$9,845,000 as described in the attached resolution.

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

Aye: Ballard, Earnshaw, Fuller, Gannon, Jones, Kowalchuk, Prinzing, Richwine----8

Nay: Stolz-----1

Board President Francee Fuller emphasized that by the Board taking this action they had saved taxpayers \$176,021.45.

5. Report of the Superintendent of Schools-Dr. Thomas L. Seidenberger

Dr. Seidenberger reported that school districts in Lehigh County are looking at developing their own Cyber Charter School. The districts are committed to examining the proposal that would add flexibility to district curriculums and have a cost saving. In the area of technology, the district is

equalizing technology in the elementary classrooms and there is going to be a migration of the operating system from Novell to Microsoft. There was a successful administrative retreat where out of the nine Strategic Planning Goals, the staff will be concentrating on three that will drive the action in the district next year. The staff development courses and department meetings are taking place around the district throughout the summer.

1. Personnel

Motion by Ballard, Seconded by Gannon  
RESOLVED, That the East Penn Board of School Directors approve the following personnel items:

Personnel

-Doug Povilaitis, Health & Wellness/Fitness Teacher at Emmaus HS, effective July 9, 2008

(Exhibit 1)

-Ramona Romanik, Book Repair, effective July 18, 2008 (Exhibit 2)

-Karen Heffelfinger, Health Room Aide at Wescosville School, effective July 7, 2008 (Exhibit 3)

Appointment of Professional Employee

Name/Address: Adelaide Peters  
419 Old Philly Pike, Kempton 19529  
Education Level: B. A. Degree (2001)  
M. A. Degree (2004)  
Undergraduate School: Juniata College  
Graduate School: Miami University (Oxford, Ohio)  
Certification: Instructional II, Social Studies  
Assignment: Social Studies, Emmaus HS  
Vacancy created by T. Husser retirement  
Effective: 8/26/08  
Experience: 8/04-6/08: Philipsburg-Osceola SD  
1/04-6/04: Kutztown Area SD  
Salary: \$51349 (Step E, Year 5, Col. M)

Appointment of Temporary Professional Employees

Name/Address: Allison Brooks  
2905 Highland Street, Allentown 18104  
Education Level: B. A. Degree (1997)  
M. A. Degree (2002)  
Undergraduate School: George Washington University  
Graduate School: University of Miami (Coral Gables, FL)  
DeSales University (certification credits)  
Certification: Instructional I, Spanish  
Assignment: Spanish, Emmaus HS  
Vacancy created by J. Torres resignation  
Effective: 8/26/08  
Experience: 2/08-6/08: Pennridge SD  
2003-06: Fort Lauderdale & Miami, FL  
Salary: \$50,130 (Step A, Year 1, Col. M)

Name/Address: Daniel Kukitz  
5764 Wina Circle, Coopersburg 18036  
Education Level: B. A. Degree (2002)  
Undergraduate School: Penn State University  
Kutztown University (certification credits)  
Certification: Instructional I, Communications  
Assignment: English, Eyer MS  
Vacancy created by M. Matelan retirement  
Effective: 8/26/08  
Experience: 2/07-1/08: Quakertown SD

11/04-6/06: Tachikawa Language Center;  
Yamato International School  
Salary: \$42,600 (Step A, Year 1, Col. B)

Full-Time Substitute Teacher Appointment

Name/Address: Jamye Keiser  
1748 Quarry Road, Coopersburg 18036  
Education Level: B. A. Degree (2000)  
M. Ed. Degree (2003)  
Undergraduate School: Temple University  
Graduate School: Arcadia University  
Certification: Instructional I, Special Education, N-12  
Assignment: Special Education, LMMS  
Opening created by K. Boligitz leave  
Effective: 8/26/08  
Experience: 9/04-Present: Lifepath Inc.  
8/02-9/04: Carson Valley School  
Salary: \$42,600 (Step A, Year 1, Col. B)

Lower Macungie MS Co-Curricular Advisors

Jennifer Davenport	Band Front	\$552.00
Marisa Perez	Yearbook	\$1325.00
	National History Day	\$276, Club A
Rett Fisher	Web Design	\$883.00
	Greenhorn.net	\$1049, Club C
Jane Shingler	Builders Club	\$1049, Club C
Kathy Thomas	Student Council-Co-Advisor	\$662.50
Deidre Thorp	Student Council-Co-Advisor	\$662.50
Anthony Simons	Band Director	\$3091.00
Kelly Weaver	National Jr. Honor Society	\$524.50, Club C
Janet Spence	National Jr. Honor Society	\$524.50, Club C
Nicole Stanchock	PJAS	\$276, Club A
Matthew Laub	PJAS	\$276, Club A
Brett Landrum	PJAS	\$276, Club A
Patrick Hanlon	PJAS	\$276, Club A
Thad Smith	National History Day	\$276, Club A
Robert Sawicki	National History Day	\$276, Club A
Patrick Campbell	National History Day	\$276, Club A
David Bosse	National History Day	\$276, Club A
Rafael Perez	Boys Basketball Coach	Volunteer

Extended School Year Program Additions

Andrea Hajducko, Speech      Robin Dottor, Aide

Summer School Program Addition

Dave Iobst      Driver Education

Department Chair - Health Services

Ann Johnson

Teacher Transfer

Employee: Kelly Weaver  
From: Grade 8, English, LMMS  
To: Grade 7, Communications Applications, LMMS

Educational Conferences - Exhibit 4

That the East Penn Board of School Directors approve the expenses for the individuals attending the educational conferences listed on Exhibit 4.

2008-09 Ticket Pricing for Sports

See Exhibit 5

Appointment of Professional Employee

Name/Address: Kristin Buckner  
582 Brighton Street, Bethlehem 18015  
Education Level: B. S. Degree (2002)  
M. Ed. Degree (2005)  
Undergraduate School: Bloomsburg University  
Graduate School: Lehigh University  
Certification: Instructional II, Elementary  
Assignment: 8/02-Present: Allentown SD  
Vacancy created by retirement of T. Goszka and subsequent transfers  
Effective: 8/26/08  
Experience: 8/02-Present: Allentown SD  
Salary: \$51,969 (Step G, Year 7, Col. M)

Name/Address: Kenneth Jordan  
225 Jubilee Drive, Stockertown 18083  
Education Level: B. S. Degree (1996)  
M. S. Degree (2001)  
Undergraduate School: College Misericordia  
Graduate School: College Misericordia  
Certification: Instructional II, Elementary, Supervisor of Curriculum & Instruction  
Assignment: Grade 5, Macungie School  
Vacancy created by D. Tempest retirement and subsequent transfers  
Effective: 8/26/08  
Experience: 8/02-Present: Southern Lehigh SD  
1/98-8/02: East Stroudsburg SD  
Salary: \$60,669 (Step K, Year 11, Col. M)

Appointment of Temporary Professional Employees

Name/Address: Kathryn Heffelfinger  
3517 Country Club Road, Allentown 18103  
Education Level: B. S. Degree (2004)  
M. A. Degree (2005)  
Undergraduate School: Loyola College  
Graduate School: Northeastern University  
Certification: Educational Specialist I, School Psychologist  
Assignment: School Psychologist, Emmaus HS  
New Budgeted Position  
Effective: 8/26/08  
Experience: 8/07-Present: Catasauqua SD  
Salary: \$53,300 (Step B, Year 2, Col. M +24)

Name/Address: Kelly McConahy  
1131 Sleepy Hollow Road, Pennsburg 18073  
Education Level: B. M. Degree (2008)  
Undergraduate School: West Chester University  
Certification: Instructional I, Music  
Assignment: Music, LMMS  
Effective: 8/26/08  
Experience: None  
Salary: \$42,600 (Step A, Year 1, Col. B)

Name/Address: Megan Tucker  
2847 Edgemont Drive, Allentown 18103  
Education Level: B. M. Degree (1992)  
Undergraduate School: Wilkes University  
Graduate School: American Kodaly Institute

Certification:	Gallaudet University
Assignment:	Instructional I, Music Music, LMMS Vacancy created by G. LaSalle retirement and subsequent transfer
Effective:	8/26/08
Experience:	9/07-Present: Southern Lehigh SD 9/03-9/07: Bryn Mawr School 9/95-6/03: Hartford County, MD
Salary:	\$44,439 (Step J, Year 10, Col. B)
Name/Address:	Ashley Zimmer 120 Orthodox Drive, Richboro 18954
Education Level:	B. S. Degree (2007)
Undergraduate School:	Kutztown University
Certification:	Instructional I, Citizenship
Assignment:	Social Studies, Emmaus HS Vacancy created by D. Bower retirement
Effective:	8/26/08
Experience:	11/07-6/08: East Penn SD (FTS)
Salary:	\$42,900 (Step B, Year 2, Col. B)

Principal Transfer

Principal:	Dr. Ronald Renaldi
From:	Jefferson School
To:	Alburtis School
Effective:	Immediately

Ms. Fuller called attention to the ticket pricing for sports program, noting that senior citizens with a Golden Age Card can enter for free. Mr. Prinzing questioned why the indoor season tickets were \$40.00 and the outdoor sports were \$20.00. Mr. Ramella indicated that there are only five outdoor games but there are 12 indoor games. Dr. Seidenberger indicated that the receipts do not cover the expenses. Mr. Richwine clarified that the revenue from these programs does not show up in the regular budget but in the athletic budget.

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

Aye: Ballard, Earnshaw, Fuller, Gannon, Jones, Kowalchuk, Prinzing, Richwine, Stolz--  
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2. Approval of Strategic Plan Vision Statement; Mission Statement; and Belief Statements

Dr. Seidenberger said with the deadline for submission for the Strategic Plan being late in August the administration felt the district would be missing the opportunity to publicize the information for the 2008-09 school year. Mr. Earnshaw said he liked the Vision and Mission statements for this plan better than the previous statements. Mr. Richwine felt the Vision Statement was more accurate than the current vision by the state and federal government. Ms. Fuller asked for a motion and then allowed discussion to continue.

Motion by Ballard, Seconded by Earnshaw

RESOLVED, That the East Penn Board of School Directors approve the Strategic Plan Vision Statement, Mission Statement, and Belief Statements as follows:

Vision Statement

**The East Penn School District will empower students to maximize their individual potential and become lifelong learners and contributors to a global society.**

Mission Statement

**The East Penn School District will provide a learning environment in which students become problem solvers, collaborators and critical thinkers.**

Belief Statements

1. **We believe education is an ever-changing lifelong process and people need to view themselves as life-long learners.**
2. **We believe students have a shared responsibility for their own learning.**
3. **We believe students of today will live in a different future and we must prepare them to confront new challenges.**
4. **We believe the East Penn School District must continue to provide an excellent program that addresses the educational needs of all students in a safe and supportive environment.**
5. **We believe a commitment to continuous improvement is essential to achieve the mission of the East Penn School District.**
6. **We believe the collaboration between the home, the school district, and the community has a direct correlation to the quality of the educational system and the experience of each student.**
7. **We believe a strong foundation of experiences leads to constructively contributing citizens who understand the effects of their actions.**
8. **We believe that a strong and effective education system is essential to both the survival and prosperity of a democratic society.**
9. **We believe that the East Penn School District must manage financial assets in an efficient and effective manner that is fiscally responsible to all members of the community.**

Mr. Stolz said he was impressed that a statement dealing with maximized individual potential that was included but he objected to the "global society statement." This philosophy leads to outsourcing jobs and it is a concern of his. He also said the statement about a "strong and effective education system" should be more in line with the PA Constitution that calls for a "thorough and efficient system of education." As a member of the Steering Committee, Ms. Kowalchuk said the global society statement was discussed and it was looked at as being all-encompassing from the local level on up. The Committee did not want to limit it and disregard the local community. Mr. Jones questioned the use of "Belief Statements" and felt it was somewhat of a religious connotation. He suggested using other words such as Principle/Value Statements. Dr. Seidenberger responded that it is the state's nomenclature. Ms. Fuller indicated that the Committee felt the Belief Statements were principles on which the district can build. Dr. Seidenberger said what needs to be done now is to add clarifying/exemplar statements. He said the recommendations could be taken back to the Steering Committee. Ms. Gannon suggested under #4 that instead of "providing an excellent program" the language should be "promoting excellence."

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

Aye: Ballard, Earnshaw, Fuller, Gannon, C. Jones, S. Kowalchuk, M. Prinzing,  
 T. Richwine-----8  
 Nay: Stolz-----1

6. Facilities

1. Willow Lane - Tabled at the June 9, 2008 Meeting

Motion by Richwine, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors remove from the table the original motion that was tabled at the June 9 Board Meeting.

Original Tabled Motion for Willow Lane

Motion by Richwine, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors table the issuance of "Notice of Intent to Award Contracts" to the contractors listed below and in the amounts listed who are the lowest responsible bidders meeting specification for the Willow Lane Elementary School Project.

General Contractor

Perrotto Builders LTD  
 426 Warren Street  
 Reading, PA 19601

Base Bid	\$14,248,000
Accepted Alternates	(\$456,100)

Total Contract Award \$13,791,900

Accepted alternates: GC: 1,3A,4,8, 9,10, 13A, 17, 19, 20, 21, 25, 26, 28, 30, 31, 41

NOTE: All other alternates not listed above be rejected.

HVAC Contractor

Worth & Company, Inc.  
6263 Keller Church Road  
Piperville, PA 18947

Base Bid \$2,622,000  
Accepted alternates (\$5,700)  
Total Contract award \$2,616,300

Accepted alternate HC 1

NOTE: All other alternates not listed above be rejected.

Plumbing Contractor

JBM Mechanical, Inc.  
3273 Bun Club road  
Nazareth, PA 18064

Base Bid \$1,112,000  
Accepted alternate (\$1.00)  
Total Contract Award \$1,111,999

Accepted alternate PC 1

Electrical Contractor

Wind Gap Electric, Inc.  
125 West Seventh Street  
Wind Gap, PA 18091

Base Bid \$2,849,700  
Accepted alternates \$ 4,750  
Total Contract Award \$2,854,450

Accepted alternates EC 1, 3A, 4

NOTE: All other alternates not listed above be rejected.

Summary:

Total contract cost with alternates

\$20,374,649  
Base bid no alternates \$20,831,700  
Total alternates accepted (\$457,051)

Be it further

RESOLVED, That the East Penn Board of School Directors authorize submittal of PLANCON G project accounting based on bids to the Department of Education per Exhibit 14.

Be it further

RESOLVED, That the Notice of Intent to Award Contracts are issued contingent upon submittal and approval of the required documents to the

Department of Education (PLANCON G), and required approvals from other state and local agencies with the appropriate parties being authorized to sign the documents, submittal and approval of the required bonds, Certificates of Insurance, and the required documents from the contractors as specified in the bid instructions and materials, and execution of a contract as required in the bid instructions and materials, all of the aforementioned being completed to the satisfaction of the District Solicitor.

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

Aye: Ballard, Earnshaw, Fuller, Gannon, Jones, Kowalchuk, M. Prinzing,  
T. Richwine-----8  
Nay: Stolz-----1

## 2. Contract Awards

Dr. Seidenberger said that the consultants were available to answer the questions of board members regarding the project. Mr. Ballard asked about the bid evaluation and why the bids came out the way they did and the actual causes.

Owners' Representative Robert Whartenby from URS Corporation said he talked to all of the contractors and part of the issue was the energy budget because they did not know how to assess it. One critical aspect is the increase of materials such as asphalt. He indicated labor has increased by 7% and the increase from the time the Alburtis School was built is 24%. There has been an increase of 18% compared to what was included on the Plancon documents. He explained the complexities of the site costs and the involvement and requirements by the Department of Environmental Protection. He relayed his personal experience with previous projects and the increases that are experienced that require extensive overruns. DEP is doing this to public sector projects to try to make an example. The Best Management Practice Handbook requires that a civil engineer or designer must provide a minimum of 3 BMPs. What has been happening is that DEP has forced public service projects to push novel ideas. Mr. Whartenby said that the first obligation is to the client but unfortunately when it comes to the DEP and other governmental agencies the project is at the end of the design phase. Mr. Ballard questioned the overrun in the construction expense. He asked if there were any statements as to how things could have been done differently that would have lowered the uncertainty or change. Mr. Whartenby explained the various cost saving measures that would have lowered costs but did not have any relevancy to the project. The site is pretty restrictive, noting there is nothing extravagant with the amount of parking, the landscaping or pathways. It is a "vanilla product" and there is nothing in there that is an exorbitant cost. In his professional opinion, there is nothing in the project that could mitigate the cost.

Mr. Ballard asked about the AIA Code of Ethics dealing with misleading clients. He asked how being professionals in the business this increase could only be found after the bids were in. Mr. Whartenby said he would not speak on behalf of the architect but, at the time of the bid, in terms of what was shown on Plancon at that juncture in a school that size and bringing in the 2 million dollars for site work was not unheard of and the numbers were not misrepresented. He believes the economy was the major influence and the risk factor regarding the contractors. Mr. Whartenby said he would not even venture talking about ethics. Mr. Bachl from W2A said the question sounds like an ethical breach with respect to the school. Their motivation from the beginning was to design a particular project that met all the requirements of the district. There was nothing presented that was intentionally done to mislead the Board of Directors. He has never had an allegation with respect to ethics. Mr. Bachl reiterated that he wanted to assure the Board that the information presented was not intended to mislead the district and that he wholeheartedly disagreed with any allegation of ethical misconduct. Mr. Dave Drake from W2A said there was no motivation to mislead the Board. The costs were based on respectable cost estimating and industry standards. Mr. Ballard said they told the Board the project could be brought in for the amount estimated. Mr. Drake said that the site costs went out of sight. Mr. Bachl also pointed out that the project was to be bid in January 2008, not in May. The bidding climate was an entirely different situation in May. Mr. Drake said the district was aware of the difficulties in the approvals for the project. It was not a secret, especially in the area of site work. There was unprecedented escalation in costs during the last five months.

Mr. Jones said he understood where Mr. Ballard was coming from and indicated he was offended by the accusations of ethical issues. He explained the projections on simplistic growth and markets that are unpredictable. He said a market is a combination of millions of people's opinions and market changes are based on new information. He concluded that that he did appreciate their work and that they had done a fair job. Mr. Earnshaw said he rejected any insinuation of unethical behavior on the part of the professionals involved in this project. He said if anyone could have predicted the cost of steel, gas, oil and

basic commodities they would be professional investors. The insinuation that the architects should have known what would be required by governmental agencies is beyond the reasonableness standard. They design to what the standards say and when the government agencies require more than they do it and to insist otherwise is unfair. He also indicated that vendors are invalidating their contracts because of the increases. Mr. Earnshaw said he appreciated the efforts of the professionals and he was embarrassed by what he heard this evening.

Mr. Prinzing said the Board should step back and take a look at why it was originally proposed. His information was that it was to address future home building. Ms. Fuller said the Alburdis building was built four years ago and now has portables and the kindergarten students were pulled out of their buildings to attend Lower Macungie Elementary School that had to be reopened. It was in response to current need and projected need. He said that it was his understanding that the building was done to address housing projects that the Township has not approved. Ms. Fuller corrected this information by saying the Township has approved several hundred units. Mr. Prinzing pointed out that spending four million dollars for a smaller building with a higher square foot cost was illogical. He asked Mr. Reigal how much costs were being carried over each year for debt. Mr. Reigal said it looks like the district would be required to borrow an additional 15 million dollars, adding that another 10 million dollars has been approved. It would represent about a .6 mil increase. The district borrowing capacity right now is 35 million dollars and there would still be 20 million dollars for potential projects. Mr. Prinzing asked if the district could afford to build this building. Mr. Drake said the enrollment projections shows growth in live births. Ms. Kowalchuk asked how much more it would cost. Mr. Reigal responded that it would cost .2 mills. Mrs. Kowalchuk also pointed out that there had been many problems with the municipalities. She, too, indicated that the market is volatile and the increases are unpredictable. She asked about redesigning the building and the time period. Mr. Bachl said it could be redesigned by taking off a quadrant or floor. The benefit of doing that is very risky and there might be costs incurred that the district did not have now. The length of time for the approval process, coupled with the design process, could be several months. Ms. Kowalchuk asked if there was any design that would not require going through the approval process. Mr. Bachl did not think there could be shortcuts in the approval process.

Ms. Gannon said she did not think that eliminating the top floor would slow down the process. Mr. Drake said that concept was reviewed but it would require changes in the classroom space on the lower floors as well as some of the common areas. Ms. Gannon talked about the PDE projections and the actual enrollments. She was wondering if the building was appropriately sized. Mr. Whartenby pointed out the negatives to undersizing the school when there is so much proposed development in the area. He emphasized that while the projections are for five years, the building is being built for 40 years into the future. Ms. Gannon commented on the perceived need for a new high school and spending funds on a larger than necessary elementary school.

Mr. Stolz said it sounded as though building the school without the third floor was a question of it being less than pretty. Mr. Drake took exception to that statement by saying that the building would have to be redesigned because the third floor is primarily classroom space. He said it would distort the building and other auxiliary spaces. Mr. Stolz asked about keeping the same footprint with a school with less capacity and asked if it was doable. Mr. Drake replied that it was a risky situation but it could be tried. Mr. Richwine said he did not see where the reasons to build the building have changed. He pointed out that there are four portable classrooms at Alburdis and over 400 students at Lower Macungie ES, adding this school was never meant to be a long term solution so there are over 500 students who need a permanent home. The discussions about the size are one of the difficulties the Board has faced right along. There may be a lull in the building but there are over 2000 approved lots. A larger school would give the district greater flexibility. He also pointed out that the space would be needed if the state moves toward a mandatory full day kindergarten program. The district has to plan for a lot of possibilities because of the time it takes to go through the planning, bidding, and building process. He said he did not think there was a different situation, concluding that he would support approval.

Mr. Earnshaw reiterated the number of students in portables, complaints from parents about substandard spaces, and the fact that the high school utilization chart shows there are empty classrooms in the high school, and music and art being taught off a cart. There are no empty classrooms at the elementary level. He repeated many of the thoughts that had been expressed about downsizing the building, pointing out that most of the increases had been for site costs. He talked about the additional transportation costs that have been incurred to bus students from around the district to the kindergarten classes at Lower Macungie Elementary School. He also pointed out that by the time the project is done we may be at capacity. He concluded that in the long run we will save taxpayers money by approving the bids and moving ahead with the project.

Mr. Ballard asked if the client for an architectural contract is the Board who hires the architect or is the district. Solicitor Fisher verified that the Board is the client. Mr. Ballard pointed out that for several meetings over the course of two years it was repeatedly stressed that we did not want this project

to exceed the figures that we were given. He did not believe that could be in dispute. The references made tonight were to the fact that the district knew, not the Board. He continued that there had been Board meetings previous to the bid opening and there had been no information about the increases in the construction industry. He felt there was sufficient information about the industry that should have been shared and there was no request to try to speed up the process with the municipal approvals. He did not know whether he should hold this bad treatment of the Board against the project. In three to five years, Upper Milford Township is going to come on line and that will bring more students so the district will not be wasting taxpayers' money with this building. There are more flexibility and temporary solutions for the high school than we do for the elementary level. He said he was sorry if people misinterpreted his motivation for concern.

Mr. Jones said one of things that the architectural firm could have done was manage expectations more effectively. Mr. Drake said that unfortunately they have to set an estimate at a very early point in the project. He apologized to Mr. Ballard because two months ago they had a draft letter to send to the district because of the issues involved (infiltration because of water on the site, removing silt from the site, sprinkler system) but the letter was not finished and sent because they were so far along in the project and decided to go to bid and then see how the bids were received. Mr. Stolz said he had been to a few elementary schools where the district needs to do something. One of his first concerns was the overcrowding in the high school hallways and cafeteria. He said if the bids were approved then we are limiting the borrowing capacity to do anything and that it will increase the debt to 160 million dollars. He urged board members to not approve the bids and come up with a project that is at the appropriate budget. He indicated he would not support the motion. Mr. Prinzinger felt the issue should have been presented to the Board earlier. Mr. Earnshaw said he originally stated that the project must come in at budget but there was no way to predict the various economic factors (rising material and energy costs, etc.). He noted that the district gets about 17 million dollars a year in extra borrowing capacity. Mr. Reigal said that by 2012 (projected date for new high school); if the district does not do any further borrowing, there will be approximately 68 million dollars. Mr. Reigal further explained that the district would not borrow that amount in one year. Ms. Fuller asked if the bids need to be accepted as is, using Mr. Ballard's suggestion to not finish all the classrooms but maintain the capacity for future classrooms. Solicitor Fisher said the bids must be accepted the way they are and then the district would go back to the contractor to complete change orders. He cautioned against following that concept because the district is not in a good bargaining position. Mr. Fisher said he could not talk about the design but if the footprint is touched or something on the plan is changed then you will have to go back for some type of approval but the bare minimum would be two to three months. To start the entire process over again, Mr. Fisher estimated it would take as long as 18 months. Ms. Fuller quoted construction cost figures that have escalated; concluding that resizing the building will only result in a smaller, expensive building. She was also informed by a local real estate agent that even though there is less activity, people are still buying and selling homes and East Penn is a desirable destination. She indicated she would be voting in favor of the motion.

In conclusion, Mr. Whartenby said he had been tracking bids since the Willow Lane bids were opened and the construction costs have increased 1.25% compared to last year when it was ranging .6. He also noted that he had received information from a firm that manufactures music stands and they indicated, due to the market, they were increasing prices 4% as of July 14.

Motion by Earnshaw, Seconded by Kowalchuk  
 RESOLVED, That the East Penn Board of School Directors authorize the issuance of "Notice of Intent to Award Contracts" to the contractors listed below and in the amounts listed who are the lowest responsible bidders meeting specification for the Willow Lane Elementary School Project.

General Contractor

Perrotto Builders LTD  
 426 Warren Street  
 Reading, PA 19601

Base Bid	\$14,248,000
Accepted Alternates	(\$456,100)
Total Contract Award	\$13,791,900

Accepted alternates: GC: 1,3A,4,8, 9,10, 13A, 17, 19, 20, 21, 25, 26, 28, 30, 31, 41

NOTE: All other alternates not listed above be rejected.

HVAC Contractor

Worth & Company, Inc.  
6263 Keller Church Road  
Piperville, PA 18947

Base Bid \$2,622,000  
Accepted alternates (\$5,700)  
Total Contract award \$2,616,300

Accepted alternate HC 1

NOTE: All other alternates not listed above be rejected.

Plumbing Contractor

JBM Mechanical, Inc.  
3273 Bun Club road  
Nazareth, PA 18064

Base Bid \$1,112,000  
Accepted alternate (\$1.00)  
Total Contract Award \$1,111,999

Accepted alternate PC 1

Electrical Contractor

Wind Gap Electric, Inc.  
125 West Seventh Street  
Wind Gap, PA 18091

Base Bid \$2,849,700  
Accepted alternates \$ 4,750  
Total Contract Award \$2,854,450

Accepted alternates EC 1, 3A, 4

NOTE: All other alternates not listed above be rejected.

Summary:

Total contract cost with alternates

Base bid no alternates \$20,374,649  
Total alternates accepted \$20,831,700  
(\$457,051)

Be it further

RESOLVED, That the East Penn Board of School Directors authorize submittal of PLANCON G project accounting based on bids to the Department of Education per Exhibit 6; and,

Be it further

RESOLVED, That the Notice of Intent to Award Contracts are issued contingent upon submittal and approval of the required documents to the Department of Education (PLANCON G), and required approvals from other state and local agencies with the appropriate parties being authorized to sign the documents, submittal and approval of the required bonds, Certificates of Insurance, and the required documents from the contractors as specified in the bid instructions and materials, and execution of a contract as required in the bid instructions and

materials, all of the aforementioned being completed to the satisfaction of the District Solicitor.

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

Aye: Ballard, Earnshaw, Fuller, Jones, Kowalchuk, Richwine-----6  
Nay: Gannon, Prinzing, Stolz-----3

Plancon Approvals, Sub-Division Improvements Agreement; and Rejection of Prime Contract Bids

Motion by Earnshaw, Seconded by Kowalchuk

RESOLVED, That the East Penn Board of School Directors approve PLANCON F, Bid Opening Notification, (Exhibit 7), post bid opening notification for submission to the PA Department of Education; and,

Be it further

RESOLVED, That the East Penn Board of School Directors approve PLANCON H, Project Financing (Exhibit 8) for submission to the PA Department of Education; and,

Be it further

RESOLVED, That the East Penn Board of School Directors approve the Sub-Division Improvements Agreement with Lower Macungie Township for the Willow Lane Project. (Final review to be completed by the Solicitor.); and,

Be it further

RESOLVED, That the Single Prime Contracts received at bid opening on May 21, 2008 be rejected.

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

Aye: Ballard, Earnshaw, Fuller, Jones, Kowalchuk, Richwine-----6  
Nay: Gannon, Prinzing, Stolz-----3

7. Other Educational Entities

-Carbon Lehigh Intermediate Unit T. Richwine

Ms. Fuller reported that Mr. Richwine had been elected President of the IU Board. Mr. Richwine said there was the formal election of the rest of the Board and several were new and one was returning after a two year hiatus. The Board approved the contract between the IU and the Education Association. They reviewed the 2007-08 goals dealing with the Emergency Management Plan. The Transportation Department has been realigned as a result of last year's study. During the last 18 months, there has been an increase of 758 students using IU services and East Penn has 313 students who are receiving services, an increase from 252 in 2006.

-Lehigh Career & Technical Institute A. Earnshaw  
F. Fuller  
S. Kowalchuk  
T. Richwine

Mr. Earnshaw reported that the JOC recognized retiring employees and staff who have perfect attendance. They also recognized 2 staff members - Cyndi Barkley and Jodi Blose. Mr. Earnshaw announced that the student-built house had been sold and noted that aging features had been incorporated into the design. He talked about the customized training program that can be used by business in the evenings. It has helped to defray costs from the sponsoring districts.

8. Legislative C. Ballard

Mr. Ballard reported that there was publicity about extra education funding; however, the East Penn School District is receiving \$38,000 less because of cuts in special education. The Governor has signed Act 32 of 2008 that amends the Local Tax Enabling Act. Mr. Reigal said from his interpretation of the legislation Lehigh County will be going to one tax collector. There would be a need to have

representation the Board represented on a committee and the expenses will probably be paid by school districts. There is another bill on the Governor's desk that would eliminate the rights of school districts to appeal individual property assessments. Mr. Ballard felt that the Legislature should have forced reassessment on every county in the state to get away from the inequity. He noted that there are more Keystone Opportunity Zones and some committee action over the summer. Dr. Seidenberger reported that there is now a requirement for insurance companies to reimburse parents \$37,000 for autism services. He also noted that the funds for Classrooms of the Future were cut. Mr. Ballard mentioned that HR 803 is a bill that would require school districts to provide training for the playing of Taps. He reminded board members about submitting items for consideration/amendments to the PSBA Platform.

Mr. Stolz said Representative Karen Beyer's bill for cyber charter schools was "going down in flames." Mr. Ballard responded that the bill could not get out of committee. It is still a live bill. Mr. Stolz said he had been criticized by Ms. Beyer regarding the tax increase in light of the Legislature's increase. Mr. Ballard said the reimbursement number is sent out in February and did not change. Mr. Reigal explained that there had been a 4.3% increase that had been anticipated and included in the budget. Mr. Richwine and Mr. Reigal talked about the old formula and increases based on previous years. Dr. Seidenberger said the Governor's budget had a 1.7% cut in special education.

9. Business Operations

1. Approval of Bill List

Motion by Ballard, Seconded by Earnshaw

RESOLVED, That the East Penn Board of School Directors approve the attached bill list, including the addenda, and that the Treasurer be authorized to issue checks and vouchers in the amounts indicated.

Approval of Investments

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

INVESTMENT VEHICLE	DATE PURCHASED	DATE OF MATURITY	TERM	RATE	AMOUNT
Harleysville Nat. Bank	03/10/08	06/10/10	27-mos.	2.90%	\$287,037.67
Harleysville Nat. Bank	06/20/08	06/20/09	12-mos.	2.20%	\$1,107,859.74

Note - These CD's are held as collateral on construction.

Approval of Athletic Bids - Exhibit 9

RESOLVED, That the East Penn Board of School Directors approve the attached contracts for athletic equipment as presented in Exhibit 9.

Disbursement of Funds - Exhibit 10

RESOLVED, That the East Penn Board of School Directors authorize the expenditure of funds from 2004 A issue and 2007 EGA Issue as listed on Exhibit 10.

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

Aye: Ballard, Earnshaw, Fuller, Gannon, Jones, Kowalchuk, Prinzing, Richwine-----8  
 Nay: Stolz-----1

Mr. Jones asked about CD rates and the FDIC limits. Mr. Reigal said the investments are guaranteed and these, in particular, provide a line of credit. Mr. Stolz questioned items on the athletic equipment list that did not appear to be complete and questioned a \$1600 item. It was ascertained that another item was Wilson tennis rackets. It appeared that the fields did not disclose the complete description of the items listed. When he did not receive clarification, he said he felt he had made his point.

10. Announcements

Monday, July 14

7:30 p.m.-Board Meeting, Board Room  
(Negotiations, Personnel)

Monday, August 11

7:30 p.m.-Board Meeting, Board Room

11. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 10:00 p.m.

Cecilia R. Birdsell, Board Secretary