

ORDER OF BUSINESS

1. Call to Order; Pledge of Allegiance

President Alan Earnshaw called the regular meeting of the East Penn Board of School Directors to order at 7:30 p.m., followed by the Pledge of Allegiance.

Board Members Present: K. Bacher, C. Ballard, L. Donches, A. Earnshaw, F. Fuller, R. Heid, Z. Munson, S. Rhodes, III, W. Vinovskis

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

Treasurer: Debra Surdoval

Board Secretary: Cecilia R. Birdsell

Press Present: Peter McConnell, East Penn Press Reporter

Patrick Lester, Morning Call Reporter

Precious Petty, Express Times Reporter

Megan Patrick, WFMZ Reporter

2. Emmaus HS SGA Report

Logan McHale, Vice President, and Catherine Garrity, Secretary reported on the following activities taking place in Emmaus High School:

- The PA Newspaper Association named several students for Excellence in Journalism and The Stinger won more awards than any other high school in the state.
- All four Semi-Finalists for the National Merit Scholarship have moved to the Finalist category.
- The EHS Art Department won three silver and one gold national medalist in Scholastic Art and Writing Awards. The gold medalist will advance to the national competition.
- On February 18, the Marching Band performed for about 20,000 at the Magic Kingdom Electric Light Parade in Disney World. They will be marching in the Emmaus Memorial Day Parade on May 26.
- The French, German, Latin, and Spanish Clubs had a food drive for the Angel Network in March. The language class that brought in the highest number of donated good was given a party.
- The Mountains of Hope Club donated \$300 to the school in Ecuador.
- The SGA recognized the Administrative Assistants, Instructional Assistants, Hall Monitors, teachers and administrators with flowers and candy to show how much the students appreciate them.

3. Motion regarding Citizen Input

Previously, Ms. Donches had called for a Point of Order to make the following motion:

Motion by Donches, Seconded by Bacher

RESOLVED, That the Board suspend the rules pertaining to request to address the Board to allow all citizens who wish to address the Board on the subject of the TIF resolution to address the Board after Mr. Shearer's presentation and before the Board votes on the topic pursuant to the Sunshine Law.

This resolution was defeated by the following roll call vote:

Aye: Bacher, Donches-----2

Nay: Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----7

4. Requests to Address the Board

Giovanni Landi, 869 Frank Drive, Emmaus indicated his support for the TIF resolution that had been submitted by Board Vice President Ken Bacher. He said the mall most likely will be built and wanted to see the Board rescind the TIF and not give away 11 million dollars in education funding.

Jack Tibbets, 2610 Riverbend Road, Allentown spoke against the TIF for a private developer. He asked who provide police, fire and snow removal. He concluded that the project should not be done with taxpayers' money.

Tom Muller, 2600 Gracie Lane, Macungie spoke in support of the TIF. He said he had never met or met with the developers prior to his election as Lehigh County Executive. He said he had heard nothing but support for the project when he was running for election. He pointed out the district would not be giving away money but gaining money that it does not have now with this land. The remediation is in excess of 20 million dollars before it

will generate taxes. He emphasized that the County needs more jobs for a segment of the community (construction, retail, non-college graduates or soon to be graduates).

Bob Oberle, 2374 Bordeaux Drive, Macungie spoke in support of the resolution to rescind the TIF. (Statement is attached to the minutes of this meeting.)

Thomas Bzik, 5613 Tavern Circle, Macungie spoke in support of the TIF and asked the Board to vote against Dr. Bacher's motion to rescind. He indicated that even though the County Commissioners did not support the TIF, the figures show that it will not adversely affect the school district's costs. He said that Attorney Hugg's (Cedar Reality) figures are misleading. He concluded that the TIF was an appropriate tool, noting that this project has been in the making for years and did not spring out of nowhere. He pointed out there is no foreseeable project for this land. He again asked the Board to vote against rescinding the TIF.

Arlene Dabrow, 7515 Spring Creek Road, Macungie spoke against the continuing overdevelopment in the area. She claimed that she did not hear anyone asking for another development. She claimed that there was a 4.5% increase in the budget proposed. She talked about senior citizens not being able to afford the increases in taxes. She asked that the Board not increase the taxes and respect the wishes of residents.

5. Approval of Minutes

Motion by Vinovskis, Seconded by Bacher
RESOLVED, That the East Penn Board of School Directors approve the minutes for the March 24, 2014 meeting.

This resolution was unanimously adopted by voice vote.

6. Public Financial Management-Update on TIF Funding

Using the attached handout, Scott Shearer, Managing Director for PFM, updated the Board on the Hamilton Crossings Tax Increment Financing (TIF) changes that have occurred over the past year. He noted that Lehigh County has elected to not participate in the TIF District. He pointed out that "the assessed value (per the county assessor) of the project has increased to \$77.1 million dollars which is up from \$74 million dollars. Because of this increase, the total expected tax revenues from the increment retained by the District is now estimated at \$11.7 million over the 20 years and has increased from \$11.2 million." Currently, the land is only generating \$47,000 in taxes but will produce an extra annual \$1.2 million dollars in property taxes. Because of the delays, the project has now been scheduled to be completed for Spring 2016.

Referring to the project funding, he noted that two low-interest bearing loans have been assumed. The Business in Our Sites Loan (\$3,662,308-2% interest rate) has been approved and the Pennsylvania Infrastructure Bank Loan (PIB) (\$3,225,000 – 1.625% interest rate with a 10 year amortization) is pending. The expected tax revenue surplus is projected to be larger starting in 2025 due to lower cost and shorter term financing. This surplus can be remitted to the District and Township or used to retire the debt earlier than scheduled. Based on the new financing structure, the District will realize additional new revenues exceeding \$4 million over the next 20 year term. It was noted that any shortfall in funding will not impact the District or the Township. Net project funding amount from prior presentations ranged from \$6 million to \$7 million depending on financing assumptions. The new estimates of net proceeds after Developer contributions is approximately \$6.1 million. Again, Mr. Shearer emphasized that any shortfall in funding will not impact the District, only the Developer. Using the attachment, Mr. Shearer illustrated the Base Case Scenario and the Hypothetical Scenario. Following the analysis of the district's share of both the base case and the hypothetical scenarios, the difference is \$578,785; however, the present value of the difference is \$326,380 and will be absorbed by the Developer at settlement. In answer to a question from Mr. Ballard regarding the worst case scenarios, Mr. Shearer indicated that since last year the revenues that the district will realize is substantially more. Mr. Ballard also clarified that the net worth of the property would go from \$2.8 million to \$77.1 million because of the amount of infrastructure needed and the amount of the buildings to produce the shopping center. He pointed out that this brings the investment of the developer to approximately \$140 million dollars. Without the County's participation, the developer has stayed within the cap that was in the original agreement without exceeding \$7 million. Dr. Munson asked how the estimates for the amount of tax revenue are generated. Mr. Shearer explained that the assessments come from the County Assessor's office. They will not happen the first year of the project but will occur after the project is close to the full build out. Mr. Shearer estimated that a large portion of the \$70 million will be available in 2016 and the balance will be on the tax rolls in 2017. There is also language in the TIF plan that the developer will not file any tax appeals. Dr. Bacher asked about the developer being willing to make the district whole. Solicitor Fisher called Mr. Harrison, the developer, forward and Mr. Harrison said he could not confirm the developer is prepared tonight to provide the \$326,380 but they would sign any document that would provide confirmation in writing at the closing. Dr. Munson said that most of the numbers are predicated on this second PIB loan and asked what would happen if that falls through or it comes in at a higher interest rate. Mr. Shearer responded that it would result in lower proceeds available for the project and would mitigate the school district from receiving the

additional \$4 million. The \$11.7 million will be going to the district. Mr. Shearer felt that Mr. Harrison was confident that the loan would be approved and allocated at the interest rate. Dr. Munson asked who would be in control of the decision to pay off the debt earlier or return funds to the district and the township. Mr. Shearer indicated that would be between the Lehigh Valley Industrial Development Authority and the school district. It would then be a decision to put the funds into the General Fund or pay down the debt earlier. Dr. Munson again asked who would be the governing authority. LVIDA attorney, John Lushis clarified that IDA has no interest in keeping money. Basically, the TIF is seen as collaborative in nature between the IDA, Township and the school district. The decision should be worked into the agreement. Mr. Ballard had it clarified that the \$4 million surplus only occurs with a shorter amortization time and lower interest rate; however, the \$7 million cap in the original agreement has not changed.

7. TIF (Tax Increment Financing) Resolution – Submitted by Dr. Ken Bacher

Dr. Bacher said he was concerned about the net contribution and making the district whole; however, he was not aware of the new financing which has much improved the situation. He felt this new plan is as good as or even better than the original and he would not support this motion.

Mr. Ballard reminded the Board that in talking with taxpayers over the years he told them that the only way that taxes can be ameliorated would be to get commercial development in this district that does not deliver additional students and pays property taxes thereby reducing the amount of taxes for other taxpayers. There have been other plans for commercial buildings but he wanted someone to explain to him what replacement revenue source there will be to replace the half-million dollars for the next 20 years. There is nothing he has seen on the horizon to supply the alternative source of revenue to keep taxes down.

Dr. Munson said his understanding was that the developers introduced this TIF and asked for support and that it would require the participation of all three authorities to be viable. Ms. Donches responded to Mr. Ballard's question about where the replacement revenue was coming from. She stated that the Board is not in the business of economic development. She said the Board takes the money to educate the district's children. She said looking at Lower Macungie "so what whether there is \$47,000 because the Board would live with that." She felt the Board should not be getting into economic development. She continued that there is going to be growth and plenty of money coming into Lower Macungie Township. She knows this because she has sat through hours of Planning Commission Meetings and sees how the developer is working to make this development happen. She contended that the project would happen whether or not the district participates. She concluded that the district is giving away \$11 million dollars. Rev. Vinovskis said he was not on the Board when the original resolution was approved and he remained quiet because he trusted the wisdom of the Board. He is not against the Hamilton Crossings Project and felt that it has many attractive features and should be built. His understanding was that it was presented that all three groups had to participate. A year ago he supported the motion and he felt the Board acted in good faith and that the County would also participate. He was somewhat dismayed about the stories that have surrounded it. He agreed with Ms. Donches that it was presented as the ideal property. He believes that the project will be built whether or not the district is part of the TIF. Ms. Heid commented that she, too, was under the impression that all three entities had to approve the TIF. She has been telling people that the project is dead. She said she has heard from people in the community and she did not think this was the right vehicle. Dr. Bacher said his reasoning for the motion was that he did not want to see the school district at a disadvantage because the Lehigh County Commissioners are not supporting the TIF and he wanted a review of the finances as a result of a letter from LCIDA. He did discuss the motion with Solicitor Fisher.

Mr. Ballard addressed the concept that there are many developments in progress in Lower Macungie Township but he is also aware of the fact that the property taxes do not pay for the education of the students. He noted the influx of over 400 students in 2005. Mr. Ballard said that one or two students probably don't make a difference but a large number has building implications. He commented on the idea that there is some other project in the wings as misleading. The Hamilton Crossings project has been in the works for several years. Another project would take at least another three or four years. He emphasized that this Hamilton Crossings project is a significant investment. He did not believe that there was actually any developers waiting in the wings. Mr. Ballard was against the motion for many reasons. He pointed out that this was not the only way the Board could have discussed this issue.

Upon clarification from Mrs. Surdoval, Mr. Earnshaw commented that the average homeowner's property tax in the district is \$3,537. He, too, noted that the property tax for a single household with multiple students attending the schools does not pay for the cost of educating students (approximately \$12,000/student). The exception is the 55 & over community or some type of commercial venture. He said he has always appreciated this project because it brings in revenue but does not add students. He noted that he also appreciated this project because of the jobs it will bring for those individuals who are not engineers, etc. It is not the role of the district to consider the impact on Lower Macungie Township as it is not their role to consider the impact of students on the school district when they approve these developments. He was concerned about the County not participating but those issues were addressed this evening. Mr. Earnshaw said he was comfortable with moving forward on this project.

Dr. Bacher said when the district first heard about this project there was another aspect in that this is not a pristine site but one that has significant issues. He noted that the landowner is not going to give away the land just because a developer will require more work on the land and when the County discovered the mine wash the developer was given concessions. He said many of the infrastructure improvements will benefit the developer; however, some of the improvements benefit the surrounding area as well. Traffic will also be improved and that is a valid use of public funds. I do not consider this subsidy to the developer because the net cost of the improvements outside the development are larger than the amount of money being received by the developer. He agreed with Mr. Ballard that another smaller project would not generate these funds. The district is better off to have this project move forward. Finally, this is not the development team that originated this project. The developer is not making a lot of money on this project. He concluded that this is not an easy property to develop.

Ms. Donches read from the May 13, 2013 minutes regarding the fact that all three governing bodies would have to participate. She did not understand why the Board was not protected when that occurred. She said she did not see the developers walking away from the project after the years it has taken and the investment in the project. They are so close. She said a lot of the infrastructure has been brought on because of the size of the project. She said in 2009 the project was not that big. She talked about the park land being taken to expand the retention pond. She reiterated that she has been against this project from the beginning. She continued to be adamant about using public money for private developers, questioning "how much do you need." She continued to talk about other aspects of the project that President Earnshaw reminded her were not part of the discussion or motion. She claimed that the TIF is not needed. Again, Ms. Donches contended that she was against using "public money for private development and using education dollars for private development." She claimed that the district was giving away \$12 million. She asserted that the district would receive additional money from the commercial developments that are going to take place on Rt. 100 and Hamilton Blvd. She reiterated that the district did not have to give away its education funding. The problem with the project was that it was not complete before it came before anybody. She alleged that the Board voted on something totally different. She strongly encouraged the Board to make a tough decision to support this resolution.

Dr. Munson said he was not opposed to TIF Financing. He felt the issue is whether or not public assistance is needed in order to develop. What has changed for him is that before he was convinced it was a good bet but now he is less convinced. He said he did not share the certainty that this will be developed no matter what. He said he is in favor of the motion.

Motion by Ballard, Seconded by Heid
RESOLVED, That the question be called.

This motion was defeated by the following roll call vote:

Nay: Bacher, Earnshaw, Munson, Rhodes, Vinovskis-----5
Aye: Ballard, Donches, Fuller, Heid-----4

Dr. Bacher said he agreed with Dr. Munson that this is a bet and that even if this land is developed it will not be immediately. It may take 8 or 9 years to develop so the district is better off having the money now. With the new financing the payoff time is significantly shorter. If the project is killed now then he did not see it being readily developed. The taxpayers will be better off if the project happens now rather than betting on the future. Ms. Fuller agreed it is a betting proposition. She would rather have \$600,000 each year than to wait to see if something else materializes. The \$600,000 would have a positive impact

Mr. Earnshaw pointed out that the Board operated on the time lines that were given the district. He pointed out that Lehigh County kept postponing which affected the time line when Lower Macungie could have its hearing. He commented on the statements that the developers will move forward no matter what is done by the Board tonight. Mr. Earnshaw thought it was interesting that outside people are speaking for the developers and he did not know how that information was attained. If indeed, the finances are at such a point that it would be negative, then the developers would not build the project without the TIF. He said other comments are being made on speculation, not information. Any additional project proposed would involve a lengthy process. All the approvals would have to be started from scratch. He talked about the various variables with another project and emphasizing that we have no way of knowing. It is up to the Board to apply its collective wisdom.

Ms. Donches talked about the 2 warehouses being built. She continued to talk about the property value of \$47,000 debating that the district would have to live within those means. Again, Ms. Donches asserted that the district should not be in the business of economic development. The district is in the business of educating kids. She continued to claim that if the project was viable it would be built. Ms. Donches delivered a soliloquy on the use of these various plans to enable developers to reach into the taxpayers' pocket for money. She read the projects that the Goldenberg group had developed and the many programs that have been enacted to attract developers. Mr. Earnshaw interrupted and told her it was not relevant to the motion and not a single one of the programs were enacted by the school district. Ms. Donches concluded that as a public entity she did not want to

use public monies to support this developer's private development. Dr. Bacher said if this project does not happen we are giving away education dollars.

Motion by Donches, Seconded by Vinovskis

WHEREAS, the East Penn Board of School Directors ("Board") approved a Resolution on May 13, 2013 to participate in a Tax Increment District, (commonly referred to as the Hamilton Crossings TIF), with a Project Plan which proposed (Section V.B.2.(d), page 24) "that the East Penn School District and Lehigh County (and Lower Macungie Township, if it adopts a property tax ordinance during the TIF District term) each agree to apply 50% of their net Tax Increments to repayment of the TIF Debt," and

WHEREAS, on or about April 7, 2014, the Board received a communication from the Lehigh County Industrial Development Authority that it will no longer pursue participation in the Hamilton Crossings TIF by Lehigh County; and

WHEREAS, the non-participation by Lehigh County in the Hamilton Crossings TIF will necessitate that the East Penn School District's total net contributions of incremental tax revenues will be greater than would be the case if Lehigh County were participating in the TIF at the level prescribed in the Project Plan; and

WHEREAS, the Board does not desire to participate in a Tax Increment District for Hamilton Crossings which does not include participation, by all three governing bodies—Lehigh County, the East Penn School District, and Lower Macungie Township--allocating 50% of their positive tax increments to the financing of the redevelopment of the Hamilton Crossings TIF District.

NOW, THEREFORE BE IT RESOLVED That the East Penn Board of School Directors rescinds its Resolution of May 13, 2013 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 action.

BE IT FURTHER RESOLVED That the East Penn Board of School Directors agree not to participate in the Tax Increment District for Hamilton Crossings, and direct that a copy of this Resolution be delivered to the Board of Commissioners of Lower Macungie Township on or before May 1, 2014.

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

Nay: Ballard, Bacher, Earnshaw, Fuller, Rhodes-----5
Aye: Donches, Heid, Munson, Vinovskis-----4

8. Report of the Superintendent of Schools

1. District and Budget Update

Dr. Seidenberger commented on meeting with the leadership of Seven Generations Charter School. He said this was a follow up to the approval two years ago where a series of actions were generated to help the school. He said they are much more organized now and appear to be making progress. We will continue to work with them and have some of our teachers review the EIC units.

Dr. Seidenberger urged board members to contact legislators.

He noted the following items:

- The PA Economy League's first draft of the demographics study was received today. The report will be reviewed by the staff. The PEL staff will be contacted for a date to review it in public.
- Karen Gennaro and Susan Bauer were inducted into the DaVinci Center's Hall of Fame.
- Dr. Seidenberger congratulated the high school students who have achieved many honors this year.
- Wednesday night, EHS will be sponsoring a College Fair and they are expecting 115 institutions of higher learning.
- Discovery Education was at the high school doing a live stream that featured EHS teacher Scott Didra and Emmaus High students. The students were well spoken and hard working.
- NCA will no longer accept college course work from Agora Cyber Charter School.
- Mrs. Kristen Campbell and Mrs. Michele James have worked very hard on looking at the early dismissal on Wednesday afternoons. They have come up with some models and, at this time, they will be coming back with a recommendation regarding the issue. The proposal will not include any additional staff. He will be working with Dr. Pekarik on special education students. They will also be working with STA. The model addresses the contractual requirements for prep time. There is the possibility that the proposal will allow for 31 more instructional hours. They are also considering four early release days for elementary.

Budget

The administration is still working on the budget. Dr. Seidenberger indicated that there is \$2.4 million in the Capital Reserve Fund. There is approximately \$616,000 in bond proceeds. Dr. Seidenberger talked about when the Eyer Renovation project was completed there was a commitment to Lower Macungie Township for a contribution to the improvements being made. The District's contribution is \$157,000 and the bill will be paid with bond money. Referring to the Willow Lane project, there are two remaining projects – an alternative solution for irrigation; and finalizing the detention pond. The projects that are being recommended are for the EHS auxiliary gym roof, replacing siding around the Shoemaker Library, and exterior/interior cameras for Wescosville, Jefferson, and Macungie. The cameras will bring these schools in line with the other buildings. Ms. Heid asked if there were adjustments considering some of the leak issues last winter. Dr. Seidenberger indicated those repairs took place at that time. Dr. Seidenberger noted that the district has received approval from PDE for \$1,878,582 in exceptions. This would allow the district to move from the 2.1% index to 4.4%. The basic administrative requests have been reduced \$1.7 million and some revenues have been adjusted. Over the last four or five years, discretionary spending has been trimmed. Recently, Dr. Seidenberger sent a memo asking the various departments to take a 5% reduction, except the Special Education Department. At the state level, there are reports that money is going to be coming because it is an election year. As of this date, the district has not received any information concerning the Governor's budget. Referring to the optimism about development, Dr. Seidenberger said the problem is it will not affect the 2014-15 budget and it is unknown how fast the development will take place. There will be some major land transfer and some warehouses will be built. The total interim taxes may not be as significant as some people believe. The administration is looking at reducing three teaching positions. The Kindergarten numbers are surprisingly low and there are lower numbers in grade 1. Wednesday afternoons have nothing to do with it. If Lower Macungie Township approves the TIF, it will mean that the district can add \$232,000 to the revenue for next year. They will continue to monitor the revenue numbers. The administration has not made their rounds to the principals who may be losing a staff members. No one with a contract will be losing their job but they may have to move to another building if their certification is valid for the assignment. The 2.5 positions would represent \$164,000 savings. They will be looking at the special education budget, charter school enrollments, and the Ready to Learn Grant. There is a lot going on about pension double dipping with charter schools. This is getting a lot of play and is a significant number. Dr. Seidenberger discussed the special education formula and he sensed the numbers will be good. This may adversely affect charter schools. He said the 4.48% will not be the final percentage. The will bring a budget in around 3% but more information will not be available until next week. Mr. Ballard asked how soon Dr. Seidenberger would need input about cuts from board members for staff to go over. Dr. Seidenberger responded that if someone has an idea then they should let him know as soon as possible. Dr. Munson asked what the impact of the 5% cut to budgets would do to programming. Business Manager Debra Surdoval responded that the 5% was for Central Office Departments, not the building principals. Dr. Seidenberger said this represents less time for staff development and curriculum development. Mr. Earnshaw reiterated that suggestions should be forwarded to the staff. The proposed tentative budget will be on the May 12 agenda.

2. Personnel

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

Retirements/Resignations

- Lynn A. Glancy, Director of Operations, effective September 19, 2014 (Exhibit 1)
- Mary Ellen Roberts, EHS Special Education Teacher, effective June 18, 2014 (Exhibit 2)
- Virginia Coleman, EHS Art Teacher, effective June 18, 2014 (Exhibit 3)
- Ava Killingsworth, English Teacher at LMMS, effective June 18, 2014 (Exhibit 4)
- Richard Frederick, Grade 6 Teacher at LMMS, effective June 17, 2014 (Exhibit 5)
- Warren Buss, Head Custodian at LMMS, effective July 8, 2014 (Exhibit 6)
- Jesse Shaw, 2nd Shift Custodian at Eyer MS, effective May 2, 2014 (Exhibit 7)
- Jenise Sampson, Instructional Assistant at Shoemaker School, effective April 8, 2014 (Exhibit 8)

Mr. Earnshaw commented on the retirements, noting that some of the people have spent their whole careers in East Penn. In some cases, it represents decades of service.

Leave as per Collective Bargaining Agreement

Employee: Loribeth Knauss
Grade 5 Teacher, Lincoln School

Effective: Extension to June 30, 2015

Requests for General Leaves of Absence-Board Policy 539

<u>Employees</u>	<u>Assignment</u>	<u>Effective</u>
Catherine Courier	Instruct. Assist., Eyer MS	3/30/14-3/27/15
Sharon Woodeshick	Staff Assist., Macungie	3/18/14-3/17/15
Karen Hustedt	Instruct. Assist., Alburtis	4/21/14-4/20/15

Awarding of Tenure

That, in accordance with Section 1121 of the PA School Code, the following temporary professional employees based upon satisfactory service be awarded tenure:

<u>Temporary Professional Employee</u>	<u>Assignment</u>
Laura Oswald	Special Education, Wescosville
Rachel Collier	Special Education, Eyer MS

Summer Maintenance Employment-See Exhibit 9
Administrative Assistant Appointments

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Lisa Boland 4775 Somerset Lane Macungie 18062	Business Office Vacancy created K. Weitner, resign.	\$25,400, 35 hrs./wk.
Maria Molchan 332 W. Second Street Alburtis 18062	Emmaus HS Vacancy created by transfer of C. White	\$25,400, 35 hrs./wk.

Effective: April 29, 2014

Custodial Appointment

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Nathan Yoder 6909 Tollgate Road Zionsville 18092	PT Custodian, Willow Lane Vacancy created by B. Bieber retirement	\$19.58/hrs./wk., 20 hrs./wk.

Effective: April 29, 2014

Instructional/Staff Assistant Appointments

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Denisha Bolden 2555 North Court Bethlehem 18017	Emmaus HS Vacancy created by B. Santiago resign.	\$13.97/hr./29 hrs./wk.
Ruth Pepe 6062 Timberknoll Drive Macungie 18062	Lincoln School Vacancy created by C. Bogert re-assignment	\$13.97/hr./10 hrs./wk.

Effective: April 29, 2014

Food Services Department

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Marion Dolan 717 Liberty Street Emmaus 18049	PT/FS Assistant Vacancy created by A. Pierog resign.	\$9.00/hr., 4.75 hrs./wk.

Co-Curricular Appointments – See Exhibit 10

Additions to the 2013-14 List of Per Diem Substitutes – Exhibit 11

Change in Assignments

<u>Employee</u>	<u>From</u>	<u>To</u>
Cindy Bogert	IA/SA Lincoln School 29 hrs./wk.	IA/Lincoln School 29 hrs./wk.
Amy Bower	3.75 hrs./day PTFSA, Shoemaker	4.25 hrs./day PTFSA, Shoemaker
Nicole Fegley	3.75 hrs./day PTFSA, Shoemaker	4.25 hrs./day PTFSA, Shoemaker
Lori Krasnansky	3.75 hr./day PTFSA, Shoemaker	4.25 hrs./day PTFSA, Shoemaker
Darla Masters	Shoemaker/Macungie PTFSA	Macungie, 5.5 hrs./day PTFSA
Carol Wieder	4.75 hrs./day PTFSA, Emmaus HS	3 hrs./day PTFSA, Macungie

Educational Conferences – Exhibit 12

That the East Penn Board of School Directors approve the expenses for the individuals attending the educational conferences listed on Exhibit 12.

Retirements

- Linda Maxon, Grade 6 Teacher at Eyer MS, effective June 18, 2014 (Exhibit 8A)
- Mary Racek, Grade 1 Teacher at Lincoln School, effective June 18, 2014 (Exhibit 8 B)

Appointment of Instructional/Staff Assistants

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Alan Dolan 3362 South Second St. Whitehall 18052	Wescosville, Instruct. Assist. New Position	\$13.97/hr., 29 hrs./wk.
Carla Lewis 5258 Dartmouth Drive Macungie 18062	Emmaus HS, Staff Assist. Vacancy created by M. King resign.	\$13.97/hr., 29 hrs./wk.
Lisa Luchesi-Wood 7476 Cedar Road Macungie 18062	Emmaus HS, Staff Assist. Vacancy created by M. Molchan resign./Subsequent transfers	\$13.97/hr., 20 hrs./wk.

Effective: April 29, 2014

Additions to the 2013-14 List of Per Diem Substitutes

Sylvia Brennan, Food Services	Bonnie Dommel, Food Services
Elizabeth Garner, Food Services	Denise Mullin, Food Services

Change in Employment Status

Employee: Douglas Young
From: EHS Staff Assistant, 20 hrs./wk.
To: EHS Staff Assistant, 29 hrs./wk.
Effective: April 29, 2014

Educational Conferences

Conference Title: Using Formative Assessment to Meet the Demands of the PA Core Standards, Philadelphia

Date(s): April 30, 2014
Attending: Dennine Leschinsky, IST Teacher, Wescosville School
Estimated Cost: \$340.68

Conference Title: PATTAN: Exploring Technology Supports for Students with High Functioning Autism, Carbon Lehigh Intermediate Unit
Date(s): April 29, 2014
Attending: Jennifer Cudzil, Autistic Support, Wescosville School
Estimated Cost: No cost

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

3. Special Education Plan – (The full plan is available on the District web site.)

Motion by Ballard, Seconded by Vinovskis
RESOLVED, That the East Penn Board of School Directors approve the East Penn School District Special Education Plan Report: 7/1/2014-6/30/2017.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

4. Act 93 Administrative Compensation Plan – Exhibit 13

Motion by Vinovskis, Seconded by Ballard
RESOLVED, That the East Penn Board of School Directors approve the Act 93 Administrative Compensation Plan for 2013-14 and 2014-15.

Ms. Donches suggested that the \$15,000 for a pay for performance program for two years be eliminated to help with the budget. Mr. Earnshaw pointed out that the Board does not negotiate over the Board meeting and any changes to be made must be done with the Act 93 group unilateral changes cannot be made.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----8

Nay: Donches-----1

9. Curriculum

-First Reading for Textbook Adoption - The following textbooks are available for review in the Curriculum Library from April 28-June 9, 2014. A resolution for adoption will be presented at the June 9, 2014 Board Meeting.

Course Title: College Prep Geometry
School(s)/Grades: Grades 9-12, Emmaus HS
Textbook Title: Geometry Common Core Edition
Publisher: McGraw Hill
Estimated Cost: \$26,379 (\$87.93/textbook)

Course Title: College Prep/Honors Algebra 2
School(s)/Grades: Grades 9-12, Emmaus HS
Textbook Title: Algebra 2 Common Core Edition
Publisher: McGraw Hill
Estimated Cost: \$35,976 (\$89.94)

Note: Current textbooks are over 10 years old and were published before the implementation of the PA Core Standards. These textbooks are necessary for total alignment.

Ms. Donches wanted to keep a tally of the costs for the Common Core Standards. Dr. Seidenberger corrected her by saying these are for the PA Core Standards. This is a state mandate.

10. Policy

1. Second Reading: Board Policy 618-Special Purpose Funds (Exhibit 14)
The Board will be voting on this policy at the next meeting.

11. Other Educational Entities

-Carbon Lehigh Intermediate Unit – F. Fuller

1. 2014-15 Facilities Plan Committee Report – Exhibit 15

Motion by Fuller, Seconded by Heid

RESOLVED, That the East Penn Board of School Directors approve the 2014-15 Facilities Plan Committee Report that was adopted by the CLIU Facilities Plan Committee on February 25, 2014. In addition, the Board affirms its commitment to the original construct of the Facilities Planning, approved November 1, 1989, which consists of a series of prioritized inquiries to be considered in determining future locations of the CLIU and school district special education classes.

Ms. Fuller reviewed the part of the report that indicated the changes for East Penn.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

-Lehigh Career & Technical Institute – R. Heid, A. Earnshaw, F. Fuller, S. Rhodes, III

Ms. Heid reported that the JOC recognized the outstanding Co-op students and rotational Internship Students. Benjamin Uhl from Emmaus was in the Electronics, Technology/Nano Lab and worked at Lutron Electronics Company, Inc. as a co-op student. Referring to the Rotational Internship students, Ms. Heid named Mark Bamert from Emmaus HS who was in the Electro-Mechanical/Mechatronics Technology Labs. His employers were Atlas International, Inc., B. Braun Medical Inc., Dynalene, Inc., and Nestle Waters North America. She said the program was well received and employers indicated they would participate again. Timothy Freeman came in third in the state level Electronic Skills USA competition. Camp LCTI will begin the first session June 24-27 and the second session from June 30-July 3. This camp is for Grades 6-9. Mr. Earnshaw said from his children's involvement he would support the experience.

12. Legislative – C. Ballard

Mr. Ballard reported that Pennsylvania's revenue outlook is down by 76%. He expressed concern about the projected increase in Basic Education Funding. He urged board members to contact Senator Brown about the special education formula bill. The increase is only on the new money that they add to the funds that were flat funded for six years. Mr. Ballard asked the board members to contact local legislators regarding SB 76 that would eliminate property taxes. A close examination reveals that revenue from personal income and sales taxes would not cover the elimination of property tax. It is a tax shift. The Independent Fiscal Office shows it will not cover the loss of property taxes. It impacts non-business taxpayers and eliminates property taxes for businesses so they get a big tax benefit. Also, the taxes would be collected by the state and then be remitted back to the district. It also removes the safety valves for exceptions. Mr. Ballard summarized that this is a bad bill. Mr. Ballard talked about the PSBA Advocacy Days in Harrisburg on May 5-6. The Governor has signed a number of child protection bills. There is a bill for education trips to be added for excused absences. He briefly mentioned several other bills that have come up dealing with athletic reporting and Title IX issues and House Bill 2013 that allows a school board vacancy to be filled when any board member is called to active duty in the military or naval forces. In response to a question from Ms. Donches, Mr. Ballard said the Senate hearings for SB 76 are scheduled for Wednesday.

13. Facilities

1. Approval of PLANCON Part K: General Obligation Bonds Series of 2014 – Exhibit 16

Motion by Ballard, Seconded by Munson

RESOLVED, That the East Penn Board of School Directors approve PLANCON Part K: General Obligation Bonds Series of 2014 for submission to the PA Department of Education.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

2. Informational-Exhibits 17 & 18

The East Penn School District has been notified that PLANCON: Part H: Project Financing – Revision and PLANCON Part J: Project Accounting Based on Final Costs for the Willow Lane Elementary School have been reviewed and approved by the PA Department of Education. These documents and appended materials are to be entered into the minutes of this meeting.

14. Business Operations

- 1. Bid Opening Report – Exhibit 19(Informational)
- 2. Bill List Approval

Motion by Ballard, Seconded by Fuller

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.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----8

Abstention: Donches-----1

- 3. Appointment of ActingTreasurer/Treasurer

Motion by Vinovskis, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors appoint Debra A. Surdoval as Acting Treasurer effective April 29, 2014 to September 18, 2014 ; and then Treasurer effective September 19, 2014 to June 30, 2015; and that she 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 she 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 congratulated Mrs. Surdoval on her expanded role.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

- 4. Treasurer's Report

Motion by Rhodes, Seconded by Ballard

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

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

- 5. Appointment of Auditor – Exhibit 20

Motion by Ballard, Seconded by Rhodes

RESOLVED, That the East Board of School Directors appoint the Audit firm of Gorman & Associates, P.C. to audit the records of the East Penn School District for the year ending June 30, 2014 at a fee of \$34,300 and a single audit fee of \$3,155 per letter of engagement dated March 18, 2014.

(Note: This is the same rate as the previous year.)

Ms. Donches requested that the resolution be tabled and a Request for Proposal be sent out for a new auditor. She read from PSBA information that indicated the auditing firm is a professional service that does not have to be bid and suggested this be done periodically. She claimed Lehigh County saved money by doing this and did re-hire the same auditor who reduced the rate from what he was paid previously. She claimed "fresh eyes" are important even though she was not suggesting any dissatisfaction with Gorman & Associates. She thought it was a good idea to limit the consecutive length of time for the same auditor.

She then moved to table the vote. Lacking a second the motion failed.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----8

Nay: Donches-----1

6. Budget Transfers – Exhibit 21

Motion by Vinvoskis, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors authorize the budget transfers listed on Exhibit 21.

LMMS Activity Account

RESOLVED, That the East Penn Board of School Directors terminate the General Account in the Lower Macungie Middle School Activity Fund and authorize the creation of the Student Body Account.

NOTE: LMMS has transferred the Funds from the General Account to the Success Team Account.

Pel Industries, Inc. Proposed Licensing Agreement – Exhibit 22

RESOLVED, That the attached Licensing Agreement between the East Penn School District and Pel Industries, Inc., 2001 Town West Drive, Rogers, Arkansas be approved as presented in Exhibit 22.

Facility Rental Agreement – Group V

RESOLVED, That the East Penn Board of School Directors grant permission for Anita's School of Dance, Coplay, PA to rent the LMMS Auditorium and classroom/locker rooms for a dance rehearsal and recital on June 3 & 7, 2014. This is a Group V organization and will be charged the following rental fees:

\$120/hr. Auditorium (Rehearsal)
\$125/hr. Auditorium (Recital)
\$18/hr. Classroom/Locker Rooms
\$41.49/hr. Stage Manager Fee
\$16/hr. Security Fee
\$41.49/hr. Custodian Fee

Renewal Agreement with Nutrition, Inc. – Exhibit 23

RESOLVED, That the East Penn Board of School Directors approve The Nutrition Group's food service management renewal agreement and contract package as described in Exhibit 23.

Mr. Earnshaw thanked the representatives of Nutrition, Inc. for their services.

Disbursement of Funds – Exhibit 24

RESOLVED, That the East Penn Board of School Directors authorize payment of funds from the 33-2010 Series A GOB as presented on Exhibit 24.

Parent/Guardian Transportation Contract

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

Parent/Guardian: Jacqueline Gring
1335 N. 14th Street, Whitehall 18052

Effective: February 24, 2014-June 18, 2014

Reimbursement: \$.56/mile-22.24 miles/day

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

15. Other

Ms. Donches said that in the PSBA Board Basics it is suggested that the Board adopt a policy on the willingness or lack of willingness to enter into a TIF Agreement or Tax Abatement Agreement including the amount of review time needed. The policy should be submitted to all the municipalities involved. Mr. Earnshaw suggested that she put her language in writing and submit it to the Board Secretary for inclusion on an agenda.

Ms. Donches noted that the week of May 5 is Teacher Appreciation Week and she wanted to recognize all that teachers do since it was a difficult year with teacher effectiveness and she appreciated their service.

16. Monday, April 28 6:30 p.m.-Executive Session (Personnel, Confidential, Attorney Matters, Negotiations)
7:30 p.m.-Board Meeting
- Wednesday, April 30 6:00-8:00 p.m.-EHS College Fair, EHS Gym
- Monday, May 12 7:30 p.m.-Board Meeting
- Monday, May 26 Memorial Day-All Schools & Offices are closed.

17. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 10:20 p.m.

Cecilia R. Birdsell
Board Secretary

ORDER OF BUSINESS

1. Call to Order; Pledge of Allegiance

President Alan Earnshaw called the regular meeting of the East Penn Board of School Directors to order at 7:30 p.m., followed by the Pledge of Allegiance.

Board Members Present: K. Bacher, C. Ballard, L. Donches, A. Earnshaw, F. Fuller, R. Heid, Z. Munson, S. Rhodes, III, W. Vinovskis

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

Treasurer: Debra Surdoval

Board Secretary: Cecilia R. Birdsell

Press Present: Peter McConnell, East Penn Press Reporter

Patrick Lester, Morning Call Reporter

Precious Petty, Express Times Reporter

Megan Patrick, WFMZ Reporter

2. Emmaus HS SGA Report

Logan McHale, Vice President, and Catherine Garrity, Secretary reported on the following activities taking place in Emmaus High School:

- The PA Newspaper Association named several students for Excellence in Journalism and The Stinger won more awards than any other high school in the state.
- All four Semi-Finalists for the National Merit Scholarship have moved to the Finalist category.
- The EHS Art Department won three silver and one gold national medalist in Scholastic Art and Writing Awards. The gold medalist will advance to the national competition.
- On February 18, the Marching Band performed for about 20,000 at the Magic Kingdom Electric Light Parade in Disney World. They will be marching in the Emmaus Memorial Day Parade on May 26.
- The French, German, Latin, and Spanish Clubs had a food drive for the Angel Network in March. The language class that brought in the highest number of donated good was given a party.
- The Mountains of Hope Club donated \$300 to the school in Ecuador.
- The SGA recognized the Administrative Assistants, Instructional Assistants, Hall Monitors, teachers and administrators with flowers and candy to show how much the students appreciate them.

3. Motion regarding Citizen Input

Previously, Ms. Donches had called for a Point of Order to make the following motion:

Motion by Donches, Seconded by Bacher

RESOLVED, That the Board suspend the rules pertaining to request to address the Board to allow all citizens who wish to address the Board on the subject of the TIF resolution to address the Board after Mr. Shearer's presentation and before the Board votes on the topic pursuant to the Sunshine Law.

This resolution was defeated by the following roll call vote:

Aye: Bacher, Donches-----2

Nay: Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----7

4. Requests to Address the Board

Giovanni Landi, 869 Frank Drive, Emmaus indicated his support for the TIF resolution that had been submitted by Board Vice President Ken Bacher. He said the mall most likely will be built and wanted to see the Board rescind the TIF and not give away 11 million dollars in education funding.

Jack Tibbets, 2610 Riverbend Road, Allentown spoke against the TIF for a private developer. He asked who provide police, fire and snow removal. He concluded that the project should not be done with taxpayers' money.

Tom Muller, 2600 Gracie Lane, Macungie spoke in support of the TIF. He said he had never met or met with the developers prior to his election as Lehigh County Executive. He said he had heard nothing but support for the project when he was running for election. He pointed out the district would not be giving away money but gaining money that it does not have now with this land. The remediation is in excess of 20 million dollars before it

will generate taxes. He emphasized that the County needs more jobs for a segment of the community (construction, retail, non-college graduates or soon to be graduates).

Bob Oberle, 2374 Bordeaux Drive, Macungie spoke in support of the resolution to rescind the TIF. (Statement is attached to the minutes of this meeting.)

Thomas Bzik, 5613 Tavern Circle, Macungie spoke in support of the TIF and asked the Board to vote against Dr. Bacher's motion to rescind. He indicated that even though the County Commissioners did not support the TIF, the figures show that it will not adversely affect the school district's costs. He said that Attorney Hugg's (Cedar Reality) figures are misleading. He concluded that the TIF was an appropriate tool, noting that this project has been in the making for years and did not spring out of nowhere. He pointed out there is no foreseeable project for this land. He again asked the Board to vote against rescinding the TIF.

Arlene Dabrow, 7515 Spring Creek Road, Macungie spoke against the continuing overdevelopment in the area. She claimed that she did not hear anyone asking for another development. She claimed that there was a 4.5% increase in the budget proposed. She talked about senior citizens not being able to afford the increases in taxes. She asked that the Board not increase the taxes and respect the wishes of residents.

5. Approval of Minutes

Motion by Vinovskis, Seconded by Bacher
RESOLVED, That the East Penn Board of School Directors approve the minutes for the March 24, 2014 meeting.

This resolution was unanimously adopted by voice vote.

6. Public Financial Management-Update on TIF Funding

Using the attached handout, Scott Shearer, Managing Director for PFM, updated the Board on the Hamilton Crossings Tax Increment Financing (TIF) changes that have occurred over the past year. He noted that Lehigh County has elected to not participate in the TIF District. He pointed out that "the assessed value (per the county assessor) of the project has increased to \$77.1 million dollars which is up from \$74 million dollars. Because of this increase, the total expected tax revenues from the increment retained by the District is now estimated at \$11.7 million over the 20 years and has increased from \$11.2 million." Currently, the land is only generating \$47,000 in taxes but will produce an extra annual \$1.2 million dollars in property taxes. Because of the delays, the project has now been scheduled to be completed for Spring 2016.

Referring to the project funding, he noted that two low-interest bearing loans have been assumed. The Business in Our Sites Loan (\$3,662,308-2% interest rate) has been approved and the Pennsylvania Infrastructure Bank Loan (PIB) (\$3,225,000 – 1.625% interest rate with a 10 year amortization) is pending. The expected tax revenue surplus is projected to be larger starting in 2025 due to lower cost and shorter term financing. This surplus can be remitted to the District and Township or used to retire the debt earlier than scheduled. Based on the new financing structure, the District will realize additional new revenues exceeding \$4 million over the next 20 year term. It was noted that any shortfall in funding will not impact the District or the Township. Net project funding amount from prior presentations ranged from \$6 million to \$7 million depending on financing assumptions. The new estimates of net proceeds after Developer contributions is approximately \$6.1 million. Again, Mr. Shearer emphasized that any shortfall in funding will not impact the District, only the Developer. Using the attachment, Mr. Shearer illustrated the Base Case Scenario and the Hypothetical Scenario. Following the analysis of the district's share of both the base case and the hypothetical scenarios, the difference is \$578,785; however, the present value of the difference is \$326,380 and will be absorbed by the Developer at settlement. In answer to a question from Mr. Ballard regarding the worst case scenarios, Mr. Shearer indicated that since last year the revenues that the district will realize is substantially more. Mr. Ballard also clarified that the net worth of the property would go from \$2.8 million to \$77.1 million because of the amount of infrastructure needed and the amount of the buildings to produce the shopping center. He pointed out that this brings the investment of the developer to approximately \$140 million dollars. Without the County's participation, the developer has stayed within the cap that was in the original agreement without exceeding \$7 million. Dr. Munson asked how the estimates for the amount of tax revenue are generated. Mr. Shearer explained that the assessments come from the County Assessor's office. They will not happen the first year of the project but will occur after the project is close to the full build out. Mr. Shearer estimated that a large portion of the \$70 million will be available in 2016 and the balance will be on the tax rolls in 2017. There is also language in the TIF plan that the developer will not file any tax appeals. Dr. Bacher asked about the developer being willing to make the district whole. Solicitor Fisher called Mr. Harrison, the developer, forward and Mr. Harrison said he could not confirm the developer is prepared tonight to provide the \$326,380 but they would sign any document that would provide confirmation in writing at the closing. Dr. Munson said that most of the numbers are predicated on this second PIB loan and asked what would happen if that falls through or it comes in at a higher interest rate. Mr. Shearer responded that it would result in lower proceeds available for the project and would mitigate the school district from receiving the

additional \$4 million. The \$11.7 million will be going to the district. Mr. Shearer felt that Mr. Harrison was confident that the loan would be approved and allocated at the interest rate. Dr. Munson asked who would be in control of the decision to pay off the debt earlier or return funds to the district and the township. Mr. Shearer indicated that would be between the Lehigh Valley Industrial Development Authority and the school district. It would then be a decision to put the funds into the General Fund or pay down the debt earlier. Dr. Munson again asked who would be the governing authority. LVIDA attorney, John Lushis clarified that IDA has no interest in keeping money. Basically, the TIF is seen as collaborative in nature between the IDA, Township and the school district. The decision should be worked into the agreement. Mr. Ballard had it clarified that the \$4 million surplus only occurs with a shorter amortization time and lower interest rate; however, the \$7 million cap in the original agreement has not changed.

7. TIF (Tax Increment Financing) Resolution – Submitted by Dr. Ken Bacher

Dr. Bacher said he was concerned about the net contribution and making the district whole; however, he was not aware of the new financing which has much improved the situation. He felt this new plan is as good as or even better than the original and he would not support this motion.

Mr. Ballard reminded the Board that in talking with taxpayers over the years he told them that the only way that taxes can be ameliorated would be to get commercial development in this district that does not deliver additional students and pays property taxes thereby reducing the amount of taxes for other taxpayers. There have been other plans for commercial buildings but he wanted someone to explain to him what replacement revenue source there will be to replace the half-million dollars for the next 20 years. There is nothing he has seen on the horizon to supply the alternative source of revenue to keep taxes down.

Dr. Munson said his understanding was that the developers introduced this TIF and asked for support and that it would require the participation of all three authorities to be viable. Ms. Donches responded to Mr. Ballard's question about where the replacement revenue was coming from. She stated that the Board is not in the business of economic development. She said the Board takes the money to educate the district's children. She said looking at Lower Macungie "so what whether there is \$47,000 because the Board would live with that." She felt the Board should not be getting into economic development. She continued that there is going to be growth and plenty of money coming into Lower Macungie Township. She knows this because she has sat through hours of Planning Commission Meetings and sees how the developer is working to make this development happen. She contended that the project would happen whether or not the district participates. She concluded that the district is giving away \$11 million dollars. Rev. Vinovskis said he was not on the Board when the original resolution was approved and he remained quiet because he trusted the wisdom of the Board. He is not against the Hamilton Crossings Project and felt that it has many attractive features and should be built. His understanding was that it was presented that all three groups had to participate. A year ago he supported the motion and he felt the Board acted in good faith and that the County would also participate. He was somewhat dismayed about the stories that have surrounded it. He agreed with Ms. Donches that it was presented as the ideal property. He believes that the project will be built whether or not the district is part of the TIF. Ms. Heid commented that she, too, was under the impression that all three entities had to approve the TIF. She has been telling people that the project is dead. She said she has heard from people in the community and she did not think this was the right vehicle. Dr. Bacher said his reasoning for the motion was that he did not want to see the school district at a disadvantage because the Lehigh County Commissioners are not supporting the TIF and he wanted a review of the finances as a result of a letter from LCIDA. He did discuss the motion with Solicitor Fisher.

Mr. Ballard addressed the concept that there are many developments in progress in Lower Macungie Township but he is also aware of the fact that the property taxes do not pay for the education of the students. He noted the influx of over 400 students in 2005. Mr. Ballard said that one or two students probably don't make a difference but a large number has building implications. He commented on the idea that there is some other project in the wings as misleading. The Hamilton Crossings project has been in the works for several years. Another project would take at least another three or four years. He emphasized that this Hamilton Crossings project is a significant investment. He did not believe that there was actually any developers waiting in the wings. Mr. Ballard was against the motion for many reasons. He pointed out that this was not the only way the Board could have discussed this issue.

Upon clarification from Mrs. Surdoval, Mr. Earnshaw commented that the average homeowner's property tax in the district is \$3,537. He, too, noted that the property tax for a single household with multiple students attending the schools does not pay for the cost of educating students (approximately \$12,000/student). The exception is the 55 & over community or some type of commercial venture. He said he has always appreciated this project because it brings in revenue but does not add students. He noted that he also appreciated this project because of the jobs it will bring for those individuals who are not engineers, etc. It is not the role of the district to consider the impact on Lower Macungie Township as it is not their role to consider the impact of students on the school district when they approve these developments. He was concerned about the County not participating but those issues were addressed this evening. Mr. Earnshaw said he was comfortable with moving forward on this project.

Dr. Bacher said when the district first heard about this project there was another aspect in that this is not a pristine site but one that has significant issues. He noted that the landowner is not going to give away the land just because a developer will require more work on the land and when the County discovered the mine wash the developer was given concessions. He said many of the infrastructure improvements will benefit the developer; however, some of the improvements benefit the surrounding area as well. Traffic will also be improved and that is a valid use of public funds. I do not consider this subsidy to the developer because the net cost of the improvements outside the development are larger than the amount of money being received by the developer. He agreed with Mr. Ballard that another smaller project would not generate these funds. The district is better off to have this project move forward. Finally, this is not the development team that originated this project. The developer is not making a lot of money on this project. He concluded that this is not an easy property to develop.

Ms. Donches read from the May 13, 2013 minutes regarding the fact that all three governing bodies would have to participate. She did not understand why the Board was not protected when that occurred. She said she did not see the developers walking away from the project after the years it has taken and the investment in the project. They are so close. She said a lot of the infrastructure has been brought on because of the size of the project. She said in 2009 the project was not that big. She talked about the park land being taken to expand the retention pond. She reiterated that she has been against this project from the beginning. She continued to be adamant about using public money for private developers, questioning "how much do you need." She continued to talk about other aspects of the project that President Earnshaw reminded her were not part of the discussion or motion. She claimed that the TIF is not needed. Again, Ms. Donches contended that she was against using "public money for private development and using education dollars for private development." She claimed that the district was giving away \$12 million. She asserted that the district would receive additional money from the commercial developments that are going to take place on Rt. 100 and Hamilton Blvd. She reiterated that the district did not have to give away its education funding. The problem with the project was that it was not complete before it came before anybody. She alleged that the Board voted on something totally different. She strongly encouraged the Board to make a tough decision to support this resolution.

Dr. Munson said he was not opposed to TIF Financing. He felt the issue is whether or not public assistance is needed in order to develop. What has changed for him is that before he was convinced it was a good bet but now he is less convinced. He said he did not share the certainty that this will be developed no matter what. He said he is in favor of the motion.

Motion by Ballard, Seconded by Heid
RESOLVED, That the question be called.

This motion was defeated by the following roll call vote:
Nay: Bacher, Earnshaw, Munson, Rhodes, Vinovskis-----5
Aye: Ballard, Donches, Fuller, Heid-----4

Dr. Bacher said he agreed with Dr. Munson that this is a bet and that even if this land is developed it will not be immediately. It may take 8 or 9 years to develop so the district is better off having the money now. With the new financing the payoff time is significantly shorter. If the project is killed now then he did not see it being readily developed. The taxpayers will be better off if the project happens now rather than betting on the future. Ms. Fuller agreed it is a betting proposition. She would rather have \$600,000 each year than to wait to see if something else materializes. The \$600,000 would have a positive impact

Mr. Earnshaw pointed out that the Board operated on the time lines that were given the district. He pointed out that Lehigh County kept postponing which affected the time line when Lower Macungie could have its hearing. He commented on the statements that the developers will move forward no matter what is done by the Board tonight. Mr. Earnshaw thought it was interesting that outside people are speaking for the developers and he did not know how that information was attained. If indeed, the finances are at such a point that it would be negative, then the developers would not build the project without the TIF. He said other comments are being made on speculation, not information. Any additional project proposed would involve a lengthy process. All the approvals would have to be started from scratch. He talked about the various variables with another project and emphasizing that we have no way of knowing. It is up to the Board to apply its collective wisdom.

Ms. Donches talked about the 2 warehouses being built. She continued to talk about the property value of \$47,000 debating that the district would have to live within those means. Again, Ms. Donches asserted that the district should not be in the business of economic development. The district is in the business of educating kids. She continued to claim that if the project was viable it would be built. Ms. Donches delivered a soliloquy on the use of these various plans to enable developers to reach into the taxpayers' pocket for money. She read the projects that the Goldenberg group had developed and the many programs that have been enacted to attract developers. Mr. Earnshaw interrupted and told her it was not relevant to the motion and not a single one of the programs were enacted by the school district. Ms. Donches concluded that as a public entity she did not want to

use public monies to support this developer's private development. Dr. Bacher said if this project does not happen we are giving away education dollars.

Motion by Donches, Seconded by Vinovskis

WHEREAS, the East Penn Board of School Directors ("Board") approved a Resolution on May 13, 2013 to participate in a Tax Increment District, (commonly referred to as the Hamilton Crossings TIF), with a Project Plan which proposed (Section V.B.2.(d), page 24) "that the East Penn School District and Lehigh County (and Lower Macungie Township, if it adopts a property tax ordinance during the TIF District term) each agree to apply 50% of their net Tax Increments to repayment of the TIF Debt," and

WHEREAS, on or about April 7, 2014, the Board received a communication from the Lehigh County Industrial Development Authority that it will no longer pursue participation in the Hamilton Crossings TIF by Lehigh County; and

WHEREAS, the non-participation by Lehigh County in the Hamilton Crossings TIF will necessitate that the East Penn School District's total net contributions of incremental tax revenues will be greater than would be the case if Lehigh County were participating in the TIF at the level prescribed in the Project Plan; and

WHEREAS, the Board does not desire to participate in a Tax Increment District for Hamilton Crossings which does not include participation, by all three governing bodies—Lehigh County, the East Penn School District, and Lower Macungie Township--allocating 50% of their positive tax increments to the financing of the redevelopment of the Hamilton Crossings TIF District.

NOW, THEREFORE BE IT RESOLVED That the East Penn Board of School Directors rescinds its Resolution of May 13, 2013 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 action.

BE IT FURTHER RESOLVED That the East Penn Board of School Directors agree not to participate in the Tax Increment District for Hamilton Crossings, and direct that a copy of this Resolution be delivered to the Board of Commissioners of Lower Macungie Township on or before May 1, 2014.

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

Nay: Ballard, Bacher, Earnshaw, Fuller, Rhodes-----5
Aye: Donches, Heid, Munson, Vinovskis-----4

8. Report of the Superintendent of Schools

1. District and Budget Update

Dr. Seidenberger commented on meeting with the leadership of Seven Generations Charter School. He said this was a follow up to the approval two years ago where a series of actions were generated to help the school. He said they are much more organized now and appear to be making progress. We will continue to work with them and have some of our teachers review the EIC units.

Dr. Seidenberger urged board members to contact legislators.

He noted the following items:

- The PA Economy League's first draft of the demographics study was received today. The report will be reviewed by the staff. The PEL staff will be contacted for a date to review it in public.
- Karen Gennaro and Susan Bauer were inducted into the DaVinci Center's Hall of Fame.
- Dr. Seidenberger congratulated the high school students who have achieved many honors this year.
- Wednesday night, EHS will be sponsoring a College Fair and they are expecting 115 institutions of higher learning.
- Discovery Education was at the high school doing a live stream that featured EHS teacher Scott Didra and Emmaus High students. The students were well spoken and hard working.
- NCA will no longer accept college course work from Agora Cyber Charter School.
- Mrs. Kristen Campbell and Mrs. Michele James have worked very hard on looking at the early dismissal on Wednesday afternoons. They have come up with some models and, at this time, they will be coming back with a recommendation regarding the issue. The proposal will not include any additional staff. He will be working with Dr. Pekarik on special education students. They will also be working with STA. The model addresses the contractual requirements for prep time. There is the possibility that the proposal will allow for 31 more instructional hours. They are also considering four early release days for elementary.

Budget

The administration is still working on the budget. Dr. Seidenberger indicated that there is \$2.4 million in the Capital Reserve Fund. There is approximately \$616,000 in bond proceeds. Dr. Seidenberger talked about when the Eyer Renovation project was completed there was a commitment to Lower Macungie Township for a contribution to the improvements being made. The District's contribution is \$157,000 and the bill will be paid with bond money. Referring to the Willow Lane project, there are two remaining projects – an alternative solution for irrigation; and finalizing the detention pond. The projects that are being recommended are for the EHS auxiliary gym roof, replacing siding around the Shoemaker Library, and exterior/interior cameras for Wescosville, Jefferson, and Macungie. The cameras will bring these schools in line with the other buildings. Ms. Heid asked if there were adjustments considering some of the leak issues last winter. Dr. Seidenberger indicated those repairs took place at that time. Dr. Seidenberger noted that the district has received approval from PDE for \$1,878,582 in exceptions. This would allow the district to move from the 2.1% index to 4.4%. The basic administrative requests have been reduced \$1.7 million and some revenues have been adjusted. Over the last four or five years, discretionary spending has been trimmed. Recently, Dr. Seidenberger sent a memo asking the various departments to take a 5% reduction, except the Special Education Department. At the state level, there are reports that money is going to be coming because it is an election year. As of this date, the district has not received any information concerning the Governor's budget. Referring to the optimism about development, Dr. Seidenberger said the problem is it will not affect the 2014-15 budget and it is unknown how fast the development will take place. There will be some major land transfer and some warehouses will be built. The total interim taxes may not be as significant as some people believe. The administration is looking at reducing three teaching positions. The Kindergarten numbers are surprisingly low and there are lower numbers in grade 1. Wednesday afternoons have nothing to do with it. If Lower Macungie Township approves the TIF, it will mean that the district can add \$232,000 to the revenue for next year. They will continue to monitor the revenue numbers. The administration has not made their rounds to the principals who may be losing a staff members. No one with a contract will be losing their job but they may have to move to another building if their certification is valid for the assignment. The 2.5 positions would represent \$164,000 savings. They will be looking at the special education budget, charter school enrollments, and the Ready to Learn Grant. There is a lot going on about pension double dipping with charter schools. This is getting a lot of play and is a significant number. Dr. Seidenberger discussed the special education formula and he sensed the numbers will be good. This may adversely affect charter schools. He said the 4.48% will not be the final percentage. The will bring a budget in around 3% but more information will not be available until next week. Mr. Ballard asked how soon Dr. Seidenberger would need input about cuts from board members for staff to go over. Dr. Seidenberger responded that if someone has an idea then they should let him know as soon as possible. Dr. Munson asked what the impact of the 5% cut to budgets would do to programming. Business Manager Debra Surdoval responded that the 5% was for Central Office Departments, not the building principals. Dr. Seidenberger said this represents less time for staff development and curriculum development. Mr. Earnshaw reiterated that suggestions should be forwarded to the staff. The proposed tentative budget will be on the May 12 agenda.

2. Personnel

Motion by Vinovskis, Seconded by Ballard

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

Retirements/Resignations

- Lynn A. Glancy, Director of Operations, effective September 19, 2014 (Exhibit 1)
- Mary Ellen Roberts, EHS Special Education Teacher, effective June 18, 2014 (Exhibit 2)
- Virginia Coleman, EHS Art Teacher, effective June 18, 2014 (Exhibit 3)
- Ava Killingsworth, English Teacher at LMMS, effective June 18, 2014 (Exhibit 4)
- Richard Frederick, Grade 6 Teacher at LMMS, effective June 17, 2014 (Exhibit 5)
- Warren Buss, Head Custodian at LMMS, effective July 8, 2014 (Exhibit 6)
- Jesse Shaw, 2nd Shift Custodian at Eyer MS, effective May 2, 2014 (Exhibit 7)
- Jenise Sampson, Instructional Assistant at Shoemaker School, effective April 8, 2014 (Exhibit 8)

Mr. Earnshaw commented on the retirements, noting that some of the people have spent their whole careers in East Penn. In some cases, it represents decades of service.

Leave as per Collective Bargaining Agreement

Employee: Loribeth Knauss
Grade 5 Teacher, Lincoln School

Effective: Extension to June 30, 2015

Requests for General Leaves of Absence-Board Policy 539

<u>Employees</u>	<u>Assignment</u>	<u>Effective</u>
Catherine Courier	Instruct. Assist., Eyer MS	3/30/14-3/27/15
Sharon Woodeshick	Staff Assist., Macungie	3/18/14-3/17/15
Karen Hustedt	Instruct. Assist., Alburtis	4/21/14-4/20/15

Awarding of Tenure

That, in accordance with Section 1121 of the PA School Code, the following temporary professional employees based upon satisfactory service be awarded tenure:

<u>Temporary Professional Employee</u>	<u>Assignment</u>
Laura Oswald	Special Education, Wescosville
Rachel Collier	Special Education, Eyer MS

Summer Maintenance Employment-See Exhibit 9
Administrative Assistant Appointments

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Lisa Boland 4775 Somerset Lane Macungie 18062	Business Office Vacancy created K. Weitner, resign.	\$25,400, 35 hrs./wk.
Maria Molchan 332 W. Second Street Alburtis 18062	Emmaus HS Vacancy created by transfer of C. White	\$25,400, 35 hrs./wk.

Effective: April 29, 2014

Custodial Appointment

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Nathan Yoder 6909 Tollgate Road Zionsville 18092	PT Custodian, Willow Lane Vacancy created by B. Bieber retirement	\$19.58/hrs./wk., 20 hrs./wk.

Effective: April 29, 2014

Instructional/Staff Assistant Appointments

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Denisha Bolden 2555 North Court Bethlehem 18017	Emmaus HS Vacancy created by B. Santiago resign.	\$13.97/hr./29 hrs./wk.
Ruth Pepe 6062 Timberknoll Drive Macungie 18062	Lincoln School Vacancy created by C. Bogert re-assignment	\$13.97/hr./10 hrs./wk.

Effective: April 29, 2014

Food Services Department

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Marion Dolan 717 Liberty Street Emmaus 18049	PT/FS Assistant Vacancy created by A. Pierog resign.	\$9.00/hr., 4.75 hrs./wk.

Co-Curricular Appointments – See Exhibit 10

Additions to the 2013-14 List of Per Diem Substitutes – Exhibit 11

Change in Assignments

<u>Employee</u>	<u>From</u>	<u>To</u>
Cindy Bogert	IA/SA Lincoln School 29 hrs./wk.	IA/Lincoln School 29 hrs./wk.
Amy Bower	3.75 hrs./day PTFSA, Shoemaker	4.25 hrs./day PTFSA, Shoemaker
Nicole Fegley	3.75 hrs./day PTFSA, Shoemaker	4.25 hrs./day PTFSA, Shoemaker
Lori Krasnansky	3.75 hr./day PTFSA, Shoemaker	4.25 hrs./day PTFSA, Shoemaker
Darla Masters	Shoemaker/Macungie PTFSA	Macungie, 5.5 hrs./day PTFSA
Carol Wieder	4.75 hrs./day PTFSA, Emmaus HS	3 hrs./day PTFSA, Macungie

Educational Conferences – Exhibit 12

That the East Penn Board of School Directors approve the expenses for the individuals attending the educational conferences listed on Exhibit 12.

Retirements

- Linda Maxon, Grade 6 Teacher at Eyer MS, effective June 18, 2014 (Exhibit 8A)
- Mary Racek, Grade 1 Teacher at Lincoln School, effective June 18, 2014 (Exhibit 8 B)

Appointment of Instructional/Staff Assistants

<u>Name/Address</u>	<u>Assignment</u>	<u>Salary</u>
Alan Dolan 3362 South Second St. Whitehall 18052	Wescosville, Instruct. Assist. New Position	\$13.97/hr., 29 hrs./wk.
Carla Lewis 5258 Dartmouth Drive Macungie 18062	Emmaus HS, Staff Assist. Vacancy created by M. King resign.	\$13.97/hr., 29 hrs./wk.
Lisa Luchesi-Wood 7476 Cedar Road Macungie 18062	Emmaus HS, Staff Assist. Vacancy created by M. Molchan resign./Subsequent transfers	\$13.97/hr., 20 hrs./wk.

Effective: April 29, 2014

Additions to the 2013-14 List of Per Diem Substitutes

Sylvia Brennan, Food Services	Bonnie Dommel, Food Services
Elizabeth Garner, Food Services	Denise Mullin, Food Services

Change in Employment Status

Employee: Douglas Young
From: EHS Staff Assistant, 20 hrs./wk.
To: EHS Staff Assistant, 29 hrs./wk.
Effective: April 29, 2014

Educational Conferences

Conference Title: Using Formative Assessment to Meet the Demands of the PA Core Standards, Philadelphia

Date(s): April 30, 2014
Attending: Dennine Leschinsky, IST Teacher, Wescosville School
Estimated Cost: \$340.68

Conference Title: PATTAN: Exploring Technology Supports for Students with High Functioning Autism, Carbon Lehigh Intermediate Unit

Date(s): April 29, 2014
Attending: Jennifer Cudzil, Autistic Support, Wescosville School
Estimated Cost: No cost

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

3. Special Education Plan – (The full plan is available on the District web site.)

Motion by Ballard, Seconded by Vinovskis

RESOLVED, That the East Penn Board of School Directors approve the East Penn School District Special Education Plan Report: 7/1/2014-6/30/2017.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

4. Act 93 Administrative Compensation Plan – Exhibit 13

Motion by Vinovskis, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors approve the Act 93 Administrative Compensation Plan for 2013-14 and 2014-15.

Ms. Donches suggested that the \$15,000 for a pay for performance program for two years be eliminated to help with the budget. Mr. Earnshaw pointed out that the Board does not negotiate over the Board meeting and any changes to be made must be done with the Act 93 group unilateral changes cannot be made.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----8

Nay: Donches-----1

9. Curriculum

-First Reading for Textbook Adoption - The following textbooks are available for review in the Curriculum Library from April 28-June 9, 2014. A resolution for adoption will be presented at the June 9, 2014 Board Meeting.

Course Title: College Prep Geometry
School(s)/Grades: Grades 9-12, Emmaus HS
Textbook Title: Geometry Common Core Edition
Publisher: McGraw Hill
Estimated Cost: \$26,379 (\$87.93/textbook)

Course Title: College Prep/Honors Algebra 2
School(s)/Grades: Grades 9-12, Emmaus HS
Textbook Title: Algebra 2 Common Core Edition
Publisher: McGraw Hill
Estimated Cost: \$35,976 (\$89.94)

Note: Current textbooks are over 10 years old and were published before the implementation of the PA Core Standards. These textbooks are necessary for total alignment.

Ms. Donches wanted to keep a tally of the costs for the Common Core Standards. Dr. Seidenberger corrected her by saying these are for the PA Core Standards. This is a state mandate.

10. Policy

1. Second Reading: Board Policy 618-Special Purpose Funds (Exhibit 14)
The Board will be voting on this policy at the next meeting.

11. Other Educational Entities

-Carbon Lehigh Intermediate Unit – F. Fuller

1. 2014-15 Facilities Plan Committee Report – Exhibit 15

Motion by Fuller, Seconded by Heid

RESOLVED, That the East Penn Board of School Directors approve the 2014-15 Facilities Plan Committee Report that was adopted by the CLIU Facilities Plan Committee on February 25, 2014. In addition, the Board affirms its commitment to the original construct of the Facilities Planning, approved November 1, 1989, which consists of a series of prioritized inquiries to be considered in determining future locations of the CLIU and school district special education classes.

Ms. Fuller reviewed the part of the report that indicated the changes for East Penn.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

-Lehigh Career & Technical Institute – R. Heid, A. Earnshaw, F. Fuller, S. Rhodes, III

Ms. Heid reported that the JOC recognized the outstanding Co-op students and rotational Internship Students. Benjamin Uhl from Emmaus was in the Electronics, Technology/Nano Lab and worked at Lutron Electronics Company, Inc. as a co-op student. Referring to the Rotational Internship students, Ms. Heid named Mark Bamert from Emmaus HS who was in the Electro-Mechanical/Mechatronics Technology Labs. His employers were Atlas International, Inc., B. Braun Medical Inc., Dynalene, Inc., and Nestle Waters North America. She said the program was well received and employers indicated they would participate again. Timothy Freeman came in third in the state level Electronic Skills USA competition. Camp LCTI will begin the first session June 24-27 and the second session from June 30-July 3. This camp is for Grades 6-9. Mr. Earnshaw said from his children's involvement he would support the experience.

12. Legislative – C. Ballard

Mr. Ballard reported that Pennsylvania's revenue outlook is down by 76%. He expressed concern about the projected increase in Basic Education Funding. He urged board members to contact Senator Brown about the special education formula bill. The increase is only on the new money that they add to the funds that were flat funded for six years. Mr. Ballard asked the board members to contact local legislators regarding SB 76 that would eliminate property taxes. A close examination reveals that revenue from personal income and sales taxes would not cover the elimination of property tax. It is a tax shift. The Independent Fiscal Office shows it will not cover the loss of property taxes. It impacts non-business taxpayers and eliminates property taxes for businesses so they get a big tax benefit. Also, the taxes would be collected by the state and then be remitted back to the district. It also removes the safety valves for exceptions. Mr. Ballard summarized that this is a bad bill. Mr. Ballard talked about the PSBA Advocacy Days in Harrisburg on May 5-6. The Governor has signed a number of child protection bills. There is a bill for education trips to be added for excused absences. He briefly mentioned several other bills that have come up dealing with athletic reporting and Title IX issues and House Bill 2013 that allows a school board vacancy to be filled when any board member is called to active duty in the military or naval forces. In response to a question from Ms. Donches, Mr. Ballard said the Senate hearings for SB 76 are scheduled for Wednesday.

13. Facilities

1. Approval of PLANCON Part K: General Obligation Bonds Series of 2014 – Exhibit 16

Motion by Ballard, Seconded by Munson

RESOLVED, That the East Penn Board of School Directors approve PLANCON Part K: General Obligation Bonds Series of 2014 for submission to the PA Department of Education.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

2. Informational-Exhibits 17 & 18

The East Penn School District has been notified that PLANCON: Part H: Project Financing – Revision and PLANCON Part J: Project Accounting Based on Final Costs for the Willow Lane Elementary School have been reviewed and approved by the PA Department of Education. These documents and appended materials are to be entered into the minutes of this meeting.

14. Business Operations

1. Bid Opening Report – Exhibit 19(Informational)
2. Bill List Approval

Motion by Ballard, Seconded by Fuller

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.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----8

Abstention: Donches-----1

3. Appointment of ActingTreasurer/Treasurer

Motion by Vinovskis, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors appoint Debra A. Surdoval as Acting Treasurer effective April 29, 2014 to September 18, 2014 ; and then Treasurer effective September 19, 2014 to June 30, 2015; and that she 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 she 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 congratulated Mrs. Surdoval on her expanded role.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

4. Treasurer's Report

Motion by Rhodes, Seconded by Ballard

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

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

5. Appointment of Auditor – Exhibit 20

Motion by Ballard, Seconded by Rhodes

RESOLVED, That the East Board of School Directors appoint the Audit firm of Gorman & Associates, P.C. to audit the records of the East Penn School District for the year ending June 30, 2014 at a fee of \$34,300 and a single audit fee of \$3,155 per letter of engagement dated March 18, 2014.

(Note: This is the same rate as the previous year.)

Ms. Donches requested that the resolution be tabled and a Request for Proposal be sent out for a new auditor. She read from PSBA information that indicated the auditing firm is a professional service that does not have to be bid and suggested this be done periodically. She claimed Lehigh County saved money by doing this and did re-hire the same auditor who reduced the rate from what he was paid previously. She claimed "fresh eyes" are important even though she was not suggesting any dissatisfaction with Gorman & Associates. She thought it was a good idea to limit the consecutive length of time for the same auditor.

She then moved to table the vote. Lacking a second the motion failed.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----8

Nay: Donches-----1

6. Budget Transfers – Exhibit 21

Motion by Vinvoskis, Seconded by Ballard

RESOLVED, That the East Penn Board of School Directors authorize the budget transfers listed on Exhibit 21.

LMMS Activity Account

RESOLVED, That the East Penn Board of School Directors terminate the General Account in the Lower Macungie Middle School Activity Fund and authorize the creation of the Student Body Account.

NOTE: LMMS has transferred the Funds from the General Account to the Success Team Account.

Pel Industries, Inc. Proposed Licensing Agreement – Exhibit 22

RESOLVED, That the attached Licensing Agreement between the East Penn School District and Pel Industries, Inc., 2001 Town West Drive, Rogers, Arkansas be approved as presented in Exhibit 22.

Facility Rental Agreement – Group V

RESOLVED, That the East Penn Board of School Directors grant permission for Anita's School of Dance, Coplay, PA to rent the LMMS Auditorium and classroom/locker rooms for a dance rehearsal and recital on June 3 & 7, 2014. This is a Group V organization and will be charged the following rental fees:

\$120/hr. Auditorium (Rehearsal)
\$125/hr. Auditorium (Recital)
\$18/hr. Classroom/Locker Rooms
\$41.49/hr. Stage Manager Fee
\$16/hr. Security Fee
\$41.49/hr. Custodian Fee

Renewal Agreement with Nutrition, Inc. – Exhibit 23

RESOLVED, That the East Penn Board of School Directors approve The Nutrition Group's food service management renewal agreement and contract package as described in Exhibit 23.

Mr. Earnshaw thanked the representatives of Nutrition, Inc. for their services.

Disbursement of Funds – Exhibit 24

RESOLVED, That the East Penn Board of School Directors authorize payment of funds from the 33-2010 Series A GOB as presented on Exhibit 24.

Parent/Guardian Transportation Contract

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

Parent/Guardian: Jacqueline Gring
1335 N. 14th Street, Whitehall 18052

Effective: February 24, 2014-June 18, 2014

Reimbursement: \$.56/mile-22.24 miles/day

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Munson, Rhodes, Vinovskis-----9

15. Other

Ms. Donches said that in the PSBA Board Basics it is suggested that the Board adopt a policy on the willingness or lack of willingness to enter into a TIF Agreement or Tax Abatement Agreement including the amount of review time needed. The policy should be submitted to all the municipalities involved. Mr. Earnshaw suggested that she put her language in writing and submit it to the Board Secretary for inclusion on an agenda.

Ms. Donches noted that the week of May 5 is Teacher Appreciation Week and she wanted to recognize all that teachers do since it was a difficult year with teacher effectiveness and she appreciated their service.

16. Monday, April 28 6:30 p.m.-Executive Session (Personnel, Confidential, Attorney Matters, Negotiations)
7:30 p.m.-Board Meeting
- Wednesday, April 30 6:00-8:00 p.m.-EHS College Fair, EHS Gym
- Monday, May 12 7:30 p.m.-Board Meeting
- Monday, May 26 Memorial Day-All Schools & Offices are closed.

17. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 10:20 p.m.

Cecilia R. Birdsell
Board Secretary