

ORDER OF BUSINESS

1. Call to Order; Pledge of Allegiance

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

Board Members Present: K. Bacher, C. Ballard, L. Donches, A. Earnshaw, F. Fuller, R. Heid, M. Policano, S. Rhodes, J. Stolz

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

Treasurer: Lynn Glancy

Board Secretary: Cecilia R. Birdsell

Superintendent of Schools: Dr. Thomas L. Seidenberger

Press Present: Jennifer Marangos, Editor, Emmaus.Patch.com

Randy Kraft, WFMZ.com Online Reporter

Jennifer Rodgers, Morning Call Reporter

Peter McConnell, East Penn Press Reporter

2. Requests to Address the Board

Arlene Dabrow, 7515 Spring Creek Road, Macungie indicated that she could not afford to have her taxes increase another year. She presented her personal budget to the board members. She urged the Board to consider a zero percent tax increase. In response to Mr. Ballard, she indicated that she was aware of East Penn's Senior Tax Rebate Program.

Garrett Rhoads, 5596 Wedge Lane, Allentown criticized the Board for approving an unnecessary tax increase at the May 14 Board Meeting. He talked about information that was presented to show this could be accomplished without any cuts to education. He said five board members ran and claimed they were fiscal conservatives and only two kept their pledge. He claimed they were presented with multiple options and asked the Board to honor their pledges and vote for a 0% increase. He did not think it was fair to fiscally victimize the lower income and fixed income residents and it did not matter what other school districts did; only what East Penn does. He concluded that a tax increase was not required.

Julie Hess, 4406 South Drive, Allentown said there was enough in the Fund Balance to not require a tax increase and it was not fair to the people who are paying the taxes. There are people on the Board who have no consideration for the taxpayers. She urged the Board to do the right thing for the taxpayers. She claimed Willow Lane was not built for the education of children but for a show place.

Gary Bechtel, 351 West Second Street, Alburts complained about increasing taxes every year. He criticized the sports complex for the high school and recounted his experience as a student at Harrison Morton in Allentown.

Claire Kowalchik, 2980 Keystone Avenue, Emmaus spoke in favor of the Board action on May 14 and commended the Superintendent and members of the Board, agreeing it is fiscally unsound to spend down the Fund Balance. She talked about the tax increases and the reduction of staff in neighboring districts while East Penn has had lower taxes and supported quality education. She pointed out that funding to education has been cut by one billion dollars across the state. She said the low increase in taxes was the result of excellent long term planning, smart budgetary management, and a deep and genuine regard for quality education for all citizens.

3. Approval of Minutes

Motion by Earnshaw, Seconded by Fuller

RESOLVED, That the East Penn Board of School Directors approve the minutes for the May 14, 2012 meeting.

Change: Page 8: Mr. Ballard announced that the information that was distributed by Ms. Donches immediately before the Board Meeting has **not** been produced or validated by the East Penn staff, adding that this is the first time that the board members and staff are seeing this information.

This resolution was unanimously adopted by voice vote.

4. Public Financial Management

Mr. Scott Shearer, Managing Director of Public Financial Management, proposed refinancing two of the outstanding bond issues, Series AA of 2004 and Series of 2007. Referring to bank eligibility, Mr. Shearer indicated that he was suggesting refunding all of the 2004 Series and a good portion of 2007. The bond sale will be conducted on July 9 provided that the sale meets the minimum savings for the district. If not, the sale will be moved to a later date. The optional redemption date is November 15, 2012. Based on current market information, the savings for East Penn would be approximately \$305,823.94. He reviewed the Refunding Analysis that was conducted that includes the Summary of Outstanding Indebtedness, refunding steps, bonds remaining after refunding, and the composition of the issue. Over the past 14 years the district has saved \$9,805,150 by refinancing bond issues. A copy of the Refunding Analysis is attached to the minutes of this meeting.

Mr. Bacher asked about the time line for refinancing the bonds. Mr. Shearer explained that the federal and state regulations allow for the settlement transaction to take place 90 days before the call date which is basically August 15. The Pennsylvania regulations allow for the pricing of the bonds 30-40 days. He said on July 9 the rates could be locked in. Ms. Fuller pointed out that the 2003 and 2006 bonds will be paid off in June 2013. This indicates that 1.6 million dollars of indebtedness will be off the books at the end of the fiscal year. Mr. Shearer also called attention to the 2008 and 2009 bonds that will also be paid off in a short time. He said this is one of the positives that has gained an excellent credit rating for the district. Mr. Ballard had Mr. Shearer clarify that the savings for these bonds would not accrue in this year's budget but rather will show up in the 2012-13 budget in the form of lower debt payments. Mr. Shearer further stated that because of the volatility of the market he was not recommending that districts include anything in the budget. Mr. Ballard asked about the bond rating and what would happen if it was downgraded. Mr. Shearer explained the various ratings, noting that triple A is the best rating and East Penn has had an AA2 rating from Moody's. If the rating would drop, it is possible to see an increase of .5% in the interest rate that could actually wipe out the savings. One of the considerations used by the bond rating agencies is the amount of funds in the Budgetary Reserve and Undesignated Fund Balance. Mr. Shearer explained that close to 50% of the rating criteria is based on Fund Balance factors. They are also putting emphasis on contingent liability for retirement and health care for retirees. Mr. Earnshaw pointed out the indebtedness is \$126.3 million dollars as of June 7. Mr. Earnshaw asked if there were any additional bond payments coming out this year and was told that most of those payments are for September or April/May. In answer to a question raised by Mr. Bacher regarding the structure of this issue, Mr. Shearer replied that they are not proposing to change the structure of the existing date. Also, the refunding is capturing all the savings in year one because we have principal that can be refunded.

1 Bond Refinancing Authorization

Motion by Earnshaw, Seconded by Stolz

RESOLVED, That the East Penn Board of School Directors authorize the administration to work with Public Financial Management, as Financial Advisor, and Rhoads & Sinon, Bond Counsel, in conjunction with the issuance of General Obligation Bonds, Series A of 2012, in the approximate principal amount of \$10,000,000 for the purpose of refunding all or a portion of the General Obligation Bonds, Series AA of 2004 and or a portion of the General Obligation Bonds, Series of 2007, at a minimum net savings of \$250,000.

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

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

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

1. District Update

Dr. Seidenberger updated the Board on the following events/activities:

- Class of 2012 Graduation Ceremony. Dr. Seidenberger thanked the students, staff and parents for their efforts in restoring dignity to the ceremony. The Class of 2013 will have to meet the new challenge.
- STEAM Advisory Committee Meeting. Parents and community members who had the kind of educational and career background needed attended the meeting. There is a lot of interest and parent support. It was noted that Downingtown SD has built a STEM high school and an administrative visit is being discussed. Dr. Seidenberger thanked Mrs. Campbell and Mrs. Noack for their work in this area.
- State Science Fair. Dr. Seidenberger thanked the teachers and students for their interest in science. Listed below are the winners from EHS, LMMS, and Eyer MS:

EHS

- 14 - 1st Place Awards
- 7 - 2nd Place Awards
- 0 - 3rd Place Awards

LMMS MS

- 32 - 1st Place Awards (2 perfect score awards)
- 14 - 2nd Place Awards
- 3 - 3rd Place Awards

Eyer MS

- 23 - 1st Place Awards (1 perfect score award)
- 15 - 2nd Place Awards
- 2 - 3rd Place Awards

-Annual School Calendar. This year East Penn may be able to produce a hard copy of the district calendar through advertising. Mrs. Nicole Bloise, Community Liaison, has collected approximately 60% of the cost through some sort of advertising. Contributors to the calendar thus far: East Penn Education Association; Giant; Wesley Works; Albutis Animal Hospital; EBC; and the local McDonalds.

-Last day of School. June 12 is the last day of school. It was an excellent school year.

-Busy Summer. On June 26, work will continue on Instructional Rounds and the team will be coming back in August. They have prepared a draft of Quality Instructional Practices. Staff Development has been realigned to make it more meaningful. Teachers can now register and follow courses online.

-Secondary Curriculum Coordinator. Dr. Seidenberger is hoping to make a recommendation on June 25. The person will be leading the high school work and realigning courses for the Common Core Standards.

- Teachers will be working on E-books. IT Director Michael Mohn will be conducting a presentation for the Board in August.
- Lehigh University School Study Council. As a result of a panel discussion at LUSSC on social networking, the district will be using Facebook, Twitter, and iTunes beginning in September.
- East Penn has been selected to be a technology visitation Center for NSBA in April 2013 and is the first site in Pennsylvania. This site visit will take place in April 2013 and will involve between 100-150 participants. The administration will be working with NSBA to coordinate the theme selections. There will be a one-day visit to LCTI as well. There will also be visits to actual classrooms. Teachers and staff in East Penn will be conducting the various sessions. Participants will be able to select up to three workshops and will be supplied with iPads during their visit and receive a flash drive of all workshops when they leave. A reception is being planned at the Da Vinci Science Center. Ann Flynn from NSBA will be visiting this summer. Dr. Seidenberger talked about the Local Chamber of Commerce being interested in sponsoring the reception.

Mr. Glancy gave an update on the NIZ and how it will impact East Penn. Berkheimer was able to pull together a report on the final figures. For one quarter, East Penn will lose \$39,000 for a total of \$160,000. The funds will be held up for nine months and the district will not receive it until the end of the next fiscal year. It will have an impact on the revenue and the EIT. Mr. Earnshaw asked how the financing will work and talked about the various scenarios that he had heard. He felt the district should be fairly conservative on how these funds are treated for the budget. Mr. Stolz asked if there was any thought being given to joining the other municipalities in the legal suit. Dr. Seidenberger said the position of most districts has been to sit on the sidelines. On Solicitor Fisher's advice, Mr. Ballard said this would be a discussion for Executive Session.

Dr. Seidenberger commented on the assessment appeals and upcoming cases that involve two large commercial entities.

Referring to the Governor's budget, there has been talk about having a budget by June 13. He noted the charter school reform bill that has been introduced by Rep. Fleck to limit tax liability and asked the Board to contact Rep. McKenzie with their support for this proposed legislation. Dr. Seidenberger contacted PSBA Executive Director Tom Gentzel with information that indicates suburban school districts that have a charter school located in the district are either raising taxes or having deep cuts in their budgets. Dr. Seidenberger noted that seven out of the nine school districts in Lehigh County are having tax increases. East Penn's budget has decreased to 1.56% from 1.89% which is below the 1.7% index. This averages about \$48.10/taxpayer of .72 mills. He noted that \$60,000 has been cut out of the budget for busing approximately 325 students to Willow Lane. Dr. Seidenberger gave four scenarios if the ABG grant is funded and how the funds could be used to reduce the budget. He further talked about the three goals for this budget – avoiding acrimony; maintaining as many of the education programs as possible; and presenting a fiscally prudent and educationally sound budget. Dr. Seidenberger said the staff has spent countless hours on this budget and talked about the exceptions. Over the last three years, there have been many things done regarding internal controls. At the April 23 Board Meeting, the direction from the Board by a 5-4 vote was to not prepare a 0% increase budget. He indicated that he met with President Ballard and they agreed that maybe a 0% increase with cuts could be prepared. Again, the staff spent hours developing 1.4 million dollars in cuts and also attached a series of articles that described similar cuts across the state. He expressed his concern about having another presentation at the Board Meeting. It is not the opinion of the staff that using Fund Balance would be a wise choice. He directed people to the PSBA web site to the Q and A about Fund Balance. It is not something simplistic but a bit more complex. Dr. Seidenberger explained how bond savings were used so the district could be more flexible. He reminded the Board that 4.1 million dollars is already being used to balance this budget. He explained how the Fund Balance was generated last year by enacting a freeze on spending. Dr. Seidenberger commented on a report that indicates East Penn is 72nd out of 500 districts for Fund Balance; 42% of districts do not have a committed Fund Balance; only 13 districts above East Penn do not have a committed Fund Balance. East Penn ranks 5th out of nine Lehigh County districts and Southern Lehigh and Northwestern Lehigh have larger total funds in reserve. East Penn is the 24th largest school district in Pennsylvania and ranks 34th in total budgets. He pointed out that the district is locked into a 1.7% index and the total number of exceptions allowed is declining. Next year the eligible funds that could be raised would be 1.9 million dollars which is less than what could be raised this year. He noted the following defined liabilities for next year that include 2.2 million dollars in salaries; 1.3 million dollars for retirement; \$772,000 for health insurance; \$716,000 for charter schools; \$194,000 in transportation; and increased in special education and ELL. There are already 9 more students in the autistic program and an increase of 60-70 students in kindergarten. Dr. Seidenberger indicated that he may need to come back in August to recommend additional staff, specifically in special education. He also noted that the district will be audited next year. He reported that the CPI is currently 2.8%. Dr. Seidenberger explained that when the budget process starts in September he will be looking at a deficit of 3.2 million dollars. He concluded that the district will need the Fund Balance for next year. Mr. Ballard pointed out that there may not even be a state budget within the next two weeks.

2. Personnel

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

Resignations

- Joseph Henrich, Guidance Counselor at Emmaus HS, effective May 21, 2012 (Exhibit 1)
- Donna Gaumer, Staff Assistant at Jefferson School, effective May 15, 2012 (Exhibit 2)
- Dana Johnson, Staff Assistant at Emmaus HS, effective May 24, 2012 (Exhibit 3)
- Michele Rodriguez, Instructional Assistant at Emmaus HS, effective May 29, 2012 (Exhibit 4)

Requests for General Leaves – Board Policy 539

Employee	Assignment	Effective
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Payal Bhowmick	LMMS, Language Arts	2012-13 School Year
Loretta Shuima	Eyer, PTFS Assistant	6/4/12-6/3/13
Mary Wieder	Alburtis, Staff Assistant	5/17/12-6/4/12

Income Protection Leave

Laura Oswald	Special Education Teacher Wescosville School	6/7/12-6/12/12
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Leave as per Collective Bargaining Agreement

Loribeth Knauis	Grade 5 Teacher, Shoemaker	6/12/12-6/30/12
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Temporary Professional Employee Appointment

Name/Address:	David Abruzzi 293 West 30 Street, Northampton 18067
Education Level:	B. S. Degree (2009)
Undergraduate School:	Penn State University
Certification:	Instructional I, Elementary, K-6
Effective:	August 21, 2012
Assignment:	Grade 1, Willow Lane School Vacancy created by D. Feigenbaum resignation
Experience:	9/2011-6/2012: East Penn SD
Salary:	\$45,508.00 (Year 2, Col. B)

Full-Time Substitute Teacher Appointment

Name/Address:	Katie Gustafson 995 Kressler Road, Allentown 18103
Education Level:	B. S. Degree & BFA Degree (2010)
Undergraduate School:	Kutztown University
Certification:	Instructional I-Art, K-12
Effective:	August 21, 2012
Assignment:	Art Department, Emmaus HS Opening created by L. Caruso Leave
Experience:	1/2011-Present, East Penn SD (per diem substitute)
Salary:	\$45,185 (Year 1, Col. B)

Summer Book Repair Program

Debbie Moyer	Sharon Woodeshick
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Extended School Year

Jessica Harrington, Macungie School Health Room
Katie Hummel, Macungie School Health Room

Summer Technology Workers

New:	Devon Reinert; Patrick Hughes; Andrew Grippon
Returning:	Jared Roth; Adam Hersh; Logan Hallowell; Matthew Struble

Appointment of Chief School Physician – Exhibit 5

That the East Penn Board of School Directors approve Dr. Robert Barnes, 723 Chestnut Street, Emmaus as the Chief School Physician from July 1, 2012 to and including June 30, 2013 for a retainer of \$6,000 and as outlined in Exhibit 5.

Educational Conferences – Exhibit 6

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

2012-13 Calendar Changes

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

From:	August 27 Kindergarten Registration
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To: August 27 First Student Day

Reason: Principals have decided to have Kindergarten Orientation during the summer and not the first day of school.

From: May 3, 2013 – EHS Early Dismissal
May 10, 2013-EHS Early Dismissal

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

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

Note: EdulinkSystems, Inc. Agreement – Exhibit 7 (Withdrawn from agenda.)

6. Policy – Board Policy 250, Bullying (Exhibit 8)

Motion by Stolz, Seconded by Donches
RESOLVED, That the East Penn Board of School Directors adopt and amend Board Policy 250, Bullying.

Note: All districts are required, by CIPA (**Children’s Internet Protection Act of 1999**) to remove the word “may” from their Internet Safety Policy (Bullying Policy). All schools are required to teach Internet Safety starting in the school year 2012/2013.

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

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

7. Legislative C. Ballard

Mr. Ballard said there is a lot of speculation about the state budget and there is a hope that it will be passed on June 13 because on June 15 the state will release how much revenue has been collected. Representative Fleck’s bill is HB 2364 and he is attempting to get some relief and more accountability for charter schools. He explained that the legislation for Sudden Cardiac Arrest Training is another unfunded mandate since school districts will be offering training and this comes at a time when districts are already strapped for funds. Mr. Stolz asked if there was a figure for how much has been spent for charter school reimbursement payments in the state budget, adding he would be meeting with the Governor. Dr. Seidenberger said they would check with PSBA.

8. Other Educational Entities

-Carbon Lehigh Intermediate Unit F. Fuller

Ms. Fuller reported that as of May 9, there were 356 East Penn students who were receiving IU services. She noted that 62 students are considered major assignments that include deaf or hearing impaired, emotional support, life skills, and multiple disabilities. There are other students who receive related services that include occupational therapy, speech and language pathology/therapy, and work based learning. Ms. Fuller announced that the IU also supports a camp for special needs children and will be sponsoring a golf tournament on June 19 to raise funds so they can continue to provide services.

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

Mr. Rhodes reported on the April 25 and May 23 meetings. In April, Mr. Rhodes reported that the JOC approved special agreements with local industries for customized training for their employees. Some of the companies include B. Braun, Johnson & Johnson, and Just Born, Inc. The JOC appointed Patricia Bader as the new Business Administrator at a salary of \$96,000. She will replace Randy Hensinger who is retiring. He reported that Camp LCTI will be running from June 18-21 and June 25-28. He said the variety of courses is impressive. In May, additional agreements for customized training were approved for Nestle and Cactus Wellhead. He mentioned the retirement of Jane Vanim, Secretary to the Executive Director, was approved, with regret. He noted the East Penn students who received and had been acknowledged during the year. Mr. Rhodes said he had a chance to meet Alicia Anders, an Emmaus High School student who also gave a speech at the EHS graduation. He said she was a positive and energetic person and was a pleasure to meet. Ms. Fuller commented that employers are invited to attend the awards dinner and the gentleman who spoke was a graduate of LCTI and who is employed at an automotive repair company and he has continued the tradition by bringing students into the business. She felt that this illustrated how LCTI perpetuates the Lehigh Valley economy.

9. Business Operations

1. Bid Opening Report: Lincoln School, Window Wall Replacement; Fire Alarm System Full Service Contract; Full Service Elevator Contract; Refuse Collection, Communications, Clock, Audio and Camera Systems Service Contracts (Exhibits 9 & 10)
2. Bid Rejection – Refuse Collection

Motion by Bacher, Seconded by Heid
RESOLVED, That the East Penn Board of School Directors reject all bids received on May 30, 2012 for Refuse Collection and rebid the entire package.

Approval of Bill List

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.

Bid Awards – Computer and General Supplies (Exhibits 11 & 12)

RESOLVED, That the East Penn Board of School Directors authorize the bid awards for Computer and General School Supplies as outlined on Exhibits 11 & 12.

Facility Rentals

RESOLVED, That the East Penn Board of School Directors grant permission for the following Group V organizations to use district facilities:

Lehigh Valley Martial Arts

544 Jubilee Street, Emmaus

Facility: Jefferson School All Purpose Room
Dates: June 15; July 13; August 17; September 14; November 16; December 14, 2012
Fees: \$30.00/hr. rental free

Patricia Bostick Dance Center

5925 Tilghman Street, Allentown

Facility: LMMS Auditorium; 2 locker rooms
Dates: May 30; June 1-2, 2012
Fees: \$18.00/hr. locker rooms
\$120/hr., Auditorium Rehearsal
\$125/hr., Auditorium Recital
\$40.10/hr., custodial fee
\$40.10/hr., stage manager fee
\$15.00/hr., security

Treasurer's Report

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

Disbursement of Funds – Exhibit 13

RESOLVED, That the East Penn Board authorize the disbursement of funds from the 33-2010 Series A GOB as outlined on Exhibit 13.

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

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

3. Informational: Plancon Part K: Project Refinancing – Exhibit 14

The Pennsylvania Department of Education has approved Plancon Part K: Project Refinancing and the document and appended materials will be entered into the minutes of this meeting.

Ms. Heid commented on buses being empty during the week of finals and wondered if there was something that could be done. Dr. Seidenberger cautioned that the district must be mindful of what can be done legally but, in philosophy, he would agree. Ms. Heid supported the further use of technology through Facebook, Twitter, and other social media. Dr. Seidenberger said IT Director Michael Mohn will be giving the Board an update in August. Mr. Earnshaw said the students and their family members were exceptionally respectful during graduation unlike in previous years. It showed an outstanding example of good citizenship in East Penn. He thanked the members of the Graduation Committee as well. The students were the ones who came up with the idea of interspersing speeches among the handing out of diplomas. It worked amazingly well and kept everyone's attention. He thanked everyone involved. Mr. Ballard reiterated the kudos and commended the students, staff, and family members, who made this a respectful ceremony. He commented on the number of honor students and the students wearing the collar of the National Honor Society in this graduation, adding that it was a tremendous show of success. He was honored to be participating in the ceremony. Ms. Fuller said her husband was a member of the 50th Anniversary Class. The 1962 graduates came from around the country and went on a tour of the high school. The class members were delighted and amazed at what they saw at Emmaus High School and there were high compliments for the cleanliness of the facility as well as the tour guides. One group was accompanied by assistant principals and the others were toured by Tenth Grade student Ambassadors. She said it was a wonderful weekend. Ms. Donches said it was her first graduation ceremony, adding it was exciting to see the students. She then reverted to the budget and the \$66,000 median price for an average home, commenting that although the increase each year may be small, it is compounded from

year to year and after a period of time would amount to approximately \$575. She felt that figure should be calculated when presenting budget information.

10. Announcements

Monday, June 11

7:00 p.m.-Executive Session (Personnel, real estate, confidential matters, and Negotiations)

7:30 p.m.-Board Meeting

Future Board Meetings:

June 25; July 9; August 13 & 27

11. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 9:20 p.m.

Cecilia R. Birdsell, Board Secretary