

ORDER OF BUSINESS

1. Call to Order; Pledge of Allegiance

Board President Charles H. Ballard called the regular 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: K. Bacher, C. Ballard, L. Donches, A. Earnshaw, F. Fuller, R. Heid, M. Policano, S. Rhodes, III, J. Stolz  
Solicitor: Marc S. Fisher, Esq., Worth, Magee & Fisher  
Treasurer: Lynn Glancy  
Board Secretary: Cecilia R. Birdsell  
Superintendent of Schools: Dr. Thomas L. Seidenberger

Press Present: Jennifer Marangos, Emmaus.Patch.com Editor  
Peter McConnell, East Penn Press Reporter  
Randy Kraft, WFMZ On line reporter  
Pat Lester, Morning Call Reporter  
Precious Petty, Express Times

Ms. Donches made the following motion:

Motion by Donches, Seconded by Stolz  
RESOLVED, That the rules pertaining to the Requests to Address the Board be suspended to allow all citizens that wish to address the Board and have questions for the representatives on the subject of the TIF to be allowed to address the Board and have dialog after their presentation and before the Board votes on the topic.

Ms. Donches said that people who have topics other than the TIF would go now and then those who have questions about the TIF would go after the presentation.

Since a two-thirds vote is required, this resolution was defeated by the following roll call vote:  
Aye: Bacher, Donches, Heid, Policano, Stolz-----5  
Nay: Ballard, Earnshaw, Fuller, Rhodes-----4

2. Requests to Address the Board

Nicole Basset of Macungie, accompanied by Julie Kibelbek of Emmaus, and representing East Penn Invested Citizens announced a new initiative – a series of forums focused on a positive, fact-based discussion about issues important to the quality of education in the East Penn School District. EPIC members recently met with Dr. Seidenberger and Mrs. Kristen Campbell to ask for their support and help with the logistics. A copy of their complete statement is attached to the minutes of this meeting.

John Donches, 559 Minor Street, Emmaus thanked the district for including CEPTA's Candidate's Night scheduled for Tuesday, May 14, on the district's web site. He invited all interested parties to attend.

Sal Verrastro, 4477 Far View Court, Emmaus and representing the Macungie School PTC, presented a petition asking that consideration be given to adding teachers in both the upcoming 4<sup>th</sup> and 5<sup>th</sup> grades due to the current and projected enrollment numbers. A copy of the petition is attached to the minutes of this meeting.

Robert Oberle, 2374 Bordeaux Drive, Macungie expressed his concern about the Tax Abatement for Hamilton Crossings, adding it was overly rich for the developer. He is disappointed that there was very little effort to negotiate a better deal for the taxpayers. His suggestion was to table the resolution and go back to the developer. He has no particular argument with a tax abatement or a negotiated settlement. This is found money for the East Penn School District and should be bank rolled and put away should there be an expansion of facilities.

Jonathan Hugg, Esq., from Philadelphia representing the Cedar Realty Trust, Inc. and Cedar-Trexler LLC and Cedar-Trexler Plaza 2 & 3, read the attached letter regarding their objection to the participation by the East Penn School District in a Tax Increment District for Hamilton Crossings. He threatened that his clients may file a law suit against the school district.

3. Approval of Minutes

Motion by Rhodes, Seconded by Stolz  
RESOLVED, That the East Penn Board of School Directors approve the minutes for the April 22, 2013 Board of Directors Meeting.

This resolution was unanimously adopted by voice vote.

4. Zazo Scholarship and Grant

Stephen Baier, Science Teacher at Emmaus High School, accepted a check for \$22,253 for the Emmaus HS Science Department. The check was presented by Keith Dudley from the Department of Environmental Protection, who provided the background for the scholarship. He indicated that Chet Zazo was a graduate of Emmaus HS and was killed in a traffic accident. Because of his enthusiasm for the outdoors, this scholarship was created by his co-workers at the DEP for a \$3,000/year scholarship for a needy, college-bound student at Emmaus HS who would be studying in the biological sciences and was dedicated to the environment. Over the years, 12 students have benefited from the scholarship. In order to reach more students, the remainder of the scholarship is being donated to the Science Department at Emmaus High School for equipment and other science related materials.

Motion by Bacher, Seconded by Stolz

RESOLVED, That in accordance with Board Policy 702, Gifts, Grants, and Funds, that the Board accept this donation of \$22,253 for the Emmaus HS Science Department.

Ms. Fuller shared that she had been present at an awards ceremony where the scholarship was awarded. She had been very moved that co-workers had remembered Chet so beautifully. Mr. Earnshaw expressed his appreciation to the family, friends, and co-workers of Chet. Ms. Donches also extended her appreciation. There was a round of applause from the audience.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----9

5. Tax Increment Financing – Hamilton Crossings

-Jason Brockman, Senior Managing Consultant, Public Financial Management

-Tim Harrison, Developer, Hamilton Crossing Project

1. A Resolution of the East Penn Board of School Directors Providing for the Participation by the East Penn School District in a Tax Increment District for Hamilton Crossings, and For the Taking of all Related Actions

Motion by Bacher, Seconded by Policano

**WHEREAS**, the Tax Increment Financing Act, 53 P.S. §6930.1 et seq., ("TIF Act"), grants powers to industrial and commercial development authorities and redevelopment authorities to address conditions of blight and inadequate planning and development of urban communities; and

**WHEREAS**, the TIF Act also provides authority for local taxing bodies to cooperate in providing financing for redevelopment of areas in their jurisdictions which will generate new development and improve the tax base; and

**WHEREAS**, pursuant to the TIF Act, the Lehigh County Industrial Development Authority ("LCIDA") has prepared and presented a plan for the creation of a tax increment district in Lower Macungie Township, within the East Penn School District ("School District"), for the area known as Hamilton Crossings, more particularly described in Exhibit "A" attached hereto ("Hamilton Crossings TIF District"); and

**WHEREAS**, in accordance with the TIF Act, the Board of Directors of the School District designated Dr. Thomas Seidenberger and Dr. Kenneth Bacher as the representatives for the School District ("School District Representatives") to meet with LCIDA to discuss the Hamilton Crossings TIF District and the plans for the redevelopment thereof and the tax increment financing therefore; and

**WHEREAS**, as required by the TIF Act, the LCIDA and the School District representatives have met and discussed the creation of the Hamilton Crossings TIF District, the boundaries, the plan for redevelopment and financing thereof, and other matters set forth in Section 5 of the TIF Act, 53 P.S. §6903.5; and

**WHEREAS**, after such discussions, and after formal presentation on May 13, 2013, the Board of Directors of the School District have determined to participate in the Hamilton Crossings TIF District and to allocate 50% of the positive tax increment of the School District to the financing of the redevelopment of the Hamilton Crossings TIF District; and

**WHEREAS**, the School District desires, by this Resolution, to participate in the Hamilton Crossings TIF District as hereinabove set forth and to authorize such actions as are necessary and appropriate to effectuate the purposes thereof.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the East Penn School District as follows:

1. The aforementioned recitals are incorporated herein as full as though the same were set forth at length.

2. The School District agrees to participate in the Hamilton Crossings TIF District and to allocate 50% of the School District's tax increment as defined in the TIF Act, to finance the redevelopment thereof.
3. Notwithstanding anything contained herein to the contrary, the School District's election to participate in the Hamilton Crossings TIF District shall not, in any way, be deemed a pledge of the credit or taxing power of the School District, nor shall such participation obligate or make the School District liable for the payment of principal of, or interest on, any bonds issued by the LCIDA in connection with the tax increment financing.
4. The proper School District officials are authorized on behalf of the School District to take such actions and to execute and deliver such documents as may be necessary or appropriate for the implementation of the Hamilton Crossing TIF District consistent with this Resolution, including, but not by way of limitation, a Cooperation Agreement among the LCIDA, Lehigh County, Lower Macungie Township, and the School District, in form and substance consistent herewith and satisfactory to the School District Representatives with the advice of counsel.
5. The Secretary of the Board of Directors of the East Penn School District is hereby authorized and directed to cause a copy of this Resolution to be delivered to the Board of Commissioners of Lower Macungie Township promptly after adoption hereof, but in no event later than the date on which said Board of Commissioners holds the public hearing on the Hamilton Crossings TIF District as required by the TIF Act.
6. All resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of any such inconsistency.
7. This Resolution shall become effective immediately upon adoption this 13<sup>th</sup> day of May, 2013.

PROJECT BOUNDARY – TAX INCREMENT DISTRICT-Exhibit A

The Hamilton Crossings Tax Incremental Tax Financing Project area is located in its entirety within Lower Macungie Township, Lehigh County, Pennsylvania. The project area consists of approximately 63.21 acres. The Hamilton Crossings Tax Incremental Financing Project area is generally bounded as follows:

Consists of five (5) tax parcels located in Lower Macungie Township, Lehigh County, Pennsylvania. The TIF District is generally located to the east and west of Klocks Road, between Hamilton Boulevard and the Route 222 Bypass. Containing approximately 63.21 acres.

Mr. Brockman from Public Financial Management and representing the Lehigh County Industrial Development Authority indicated he was going to walk through the TIF Plan and point out major developments. He described the role of the Authority as the organization and administrative entity for the TIF. The TIF Committee was made up of designated representatives from each local governing body – Lehigh County, East Penn School District, and Lower Macungie Township. The Committee has met five or six times over the last three-four months. The Act requires that the TIF Plan define and delineate the properties to be included in the TIF District which in this case is in Lower Macungie Township. The Act further requires that the TIF Plan be submitted to the governing bodies for approval and provide opportunities for public input.

The Goldenberg Group and Hamilton Crossings Associates (Tim Harrison) propose to transform the property into an upscale commercial town center. The project will consist of 590,324 sq. ft. of retail stores and restaurants, 2,501 parking spaces, and many public amenities. The two anchor tenants are Costco and Target. Both Costco and Target will own their own parcels, and the balance of the town center will be owned by The Goldenberg Group-Hamilton Crossing Associates. The project will involve a total investment of more than 140 million dollars. It will create 495 new construction jobs and 920 new permanent jobs and will generate substantial new tax revenues for the governing authorities. The total current county wide reassessment, annual property tax generation from this property is estimated to increase to about \$57,007 in the current year. Upon completion, the project is projected to generate \$1,411,834 per year after the 2% discount for early tax payment. Should the TIF Plan be approved, 50% of that net Tax Increment will be paid to the Authority each year for a period of 20 years. If during that period, Lower Macungie Township imposes a property tax, 50% of its net Tax Increment will be paid to the Authority for the remainder of the TIF debt. The remaining 50% of the net Tax Increment (\$705,917 per year) will become new revenue for the governing bodies beginning immediately after the project opens for business. In year 21, after repayment of the TIF bonds, the government bodies will share 100% of the net Tax Increment. Referring to non-recurring revenue, Mr. Brockman indicated that the Act 515 rollback taxes would be \$157,805; the transfer tax would be \$74,715; and the total non-recurring revenue is \$232,520.

The Construction Schedule indicates that the project will begin around the third quarter of 2013 with a projected opening

date in the fall of 2014. The transportation improvements include the following: Widening the Route 222 Bypass; widening Krocks Road; improvements to Hamilton Boulevard; and adaptive traffic signals. The traffic improvements will add approximately 11 million dollars to the project. Approximately 410 acres lie in a watershed that drains into an unregulated open pit that was formerly an iron mine. The total cost of drainage improvements exceeds 4 million dollars. The utility capacity upgrades will cost almost one million dollars.

As part of the Tax Increment Financing, the developer agrees not to file any tax assessment appeal during the term of the TIF debt. When all the governing bodies have approved the TIF Plan, the next step would be a public hearing in Lower Macungie Township.

In review, Mr. Brockman indicated that Costco and Target are the anchor tenants and will occupy 49% of the project's building area. Each will own its own tax parcel. The project has secured three grants for a total of \$3,750,000. The developers are pursuing two forms of potential credit enhancement: Neighborhood Improvement District and the TIF Guaranty Programs. The developers are also pursuing participating in two Commonwealth lending programs that offer sub-market interest rates to eligible projects and using the detailed charts in Exhibit 10, he explained the structure. If the TIF plan is approved, the district will be agreeing to give up 50% of the Tax Increment and that would result in a bond issue of up to 7 million dollars of construction fund proceeds. The developer will cover any shortfall for the project. The total project cost is estimated to be \$140,160,791.

Ms. Fuller said that currently there is no millage rate for Lower Macungie Township. If a millage rate is established will it expedite the repayment of the bond. Mr. Brockman responded that there are a number of scenarios that would affect the repayment of the bonds such as the enactment of a millage rate by Lower Macungie Township or if any of the other government entities raise their taxes higher than the 1% every year that would also result in paying off debt. Ms. Fuller asked what would happen if all three member governing boards would not approve the project. Mr. Brockman responded that the TIF would not happen. All three governing boards need to approve or the TIF plan would have to be re-drafted. Dr. Bacher talked about the reassessment and Act 515 estimates of the parcels included in the TIF District. In response to questions raised by Mr. Policano regarding PennDOT approvals, Mr. Harrison responded that 76% of the funds are correcting problems that exist today and maybe 24% of the funds are mitigating their development. Ms. Donches asked about the structure of the ownership of the project. Mr. Brockman responded that the developer will own everything but the Costco and Target properties. Ms. Donches then asked how it would develop over the next twenty years. Mr. Brockman said the short answer is that it can change like any property. Ms. Donches asked what netting out means. Mr. Brockman asked her if she was referring to a specific page of the plan. Since the page was not located immediately, she then asked if the development gets half way done and then something goes wrong who has to finish the development. Mr. Harrison responded that part of the agreement with the Costco, Target, Lower Macungie Township, and PennDOT is that the improvements that are shown on the plans have to be secured by a bond or letter of credit. If they cannot be completed then those security instruments are available to complete the improvements. Costco and Target prefer to complete improvements by themselves and typically municipalities are happy they do not have to do the work. Ms. Donches asked who is the Annual Trustee. Mr. Brockman said at this point they do not know who that will be since there are many aspects of the bond issue that are still to be determined. Ms. Donches then asked if once it is known can it change. Mr. Brockman said that typically the Annual Trustee remains the same. Ms. Donches noted that the TIF debt is over 7 million dollars. Mr. Brockman said what would happen is they would issue less debt and then the debt would be paid off sooner than expected. She then asked if there was any costs above the 1% going to the LCIDA and Mr. Brockman responded that he did not think so. Ms. Donches then asked if the debt was still outstanding in Year 21 is the school district guaranteed to get 100% of the revenue. Mr. Brockman responded affirmatively and it goes back to bond holders, not the school district. If the state guarantees it, then it falls back to the state. Ms. Donches asked about scenarios that would keep the bond from being paid off. Mr. Brockman said one of the things that they are anticipating a need for is a Neighborhood Improvement District when they issue the debt and what that is if the debt service was not enough to cover the debt then a special assessment would be imposed on property owners. Ms. Donches asked if the county does another reassessment within those twenty years how will it be handled. Mr. Brockman said the reassessment could be re-calculated at the new rate. In response to Ms. Donches' questions about what would happen if property taxes were eliminated in the next twenty years. Mr. Brockman could not comment on that scenario. Ms. Donches then moved on to the Lehigh Valley Planning Commission recommendations regarding transportation. She commented on the overall plan being attractive, however, she said the district would be voting on a 1% increase in school taxes as outlined in Exhibit 10, TIF Cash Flow Analysis. Mr. Brockman this was built in because if it was not built in it would result in a higher incremental value that you would have to send to pay for the debt. The district would still pay 50% of whatever the millage rate would be. She commented that the school district would get the revenue but not the taxpayers. Mr. Brockman reiterated that the 1% is just an assumption being made to impact on the numbers. If it is 0%, the district is still giving up 50%. Dr. Bacher also explained that the 1% is to show a possible pay off scenario. If there are 0% increases, there will be a shortfall and then the NID would kick in and property owners would have to pay the difference. Dr. Bacher concluded that there is no requirement that the district do anything with taxes in the plan. Ms. Donches questioned what the district would do with the additional funds and what would they be used for. She concluded that she did not think it was the best deal for the taxpayers and she would not support it.

Mr. Earnshaw said if the revenues come in higher than necessary then the debt could be paid off sooner and asked if there was a call feature. Mr. Brock said they would not know that until the debt is put in place. There is typically a pre-payment call feature. If there is more revenue, it would build up the Sinking Fund and to call the debt. Mr. Earnshaw asked what the land is currently being used for. Mr. Harrison said that 63 acres for the most part is vacant and not being used for agriculture and at one time was an open pit iron mine. Mr. Earnshaw said earlier the question asked was what would be the benefit for the taxpayer. He commented that additional revenues would minimize future tax increases and possibly eliminate tax increases. If the revenues are so much higher there could be a tax decrease. The benefit for the taxpayers is that it reduces the potential for future tax increases. Once the project is completed, it will provide a little less than \$600,000 at the current tax rates. However, it is less than

1% of the district's current expenditures. Mr. Earnshaw said some of the advantages are that the district is not destroying farmland for development and it is not losing any tax revenues but instead will be providing significant tax increases and it creates jobs to provide Earned Income Tax. It is an unused property and there seems to be a lot of interest in having Costco in the Lehigh Valley. Mr. Earnshaw said that these are all great benefits. The intention of the bypass was to spur development and this is what long term planning has anticipated. He said that there are also traffic improvements that need to take place now and this will provide for those improvements, adding the taxpayers will pay for these improvements one way or another. Since most out of town traffic will be using the interstates and the bypass, it will not increase traffic in the neighborhoods. Referring to a comment made in Citizen Input, Mr. Earnshaw clarified that this TIF was negotiated by the Lehigh Valley Industrial Development Authority, not the district. The district is only asked to participate in the project, not weigh the merits or demerits of the project.

Mr. Rhodes asked about the timeline. Mr. Brockman said the school district and the county must vote on the TIF Plan with the Township going last. Lehigh County has not voted on it yet. Mr. Rhodes asked how soon does this have to be done so dirt can be moved. Mr. Brockman responded that they are anticipating the TIF be approved this summer. In June, Lower Macungie Township will be voting. Ultimately, they are to close on the bond issue in December. Mr. Rhodes said for all the reasons cited by Mr. Earnshaw he finds this a hard thing to vote against. This will help the school district and taxpayers, citing the lack of funding for public education by the state. While personally and philosophically, he is not a big fan of this kind of development, he said his fiduciary responsibility is to the school district. He would be remiss if he did not support this plan.

Mr. Stolz questioned the solicitor about the legality of this plan. Solicitor Fisher said there is no reason why the Board cannot take action legally. Mr. Stolz indicated he would not support the measure and talked about the free enterprise system, government subsidizing the proletariat, board members being dazzled by expected revenue, drawing the line in the sand, and ended by quoting Captain Jean-Luc Picard, "the line must be drawn here, this far and no farther." Mr. Stolz said it is not the place of the American government to create jobs and pick winners and losers and by approving the TIF this would be doing just that. He then proposed the following motion:

Motion by Stolz, Seconded by Donches

RESOLVED, That the Resolution of the East Penn Board of School Directors Providing for the Participation by the East Penn School District in a Tax Increment District for Hamilton Crossings, and For the Taking of all Related Actions be tabled.

This resolution was defeated by the following roll call vote:

Nay: Bacher, Ballard, Earnshaw, Fuller, Heid, Rhodes-----6  
Aye: Donches, Policano, Stolz-----3

Mr. Ballard said that time and time again taxpayers have asked how to stop tax increases in East Penn and he gave them a very simple answer. First of all, inflation has averaged 3% for 150 years and the only cure for that is to find additional revenue. You need to get municipalities to approve more industries and more retail and more anything that comes in a large building and puts materials in them and has a high tax value and no kids. Otherwise tax revenue with the growing population and inflation will not be able to keep up. This property could go from being a fallow field to a large retail complex, producing significant revenue for the school district. He also pointed out that the state is limiting and cutting educational funding. This project is badly needed to offset some of the other impacts on the budget. There is no liability to the school district and from the standpoint of the school district and taxpayers and the community this is a win. Mr. Ballard indicated his support.

Dr. Bacher indicated his support, citing the fact that it provides significant new revenue and the funds can only be used for public infrastructure improvements. He also noted that it will generate business in the area and there is a limitation on tax assessment appeals. The money is not going to the developer. The Lehigh County Industrial Development Authority does the bond offering and the developer will have to request reimbursement from the bond funds. There is a plan to make sure that the funds go to qualified expenditures. There is no government guarantee of the TIF debt. No existing revenue from the school district, county, or township is going to the TIF.

Mr. Policano indicated that he was on the fence regarding the project. He commented on the infrastructure improvements that are needed which would be addressed. Mr. Policano noted that if those improvements are put off, they will only be more expensive later. Mr. Earnshaw said that the property owners are on the hook for the full tax payments and any extra costs to service the debt. The risks are to the developer and the two anchor stores, Costco and Target, through the NID.

Ms. Donches said there was no idea about what the discussion will be regarding the transportation grant. If other developments come up along the bypass then there may be other requests for a TIF. She felt very uncomfortable about the transportation funding not being known. She asked what if the transportation is not approved and affects the timeline. Mr. Harrison explained that if there are problems in securing the transportation funding then there is no project and there will be no bonds. Solicitor Fisher explained that the Lehigh Valley Planning Commission has not made a final recommending dealing with the transportation issue. The Lehigh Valley Planning Commission is only a recommending body that recommends to the Township on a project. The Township is free to accept the recommendations or ignore them. The Commission does not make recommendations to the County or the school district. Any recommendations, if and when they are made, are not an issue to the East Penn School District. Ms. Donches made a motion to defer the vote. There was a discussion about whether the motion could be made after a tabling motion had been introduced and defeated earlier in the meeting. Solicitor Fisher did not see the difference between a motion to table or deferring the vote to another meeting. Mr. Earnshaw thought Ms. Donches was trying to propose a motion to postpone the vote to a certain date. Ms. Donches made a motion to postpone the vote to the next board meeting.

Motion by Donches, Seconded by Stolz  
RESOLVED, That the East Penn Board of School Directors defer/postpone the vote until the next meeting.

This resolution was defeated by the following roll call vote:  
Nay: Bacher, Ballard, Earnshaw, Fuller, Heid, Rhodes-----6  
Aye: Donches, Policano, Stolz-----3

Hearing no further discussion, Mr. Ballard called for a vote on the original motion.

The original motion was approved by the following roll call vote:  
Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Rhodes-----6  
Nay: Donches, Stolz-----2  
Abstention: Policano-----1

6. 2013-14 Proposed Final Budget Adoption for East Penn School District/Senior Citizens Real Estate Tax Rebate Program

Motion by Earnshaw, Seconded by Rhodes  
RESOLVED, That the East Penn Board of School Directors adopt the proposed final 2013/14 budget in the amount of \$130,076,922 with the following tax levies:

- 16.1259 mills on the assessed valuation of real estate
- 0.5% (.005) Act 511 Earned Income Tax
- 1.0% Act 511 Real Estate Transfer Tax

be it further

RESOLVED, That the East Penn Board of School Directors continue the Senior Citizens Real Estate Tax Rebate Program for the 2013-14 year with the income eligibility guidelines to be established at final budget adoption.

Dr. Seidenberger indicated that documents regarding the budget and the goals are posted on the district web site. He reminded the Board that every year is different. He pointed out the positives and negatives of the budget that cannot be predicted but have an impact. There is no local tax increase in this budget; there will be additional professional staff needed to address the needs generated by the Keystone Exams. There will be an additional biology teacher at Emmaus HS. He will be addressing the class size for Macungie School. There is a need for an additional elementary teacher at Macungie School and maybe Shoemaker School. There will be an additional special education teacher in the area of autism. There are plans for another speech therapist to be funded by the ACCESS funds. He expressed concern about enrollments starting to increase and that will mean additional teachers. Dr. Seidenberger said that the district has been good stewards of energy. The district will continue to increase efforts in that area. The budget honors all collective bargaining units in place. The district will continue the Senior Citizen Tax Rebate program. The budget also contains a focus on Green Solutions. Dr. Seidenberger read the following statement from Rita Perez, Director of the Bureau of Teaching and Learning, about the return on educational investment:

**"Your district or charter school has been identified as scoring above the state mean in student performance and below the state average in expenditures based on 2010 data. The Bureau of Teaching and Learning is interested in learning how you were able to receive a high return on educational investment."**

Charter Schools have stabilized. East Penn received 23 students back from Seven Generations Charter School. This budget does have a 5% budgetary reserve. We will continue with fine programs in education technology and we are looking at Bring Your Own Device. The budget supports Instructional Rounds and Dr. Torma and Mrs. Campbell have put together information for the PILS program that will save at least \$70,000 in tuition costs for administrators. The Transportation Study was completed and now the district has a pathway to look at where there can be some savings. The budget contains funds for the STEAM program. District sponsors have been obtained to fund the district calendar.

Ms. Fuller asked if the power point was posted on the web and was told that it has already been posted. Mr. Earnshaw commented that people think the district has a use it or lose it mentality but that does not happen in East Penn. Budgeted funds are only expended if there is a need, adding that the district spends less than what is budgeted because we control that spending and look for efficiencies where they can. He was very appreciative of the budget but was uncomfortable with the structural budget of 5.5 million dollars but he is also confident that things are improving on the revenue side. He concluded that this is a conservative budget and he would support it. Dr. Seidenberger pointed out that it is now May and there is no word on the budget from Harrisburg. Ms. Fuller thanked the staff and all of the employees for making this possible. There are school districts that are making horrific cuts to programs and staff yet East Penn is able to preserve staff and program and is able to selectively add staff where it is required. She contributed it to the great stewardship of the administration and a region that can support the school district. Mr. Ballard said this district always tries to do right by its taxpayers. He did share concern about state funding. Mr. Stolz

announced that this would be the first time since he is on the Board that he will support the budget. He may propose suggestions before the final budget. Mr. Ballard said anyone who has suggestions should get them in well before the final adoption.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----9

7. Report of the Superintendent of Schools – Dr. Thomas L. Seidenberger

1. District Update

Dr. Seidenberger commented on the following items:

- ✓ All the board members who came out for the reception for the NSBA Technology Visit participants were thanked. Dr. Seidenberger said it was a wonderful evening. Teachers and students were spectacular and magnificent. It was a great experience and he thanked everyone who was involved. It was important to see so much support from the Board. NSBA Coordinator Ann Flynn felt that East Penn was “a real gem.”
- ✓ There will be a Green Schools seminar at Lehigh University on May 30. Willow Lane will be acknowledged as well as Nazareth MS and Broughal MS. This is free and open to the public.
- ✓ The Willow Lane Parent Committee on Transportation will be meeting at 4:00 p.m. on Tuesday, May 14. Engineer Paul Szewczak, Lynn Glancy, and Dr. Mirabella will be attending.
- ✓ Three EHS seniors were awarded a Regional Emmy on Tuesday, May 7th by the National Academy of Television Arts and Sciences. Megan Famularo, Christina Cilento, and Isaiah Zukowski created a video about the dangers of distracted teen driving for a class project in Communications.
- ✓ He called attention to a response from the United States Department of Education regarding the implications of not accepting Title I funds.
- ✓ Dr. Seidenberger congratulated Lincoln Teacher Bryan Svencer on being published.
- ✓ Dr. Doug Lare from East Stroudsburg met with several teachers regarding the National Board for Professional Teaching Standards.
- ✓ Dr. Mirabella has been notified that East Penn has been awarded Safe Schools grant money for two way radios and school security information for staff members dealing with cyber bullying and the dangers of sexting.

2. Personnel

Motion by Rhodes, Seconded by Donches

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

Retirements/Resignations

- Michele Pennebacker, Grade 4 Teacher, Jefferson School, effective June 12, 2013 (Exhibit 1)
- Phyllis Whitney, Grade 2 Teacher, Jefferson School, effective June 14, 2013 (Exhibit 2)
- Stephen Baier, Science Teacher, Emmaus HS, effective June 12, 2013 (Exhibit 3)
- Dolores Evans, German Teacher, Eyer/Lower Macungie MS, effective June 12, 2013 (Exhibit 4)
- Marie Hartmann, Grade 3 Teacher, Willow Lane School, effective May 22, 2013 (Exhibit 5)
- Denise Morth, Food Service Administrative Assistant, effective June 30, 2013 (Exhibit 6)
- Ann DeSandis, Administrative Assistant, Emmaus HS, effective June 3, 2013 (Exhibit 7)
- Dorothy Breinich, PT Food Service Assistant, Jefferson School, effective June 14, 2013 (Exhibit 8)
- Barbara Frey, FT Food Service Assistant, Emmaus HS, effective June 30, 2013 (Exhibit 9)
- Lynn Kelly, Instructional Assistant, Willow Lane, effective June 13, 2013 (Exhibit 10)
- Gretchen Stone, Health Room Assistant, Lincoln School, effective April 25, 2013 (Exhibit 11)
- Heather Karlovitz, Remedial Assistant, effective April 29, 2013 (Exhibit 12)
- Kathleen Higley, Instructional Assistant, Macungie School, effective May 23, 2013 (Exhibit 13)
- Jasmyn Tanner, Grade 2 Teacher, Albutis School, June 12, 2013 (Exhibit 14)

General Leaves of Absence – Board Policy 539

<u>Employee</u>	<u>Effective</u>
Kakoli Kar Instructional Assistant, Emmaus HS	5/28/13-5/27/14
Jeanne Kean Instructional Assistant	5/6/13-5/4/14
Erica Petrella Grade 5 Teacher, Wescosville School	7/1/13-6/30/14
Kristen Bruckner	7/1/13-10/31/13

Grade 1 Teacher, Macungie School

Ashley Benner 8/31/13-1/22/14  
Speech Teacher, Wescosville/Eyer MS

Madhu Mathur 5/17/13-6/5/13  
Instructional Assistant, Wescosville School

Compensated Professional Development Leave-Board Policy 438.1

Paula Fehlinger 2013-14 School Year  
Grade 2 Teacher, Wescosville School

Leave as Per Collective Bargaining Agreement

Karen Durigan Extension to 9/15/13 and  
Grade 4 Teacher, Shoemaker School General Leave 9/6/13-6/30/14

Stacey Yapsuga 6/6/13-6/30/13  
Special Ed/Reading Teacher, Emmaus HS

Marybeth Long Extension 6/30/13-1/22/14  
Special Ed Teacher, Macungie School

Melissa Saylor 6/30/13-11/1/13  
Grade 1 Teacher, Macungie School

Nicole Swatsky 6/30/13-10/11/13 and General Leave  
Grade 3 Teacher, Wescosville School 10/12/13-6/30/14

Loribeth Knauss 7/1/13-1/22/14  
Grade 5 Teacher, Lincoln School

Colleen Kingsbury 6/10/13-6/30/2014  
Family/Consumer Science, Emmaus HS

Technology Consultant

John Stabinger \$30.00/hour

Appointment of Assistant Principal, Eyer MS

Name/Address: Travis Bloom  
703 Green Meadow Drive, Douglassville 19518  
Education Level: B. S. Degree (2006)  
M. S. Degree (2011)  
Undergraduate School: Kutztown University  
Graduate School: Wilkes University  
Certification: Administrative I, Principal K-12  
Instructional II, Citizenship 7-12  
Assignment: Assistant Principal, Eyer MS  
Vacancy created by D. Silfies Retirement and subsequent transfer  
Effective: To be determined  
Experience: 8/06-8/2011: Allentown SD  
8/2011-Present: Muhlenberg SD  
Salary: \$80,000 plus Act 93 Agreement Benefits

Appointment of Full-Time Substitute Teacher

Name/Address: Allison Fisher  
1343 Country Club Road, Wescosville  
Education Level: B. S. Degree (2004)  
Certification Credits  
Undergraduate School: Kutztown University  
Graduate School: Kutztown University  
Certification: Instructional I, Elementary K-6  
Assignment: Grade 1, Macungie School

Effective: Opening created by M. Saylor leave  
To be determined  
Experience: None  
Salary: \$45,185 (Year 1, Col. B)

Appointment of Instructional Assistant

Name/Address: Kimberly Wanninger  
1307 Windmill Lane, Breinigsville 18031  
Assignment: Macungie School  
Vacancy created by A. Kender resignation  
Effective: 5/14/2013  
Salary: \$13.38/hr., 29 hrs./wk.

Additions to the 2012-13 Per Diem Substitute List

Deanna Portz, Instructional/Staff Assistant  
Mary Kate Walter, Elementary, Reading  
Amy Morgan, Remedial Assistant

Co-Curricular Appointments

-Chelsey Stanton,	EHS Boys Volleyball	Volunteer
-Randall Cuthbert	EHS Football Head Coach	\$9,049
-Michael Mihalik	Replacing J. Bottiglieri	Equipment Manager
	Effective: 4/30/13	

Summer Maintenance Program

That, as needed, the Board of Directors approve the possible employment of the following qualified applicants on a temporary basis in the Maintenance Program during the summer months at the rate of pay set for their assigned classifications as of May 13, 2013.

Former Employees - \$8:30/hour:

Ward Stephen  
Vilardi, John

New Employees/Possible Alternates - \$7.55/hour:

Davies, Steven  
Strong, Eric  
Miller, Clayton

Note: The total number of hires for 2013 will be determined on an as-needed basis.

Educational Conferences – Exhibit 15

That the East Penn Board of School Directors approve the estimated expenses for the individuals attending educational conferences listed on Exhibit 15.

2013 List of Emmaus HS Graduates (Exhibit 16)

RESOLVED, That the East Penn Board of School Directors approve the 2013 list of Emmaus High School graduates.

Note: This is a complete list of seniors and only those who meet the graduation requirements will be graduated.

New Eyer Assistant Principal Travis Bloom was introduced to the Board.

Dr. Seidenberger noted the accomplishments of Steve Baier who will be retiring this year.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----9

1. Accept PPL Poles and Approve Agreement – Exhibit 17

Motion by Donches, Seconded by Heid

RESOLVED, That the East Penn Board of School Directors accept the donation of four (4) PPL Utility Poles and approve the Agreement with PPL for their donation to deliver and install the poles at the Softball Field at Lower Macungie Middle School.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----9

9. Business Operations

1. Bill List Approval

Motion by Earnshaw, Seconded by Bacher

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

Ms. Donches is abstaining because she has not received the information she needs.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Policano, Rhodes-----7

Abstention: Donches, Stolz-----2

2. Treasurer’s Report

Motion by Earnshaw, Seconded by Stolz

RESOLVED, That the East Penn Board of School Directors approve the Treasurer’s Report.

Appointment of Treasurer

RESOLVED, That the East Penn Board of School Directors appoint Lynn A. Glancy as Treasurer for a term effective July 1, 2013 to June 30, 2014; and that he be directed to perform such duties as are appropriate for the position in accordance with the Public School Code of 1949, as amended, Section 436-443; that he shall implement federal, state and local policies and regulations at the direction of the Board of School Directors and the Superintendent of Schools; and, that the Treasurer’s bond be set at \$500,000.

Mr. Earnshaw complimented the service of Mr. Glancy.

Designation of 2013-14 Depositories

RESOLVED, That, in accordance with Section 621, PA Public School Code of 1949, the East Penn Board of School Directors designate the following depositories for the funds of the East Penn School District for the 2013-2014 fiscal year; and that said depositories furnish a bond in an amount equal to 120% of the highest balance or comply with Act 72 of 1971 of the Pennsylvania Legislature, such bond amounts to include the amount provided by federal insurance:

- Citizens Bank
- Embassy Bank
- First Niagara Financial Group
- ESSA Bank & Trust
- Lafayette Ambassador Bank
- M & T Bank
- National Penn Bank
- PA Treasury/Invest Trust
- PA Local Government Investment Trust
- Quakertown National Bank
- Sovereign Bank
- Susquehanna Bank
- TD Bank
- US Bank Corporate Trust Services
- Wells Fargo Bank

Authorization to participate in contracts issued by the Department of General Services for the 2013-14 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 (SGS) 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 2013-14 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, U.S. Communities, Keystone Purchasing Network, Pennsylvania Education Joint Purchasing Council, National BuyBoard, PENNCON, and PEPPI.

Record of Investments (Exhibit 18)

RESOLVED, That the East Penn Board of School Directors approve the investment listed on Exhibit 18.

Parent/Guardian Transportation Contract

RESOLVED, That the East Penn Board of School Directors approve the following Parent/Guardian Transportation Contract:

Parent/Guardian: Lisa Druckenmiller  
1617 Seidersville Road, Bethlehem 18015  
Effective: 2012-2013 School Year (8/27/12-6/10/2013)  
Reimbursement: 12.37 miles, \$.555/mile

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----9

3. Appointment of Board Secretary

Motion by Earnshaw, Seconded by Fuller

RESOLVED, That Cecilia R. Birdsell be re-appointed as Board Secretary for a four year term effective July 1, 2013 to June 30, 2017 and she be directed to perform such duties, as are appropriate for the position in accordance with the Public School Code of 1949 as Amended and implement relevant local regulations at the direction of the Board of School Directors and the Superintendent of Schools; and, that the Board Secretary's bond be set at \$20,000.

Ms. Donches wanted to amend the motion to reduce the term of the Board Secretary to one year. Mr. Earnshaw pointed out that the School Code determines the term of the Board Secretary. Ms. Donches was not aware of that fact. Ms. Fuller thanked Miss Birdsell for exemplary service and for the in-depth minutes. Ms. Earnshaw thanked Miss Birdsell, quoting from Mark Twain, "Boards take hours to create minutes." Ms. Donches apologized adding that she has a personal policy to go for the shortest term. Mr. Ballard commended Miss Birdsell for taking care of board members over the years and her planning of receptions.

This resolution was duly adopted by the following roll call vote:  
Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----9

Ms. Fuller noted that this was the first time that a substantial amount of the audience left before the budget presentation.

10. Announcements

Monday, May 13	5:45 p.m.-Executive Session (Negotiations, Personnel, Litigation 7:30 p.m.-Board Meeting
Monday, May 27	All Schools and Offices closed for Memorial Day
Monday, June 10	7:30 p.m.- Board Meeting

11. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 9:55 p.m.

Cecilia R. Birdsell, Board Secretary