

## ORDER OF BUSINESS

### 1. Call to Order; Pledge of Allegiance

President Charles H. Ballard called the regular meeting of the East Penn Board of School Directors to order at 7:40 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: L. Glancy

Board Secretary: Cecilia R. Birdsell

Superintendent of Schools: Dr. Thomas L. Seidenberger

Press Present: Mariella Savidge, Emmaus.Patch.com Reporter  
Precious Petty, Express Times Reporter  
Pat Lester, Morning Call Reporter  
Peter O'Connell, East Penn Press Reporter  
Randy Kraft, Online Reporter for WFMZ

### 2. Requests to Address the Board

#### Willow Lane Busing

Todd Salomon, 6654 Trafalgar Drive, Macungie, expressed concern about the proposal to eliminate busing for some Willow Lane students. He cited safety issues, noting that there will be costs associated with crossing guards and traffic signals so students may cross safely.

Jonathan Berger, 6912 Sunflower Lane, Macungie also expressed the same concerns about the abolition of busing for students. He cited issues with strangers, weather conditions, and going green. He did not think it was thought out completely. He said parents will be driving their children to school and creating traffic issues in the Township.

Kathleen Atti, 5976 Fountain Road, Old Zionsville who is a school bus driver for Willow Lane did not understand where the \$60,000 savings was coming from for the busing. She spoke about the contract with First Student, adding that just because the Willow Lane run was taken away that the bus will still be making runs for the high school and/or middle school. She said this measure would be raising her taxes and lowering her wage.

#### Budget Related

Richard Musselman, 945 Franklin Street, Emmaus, talked about the positive learning experience that his daughter had while a student in East Penn and her subsequent successes. He described the reduction in pension funds during the Ridge administration and the fact that many school districts did not put funds aside for future increases.

Arlene Dabrow, 7515 Spring Creek Road, Macungie, expressed concern about the tax increase, sharing that she did not have the money to pay these increases. She noted that she is pro-education and teacher, and is even pro-union. She added that not all seniors qualify for a tax rebate. Mrs. Dabrow talked about the conditions that some seniors live in. She felt the district has crossed the line on what seniors can pay.

Julie Kibelbek, 435 Beechwood Street, Emmaus submitted a petition\* with 114 signatures from East Penn residents who support the budget with a 1.7%-1.9% tax increase. The signatures were accumulated at a Lincoln event. She spoke about the cuts that included downsizing of staff, increasing class sizes, eliminating printed report cards, and reducing supplies. There is strong support for maintaining the high quality of education in East Penn. She pointed out that property values are determined by the quality of schools. She asked the Board to support the budget. (\*Petitions are attached to the permanent minutes of this meeting.)

Cristina Negron, 709 North Seventh Street, Emmaus discussed that she was a product of public education. She felt it was the duty of residents to do right by the students as people did right by them when they were in school. She was against a 0% tax increase. Her husband is retired and he understands that a small increase is necessary and like her he supports it. She questioned why people who got a quality education would deny the same for the next generation of children. She added that she did not see why the small tax increase was even being discussed. She concluded that she supported public education, teachers, and the tax increase and urged the Board to do the same.

Alisa Bowman, 33 West Berger Street, Emmaus said she moved to Emmaus so her children would have the benefit of an East Penn Education. She was not disappointed in the students or their teachers and wanted to speak to how wonderful the teachers have been and how they put in so much time. She pointed out that many of the extras are provided through the PTO fundraisers. She volunteers at Lincoln and has even seen teachers paying for their students to go on a field trip. She talked about cutting services that students need. She said to save \$50/year it could cost thousands of dollars in property values.

Julie Hess, 4406 South Drive, Allentown spoke in support of board member Lynn Donches' proposed budget that showed a 0% increase without cutting staff or programs. She criticized the salaries for the Superintendent and Board Secretary. She commented on

the Fund Balance, the Budgetary Reserve, and the Plancon reimbursement. She said there are people who do not get \$10,000 a year on their Social Security. She claimed that the \$500 senior tax rebate does not get much. She concluded that they are the taxpayers and urged the Board to do the right thing.

Becca Kahle, 1131 Pennsylvania Avenue, Emmaus thanked the Board and the Superintendent for the work that has been done. While her children are second and fourth graders, she did not want to see program cuts for the middle school or the high school. She supported the decision regarding busing for Willow Lane students because from the beginning Willow Lane was going to be a neighborhood school. Her students are at Jefferson and are bused because of crossing Chestnut Street. She would not complain if a bus route at Jefferson was eliminated as long as academic programs were not cut.

Matthew Junker, 435 Beechwood Street, Emmaus expressed his support for the budget. He shared that he had lived in several other states and he and his wife specifically bought in the East Penn School District because of the high quality of education. He indicated that a quality education had made the difference in his life. Having strong schools benefits everyone in the community. In Emmaus you can find active neighborhoods and good libraries. He talked about neighboring districts that have higher tax rates and he urged the Board to vote in favor of the proposed budget.

Noreen Yamamoto, 2011 Elbow Lane, Allentown indicated her support for the budget and added that it is pennywise and pound foolish to use the Fund Balance, adding other districts have followed that path and are now in trouble. She said the tax burden has shifted from the state to the local level. She supports reasonable salaries for the teachers and the administration. She concluded that good, qualified people are important and the \$50.00/year increase is reasonable.

Larry Schneider, 5332 Lamb Terrace, Allentown indicated that he is an active member in Lower Macungie Township. He spoke about the state abdicating its responsibility for education and commended Dr. Seidenberger and his administration for their exceptional budget management and sensitivity to financial constraints for the citizens and accomplishing this without program cuts. He criticized Lower Macungie Township for their attitude toward growth which has impacted the growth in the school district. He suggested that the district and the township have a dialog.

Lori Ramsey, 442 North Third Street, Emmaus thanked the Board and the administration for their work to maintain quality education despite the decreasing state funding. She indicated her support for the proposed budget.

3. Approval of Minutes

Motion by Bacher, Seconded by Earnshaw

RESOLVED, That the East Penn Board of School Directors approve the minutes for the June 11, 2012 meeting.

This resolution was unanimously adopted by voice vote.

4. 2012 Homestead and Farmstead Resolution; 2012-13 East Penn School District Budget

Motion by Fuller, Seconded by Earnshaw

RESOLVED, by the Board of School Directors of East Penn School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2012, under the provisions of the Homestead Property Exclusion Program Act (part of Act 50 of 1998) and the Taxpayer Relief Act (Act 1 of 2006), as follows:

1. Aggregate amount available for homestead and farmstead real estate tax reduction. The following amounts are available for homestead and farmstead real estate tax reduction for the school year beginning July 1, 2012:
  - a. Gambling tax funds. The Pennsylvania Department of Education (PDE) has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.505(b), as a property tax reduction allocation funded by gambling tax funds, the amount of \$1,755,954.64.
  - b. Philadelphia tax credit reimbursement funds. PDE has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.324(3), as reimbursement for Philadelphia tax credits claimed against the School District earned income tax by School District resident taxpayers, the amount of \$40,034.84.
  - c. Aggregate amount available. Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$1,795,989.48.
2. Homestead/farmstead numbers. Pursuant to Act 50, 54 Pa. C.S. § 8584(i), and Act 1, 53 P.S. § 6926.341(g)(3), the County has provided the School District with a certified report listing approved homesteads and approved farmsteads as follows:
  - a. Homestead property number. The number of approved homesteads within the School District is 16,029.
  - b. Farmstead property number. The number of approved farmsteads within the School District is 26.
  - c. Homestead/farmstead combined number. Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 16,055.

3. Real estate tax reduction calculation. The school board has decided that the homestead exclusion amount and the farmstead exclusion amount shall be equal. Dividing the aggregate amount available during the school year for real estate tax reduction of \$1,795,989.48 by the aggregate number of approved homesteads and approved farmsteads of 16,055, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$111.86.
4. Homestead exclusion calculation. Dividing the paragraph 3 maximum real estate tax reduction amount of \$111.86 by the School District real estate tax rate of 46.87 mills (.04687), the maximum real estate assessed value reduction to be reflected on tax notices as a homestead exclusion for each approved homestead is \$2,387.00, and the maximum real estate assessed value reduction to be reflected on tax notices as a farmstead exclusion for each approved farmstead is \$2,387.00.
5. Homestead/farmstead exclusion authorization – July 1 tax bills. The tax notice issued to the owner of each approved homestead within the School District shall reflect a homestead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the homestead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$2,387.00. The tax notice issued to the owner of each approved farmstead within the School District shall reflect an additional farmstead exclusion real estate assessed value reduction equal to the lesser of: (a) the County established assessed value of the farmstead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$2,387.00. For purposes of this Resolution, “approved homestead” and “approved farmstead” shall mean homesteads and farmsteads listed in the report referred to in paragraph 2 above and received by the school district from the County Assessment Office on or before May 1 pursuant to Act 1, 53 P.S. §6926.341(g)(3), based on homestead/farmstead applications filed with the County Assessment Office on or before March 1. This paragraph 5 will apply to tax notices issued based on the initial tax duplicate used in issuing initial real estate tax notices for the school year, which will be issued on or promptly after July 1, and will not apply to interim real estate tax bills.
6. Homestead/farmstead exclusion authorization – interim real estate tax bills. No homestead or farmstead exclusion will apply to any interim tax bill except an interim tax bill applicable to a property that includes an approved homestead or approved farmstead listed in the report received by the School District from the County Assessment Office on or before May 1, but not included in the tax assessment reflected in the July 1 tax bill for the property. In most cases, the assessment of approved homesteads and approved farmsteads will be reflected in July 1 tax bills. However, in any case when there is an approved homestead or an approved farmstead that is not included in the assessment reflected in the July 1 tax bill, and when an interim real estate tax notice is issued later based on an interim assessment including the approved homestead or approved farmstead, the interim tax notice shall reflect a homestead or farmstead exclusion real estate assessed value reduction calculated under paragraph 5, except that the paragraph 4 maximum real estate assessed value reduction will be prorated in the same manner as the real estate tax is pro-rated. Assuming the interim tax notice reflects taxation as of July 1, as will occur in most such cases, the full amount of the paragraph 4 maximum real estate assessed value reduction will apply. In the extraordinary case where the new interim tax assessment is effective after July 1, the paragraph 4 maximum real estate assessed value reduction will be pro-rated in the same manner as the real estate tax reflected in the interim tax bill is pro-rated.

2012-13 Budget - Final Adoption

RESOLVED, That the East Penn Board of School Directors adopt the 2012-13 budget that was tentatively adopted on May 14, 2012, and revised; and,

Be it further

RESOLVED, That the East Penn Board of School Directors, Lehigh County, Commonwealth of PA, hereby authorize expenditures totaling \$124,996,104 as set forth therein; and,

Be it further

RESOLVED, That the East Penn Board of School Directors levy a tax of 46.87 mills per dollar of assessed valuation on real estate, and the following taxes be levied under Act 511:

A one-half percent (.5%) earned income tax, and,  
A one percent (1%) real estate transfer tax

Be it further

RESOLVED, That the Senior Citizen Real Estate Tax Rebate Program be continued for the 2012-13 year with the same eligibility income guidelines as the previous year’s program; and,

Be it further

RESOLVED, That the East Penn Board of School Directors approve the establishment of a Committed Fund Balance as of June 30, 2012 in the amount of \$1,250,294 for the purpose of future anticipated rate increases by the Public School Employees Retirement System.

Dr. Seidenberger commented on the actions in Harrisburg such as the elimination of the district's 30% reimbursement for charter schools which totally represents 224 million dollars. For East Penn, the share is \$701,000 that evaporated. He indicated that there is a recent report from Attorney General Wagner that taxpayers are overpaying cyber/charter schools by 365 million dollars in the Commonwealth of Pennsylvania. There appears to have been a deal to increase the state budget to 27.6 billion dollars. He said for another year one of the issues that has been clearly pointed out is being bypassed. He talked about the difficulty in budgeting and managing future budgets with a cap when there is growth in the district. Dr. Seidenberger talked about his previous districts and the cuts that he had to make. There is a push to put 100 million dollars back in the budget for ABG grants which would mean \$200,000 more for East Penn. He said the issue for the Board is whether or not to take the gamble that East Penn will receive these extra funds. He understood the concerns about eliminating the transportation for some of the Willow Lane students and again pointed out that the school was built to be a neighborhood school where students could walk. Mr. Bacher had suggested adding the proposed \$200,000. Dr. Seidenberger indicated that it could be added to the revenue side if the funds are received. If not, then the proposal remains the same. Referring to Willow Lane, Dr. Seidenberger emphasized that parents were notified that at some point they would be walking. The cost of crossing guards is not a liability against school districts but is a municipality cost. The numbers were worked out with the bus company. One of the things to be decided this evening is whether or not the ABG grant should be included. He said based on the information that he is receiving from the various professional organizations about the state budget process, it looks as though districts may receive these funds although nothing has been decided. If the Board agrees to adding the ABG grant, the change would be a tax increase of 1.3%, a homestead exclusion of \$2,393, a reduction to 46.75 mills which amounts to an increase of \$40.08/year tax increase. If the transportation is restored and the full ABG grant is added, the tax increase would drop to 1.37%, a homestead exclusion of \$2,391, a reduction to 46.78 mills which would amount to an increase of \$42.08/year tax increase. There are approximately 325 students who live within the 1.5 miles. He talked about the EITC legislation that is being considered.

Mr. Ballard asked for discussion on whether the ABG grant should be added in and/or the restoration of the bus for Willow Lane. Mr. Earnshaw asked for clarification of the increase currently and Dr. Seidenberger responded 1.56%. Ms. Fuller said she was reluctant to make a commitment for funds that are not assured. Dr. Seidenberger said PSBA, PASA, PASBO, and reliable reporters are citing these sources so there is reasonable assurance at this time that the ABG grant will be restored. Mr. Bacher said he had concerns about safety and who makes the determination about whether the walkway is safe. Dr. Seidenberger said the parents can call PennDOT and they would determine if it is safe or not. There are places in the district that have been declared unsafe. Ms. Donches asked if this could be done gradually rather than right away. Mr. Glancy said it would be difficult to schedule and communicate a schedule under those circumstances as well as have bus drivers available. Mr. Earnshaw said he was hesitant to trust the Legislature. He felt the deals had been cut with the Governor. He said once the budget is set then that is it. He was not in favor of relying on the Legislature. Referring to the busing, he said he did understand the parents' concerns but this was not new and it was almost changed last year. It was also discussed during the planning of the school as well. He said it was a nice thing to do but nice things have to go in favor of necessary things. Mr. Rhodes was against putting the \$200,000 in the budget but wanted to know where it will go if it does come in. Dr. Seidenberger said if it is received it will go into the General Fund. Mr. Stolz distributed a copy of information from the PA School Code received from former Rep. Doug Reichley that indicates a school district could delay the annual budget beyond the last day in June where legislation providing the appropriation for basic education funding is not enacted by June 15. Mr. Stolz said that it appeared that the Board did not have to vote on the budget this evening and proposed the following motion:

Motion by Stolz, Seconded by Donches  
RESOLVED, That the East Penn Board of School Directors table the budget until the July 9, 2012 meeting.

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

Mr. Stolz said he would ask that busing be restored and he made a promise that he would support busing in East Penn. Ms. Heid said she would accept the ABG grant and she felt there were issues that needed to be ironed out with Willow Lane but she felt if students had an opportunity to walk then they should walk. She was concerned about safety. Mr. Policano said he agreed with Dr. Seidenberger about the ABG grant and supported the students walking. Mr. Ballard said he was not confident about the Legislature but felt the ABG grant had a reasonable chance of being restored. He was in favor of cutting the busing even though it was a hard issue. Ms. Fuller commented on re-opening the budget. Mr. Earnshaw did not recall ever re-opening the budget. Mr. Ballard asked if the Board could have a friendly amendment for the two items. A majority of the board members, by a show of hands, was in favor of adding the ABG grant to lower the tax rate. Ms. Fuller and Mr. Earnshaw agreed to the friendly amendment. Mr. Ballard then asked board members, by a show of hands, who wanted to include the Willow Lane busing in the budget. A majority of board members voted against restoring the busing. Dr. Seidenberger indicated the changes to the motion that reflected adding the proposed \$200,000 ABG grant. This will lower the tax increase to 1.3%.

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In response to a question from Mr. Stolz, Mrs. Surdoval responded that the 1.3% represented \$998,826 in tax revenue. In response to Ms. Donches' question, Mrs. Surdoval responded that the amount to offset any tax increase would be \$1,198,590. Ms. Heid said the administration had done a fantastic job to get the budget below the index. She pointed out that the Board had already approved increases in the budgets for LCTI and LCCC for percents higher than the 1.3%. She indicated her support for the 1.3%. Mr. Stolz commented on the Constitutional right to own property without the taxes and the many faults of the Governor and the Legislature. He claimed that the reason there is a high quality of education in East Penn is because of the parents' support, not because taxes are going up each year. Mr. Stolz expounded on raising taxes each year and forcing people to move out of the district. He criticized the explanations on the Fund Balance and claimed the district spent 3 million dollars more than last year. Dr. Seidenberger responded that talking about the budget is one thing but running the district day to day is quite another. He talked about the freeze enacted last year, the increases in special education, additional personnel, staff development, and supplies and materials. Dr. Seidenberger said it is hard to predict because there are outstanding items that will be reconciled by the auditors. Mr. Stolz proposed the following motion:

Motion by Stolz, Seconded by Donches

RESOLVED, That the East Penn Board of School Directors approve the following amendments for the budget:

\$1,198,998 of the Fund Balance to offset the tax increase  
\$1,000,000 of Plancon funds to offset future construction costs  
\$240,000 to provide for busing to Willow Lane for the next 4 years  
\$10,000 for web casting for the next two years

Ms. Donches said she had looked at the budget through the eyes of the students, teachers and staff, parents, administration, and the taxpayers. She felt that all of the constituents were well served, except the taxpayers. She believed that not everything had been done that can be done to avoid a tax increase. This year there is no reason to have a tax increase. She supported the amendment that would not require a tax increase. She did not think it was harmful to use the fund balance and talked about in previous years if the district had refunded money to the taxpayers as it accumulated then we would not have the Fund Balance to spend. She supported the 5% Budgetary Reserve. She talked about taxpayers who may not have the ability to support even a small increase. She said of all the parties who benefit it is the taxpayer who should be the one best served now. She said it is easy to do, the right thing to do, and it can be done. Mr. Earnshaw talked about the defined benefit package and the implications of freezing benefits at the time of retirement. Providing a cost of living increase would only exacerbate the pension situation. He talked about the uncommitted Fund Balance for the 12-13 year that shows slightly over 10 million dollars. He said that is the best estimate of the administration of the remaining funds that would be available to the district. The total revenue is \$114,974,776 and the total expenditures are \$124,996,104. There is a Budgetary Reserve of \$5,952,195. He said the district will then expend \$119,043,909. He said there is a 4 million dollar difference so we are already using about 40% of the Fund Balance to balance the budget this year. If an additional 1.2 million dollars, as suggested by Mr. Stolz, is added to the 4.1 million dollars then the district will have 1.2 million dollars less. If 5.2 million dollars is spent out of the Fund Balance that would leave less than 4.8 million dollars of Fund Balance. If the funds are taken out of Fund Balance and the Budgetary Reserve there will not be enough to balance the budget next year. The only place to take money out of is Budgetary Reserve. Mr. Earnshaw provided various scenarios and he concluded that it was financial irresponsibility. He would not support anything above the 4 million dollars already proposed. Mr. Bacher supported the budget on the table and commended the administration for taking the budget from 1.56% to 1.3%. He supported that reduction. He said there are a lot of misconceptions about reckless spending but, if you look at the web site, there is a list of the cuts that were made. Referring to the pension situation, Mr. Bacher pointed out that we know we have 1.3 million dollars for pensions for each of the next three years. He felt it was irresponsible to spend down the bank account when we have already done a significant job of decreasing the tax impact. He said 1.3% is half of what the district could raise taxes under Act 1. Mr. Bacher said he would not support the resolution. Ms. Fuller said she could not support Mr. Stolz' amendment and she congratulated

the administration for their hard work. Mr. Policano thanked the administration for their work in bringing down the budget but felt it was incomplete. He supported Mr. Stolz' amendment and talked about the constant increases over the years and the impact on the taxpayers. He concluded that at some point the responsibility for providing a quality education must also be balanced with doing it affordably. He said the Board is not doing that by constantly increasing the budget every year. Mr. Rhodes said that while he did not support the 1.3% he would vote in favor of it. He said one of the problems is the funding from the state. The state makes it very difficult to run a school district because the only thing the Board can do is raise the property tax. He did not feel it was a fair tax. He said East Penn is being run in a way that it is fitting and this raise is reasonable. He pointed out that the inflation rate is 3%, yet the district is spending less. He concluded that he would support the budget. Ms. Heid said she may have considered Mr. Stolz' motion but she was not happy about throwing in the web casting. Mr. Ballard said the statement was made that there was no reason to have a tax increase. He pointed out that the revenues vs. the expenditures are not balanced and the difference is being made up with 4.1 million dollars from the Fund Balance. There is a hope that revenues will increase as the economy gets better. He talked about the impact of charter school funding. He talked about two publications that were forwarded to the Board and that recommended that any governmental agency that had less than two months of operating expenses in their Fund Balance was potentially courting fiscal disaster. It would mean that the district would have to have a 20 million dollar Fund Balance. He noted that the district has considerably less and cited examples when the district had to use funds when the state was late on payments. There is a local district that is already approving a Tax Anticipation Note which will cost taxpayers approximately \$20,000 in interest. He explained that when there is a designated percentage of the budget for Budgetary Reserve it grows the same as the budget does. He talked about the fiscal irresponsibility being proposed and the dangers of not having revenue increase. Mr. Ballard also pointed out that two reputable financial institutions, Moody's and Standards & Poors, cited East Penn's financial status to determine what the bond rating would be. Our bond rate is very good right now. If the Fund Balance is raided, then the bond rating would change as stated by Scott Shearer, Managing Director, for Public Financial Management. Mr. Ballard said he would not support any more funds being taken from Fund Balance. Mr. Ballard further stated that he had cited four reputable organizations and their advice, noting that other statements by board members were their opinions and not backed up with professional credentials, expertise and research. As for web casting, Mr. Ballard is against it because of the cost with very little return. Taxpayers can look at the CEPTA web site. He also cited some of the legal issues that may arise from various situations. The Board meets in public and this is the place where you can see the people. Mr. Stolz rebutted Mr. Ballard's comments and felt he was trying to dazzle the audience. He talked about the uncommitted Fund Balance and how the Fund Balance increases miraculously increases after July 1. He cited other school districts and their budgets and Fund Balances. Mr. Stolz again said that the district could put the budget on the ballot next year and let the voters decide whether or not they want a tax increase. He contended that the public would make the right decision. Mr. Stolz expounded on his campaign promise to the taxpayers that he would not raise taxes and talked about the Founding Fathers. He criticized Mr. Ballard for voting on a tax increase for his time on the Board. He expounded on items being over budgeted; one time funds for one-time expenses; pension increases; meaningful tax reform, and elected officials. Mr. Stolz called the question.

Motion by Stolz, Seconded by Policano

RESOLVED, That the question be called.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Policano, Rhodes, Stolz-----8

Nay: Donches-----1

Mr. Ballard then called on the Board to vote on the previous motion proposed by Mr. Stolz:

Motion by Stolz, Seconded by Donches

RESOLVED, That the East Penn Board of School Directors approve the following amendments for the budget:

\$1,198,998 of the Fund Balance to offset the tax increase

\$1,00,000 of Plancon funds to offset future 5 million dollars on construction costs

\$240,000 to provide for busing to Willow Lane for the next 4 years

\$10,000 for web casting for the next two years

This resolution was defeated by the following roll call vote:

Nay: Bacher, Ballard, Earnshaw, Fuller, Heid, Rhodes-----6

Aye: Donches, Policano, Stolz-----3

Referring to comments about having the public vote on the budget in a referendum, Mr. Earnshaw pointed out that the law prohibits the expenditure of funds to advocate for an increase. He also noted that the millage rate for Catasauqua is more than East Penn's millage at 46.15. He compared their number of pupils and status as a much smaller district. He did not think there was any comparison. Mr. Earnshaw moved to end debate.

Motion by Earnshaw, Seconded by Heid

RESOLVED, That the Board end debate.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Rhodes-----6

Nay: Donches, Policano Stolz-----3

Motion by Fuller, Seconded by Earnshaw

RESOLVED, by the Board of School Directors of East Penn School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2012, under the provisions of the Homestead Property Exclusion Program Act (part of Act 50 of 1998) and the Taxpayer Relief Act (Act 1 of 2006), as follows:

1. Aggregate amount available for homestead and farmstead real estate tax reduction. The following amounts are available for homestead and farmstead real estate tax reduction for the school year beginning July 1, 2012:
  - a. Gambling tax funds. The Pennsylvania Department of Education (PDE) has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.505(b), as a property tax reduction allocation funded by gambling tax funds, the amount of \$1,755,954.64.
  - b. Philadelphia tax credit reimbursement funds. PDE has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.324(3), as reimbursement for Philadelphia tax credits claimed against the School District earned income tax by School District resident taxpayers, the amount of \$40,034.84.
  - c. Aggregate amount available. Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$1,795,989.48.
2. Homestead/farmstead numbers. Pursuant to Act 50, 54 Pa. C.S. § 8584(i), and Act 1, 53 P.S. § 6926.341(g)(3), the County has provided the School District with a certified report listing approved homesteads and approved farmsteads as follows:
  - a. Homestead property number. The number of approved homesteads within the School District is 16,029.
  - b. Farmstead property number. The number of approved farmsteads within the School District is 26.
  - c. Homestead/farmstead combined number. Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 16,055.
3. Real estate tax reduction calculation. The school board has decided that the homestead exclusion amount and the farmstead exclusion amount shall be equal. Dividing the aggregate amount available during the school year for real estate tax reduction of \$1,795,989.48 by the aggregate number of approved homesteads and approved farmsteads of 16,055, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$111.86.
4. Homestead exclusion calculation. Dividing the paragraph 3 maximum real estate tax reduction amount of \$111.86 by the School District real estate tax rate of 46.75 mills (.04675), the maximum real estate assessed value reduction to be reflected on tax notices as a homestead exclusion for each approved homestead is \$2,393.00, and the maximum real estate assessed value reduction to be reflected on tax notices as a farmstead exclusion for each approved farmstead is \$2,393.00.
5. Homestead/farmstead exclusion authorization – July 1 tax bills. The tax notice issued to the owner of each approved homestead within the School District shall reflect a homestead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the homestead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$2,393.00. The tax notice issued to the owner of each approved farmstead within the School District shall reflect an additional farmstead exclusion real estate assessed value reduction equal to the lesser of: (a) the County established assessed value of the farmstead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$2,393.00. For purposes of this Resolution, “approved homestead” and “approved farmstead” shall mean homesteads and farmsteads listed in the report referred to in paragraph 2 above and received by the school district from the County Assessment Office on or before May 1 pursuant to Act 1, 53 P.S. §6926.341(g)(3), based on homestead/farmstead applications filed with the County Assessment Office on or before March 1. This paragraph 5 will apply to tax notices issued based on the initial tax duplicate used in issuing initial real estate tax notices for the school year, which will be issued on or promptly after July 1, and will not apply to interim real estate tax bills.
6. Homestead/farmstead exclusion authorization – interim real estate tax bills. No homestead or farmstead exclusion will apply to any interim tax bill except an interim tax bill applicable to a property that includes an approved homestead or approved farmstead listed in the report received by the School District from the County Assessment Office on or before May 1, but not included in the tax assessment reflected in the July 1 tax bill for the property. In most cases, the assessment of approved homesteads and approved farmsteads will be reflected in July 1 tax bills. However, in any case when there is an approved homestead or an approved farmstead that is not included in the assessment reflected in the July 1 tax bill, and when an interim real estate tax notice is issued later based on an interim assessment including the approved homestead or approved farmstead, the interim tax notice shall reflect a homestead or farmstead exclusion real estate assessed value reduction calculated under paragraph 5, except that the paragraph 4 maximum real estate assessed value reduction will be prorated in the same manner as the real estate tax is pro-rated. Assuming the interim tax notice reflects taxation as of July 1, as will occur in most such cases, the full amount of the paragraph 4 maximum real estate assessed value reduction will apply. In the extraordinary case where the new interim tax assessment is effective after July 1, the paragraph 4 maximum real estate assessed value reduction will be pro-rated in the same manner as the real estate tax reflected in the interim tax bill is pro-rated.

2012-13 Budget - Final Adoption



RESOLVED, That the East Penn Board of School Directors adopt the 2012-13 budget that was tentatively adopted on May 14, 2012, and revised; and,

Be it further

RESOLVED, That the East Penn Board of School Directors, Lehigh County, Commonwealth of PA, hereby authorize expenditures totaling \$124,996,104 as set forth therein; and,

Be it further

RESOLVED, That the East Penn Board of School Directors levy a tax of 46.75 mills per dollar of assessed valuation on real estate, and the following taxes be levied under Act 511:

A one-half percent (.5%) earned income tax, and,  
A one percent (1%) real estate transfer tax

Be it further

RESOLVED, That the Senior Citizen Real Estate Tax Rebate Program be continued for the 2012-13 year with the same eligibility income guidelines as the previous year's program; and,

Be it further

RESOLVED, That the East Penn Board of School Directors approve the establishment of a Committed Fund Balance as of June 30, 2012 in the amount of \$1,250,294 for the purpose of future anticipated rate increases by the Public School Employees Retirement System.

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

Aye: Bacher, Ballard, Earnshaw, Fuller, Heid, Rhodes-----6

Nay: Donches, Policano, Stolz-----3

5. Delinquent Earned Income Tax Collection

Motion by Earnshaw, Seconded by Rhodes

RESOLVED, That the East Penn Board of School Directors authorizes Keystone Collections Group to continue the collection of delinquent earned income taxes for Lower Macungie Township residents for tax years 2011 and prior retroactive to January 1, 2012 with commission continued at the rate of 1.75%, plus our share of printing and postage; and,

Be it further

RESOLVED, That the East Penn Board of School Directors authorizes the Borough of Macungie to continue the collection of delinquent earned income taxes for Borough of Macungie residents for tax years 2011 and prior retroactive to January 1, 2012 with commission continued at the rate of 5.00%, plus our share of printing and postage.

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

Aye: Bacher, Ballard, Donches, Earnshaw, Fuller, Heid, Policano, Rhodes-----8

Nay: Stolz-----1

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

1. District Update

Dr. Seidenberger reported on the following items:

-There will be a meeting on Instructional Rounds in August.

-At the first meeting in August, IT Director Michael Mohn will give the Board an update on where technology is in the district.

He will also share the plans for the Technology Site visit in April.

-The administration will be reviewing the requests from parents for changes in school assignments. These are handled on an individual basis.

2. Personnel

Motion by Fuller, Seconded by Stolz

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

Resignations

- Zachary Fuller, Assistant Principal at Emmaus High School, effective July 16, 2012 (Exhibit 1)
- Katja Wahrhaftig, German Teacher at Emmaus High School, effective June 30, 2012 (Exhibit 2)
- Vicki Kulp, Instructional Assistant at Wescosville School, effective June 12, 2012 (Exhibit 3)
- Matthew Henzler, Part-Time Custodian at Willow Lane School, effective June 19, 2012 (Exhibit 4)

General Leave Request – Reference: Board Policy 539, General Leave

Employee: April Snyder  
 Grade 3 Teacher, Shoemaker School  
 Effective: 8/21/12-1/22/13

Interim Coordinator of Secondary Curriculum

Name/Address: Laura Leiby  
 208 Oak Street, Kaska 17959  
 Education Level: B. S. Degree (1997)  
 M. Ed. Degree (1999)  
 Ed. D. Degree (2012)  
 Undergraduate School: Kutztown University  
 Graduate School: Kutztown University  
 Immaculata University  
 Certification: Instructional II-Physics, Mathematics  
 Supervisory-Curriculum & Instruction  
 Assignment: Vacancy created by retirement of Dr. L. Delvernois  
 Effective: August 21, 2012  
 Experience: 2007-Present: East Penn SD  
 8/99-8/04: East Penn SD  
 8/05-2007 Lehigh Career & Technical Institute  
 Salary: \$74,411 , plus \$500 Stipend/Pay

Full-Time Substitute Teacher Appointments

Name/Address: Jennifer Hanssen  
 4283 Elm Drive, Allentown 18103  
 Education Level: B. S. Degree (2010)  
 Undergraduate School: Kutztown University (2010)  
 Certification: Instructional I, Elementary, K-6  
 Assignment: Grade 3, Wescosville School  
 Opening created by N. Swatsky leave  
 Effective: August 21, 2012  
 Experience: 11/2011-6/2012: East Penn SD  
 Salary: \$45,508 (Year 2, Col. B)

Name/Address: Steven Neikam  
 209 Lone Lane, Allentown 18104  
 Education Level: B. A. Degree (1989)  
 Undergraduate School: Moravian College  
 Graduate School: Kutztown University (certification credits)  
 Certification: Instructional II, Elementary  
 Assignment: Grade 5 Teacher, Wescosville School  
 Opening created by E. Petrella leave  
 Effective: August 21, 2012  
 Experience: 8/2011-6/2012: East Penn SD  
 10/20/10-6/2011: East Penn SD  
 12/2008-6/2009: East Penn SD  
 Salary: \$45, 831 (Year 3, Col. B)

Name/Address: Michael Mauro  
 133 Jefferson Street, Emmaus  
 Education Level: B. A. Degree (2000)  
 Undergraduate School: Penn State University  
 Graduate School: Muhlenberg College (certification credits)  
 Certification: Instructional I, Elementary, K-6  
 Assignment: Grade 3, Wescosville School  
 Opening created by E. Martin leave  
 Effective: August 21, 2012

Experience: 8/2011-6/2012: East Penn SD  
 8/2010-6/2011: East Penn SD  
 Salary: \$45,508 (Year 2, Col. B)

Name/Address: Krista Colville  
 5420 Hanover Drive, Wescosville

Education Level: B. S. Degree (2010)  
 Undergraduate School: Penn State University  
 Certification: Instructional I, Elementary, K-6  
 Assignment: Grade 2, Alburtis School  
 Opening created by J. Tanner leave  
 Effective: August 21, 2012  
 Experience: 9/2011-6/2012: East Penn SD  
 9/2010-6/2011: East Penn SD  
 Salary: \$45,508 (Year 2, Col. B)

Name/Address: Kristen Tomasello  
 1576 Kennington Lane, Macungie

Education Level: B. A. Degree (1990)  
 Undergraduate School: Gettysburg College  
 Graduate School: Muhlenberg College (certification credits)  
 Certification: Instructional I, Elementary, K-6  
 Assignment: Grade 5, Shoemaker School  
 Opening created by L. Knauss leave  
 Effective: August 21, 2012  
 Experience: 8/2011-6/2012: East Penn SD  
 8/2010-6/2011: East Penn SD  
 Salary: \$45,508, (Year 2, Col. B)

Name/Address: Julia Kling  
 842 Welsh Road, Schwenksville 19473

Education Level: B. S. Degree (2011)  
 Undergraduate School: Kutztown University  
 Certification: Instructional I, Elementary, K-6  
 Assignment: Grade 4, Shoemaker School  
 Opening created by K. Durigan leave  
 Effective: August 21, 2012  
 Experience: None  
 Salary: \$45,185 (Year 1, Col. B)

Name/Address: Kimberly Exaros  
 2007 Sunrise Drive, Allentown 18104

Education Level: B. S. Degree (2008)  
 Undergraduate School: Penn State University  
 Certification: Instructional I, Elementary, K-6  
 Assignment: Grade 1, Alburtis School  
 Open created by K. Bergman leave  
 Effective: August 21, 2012  
 Experience: 8/2011-6/2012: East Penn SD  
 Salary: \$45,508 (Year 2, Col. B)

Name/Address: Virginia Duncan  
 26 Lower Way Road, Easton 18045

Education Level: B. S. Degree (1975)  
 M. S. Degrees (2008 & 2011)  
 Undergraduate School: Hampton University  
 Graduate School: Gwynedd Mercy College  
 Certification: Instructional I, Business-Computer-Info Tech, Special Education  
 Assignment: Computer & Business Applications, LMMS  
 Opening created by M. Aquila leave  
 Effective: August 21, 2012  
 Experience: 2/2012-6/2012: East Penn SD  
 12/2006-6/2010: Easton Area SD  
 Salary: \$45,508 (Year 2, Col. B)

Administrative Assistant Appointment

Name/Address: Jessica Miller  
 1346 Spring Road

Assignment: Andreas, 18211  
Eyer MS-Administrative Assistant  
Vacancy created by S. Drexinger retirement  
Effective: July 9, 2012  
Salary: \$25,100, 35 hrs./wk.

2012-2013 Annual Academic Appointments (Head Teachers, Grade Leaders, Department Chairs

See Exhibit 5

2012-13 Annual Substitute Rates

See Exhibit 6

Extended School Year Staff

Vicki Kulp, Teacher Lisa Shupp, Instructional Assistant

Summer Learning Academy Teacher

Heather Day Vicky Romagnoli

Educational Conferences – Exhibit 7

That the East Penn Board of School Directors approve the estimated expenses for the individuals who are attending the educational conferences listed on Exhibit 7.

Edulink Contract – Exhibit 8

RESOLVED, That the East Penn Board of School Directors authorize the Agreement, Option 2, with Edulink Systems Inc., 1111 E. Katella Avenue, Orange, CA to provide services as described in Exhibit 8, effective July 1, 2012-June 30, 2015 at a cost of \$8,000/year.

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

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

Dr. Laura Leiby, who was appointed as the Interim Coordinator of Secondary Curriculum, was introduced to the Board.

7. Legislative C. Ballard

Mr. Ballard reported on the legislators increasing Educational Tax Credits for private and parochial schools. He described it as lost tax money. The bill on reforming charter schools is being discussed. Taxpayers are paying over 365 million dollars more for education in those schools. The budget still has not been passed.

8. Business Operations

1. Bid Opening Report – EHS Natatorium HVAC Modifications and Repairs

The following bids were opened at 2:00 p.m. in Conference Room A of the East Penn School District Administrative Offices on June 7, 2012. Bidder Representative Present: Brian Biery of H. T. Lyons; Engineer Present: Dave Brown, Entech; Staff Present: D. Surdoval, R. Ritter.

EHS Natatorium HVAC Modifications and Repairs- H. T. Lyons, Inc., Allentown, PA

2. Bill List Approval

Motion by Earnshaw, Seconded by Bacher

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.

Approval of District Insurance Policies

PACKAGE POLICY

RESOLVED, That the East Penn Board of School Directors accept the recommendation of the Insurance Advisory Council and award the contract for the package policy including EDP coverage, boiler coverage and automobile, to ACE USA (PSBA Insurance Trust Program) through USI Insurance Services at the quotation price of \$258,494.

Note: Last year this policy was awarded to ACE USA for a total

premium of \$248,388.

#### UMBRELLA COVERAGE

RESOLVED, That the East Penn Board of School Directors accept the Recommendation of the Insurance Advisory Council and award the contract for \$15 million umbrella coverage to Old Republic Insurance Company (PSBA Insurance Trust Program) at a quotation price of \$23,560 through USI Insurance Services.

Note: Last year this policy was awarded to Old Republic Insurance Company for a total premium of \$23,560.

#### ERRORS & OMISSIONS POLICY

RESOLVED, That the East Penn Board of School Directors accept the recommendation of the Insurance Advisory Council and award the contract for School Leaders Errors & Omissions, including an enhanced employment liability endorsement, to The Pennsylvania School Boards Insurance Trust and Old Republic Insurance Company at a quotation rate of \$42,765 through the Miers Insurance Agency.

Note: Last year this policy was awarded to the Pennsylvania School Boards Insurance Trust and Old Republic Insurance Company for a total premium of \$36,638.

#### WORKERS' COMPENSATION POLICY

RESOLVED, That the East Penn Board of School Directors accept the recommendation of the Insurance Advisory Council and award the contract for Workers' Compensation Insurance to PMA Insurance at the quotation price of \$395,494 through USI Insurance Services.

Note: Last year this policy was awarded to PMA Insurance for a total premium of \$332,116.

#### STUDENT/ACCIDENT INSURANCE

RESOLVED, That the East Penn Board of School Directors award the contract for Student/Accident Insurance to ACE American Insurance Company for the Interscholastic all-sports Package AAA, which includes junior and senior high school football, junior and senior high school interscholastic and intramural sports, gym classes, band, cheerleaders and majorettes, loss of use, and expanded sports/medicine, and school trip and activities rider and \$1,000,000 catastrophic accident medical benefit for the total annual premium of \$28,053 for primary excess over \$100.00 plan, as made available through Mid-Penn Insurance Associates, Inc.

And be it further

RESOLVED, That the East Penn Board of School Directors make available the voluntary enrollment primary excess over \$100 student insurance plan AA with a maximum benefit of \$1,000,000, which is offered to parents on a voluntary basis through ACE American Insurance Company for \$30 for school-time coverage and \$116 for 24 hour coverage, through Mid-Penn Insurance Associates, Inc.

Note: Last year this policy was awarded to ACE American Insurance Company at a total premium of \$20,459.

Mr. Policano asked about the increases in the insurance policies except for one. Mr. Glancy explained that there were many claims during the year so the rates were adjusted upward. He noted that school districts across the state noticed an increase in the number of claims.

#### 2011-2012 Budget Transfers – Exhibit 9

RESOLVED, That the East Penn Board of School Directors authorize the 2011-2012 Budget Transfers as listed on Exhibit 9.

#### Bid Rejection – Communications, CATV, Sound and Camera Systems Preventive Maintenance Contract

RESOLVED, That the East Penn Board of School Directors rejects all bids received on May 30, 2012 for the Communications, CATV, Sound and Camera Systems Preventive Maintenance Contract.

#### Bid Awards

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

#### Lincoln Elementary School Window Replacement

RESOLVED, That the East Penn Board of School Directors authorize the award of the bid received on May 30, 2012 from MTD Construction for the replacement of the existing windows in the 1959 addition. Base bid amount \$157,000.00 plus Alternate #2 for \$2,500.00 for a total contract amount of \$159,500.00.

Fire Alarm System Preventive Maintenance Contract

RESOLVED, That the East Penn Board of School Directors authorize the award of the bid received on May 30, 2012 from Keystone Fire Protection Company for a three year preventive maintenance contract. Base bid amount of \$26,282.00 per year for three years for a total three year contract amount of \$78,846.00.

Elevator Preventive Maintenance Contract

RESOLVED, That the East Penn Board of School Directors authorize the award of the bid received on May 30, 2012 from Otis Elevator Company for a three year preventive maintenance contract. Base bid amount of \$22,707.36 per year for three years for a total three year contract amount of \$68,122.08.

Emmaus High School Natatorium HVAC Modifications and Repairs Project

RESOLVED, That the East Penn Board of School Directors authorize the award of the bid received on June 7, 2012 from H.T. Lyons, Inc. for the Natatorium HVAC modifications and repair project. Base bid amount of \$99,980.00 plus Alternate #3 for \$24,800.00 and Alternate #7 for \$28,300.00 for a total contract amount of \$153,080.00.

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

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

9. Announcements

Monday, June 25                   7:00 p.m.-Executive Session (Real Estate; Personnel; Legal)  
  7:30 p.m.-Board Meeting  
Wednesday, July 4               Fourth of July – All district offices will be closed.  
Monday, July 9                   7:30 p.m.-Board Meeting, Board Room (Business Casual Dress)

10. Adjourn

There being no further business to come before the Board, the meeting was adjourned, upon motion, at 10:15 p.m.

Cecilia R. Birdsell, Board Secretary