

AUGUST 18, 2008

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
REGULAR MEETING

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The Regular Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, August 18, 2008, beginning at 7:39 p.m. in the Dining Room of the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania.

REGULAR
MEETING

The Board Secretary called the roll:

MEMBERS
PRESENT

Members present: Directors Amato (arrived at 8:02 p.m.), Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia and Leeson - 9.

Others present: Dr. Joseph A. Lewis, Superintendent of Schools; Donald F. Spry II, Solicitor; Stanley J. Majewski, Jr., Board Secretary; administrators, members of the press, and other interested citizens and staff members.

OTHERS
PRESENT

At this point in the meeting, the Pledge of Allegiance was recited.

PLEDGE OF
ALLEGIANCE

President Leeson requested a moment of silent meditation.

SILENT
MEDITATION

President Leeson announced that an executive session was held prior to the meeting, at which time personnel and negotiation matters were discussed. She announced that the executive session would be continued after the meeting to discuss a personnel matter.

SPECIAL
MEETINGS

President Leeson offered courtesy of the floor to visitors. Speakers are asked to come to the podium, stating their name and address. Public comment in the first session is limited to 30 minutes. Speakers are limited to three minutes each. The board requests that, when possible, all individuals supporting a like position on a topic select a speaker to present their views to avoid repetition.

COURTESY OF
THE FLOOR
TO VISITORS

If that is not possible, all are welcome to speak. As per school board policy, generally, speakers are limited to taxpayers, residents, or employees of this school district. At the conclusion of the regular school board meeting, another block of time will be allocated for public comment. At that time, the same rules will apply. It is asked that speakers observe proper decorum, without personal attacks towards a specific individual or individuals. It is not the custom for the board to enter into a dialogue at these meetings about concerns. However, the board does listen with care to issues raised. Speakers will receive responses, in some form, by the administration.

The following persons addressed the Board of School Directors:

1. Mrs. Joan Howe – 3396 Michigan Court, Bethlehem –
Mrs. Howe stated that she was a second grade teacher at Hanover Elementary School. She was present to speak on behalf of their school's staff regarding the decision to eliminate their full-time reading specialist from a 1.0 to a half-time position. She noted that the staff fought for years, during Mr. Dolusio's administration and finally received a full-time specialist seven years ago. At that time Hanover finally achieved equity with the other small schools by attaining a full-time reading specialist. She said that she was present to plead their case and explained that their needs had not lessened but rather increased. She said that she knew that the board members all received a letter, which stated their concerns but she wanted to reiterate some of their key points. First, their full-time reading specialist provided the only specialized instruction at Hanover Elementary School. There was no math or literacy coach, no Title Programs, no ASPIRE, no Welcome Class and no full-time substitute that could be utilized. She noted that their primary class sizes were growing and stated that two years ago, their kindergarten numbers were 25 and 26. Last year, the same group increased to 28 and 27 in the first grade. Their full-time reading specialist was able to service 12 students with Reading Recovery[®]. She also provided push-in services to deliver small group instruction for many other struggling first graders to help bridge the academic gap. The same group was now at 28 and 29 in the second grade, 5 of which were new to Hanover Elementary School. Mrs. Howe stated that their full-time reading specialist provided push-in services to the second through fourth grades and literacy strategies and activities for students in third through fifth grades, in addition to push-in services for the first grade. Their full-time reading specialist monitored the progress of their struggling readers as they moved from grade to grade and was an integral part of the instructional support team. She added that the full-time reading specialist provided reading support to their new students and parents, pointing out that there were 21 new students at Hanover and now there were 31 new students. Their reading specialist assessed six students per month, on average, as per teacher request and provided teachers with feed back and specific strategies to help each student. Their full-time reading specialist met with teachers at each grade level one day per week to address any student and/or teacher needs. Mrs. Howe noted that the specialist worked with teachers to provide them with resources to supplement the new reading series and content area of curriculum, and provided teachers with PSSA updates and materials to address those updates. The specialist not only addressed the needs of students and staff but also the needs of their parents through the PTA's RIF Program and training parent volunteers to help their struggling readers. She said that their full-time reading specialist was the fabric that held their literacy framework together and pointed out that statistics have proven that if reading difficulties were not adequately addressed early on, the gap significantly widened.

Mrs. Howe said that they knew about the budgetary constraints and the difficult decisions with regard to balancing the budget, but their young students should not be the ones to suffer. Without a full-time reading specialist, she asked which of the key components must be eliminated. She asked which students would be denied the services of a full-time reading specialist, concluding by the statement – “Hopefully none.”

2. Mrs. Laura Kuehner – 4294 Kathi Drive, Bethlehem –

Mrs. Kuehner stated that she was a parent and the president of the PTA and was present to express her concerns related to the loss of their reading specialist at Hanover Elementary School. She said she was concerned about the apparent decision to cut their full-time reading specialist to a half-time position. She noted that good reading skills were the foundation of a solid and successful education. Mrs. Kuehner brought attention to an article in the Sunday Morning Call, which accompanied the PSSA Scores, emphasized the importance of reading in the elementary school while mentioning several new curriculum options being tried by other districts. She paraphrased some of the article stating, “Successful teaching will require a greater emphasis on basic reading instruction; the kind students receive in elementary school.” She stated that she was sure they would agree that in most cases, if a child did not acquire sufficient reading skills in elementary school, the chances of them becoming better readers would be greatly reduced, as they went forward with their education, thus placing an additional need for support on the district in future years or the student would entirely give up on reading. She noted that either way, it would be a no-win situation for the district and more importantly, the student. She said that she had been told that Hanover Elementary School would be the only elementary school in the district to not have a full-time reading specialist. She asked if their students were any less deserving of the support than any other elementary school in the district and pointed out that Hanover Elementary School faced the same challenges as that of every other elementary school in the district. They too had many struggling readers, learners and many children with exceptional needs, yet the only instructional expertise their students received in addition to that of the regular classroom teacher was that of a full-time reading specialist which was being cut to a half-time position. She asked why their tax dollars should support the staffing position at every other elementary school in the district except their own, especially when the needs of their students have been diminished and won’t be met. Mrs. Kuehner said that she had been a parent at the school for eight years and commented on the changing demographics throughout the district. She noted they were seeing fewer parents volunteering during school hours. They were not only losing a trained professional, but they would not have the ability to fill in the gap created by the district. Despite the best efforts of the parents, they were not trained reading specialists. She said the students deserved a trained professional to ensure they receive the necessary support.

Mrs. Kuehner said that the district had the responsibility and duty to provide adequate reading support to meet the needs of all students, including Hanover Elementary School. The government's education policies were supposed to leave no child behind but without a full-time reading specialist their students would be left behind. She urged them to reconsider their decision, as the loss of their reading specialist would severely impact the current and future students of Hanover Elementary School.

3. Mr. Craig Zieger – 4315 Holly Court, Bethlehem –
Mr. Zieger stated that as president of the Bethlehem Education Association he addressed the board at times, particularly when there were very important issues to discuss. He addressed the article that appeared on pages A-4, 5 and 6 in the Sunday Morning Call. He added that he received several telephone calls that morning and noted that one individual was quite irate regarding the article. He said that it was unfortunate that a considerable error was made in the article and it showed every single school in the district as being on Corrective Action I and II for the year 2006-2007. He noted that it was certainly not correct and in fact there should have been only 2 schools out of 22 schools, which were on corrective action for 2006-2007. He said that it totaled to a nine percent accuracy rate for the Morning Call on the percentages. He thought the newspaper should make a retraction of the erroneous information including an apology given to the district as well as the other districts where incorrect information was reported. He emphasized that the actual numbers were correct but the listing of their status for 2006-2007 and their current status were incorrect. Mr. Zieger stated that he spoke with the Morning Call today and shared that they would be printing a correction. He believed they would be rerunning the entire list on Wednesday, which was very important for all of them. He thought that it couldn't have come at a worse time considering it was the beginning of the school year and their teachers, administrators and support staff were all working as hard as they could to help the students succeed in the testing process. He reassured everyone that he was comfortable that the correction would be made.

President Leeson stated that she understood that Dr. Lewis had the intention to address the subject and she offered him the opportunity to speak.

Dr. Lewis said that he and Mr. Zieger conferred and were both rather disgusted with the very inefficient manner in which the scores were reported. He noted that schools that had never been on a warning such as Hanover Elementary School were listed. He stated that it was very disparaging, to say the least, for the district. He added that he spent two and one half hours with the secretary of education in an exclusive meeting set to discuss their school district. Dr. Lewis stated that he saw the article and made comment that it was that type of irresponsible handling of data that caused districts even greater difficulty in getting off the so-called list.

Dr. Lewis said that they expected better from the Morning Call and pointed out that he had a call into the publisher, Tim Kennedy, in order to express his total dissatisfaction with the article with emphasis on the erroneous table. He noted that the headlines in both papers were very controversial and suggestive as well. He shared that the secretary of education said that they needed to be proud of the fact that the district was on corrective action and making progress, being the first to do so across the state. He thought that it was worth reporting, which he believed the Easton Express picked up in an earlier article. He concluded that the Bethlehem Education Association, the district administration and the board were very upset with the content but they were thankful that a full retraction would be printed.

4. Mrs. Mary Krause – 922 Place Road, Bethlehem –

Mrs. Krause stated that it was the first board of education meeting that she had attended and added that she would not feel right if she did not say something. She had second and fourth grade students at Hanover Elementary School and noted that when her older child was in the second grade, she was offered the Reading Recovery[®] Program. She said that it really helped her daughter. Her other daughter was presently entering the second grade and was previously offered the program in first grade. As soon as she was offered the program, she was very thankful because it had helped her older daughter so much. She noted that her elder daughter had made huge leaps and bounds with the program. Mrs. Krause stated that if her daughter could not read a word problem in math, she would not get anywhere. She was aware that the teachers did all that they could to assist the students, and by the time she got home at night after work, she had three hours to do homework and other activities. She said that the students really needed the support and they were short changing them for their future.

5. Mrs. Deborah Trempel – 1058 Woodmere Drive, Bethlehem –

Mrs. Trempel stated that she also wanted to address the problem with the reading specialist position cut. She stated that she had a couple of children who have had difficulty reading and noted that it often took a long time before an IEP was established. Her daughter struggled with reading beginning at the first grade and she said it wasn't until the end of third grade that she finally had her IEP in place. Meanwhile, the reading specialist was there to help her along and keep her on track. Mrs. Trempel agreed with the previous speaker in that if a student's reading fell behind, everything else followed, so she thought the position was critical. As a volunteer in the school, she also saw the reading specialist in a very different light because she acted as their coach, pointing out that they just couldn't go into the classroom without receiving instruction from the reading specialist. The training also helped her as a parent to further coach her child at home. She saw a tremendous number of students who really experienced difficulty in the early years and needed the extra support.

Mrs. Trempel thought that it was the right time to hit it, because by the time they were in the third grade, the focus was more on comprehension.

Mrs. Trempel said another role she played was helping the parents to find the right resources, noting discussions about what was and wasn't working. They communicated about outside assistance programs for the parents and students, which the reading specialist shared with other parents. The reading specialist knew which students needed the assistance, so she played a lot of roles, which the primary teacher could not play. Mrs. Trempel concluded that she could not imagine doing it with only a half-time position. She thanked the staff of the school for their ongoing support for the children by attending the board meetings on their free evening.

6. Mrs. Carol Grace Hicks – 935 Linden Street, Bethlehem –
Mrs. Hicks was present to speak about the Reading Recovery[®] Program at Hanover Elementary School. She stated her son, Sam, participated in the program this past year. One of the most comforting things that she heard during the school year was when the reading specialist said that she would keep her eye on her son and if problems arose during the next year, they would work together again and would also help him through the years with any reading issues. Mrs. Hicks' concern was if the reading specialist position was part-time, it would affect the follow-up with the students. She guessed that the half time would mainly address the students who were in the very worst situation. She had been seeing more and more reading in all of the academic subjects. She had concern about her son's performance in math because there was more words coming into the homework assignments and she addressed not having the assistance of reading support. She concluded that she hoped they would reconsider the full-time reading specialist position.
7. Mr. Stephen Antalics – 737 Ridge Street, Bethlehem –
Mr. Antalics stated that the people from Hanover Elementary School moved him this evening. As a scientist, he related their statements to cause and effect. He said they needed to determine which courses were impacted by reading and to cancel the program if they felt that proficiency in those subjects was not dependent upon reading. To deprive something so fundamental was very troublesome to him with the consideration of the money spent on extracurricular activities and in other areas.
8. Mrs. Lisa McIntyre – 4890 Matts Drive, Bethlehem –
Mrs. McIntyre stated that she was a teacher in the district for 18 years and currently taught at Thomas Jefferson Elementary School and had also taught kindergarten for many years. She said that she had seen the wonderful things which resulted from the Reading Recovery[®] Program. She currently had an eighth grade son at Nitschmann Middle School, another son in the fifth grade at Hanover Elementary School, and her daughter was starting kindergarten this year.

Mrs. McIntyre stated that as a teacher and professional, she felt very strongly for many years that she would much rather have a qualified reading specialist teaching her children, if needed, rather than a parent teaching her child in the hallway. It was fortunate for her that her children did not have any trouble with reading, but if they came to that point, and there was a professional in the building who could offer those services to her child, she would feel much more at ease, knowing that person was qualified, rather than having another student's parent in the hall teaching her child.

President Leeson stated that there would be a second Courtesy of the Floor at the end of the meeting.

Dr. Lewis announced that the district was recently notified by the Pennsylvania Department of Education that their school improvement proposal for Northeast Middle School and Donegan Elementary was approved in the amount of \$80,000. He explained that the funds would be used to help students achieve state standards.

FEDERAL
PROGRAMS
UPDATE

President Leeson stated that she wanted to address the reading program and said that did not know anybody on the board who was pleased with having to make the cuts, particularly in the area of reading. She noted that it was the number one area, which would be restored, if there was any money available. She added that Dr. Lewis would attest to the fact that he was asked every other day if he had any news on any additional money. She pointed out that if there was any money made available, they were going to try to reinstate some of the reading positions. She said they would not make any promises as to the location of the positions. She asked for everyone to understand that they were very concerned about the loss of the reading specialists and it was an area of which they would like to restore, if at all possible.

PRESIDENT'S
COMMUNICATIONS/
UNFINISHED
BUSINESS

President Leeson spoke about the Vision Initiative, which serviced 471 students. The vision specialists in their area provided services, free of charge, to students who needed assistance with their vision. She thanked all of the professionals who worked with the students and noted that they were provided with approximately \$35,000 worth of services. They also received a report on dental services involving the mobile dental unit along with Northampton Community College and Dr. Hunsicker's office. The program serviced 1,239 students with 995 students receiving sealants. She again expressed gratitude to all individuals who graciously gave their services to the district.

Director Amato commented on the Reading Recovery[®] Program. He did not want the audience to get a false impression regarding how President Leeson said they were looking for money to reinstate the program. He noted that school was starting in a week and he didn't see how they would be able to do it. He didn't see how the programs, which had been cut, would be put back into the budget because they didn't have the money. He didn't want the people to get a false impression that it would happen.

President Leeson advised Director Amato that Dr. Lewis might want to address the matter.

Director Dexter inquired about the current status regarding the transportation of the Freedom athletes and cheerleaders to the BASD Stadium. It was her understanding that they as a board had cut funds so the students would not be transported and it would become the parents' responsibility to transport the students including athletes, band members and cheerleaders. She asked for more details about the situation.

Dr. Lewis stated that the district eliminated all transportation of students to intradistrict contests. He explained that the parents were dropping off students at Freedom High School in order for them to be bussed over to Liberty High School, when in fact, they lived on the Southside. It was actually a shorter distance for them to drive to Liberty High School. They also did some other routings with the middle schools. He noted that Dr. Donaher mediated discussion with the athletic directors regarding the football players. He pointed out that the football players were the only group that was to be transported from Freedom High School (only) to Liberty High School. Dr. Lewis asked Dr. Donaher to provide a brief explanation as to the reasoning.

Dr. Donaher replied that it basically stood with the games which were held after school and if there was something scheduled later in the day such as a soccer match at 7 p.m., they didn't feel it was necessary for the students to report to the school and be bussed from there to the stadium. He noted that they could generally get there on their own. The band was also a major concern because the situation was that the Freedom Band was meeting at Freedom High School and taking the busses to Liberty High School to come back to Freedom High School to get back into their cars to drive home. The feeling was that they could just report to Liberty High School and the truck could take their equipment and instruments over with the smaller students being taken by the students. He gave the example of a Liberty/Freedom baseball game where the game was at Liberty High School at 4 p.m., they would still transport the students from Freedom High School to Liberty High School. If the game was at 7 p.m., then the students would go home and obtain their own transportation. Dr. Donaher stated that the varsity football players were going to be transported because they changed at Freedom for the game and then came over. If they had to bring all of their equipment over to change there and then leave the equipment behind and go home in their private cars, it would require all of the equipment to be loaded back on the truck to be sent back to the school. There was concern about missing equipment such as uniforms and helmets.

Director Amato commented that they were taking care of the varsity football players and asked about the middle school and junior varsity football players.

Dr. Donaher replied that they played on Saturdays and prior to this year, they could have two games at the stadium on a Saturday morning.

Director Amato asked how those athletes got to the stadium and questioned if they took their equipment home with them. He said that he thought Dr. Donaher said that the reason they didn't want the varsity football players to go to the stadium was because of the equipment. He questioned why it was different for the middle school students because they played over at the stadium.

Dr. Donaher replied that they would have to dress at their middle school and then he believed they were still being bussed over for their Saturday games. It was the only way to control the equipment. He pointed out that the students would be transported to the games, which were played at 4 p.m., because they were right after school. There was no way to transport them in private vehicles.

President Leeson stated that the band also had very heavy equipment. They would have to put all of the equipment on a truck, take it over to the stadium and then they must place it back on the truck to transport back to the school. She said that another alternative would be to provide the football team with locked facilities at the BASD Stadium. She noted that the facility was for both Liberty and Freedom students. She added that it was very expensive for them to run the bus back and forth for the football players.

Dr. Donaher replied that they needed their equipment for practice during the week at Freedom High School.

President Leeson said that they could use the truck or van to transport the equipment back and forth. She asked why the students couldn't meet at Liberty High School and get dressed at that location.

Dr. Donaher replied that football required a lot more preparation in dressing with taping of ankles and braces than most other sports.

President Leeson asked why it couldn't be done at Liberty High School. She asked why they had to sit at Freedom to get their ankle taped.

Dr. Donaher responded that the Freedom staff knew where their supplies and equipment were located. He noted that they purchase their own supplies so if they started moving the students to Liberty, then they must bring their own tape with them and the trainers would have to be sure that all of the essential equipment was brought with them.

Dr. Donaher said that the coaches and the athletic directors felt that it would be much more cumbersome to have the football team show up without a uniform and then have everything delivered to the stadium rather than just meeting at the school, changing, and being transported as a team. They felt the second option was more secure for the students and equipment.

President Leeson asked what the district cost was to transport the students from Freedom High School to Liberty High School.

Dr. Lewis replied that he believed it was approximately six or seven games and questioned Mr. Majewski regarding the bus driver rate of pay.

Dr. Donaher estimated that they would be using two busses at the maximum.

Mr. Majewski stated that at approximately \$20 per hour times six hours, which would be a total of \$120 per bus. Mr. Majewski said it could be up to \$500 per run and could total \$2500 to \$3000, depending upon how many busses were being utilized.

President Leeson commented that with consideration of their present budget, she thought the players could dress at Liberty High School for \$2500 to \$3000.

Director Amato asked if she was making a motion.

President Leeson replied that it was not a motion from the floor. She thought that they should develop a motion for the next board meeting.

Dr. Lewis stated that they would probably need it before then because the first game was starting soon. He said that it was okay, but they would need direction.

Director Dexter stated that when the budget hearings were held, they made a lot of cuts and she thought that everyone on the board realized that some of the decisions were made because at the time they made sense. They revisited some things and maybe this item was one of them because of the equipment issue, but while they do that, she asked them to keep a few things in mind. She said that she recalled asking if they contacted the band directors and coaches for feedback, to determine the impact, when it was proposed to stop transporting the students. At the next budget hearing, they were told that it would work. If it didn't work, her procedural view was that it was something which had to go back to the board, because the board made the decision to make the cut. When they made the cut, they were balancing other things such as reading and the School-to-Work Program, among many other items. If they were going to revisit that decision, she thought the board needed to revisit it.

If an administrative decision had to be made on an emergency basis because some new information suddenly came to light that they didn't previously think about, there had to be immediate communication to the board and then have it on the agenda for the next meeting. They had to look at equity. She brought attention to President Leeson's statement that the band also had heavy equipment and noted that they needed to consider all organizations. She noted that the board members had received a number of emails on a variety of topics regarding the budget cuts so no one was happy when a program was cut. She stated that many people were commenting about how certain cuts would not work such as the people present tonight from Hanover Elementary telling them why with specifics. Director Dexter said that she appreciated hearing from them because even though she could not speak for the board, she knew that they made some mistakes, not knowing where they were yet, but they were still learning. She noted that they had to cut six million dollars and they knew that some things probably could have been cut that no one brought to their attention. She was open to hear further comment from the public if they were aware of waste, extravagance or over expense. She said that she wanted to know about it and wouldn't take it as a criticism of the district, but rather look at it as an invitation to look deeper into where more money could be cut. They could then restore things that were more essential such as reading. She concluded that it may be essential to bus the football players and said that she was unsure.

Director Amato referred to the estimated cost that Mr. Majewski computed to transport the football players. He pointed out that they also had to deduct the cost of transporting the equipment over to the stadium. They had to pay one or two people to load the truck, take the equipment over to the stadium, unload it and then when the game was over, they had to reload it and take it back over to the school. He said that it was not a \$2500 complete savings, but maybe half of that, so it might be a wash. They either pay a bus driver or pay two people to load up the equipment. He pointed out that it was how they got to the problem with the reading program. When they started to cut, they thought they would save \$250,000 by cutting Reading Recovery[®], but nobody thought about the impact to the students.

Director Dexter replied that they did think a lot about the impact of the cut to Reading Recovery[®] and thought they discussed it at five budget hearings and she didn't know if he was in attendance.

Director Amato responded that he was probably only at half of them or none, so he did not vote for it.

Director Dexter said that there was a lot of discussion about the impact of cutting a variety of programs. She stated that the board did the best they could with the information they had at the time that the cuts were made.

Director Amato replied, "Then live with it."

Director Dexter replied that they were trying to live with it, but at the same time they were trying to re-examine the impact as people came forth with more information. She thought it was a reasonable approach. She said that if Dr. Lewis came to them with information that there was money for reading in the next few minutes, days, or weeks; they might have additional decisions, which they needed to make as a board. She hoped they would give the same kind of thoughtful consideration to all of the different factors that she knew they gave at the five budget meetings.

Director Amato stated that they were all in agreement to cut the activity busses with one at 4 p.m. and the other at 5:30 p.m. to transport the students that were participating in after-school activities. They decided that they only needed one bus and the cut was made to the 5:30 p.m. bus. He asked Dr. Lewis about the status of the situation, noting that he previously inquired about the later bus being the priority.

Dr. Lewis replied that he thought it had been resolved at a zero cost to the district. He asked Dr. Donaher and the principals to meet with Mr. Gilliland and Mr. Himmelberger to identify the students who would not have a ride and without exception it was the students from the Southside. He said that they run a practice bus from Broughal Middle School to Freedom High School, because they did not have a field. They then dead-ended the bus run at Liberty as well, so both Southside contingents would be taken on busses, which were already being run. He noted that it was a simple matter of rerouting which might involve an extra mile. He apologized for not putting it into a memorandum because they were inundated with problem solving.

President Leeson thanked Dr. Lewis for taking care of the problem.

Director Tenaglia said that one of the concerns that he thought all of them had received in emails from parents was the issue of safety with the drop-off at Liberty. It was his understanding that with the new traffic patterns near the tennis courts, they would have a better drop-off area. He inquired if there would be any type of police control during sporting events so there was a constant movement.

Dr. Lewis replied that they positioned somebody at the entranceway past the tennis courts and noted it had been past practice and that it was not changing.

Director Cann addressed a new topic, asking how they could vote tonight on restoring the Hanover Elementary position to a full-time reading specialist. She stated that she wanted to vote that they would pledge to find a way to do it for them tonight. She said that she was aware that all of the schools had seen cuts in reading specialists, but not one was moved down to only a .5 position to serve six grades. She didn't understand why they were singled out, but whatever the reasoning, it was dangerously mistaken.

From her experience of volunteering for 10 years, she knew for a fact, that there were a number of struggling readers and learners at that school. Director Cann added that some people might manage if they went from 2.5 to 1.5 positions or 5 to 3 positions, but this school had to service all of those students with only a .5 position. She thought that it was an emergency and they had to treat it tonight.

President Leeson replied that she thought it would probably come under New Business.

President Leeson asked Attorney Spry if they were allowed to have a motion from the board at the meeting or did they have to wait for the following meeting.

Attorney Spry advised that since all board members were present, it could be done under New Business.

President Leeson stated that Director Cann's suggestion would be brought up under New Business.

Director Amato said that all of the schools had Reading Recovery[®] cut from the budget. He stated that if they went from 5 to 2 positions, they had just as much of an argument as Hanover Elementary going to a .5 position. He didn't think her recommendation was fair. He thought they should open it up for all of the schools.

President Leeson recommended that they listen to Dr. Lewis' remarks about Reading Recovery[®], because she thought he indicated that he was going to address it during his remarks.

Director Koch stated that she had been away, so she was not aware of the status regarding the expenses when Mrs. Clinton came to town.

President Leeson asked Mr. Majewski if he could answer her question.

Mr. Majewski replied that he had not received no other communication nor any money.

Director Koch asked if the figure was \$14,000.

Mr. Majewski replied that it was for the amount of \$15,000.

Dr. Lewis added that Mr. Majewski was with him when he called the mayor's office and they reiterated their complaint. The mayor said that he would get on it, but they had not heard anything in response since the last board meeting.

Director Koch commented that she would love to hear them giving them their speeches about how much they care about education and then they come to their school and steal \$15,000.

Dr. Lewis replied that they were not giving up.

Director Follweiler stated that she did not know if it was within his realm but she was curious as to how the expense showed up on the campaign finance report. She asked if they logged it as an “in-kind” donation by the district or was it logged as debt service. She didn’t know how he would find out the information, but they would know if it was intended to be paid back, if it was listed as debt.

Mr. Majewski said that he would make the request and report back to the board.

Director Follweiler recalled another news item from another district somewhere in the state that had an “in-kind” donation for similar use of a facility, but she knew that that was not the intent by the board or administration in that it was not a donation but rather a leased event. She thought if they could find what was noted on the report, they would know the intent of the campaign.

Dr. Lewis asked Edward Crawford and Marilee Ostman to come before the board. He stated that they wanted to make a special presentation this evening. He noted that Mr. Crawford’s first wife, Maureen, was a very dedicated special education teacher and after her passing, an award had been given to an individual or to a program, on an annual basis. Dr. Lewis asked Mr. Crawford to make the presentation and noted that they were very proud of the fact that Marilee Ostman, Cleo Millheim and the entire staff of the SPARK Program were recipients of the award.

SUPERINTENDENT’S
REPORT

Mr. Crawford, principal of East Hills Middle School, stated that Colonial Intermediate Special Education Teachers presented the award to regular education staff in order to provide opportunities to students with disabilities in regular education. He read the following detail of the award:

*In recognition of exemplary teaching practices
enhancing the inclusion of exceptional children.*

Mr. Crawford added that the award had made the tour all around the Intermediate Unit including Bangor, Pen Argyl, Nazareth, and Northampton School Districts. He said it was fortunate that this year it came home where it began. Although he had no influence on who received the award, it was nice to know that it occasionally came home, having it back in Bethlehem with the SPARK Program involving all of the teachers in the Pre-Kindergarten Program. He noted that he was at the Intermediate Unit Convocation last week where the teachers presented the award to Mrs. Ostman and along with some of the district teachers.

Marilee Ostman exhibited the plaque, which was presented to them. She stated that she shared with those present at the convocation last week that they don't ever do anything in isolation and were very fortunate to have the cooperation of the Intermediate Unit for over 15 years. The work that was done with all of their children came because of their very talented staff in addition to their colleagues working in the Intermediate Unit to support them such as the occupational and physical therapists, behavioral specialists, itinerant teachers, and associate teachers, who all came to work with their children. It was another wonderful example of what the Bethlehem Area School District did on behalf of the community with their partners from the Intermediate Unit. Mrs. Ostman expressed their honor and gratitude upon receiving the award.

Mr. Crawford pointed out that Mrs. Ostman was being humble and noted how Ann Rider spoke about the nomination and what the teachers had to say about the SPARK Program. It gave him a warm feeling, in addition to the handshake between the Intermediate Unit Staff and the SPARK Staff, which benefited the children. He concluded that was what it was all about.

Dr. Lewis commented that Marilee Ostman was a true champion of Pre-Kindergarten education. He added that they would be opening an expansion of SPARK in the Boys' and Girls' Club in the Marvine area, noting it was 100 percent funded by the state and would service 60 more students. He said that Mr. Gilliland and Mrs. Ostman, along with their staff, were busy putting it together. He noted that in his conversation with the secretary of education today, he discussed the fact that Governor Rendell modeled his statewide program after SPARK and it was being replicated throughout the state of Pennsylvania. He said he recalled the day when they came for a tour, noting that he was so proud, knowing that she did all the work, of which she should be commended. He pointed out that when the scores were misprinted in the newspaper, they should also print the fact that the district had an exemplary program, which the governor used as a model.

Dr. Lewis stated that they received notification via email late today that the entire 90 percent E-rate reimbursement for the new Broughal Middle School had been initially identified as being funded. It would cover the cabling of the wireless and infrastructure telephone system, in the amount of approximately \$400,000.

Dr. Lewis shared that he was aware that some board members did not have the information that he was going to attend a meeting, at the invitation of the secretary of education, to discuss the state of the district and how they might be able to help. He did not have anything in hand, and noted that he conversed with Mr. Majewski, further expressing that he wanted him to feel comfortable as the district's fiscal agent before they made any decisions.

Dr. Lewis stated that they received a commitment from the Department of Education Secretary, that the state would be picking up the lead teacher's salary, all supplies and materials, and all training relative to Reading Recovery[®], under the reading initiative. He added that they had the obligation to join the state cohort in Shippensburg, and also to be a training site, of which, he noted, they did not have a problem. He said that Mr. Majewski did not have a chance to perform the calculations, but pointed out that the money was significant. Dr. Lewis, speaking for himself, stated that he, Mr. Majewski and the cabinet also knew that they had the challenge to under-expend the budget. He asked that if they restored something, then to take it off the challenged amount in order to be fair, so that they didn't have to find something to replace what was invariably other monies. He felt very confident that they were lobbying for their school improvement monies, of which, they expected to significantly have more dollars to be used for reading intervention. He said there would be some requirement to design new "in school" or summer programming. Dr. Lewis said that the secretary gave his support on that piece because if they could get the students into the interventions, regardless of when and where they were, they had a greater chance of succeeding, rather than the old after-school programs where the students and parents have too many other interfering commitments. He reviewed that it was good news that there was some additional money but he didn't want to be pinned down to a specific number because he couldn't pin the secretary down. Dr. Lewis reiterated that he wanted Mr. Majewski, as the district's fiscal agent, to be absolutely comfortable before any restorations were done.

President Leeson added that when they initially looked at the restructuring of reading, they were going to reduce the reading teachers by five full-time positions. She clarified that they had already restored one, with four remaining teachers to restore in the budget, if at all possible.

Dr. Lewis agreed.

President Leeson asked Mr. Majewski if he had an idea of how many positions were possible with the money from the reading initiative.

Mr. Majewski replied that it was difficult to say that they could actually spend the money without a commitment. He said that he did not know the dollar amount nor did he know the contractor, which would be categorical. He asked if there would be a start date with regard to the grant. He noted that anything spent prior to a grant start date might not be able to be used against the grant. He said that it was not the time in their financial history to take chances and he thought they needed to be certain of the amount of money and the details involved regarding use, before they started to spend it.

President Leeson asked if it was his recommendation to wait until they had a full commitment in hand, before moving forward with the restoration of positions, even though they would have liked to have it replaced for the first day of school.

Mr. Majewski affirmed that it was his recommendation.

Dr. Lewis concurred that they could implement “after-school opens” because much of the reading identifications were still yet to be done. He noted that early testing sequences of incoming students still needed to be accomplished. He thought they would have a better idea in September. He added that Mrs. Katona was making contact with Dr. Bufalino in Shippensburg to find out the specific paperwork needed for submission, therefore he deferred to Mr. Majewski on the issue. If he had a written commitment, it would be different, but he was optimistic.

President Leeson asked if there was anything that the board could do to move it along such as a letter stating that they needed to restore the positions. She said that although they could say they could wait during the identification period, they knew they did not have a lot of time.

Dr. Lewis replied that it would not hurt, but thought it would be a matter of a written commitment from the state, and then it would be safe to do the adjustments.

President emphasized that they needed the commitment soon.

Dr. Lewis stated that they were pushing it and would be making email contact tomorrow.

Director Tenaglia asked if it was the superintendent’s intention to have the commitment available for the next Curriculum Committee Meeting.

Dr. Lewis replied that it was his hope that Mrs. Katona could make the contact and find out what was necessary to obtain the initial money. He stated that they were given the option to use the School Improvement Fund, as long as it was not supplanted, but it was not the issue, because they did not have it in place, which he noted was explained to the secretary. He added that it followed the funding cycle and it was going to happen when every school in the Commonwealth gets their school improvement money. Dr. Lewis said they were among the select schools with reading grants coming out of Shippensburg.

President Leeson asked if they could get some concrete information by the next Curriculum Meeting.

Dr. Lewis replied that they would try, explaining that the state moved at their own pace and will, and concluded that he didn't want them to be disappointed if they were still sorting everything out.

President Leeson addressed the Strategic Plan update.

STRATEGIC
PLAN UPDATE

Dr. Lewis stated that they included the Professional Development Plan and the Needs Assessment, which were new materials, for their review. He said that they could direct any questions to Mr. Washington, Mrs. Katona or himself. He stated there was a Strategic Plan Meeting on August 27th at 7 p.m. and pointed out that board members were invited because it would be a good time to ask penetrating questions relative to the plan.

President Leeson requested a motion to accept the minutes of the board committees. Director McKeon made a motion, which was seconded by Director Cann. The motion carried by voice vote.

BOARD COMMITTEES –
ACCEPTANCE OF
MINUTES

NORTHAMPTON COMMUNITY COLLEGE BOARD OF TRUSTEES – Director Koch stated that she did not have a report at the present time because she was away on vacation.

COMMITTEE
REPORTS

PSBA – Director Koch stated that the association was discussing some changes in their business practice. She explained that they formerly had a huge square with at least 15 people seated, which included regional directors, transportation representatives and attorneys. They were previously given the opportunity to give an oral statement regarding activity in their area. She noted that some people were a bit radical but there were also some very interesting speakers. She thought it was a wonderful way to network, but have changed the communication process. They gave all of the members a two-page report where they must fill in a report about what was going on in their region. She stated that her region had seven counties and they expected a written report regarding the school districts. She didn't think it would work out very well. In fact, at the last meeting, there were only 3 out of 15 possible reports. She also pointed out the change in organization. Previously, every year they had a meeting with all the Region 8 representatives attending to vote on who would be the next regional director. The system changed in that there would be one representative from each school district would vote on the assistant regional directors. The assistant regional directors would then vote on who would be the regional director. She noted that it was down to 4 people who could choose the position. Director Koch expressed that she did not like the new system.

COLONIAL INTERMEDIATE UNIT 20 – Director Dexter stated that a meeting was scheduled for August 27th. She pointed out that she attended an Intermediate Unit event, which involved an employee hearing which was confidential.

DUAL ENROLLMENT COMMITTEE – Director Cann said the next meeting was scheduled for September 3rd.

BETHLEHEM AREA VOCATIONAL-TECHNICAL SCHOOL – Director Cann stated that a meeting was held on August 5th. The board approved new staff hires, including a new position called Construction Trades Coordinator, which became necessary due to a welcome increase in the number of students in the construction trades. She noted that the student built house was due to be completed at the end of July. The benefit of selling the home by auction was discussed. Goals were presented for the new school year which included having a noticeable increase in the national certification of teachers and programs, increases in PSSA Scores, raising the amount of students who complete their programs and increase assistance with transition to work, college and the military. She concluded that there would be future discussion on changing the name of the Vo-Tech to better reflect their existing programs.

BETHLEHEM PARKS AND RECREATION COMMISSION – President Leeson stated that there was no meeting to report on but she noted that a new splash park had opened on the Southside.

A motion was made by Directors Follweiler and McKeon to approve the minutes of the May 19, 2008 Regular Board Meeting and the May 29, 2008 Special Board Meeting. The motion was carried by voice vote.

APPROVAL OF
BOARD MINUTES

Dr. Lewis presented the following recommendations of the administration:

DR. LEWIS PRESENTS

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° Information Item Only

1. *No Child Left Behind (NCLB), Title I*

INFORMATION:

The Bethlehem Area School District is entitled to receive \$3,358,588 for the 2008-2009 school year under the above federal legislation. The Title I program has received the following allocations over the last three years:

2005-2006 - \$2,905,113
2006-2007 - 3,192,928
2007-2008 - 3,455,513

RECOMMENDATION:

That the administration be authorized to submit an application under the No Child Left Behind Act, Title I funds in the amount of \$3,358,588 for the 2008-2009 school year.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

2. *No Child Left Behind (NCLB), Title II, Part A*

INFORMATION:

The Bethlehem Area School District is entitled to receive \$850,410 for the 2008-2009 school year under the above federal legislation. NCLB Title II, Part A, Eisenhower Professional Development and the Class Size Reduction Initiative have been combined into one program that focuses on preparing, training, and recruiting high-quality teachers.

RECOMMENDATION:

That the administration be authorized to submit an application under the No Child Left Behind Act, Title II, Part A funds in the amount of \$850,410 for the 2008-2009 school year.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

3. *Keystone Nazareth Charitable Foundation Grant*

INFORMATION:

The Keystone Nazareth Charitable Foundation supports programs to or for, housing assistance, local education, not-for-profit medical facilities, not-for-profit community groups, and similar types of organizations throughout the greater Lehigh Valley region. Under the Education category, they will accept proposals for public and secondary schools, drop out prevention programs, libraries, etc.

We have prepared a proposal to assist with the Broughal Middle School Planetarium project.

RECOMMENDATION:

That the administration be authorized to submit a Keystone Nazareth Charitable Foundation grant application for the Broughal Middle School Planetarium in the amount of \$150,000.

Director Dexter questioned how it was determined that the planetarium was the top priority for the district with regard to the Keystone Grant application.

Dr. Lewis replied that with any grant application, individuals brought the grant forward and it was discussed. This case involved Mrs. Cintrón, Mr. Santoro and himself. He said he was a strong proponent of securing funding for Broughal Middle School as they did make the commitment to the board to try to pay for the specialty areas through philanthropy and grants so they submitted it to the board for approval. He explained that people see a need, have dialogue, and seek the grant. Mrs. Cintrón reviews it and monitors the completion to ensure that it was done properly. The board approved the process and accepted or rejected the offer of anybody's money or assistance.

Director Dexter asked if there was any consideration given to the priority about the priority that was set in the district's Strategic Plan.

Dr. Lewis responded that the Strategic Plan no longer spoke to infrastructure, as of this round, but it previously did have buildings, facilities and operations, in the past plan.

Dr. Lewis noted that they did speak about the enhancement of all curricular areas in the prior strategic plan. He supposed it could be argued that it fits in that regard. He noted that some of the supporting letters came from places that supported the study of science and exploration like the DaVinci Center and other similar entities. He concluded that to be specific the short answer was no, but, it was yes in a tangential way.

The administration's recommendations 3, 8 and 15 were considered together.

4. *Safe and Drug-Free Schools and Communities, Title IV, Part A of No Child Left Behind (NCLB)*

INFORMATION:

The Bethlehem Area School District is eligible to receive funds for the 2008-2009 school year to provide drug and alcohol abuse education, violence prevention programs of demonstrated effectiveness, SAP training, and Project Success.

RECOMMENDATION:

That the administration be authorized to develop and submit an application in the amount of \$55,149 for funds through the Safe and Drug-Free Schools and Communities Act under Title IV, Part A of the NCLB legislation.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

5. *Field Trip Attendance*

RECOMMENDATION:

That the following overnight student trips for students and staff be approved:

February 21-28, 2009 (60-80 Freedom High School Students) Concert Choir Trip to Mexico Mexico City, Acapulco	\$3,075.00
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Director Tenaglia stated that he understood that the administration was working on the policy, but they continued to operate in a void to the district. He noted that the cost to the district was \$3,000 and added that he discussed the impact of the classroom substitutes with the superintendent today. He pointed out that the impact of having substitutes was an approximate 70 percent reduction in instructional capabilities so it was not only the financial impact. He said that he fully appreciated the fact that by voting no, it would hold an impact on the groups coming to them. He noted that until they had a policy in place, he would have to vote “no.”

Dr. Lewis added that he and Director Tenaglia had a frank discussion on the matter and noted that they had an existing policy. He explained that Mrs. Katona made sure that the trip met those standards.

Director Tenaglia pointed out that they could not quantify how one group got funded when another did not.

President Leeson asked to review the district’s field trip history for the benefit of the newer board directors. She stated that she recalled that they formerly allowed one out of the country trip for the band at each of their high schools, which were the only out of the country trips allowed. She also recalled that Freedom High School Choir had the opportunity to the Vatican and came to the board to ask for permission and she believed it was allowed at that time. They decided to give each group the opportunity to go once every four years. She noted that since then, they had been getting new groups, such as this one, which was Concert Choir as opposed to the Choir. They also had a situation where some of the groups were only juniors and seniors, so they were now allowing it every two years because it wouldn’t touch them every four years.

Dr. Lewis stated that she was correct in principle and noted that he was the superintendent when the policy was rewritten. He said that when it was originally written, it was stated that students should not attend more than one trip in four years, but not the group. When they had a select choir, or if they had an 11th and 12th grade group, at times, they might include a very talented 10th grader and there was no question that it would eluded the letter of the law of the policy.

Dr. Lewis noted that Mrs. Katona had followed the policy in that the students who went had not been out of the country. He reiterated that upon occasion, they might have an instrumentalist and singer who may also, by virtue of design, attend more than the one trip in four years. As a rule, most students were still abiding by the policy.

Dr. Lewis thought Director Tenaglia's concern was legitimate and shared his concern, in that there were no parameters on how many people attended or how many people came out of the classroom. He said that he did not approve a lot of the trips because he thought the most effective instruction occurs when the regular teacher was in the classroom. He reviewed that he quoted the national statistic that there was a 70 percent drop in the efficiency of a class when a substitute was present. He added that they had some good substitutes but they were not the regular teachers. Dr. Lewis stated that they would like the board to approve it because they felt it was a reasonable request and was within the current policy. If there was an issue with the substitutes, then it was something they should discuss, but beyond that, the group was funding it and administration supported it.

President Leeson agreed that it was within their parameters but questioned the present number of groups. She said that formerly there was one band at Freedom High School and one band at Liberty High School. She questioned how many groups had proliferated in the past five years with traveling out of the country.

Dr. Lewis noted that they had select choirs such as the Les Chanteurs, in addition to the bands and orchestra. He said that it was Mrs. Katona's Department that monitored it. He reiterated that some students would be overlapping. He added that they had to weigh the value and educational experience of world travel.

President Leeson again asked if he was aware of how many groups were involved.

Dr. Lewis replied that he had not recently counted them, but said they would provide them with information.

President Leeson said that it was beginning to sound as if they might be up to about six or seven groups.

Dr. Lewis responded that it sounded reasonable but he was not certain.

Director Tenaglia stated that tonight he mentioned that it was within the parameters, which was elongated with the gathering of frequency and location of the trip, but they still had not articulated, and it was not the first time, that he was unable to articulate a policy as to which groups received funding and which did not receive funding.

Dr. Lewis stated, "That part has always been funded by outside fundraising."

Director Tenaglia replied, "That part, but yet we now have a group coming to us, asking for \$3,000."

Dr. Lewis said they always had a policy to pay, which required administrative approval and also required "x" number of chaperones per unit of students and they also paid for the school employees who went on the trip. It had been the district's practice. If they wished to re-examine the policy, it was fine.

Director Tenaglia said that he knew and agreed to examine the policy.

Dr. Lewis apologized that they did not have a revision of the policy in place, but they had the request in front of them, which made it difficult.

Director Follweiler stated that they had the field trip policy on the next curriculum agenda for discussion and noted that they had been discussing it. She asked if this particular trip, which was scheduled for February, be voted on this evening or could it be tabled and extend the conversation to the next regular board meeting.

Dr. Lewis replied that the issue surrounded the flights and he noted the prices were escalating. He believed the reservation was time sensitive so the price could be higher if it were held off.

Director Follweiler said that it was also discussed at several meetings about where the expenses fell within the budget category and if it also was in line with the budget regarding the allotment for field trips of this nature. They wanted to know the running score so they could fall into place.

Mr. Majewski stated that on the submitted form, he contacted the superintendent's office to determine the account number for the expenditures. Based on the provided account, there was \$6,000 appropriated in that budget with nothing expended or encumbered. He noted that it would be half of the budget for the year.

Director Tenaglia asked if it was half of the budget for Freedom High School.

Mr. Majewski replied that it was for this field trip with that account number.

Director Tenaglia asked about the specific account he was referencing.

Mr. Majewski stated that he was referencing the account number, which was used to pay for the field trip, as he had indicated on the request for the conference. He said that it was the budget information for that account number.

Director Tenaglia replied to Mr. Majewski that they have had conversations and thought they had an understanding with the board that he would provide them with the object detail code because there was no way for a board member to reconcile the account codes to the budget object detail code.

Mr. Majewski agreed that he provided the information for those, which he prepared. He noted that this information item did not come out of his office, but he would provide the information for those when he knew they were being created.

Director Tenaglia asked about the object detail code regarding the \$6,000 figure.

Mr. Majewski responded that the object detail code was a conference account. It was a conference account for secondary schools – all high schools.

Director Tenaglia commented that they were using up half of that conference account.

Mr. Majewski replied that he guessed it was a matter of semantics when they looked at the object codes. He noted that the particular code covered the high schools and with two high schools involved, Freedom High School would be taking up one-half of the budget for the year.

Director Tenaglia said that if Freedom got hit with another \$3,000 request before Liberty High School, and the board approved it, then Liberty High School would be left with zero.

Mr. Majewski said that he found it difficult to answer that because it was a “what-if” situation. The fact is that they had a request for \$3,000 and he had indicated that they had a budget of \$6,000 and if approved, it would use one-half of that budget.

Director Koch reflected on an occasion when a school had everyone signed up, the plane and accommodations organized and then came to the board to request approval. She stated that needless to say, the board was not happy with it and informed them not to do it again. She said that they had managed to improve by very small increments and agreed that it would be nice to have a formula. She questioned if there were more students at Liberty High School than at Freedom High School.

Mr. Majewski replied that there were approximately 50 percent more students at Liberty High School.

Director Koch asked if it would then make sense to use a formula rather than to just divide it down the middle. She stated that if there were more students at Liberty High School, then perhaps they should get more money than Freedom High School.

Mr. Majewski responded that he believed that where they were right now was when they approved a budget; the cabinet member was responsible for the decisions based upon the information provided for the recommendation. To create a formula at the present time without looking at the other trips, which were worthy of funding, might be part of the consideration, but he did not think it should be the only criteria.

Director Koch thought that it should perhaps be part of the discussion for the next committee meeting.

Mr. Majewski replied that it should be part of the overall discussion of field trips and funding.

President Leeson stated that it was her understanding that from this point on, they would like the object codes in order to know what was in the budget for the particular object and how much of the budget was being spent on a particular issue.

Director Dexter mentioned that she knew that the Liberty High School Band was going to the Rose Bowl this calendar year and inquired if the cost for the administrator who was traveling with that group had been allocated out of the same budget. She was aware that the trip was approved, but it was in the last calendar year and she inquired if they earmarked funds other than the \$6,000.

Mr. Majewski replied that he did not have the information. They needed to go to the cabinet person responsible for that budget and the allocation of those funds in order to directly answer the question. He pointed out that cabinet members represented certain budgets and were responsible for maintaining the detail of them. He had overall oversight. He didn't have the information in front of him as to what district funds were being used so he could not answer the question if the funds were set aside for that item.

Director Dexter questioned if they allocated for one administrator to travel regardless of the size of the group. In this case it was for 250 students.

Dr. Lewis replied affirmatively.

Director Dexter asked Mr. Majewski if the cost for the administrator attending the Rose Bowl would also come out of the same pocket.

Mr. Majewski stated that anything was possible and was attempting to deal with the facts as presented. He needed to work with the administrator to research, verify the information and then he would get a response back to the board.

Director Amato moved to table the item, which was seconded by Director Follweiler. President Leeson requested a vote on the motion. The question was called with roll call as follows: Yea, Directors Tenaglia, Amato, Cann, Follweiler, Haytmanek, Koch, McKeon and Leeson – 8. Nay, Director Dexter – 1.

DIRECTOR AMATO –
MOTION TO TABLE
ITEM 5

The motion passed 8 – 1.

6. *Resignations*

RECOMMENDATION:

Administrative

- | | | |
|----|-------------|------------------------------|
| 1. | NAME: | Gary, Tamara |
| | ASSIGNMENT: | Freedom, Assistant Principal |
| | REASON: | Personal |
| | EFFECTIVE: | October 12, 2008 |

6. *Resignations*

RECOMMENDATION:

Instructional

1. NAME: **Brion, Karen**
 ASSIGNMENT: Lincoln, Grade 5 Teacher
 REASON: Personal
 EFFECTIVE: August 4, 2008

2. NAME: **Chamberlain, Elizabeth**
 ASSIGNMENT: Fountain Hill, Grade 2 Teacher
 REASON: Personal
 EFFECTIVE: August 13, 2008

3. NAME: **Laird, Geoffrey**
 ASSIGNMENT: Freedom, Business Teacher
 REASON: Personal
 EFFECTIVE: July 31, 2008

6. Resignations**RECOMMENDATION:*****Noninstructional***

1. NAME: **Borowski, Amanda**
ASSIGNMENT: Child Care, Assistant Center Supervisor
REASON: Personal
EFFECTIVE: August 11, 2008
2. NAME: **McCann, Timothy**
ASSIGNMENT: District-wide, Technical Assistant
REASON: Personal
EFFECTIVE: August 1, 2008
3. NAME: **Muniz, Daisy**
ASSIGNMENT: Child Care Aide
REASON: Personal
EFFECTIVE: August 21, 2008
4. NAME: **Roberts, Carmen S.**
ASSIGNMENT: Spring Garden, Teacher Assistant
REASON: Personal
EFFECTIVE: August 25, 2008
5. NAME: **Rodriguez, Juan**
ASSIGNMENT: Nitschmann, C-1 Custodian
REASON: Retirement
EFFECTIVE: September 30, 2008
6. NAME: **Sclama, William**
ASSIGNMENT: Liberty, Teacher Assistant
REASON: Personal
EFFECTIVE: June 6, 2008
7. NAME: **Villani, James D.**
ASSIGNMENT: Nitschmann, Teacher Assistant
REASON: Personal
EFFECTIVE: August 11, 2008

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

7. *Leaves of Absence*

RECOMMENDATION:

Instructional

1. NAME: **Harper, Dale**
 ADDRESS: Easton
 ASSIGNMENT: Governor Wolf, Grade 5 Teacher
 REASON: Sabbatical Leave of Absence
 EFFECTIVE: August 21, 2008, until the end of the 2008-2009
 school year

2. NAME: **Preletz, Jayne A.**
 ADDRESS: Bethlehem
 ASSIGNMENT: Northeast, Art Teacher
 REASON: Family Medical Leave of Absence
 EFFECTIVE: September 12, 2008, until the end of the day on
 December 10, 2008

3. NAME: **West, Kathy M.**
 ADDRESS: Bethlehem
 ASSIGNMENT: Fountain Hill, Grade 3 Teacher
 REASON: Childrearing Leave of Absence, continuing
 EFFECTIVE: August 21, 2008, until the end of the 2008-2009
 school year

7. *Leaves of Absence*

RECOMMENDATION:

Noninstructional

1. NAME: **Koller, Michelle A.**
 ADDRESS: Bethlehem
 ASSIGNMENT: Northeast, Teacher Assistant
 REASON: General Leave of Absence, continuing
 EFFECTIVE: August 25, 2008, until the end of the day on
 December 1, 2008

2. NAME: **Crespo, Arlene**
 ADDRESS: Bethlehem
 ASSIGNMENT: Donegan, Teacher Assistant/Child Care Aide
 REASON: General Leave of Absence
 EFFECTIVE: August 13, 2008, until the end of the day on
 August 15, 2008

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional***

1. NAME: **Blocker, Evonne F.**
 ADDRESS: Bowmanstown
 COLLEGE, DEGREE: East Stroudsburg University, B.S., Certification
 ASSIGNMENT: Donegan, (.5)/Governor Wolf, (.5), Special Education,
 Learning Support Teacher

 STATUS: Temporary Professional Employee
 SALARY: \$40,887 (Bachelor's +15, Step 1)
 EFFECTIVE: August 21, 2008

2. NAME: **Cordero, Lidia E.**
 ADDRESS: Bethlehem
 COLLEGE, DEGREE: Universidad Autonoma de Nuevo Leon, B.S.
 Marywood University, M.S.W.
 Lehigh University, M.Ed.

 ASSIGNMENT: District-wide, Psychologist
 EXPERIENCE: 2 years, Pennsylvania
 6 years, Bethlehem

 STATUS: Professional Employee
 SALARY: \$52,243 (Master's +45, Step 9)
 EFFECTIVE: October 27, 2008

3. NAME: **Gabovitz, Noelle S.**
 ADDRESS: Allentown
 COLLEGE, DEGREE: East Stroudsburg University, B.S.
 ASSIGNMENT: Fountain Hill, Grade 3 Teacher
 EXPERIENCE: 1 year, Bethlehem
 STATUS: Long-term Substitute
 SALARY: \$39,689 (Bachelor's, Step 2)
 EFFECTIVE: August 21, 2008, and terminating at the end of the
 2008-2009 school year, or upon the return of K. West

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|----|---|--|
| 4. | NAME:
ADDRESS:
COLLEGE, DEGREE:

ASSIGNMENT:
EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Hodges, Jilda
Harleysville
Ursinus College, B.S.
Tufts University, M.A.
Lehigh University, M.Ed.
District-wide, Psychologist
1 year, Pennsylvania
Temporary Professional Employee
\$46,429 (Master's +45, Step 2)
August 21, 2008 |
| 5. | NAME:
ADDRESS:
COLLEGE, DEGREE:

ASSIGNMENT:

EXPERIENCE:

STATUS:
SALARY:
EFFECTIVE: | Kaar, Karen D.
Bethlehem
Shippensburg University, B.S.
Bowie State University, M.Ed.
Clearview, (.1)/Farmersville, (.2)/Thomas Jefferson, (.1)
Academic Integration Specialist
1 year, Pennsylvania
10 years, Maryland
Temporary Professional Employee
\$21,110 (Master's, Step 12)
August 21, 2008 |
| 6. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:

EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Kise, Alfred B., Jr.
Allentown
East Stroudsburg University, B.S.
District-wide, Middle School Educational Support
Teacher
2 years, Pennsylvania
Temporary Professional Employee
\$41,887 (Bachelor's +15, Step 3)
August 21, 2008 |

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|------------------|--|
| 7. | NAME: | Kocon, Megan A. |
| | ADDRESS: | Bethlehem |
| | COLLEGE, DEGREE: | Moravian College, B.A. |
| | ASSIGNMENT: | Clearview, Grade 5 Teacher |
| | STATUS: | Long-term Substitute |
| | SALARY: | \$39,389 (Bachelor's, Step 1) |
| | EFFECTIVE: | August 21, 2008, and terminating at the end of the 2008-2009 school year, or upon the return of D. Hrousis |
| | | |
| 8. | NAME: | Leeson, Maureen P. |
| | ADDRESS: | Bethlehem |
| | COLLEGE, DEGREE: | DeSales University, B.S. |
| | ASSIGNMENT: | Liberty, Biology Teacher |
| | STATUS: | Long-term Substitute |
| | SALARY: | \$39,389 (Bachelor's, Step 1) |
| | EFFECTIVE: | August 21, 2008, and terminating at the end of the first semester of the 2008-2009 school year, or upon the return of K. Anderko |
| | | |
| 9. | NAME: | Miller, Jessica L. |
| | ADDRESS: | Slatington |
| | COLLEGE, DEGREE: | East Stroudsburg University, B.S.
Lehigh University, M.Ed. |
| | ASSIGNMENT: | Fountain Hill, Special Education, Learning Support Teacher |
| | STATUS: | Temporary Professional Employee |
| | SALARY: | \$42,708 (Master's, Step 1) |
| | EFFECTIVE: | August 21, 2008 |
| | | |
| 10. | NAME: | Ottey, Megan R. |
| | ADDRESS: | Plymouth Meeting |
| | COLLEGE, DEGREE: | Elizabethtown College, B.S. |
| | ASSIGNMENT: | Farmersville, Special Education, Learning Support Teacher |
| | STATUS: | Temporary Professional Employee |
| | SALARY: | \$39,389 (Bachelor's, Step 1) |
| | EFFECTIVE: | August 21, 2008 |

8. *Nominations for Appointment***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|------------------|--|
| 11. | NAME: | Overholt, Kimberly S. |
| | ADDRESS: | Wind Gap |
| | COLLEGE, DEGREE: | Clarion University, B.A. |
| | | East Stroudsburg University, Certification |
| | ASSIGNMENT: | Clearview, Grade 5 Teacher |
| | STATUS: | Temporary Professional Employee |
| | SALARY: | \$40,887 (Bachelor's +15, Step 1) |
| | EFFECTIVE: | August 21, 2008 |
| | | |
| 12. | NAME: | Pizzino, Ashley |
| | ADDRESS: | Philipsburg, New Jersey |
| | COLLEGE, DEGREE: | Moravian College, B.S. |
| | ASSIGNMENT: | Liberty, Chemistry Teacher |
| | STATUS: | Temporary Professional Employee |
| | SALARY: | \$39,389 (Bachelor's, Step 1) |
| | EFFECTIVE: | August 21, 2008 |

8. *Nominations for Appointment***RECOMMENDATION:*****Noninstructional***

1. NAME: **DeJesus-Torres, Ada N.**
 ADDRESS: Bethlehem
 ASSIGNMENT: SPARK, Instructional Assistant
 SALARY: \$13.35 per hour
 EFFECTIVE: August 21, 2008

2. NAME: **Evans, Janelle S.**
 ADDRESS: Bethlehem
 ASSIGNMENT: Child Care, Assistant Center Supervisor, 5 ½ hours,
 split shift, 12 months
 SALARY: \$10.82 per hour
 EFFECTIVE: August 19, 2008

3. NAME: **McAndrew, Carrie**
 ADDRESS: Easton
 ASSIGNMENT: Freedom, Assistant Athletic Director, Winter
 SALARY: \$3,750 (Noninstructional Meet and Discuss, Category
 N, Step 3, to be adjusted upon completion of
 Noninstructional Meet and Discuss Agreement)
 EFFECTIVE: 2008-2009 school year

4. NAME: **Muniz, Daisy**
 ADDRESS: Bethlehem
 ASSIGNMENT: SPARK, Instructional Assistant
 SALARY: \$13.35 per hour
 EFFECTIVE: August 21, 2008

5. NAME: **Ortiz, Juan**
 ADDRESS: Allentown
 ASSIGNMENT: SPARK, Instructional Assistant
 SALARY: \$13.35 per hour
 EFFECTIVE: August 21, 2008

8. *Nominations for Appointment***RECOMMENDATION:*****Noninstructional***

- | | | |
|----|-------------|--|
| 6. | NAME: | Remaly, Kevin |
| | ADDRESS: | Easton |
| | ASSIGNMENT: | Freedom, Assistant Athletic Director, Fall |
| | SALARY: | \$2,683 (Noninstructional Meet and Discuss, Category N, Step 1, to be adjusted upon completion of Noninstructional Meet and Discuss Agreement) |
| | EFFECTIVE: | 2008-2009 school year |
| 7. | NAME: | Rosario, Betzaida |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | SPARK, Instructional Assistant |
| | SALARY: | \$13.35 per hour |
| | EFFECTIVE: | August 21, 2008 |
| 8. | NAME: | Stefko, Cathy E. |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Child Care, Assistant Center Supervisor, 5 ½ hours, split shift, 12 months |
| | SALARY: | \$10.82 per hour |
| | EFFECTIVE: | August 21, 2008 |
| 9. | NAME: | Stellato, Joseph |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Freedom, Assistant Athletic Director, Spring |
| | SALARY: | \$2,941 (Noninstructional Meet and Discuss, Category N, Step 5, to be adjusted upon completion of Noninstructional Meet and Discuss Agreement) |
| | EFFECTIVE: | 2008-2009 school year |

8. *Nominations for Appointment*

RECOMMENDATION:

Noninstructional (continued)

8. *Nominations for Appointment***RECOMMENDATION:***Miscellaneous*

1. **ASPIRE Program**
 (After School Programs for Instruction, Recreation, and Enrichment)
 Helper
 Marvine Elementary School
 Code: 99-1450-190-116-0000-00001
 Fontanez, Valentina N.
 SALARY: \$7.15 per hour

2. **Coaches**
 Freedom High School
 Field Hockey
 Assistant Coach **Halper, Jamie** New \$3,291.00

 Liberty High School
 Boys Soccer
 Assistant Coach **Bellucci, Eric** Continuing 3,876.00

3. **Extracurricular Activity Advisors**
 Broughal Middle School
 Band Director **Gross, Maryann** 2,395.00
 Majorettes **Negron, Jean** 357.00
 Mathcounts **Baker, Linda** 357.00
 Newspaper **Lasso, Jennifer** 532.00
 Stage Crew **Gross, Maryann (.5)** 178.50
 Zellner, Stacy (.5) 178.50
 Vocal Group **Sakelarides, Erin** 322.00

 Nitschmann Middle School
 Treasurer **DeStasio, Jennifer** 1,572.00

4. **Lifeskills/Academic Maintenance Program (L/AMP)**
 Code: 10-1430-121-300-0000-00001
 Supervisor
 Snyder, Tracy
 SALARY: \$32.04 per hour

8. *Nominations for Appointment*

RECOMMENDATION:

Miscellaneous (continued)

4. **Lifeskills/Academic Maintenance Program (L/AMP) (continued)**

Code: 10-1430-121-300-0000-00001

Teachers

Borger, Nora

Gori, Michael

Haddigan, Erin

Pitsilos, Andrew

Radler, Chad

Service, Dionne

Steager, Alesha

Venanzi, Michael

Zambo, Barbara

SALARY: \$32.04 per hour

Guidance Counselors

Ortiz, Natalie

Vazquez, Kristin

Monitors

Jacquay, Kathy

Morgan, Pierre

SALARY: \$12.49 per hour (to be adjusted upon settlement of Noninstructional
Meet and Discuss agreement)

5. **Second Language Guides**

Code: 10-1100-121-000-1121-00001

Al Sadawi, Jenan

Rodriguez, Jeannette

SALARY: \$10.40 per hour

6. **Team Leaders**

Broughal Middle School

Academic

3 person

Chruscial, Allison

\$1,052.00

Pitsilos, Heidi

1,052.00

Voorhees, Karen

1,052.00

Related Arts

5 person

Carr, Jane

657.00

10 person

McKellin, Janice

912.00

8. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Instructional

Breining, Mary L.
New Tripoli

Burger, Stacy
Bethlehem

Pazzaglia, Kristen
Hellertown

Shuman, Troy
Easton

Swartley, Michael
East Greenville

Wilson, Ronald
Whitehall

Yevak, Ronald
Allentown

8. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Noninstructional

Heminitz, Jeffrey
Breinigsville

Kaur, Baljinder
Bethlehem

Stefko, Cathy
Bethlehem

President Leeson noted that her daughter was listed as a candidate for appointment on Page 13. She stated she would abstain from voting on the appointment. She explained that she had already notified the board and administration.

Director Amato stated that he would abstain from voting on candidate Number 12 on Page 14.

The administration's recommendations 3, 8 and 15 were considered together.

9. *Reassignments*

RECOMMENDATION:

Instructional

1. NAME: **DaCosta, Janice**
 ASSIGNMENT: Spring Garden, Special Education, Learning Support
 Teacher
 FROM: Master's, Step 6
 TO: Master's, Step 7
 REASON: Salary adjustment
 EFFECTIVE: 2006-2007 school year

2. NAME: **Weikert, Courtney**
 FROM: Marvine, Grade 3 Teacher
 TO: Marvine, (.5) Kindergarten Teacher
 SALARY: \$22,462 (Master's, Step 4)
 REASON: Employee request
 EFFECTIVE: August 21, 2008

9. *Reassignments***RECOMMENDATION:*****Noninstructional***

1. NAME: **Beidleman, Michael J.**
FROM: Liberty, C-1 Custodian
TO: Liberty, C-3 Custodian
SALARY: \$20.53 per hour
REASON: Successful Candidate
EFFECTIVE: August 19, 2008

2. NAME: **Elliott, Diane R.**
FROM: District-wide, (.7) Health Assistant
TO: District-wide, (.6) Health Assistant
REASON: Employee request
EFFECTIVE: August 25, 2008

3. NAME: **Yurkonis, Scott L., Sr.**
FROM: Freedom, Supplemental Custodian
TO: Spring Garden, C-1 Custodian
SALARY: \$13.79 per hour
REASON: Successful Candidate
EFFECTIVE: August 19, 2008

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

10. *Agreement Between Board Of School Directors and Pennsylvania Joint Board UNITE HERE, Local Number. 391B, Covering Food Service Employees*

RECOMMENDATION:

That the attached changes to the Agreement between the Board of School Directors and the Pennsylvania Joint Board UNITE HERE, Local 391B employees be approved.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania
and
PA Joint Board UNITE HERE, LOCAL 391B
Tentative Agreement

The word employe will be replaced with employee

ARTICLE I – DURATION OF AGREEMENT: The terms of this Agreement shall begin on the 1st day of September 2008, and shall continue in full force and effect until the 31st day of August 2013.

ARTICLE V – SENIORITY, VACANCIES AND LAY-OFF:

Section 2 – The District agrees to post all jobs within ten (10) business days of being vacated... For purpose of this article business days shall mean all days Monday through Friday except for District observed holidays and the District's winter break in which the school and offices are closed for the Christmas –New Year's holiday and the school district student summer vacation.

Section 3 – Change probationary period to 15 days.

ARTICLE VII – HOLIDAYS

Add Labor Day language-If the school year is changed to start after Labor Day, that holiday shall become the Monday after Thanksgiving.

ARTICLE VIII – SICK LEAVE, HEALTH AND SEPARATION BENEFITS

Section 1 – Employees who work during the summer shall have the same use sick leave as during the school year.

Section 3 – Use of paid sick leave for absences of four (4) consecutive days or more will require a physician's statement indicating that the employee was unfit for work. Payment for these days will be withheld if the physician's statement is not provided. [Other language in this section will be deleted]

Section 4 – Payroll contributions \$6.00 per bi-weekly pay period increasing \$0.50 per each successive year commencing September 1. The traditional plan and the PPO will be annual options for the first two years of the agreement and only the PPO will be offered in years three, four, and five. Employees who work during the summer shall not have payroll deductions for medical contributions for those months.

Section 5 - \$13,000 life insurance part-time; \$20,000 life insurance full-time

The term Blue Cross/Blue Shield will be replaced with Capital Blue Cross

ARTICLE IX – LEAVES OF ABSENCE

Section 3 – Death in Family

Immediate Family shall be defined as father, mother, brother, sister, son, daughter, husband, wife, stepson, stepdaughter, parent-in-law, stepmother, stepfather, grandson, granddaughter, son-in-law, daughter-in-law, or near relative who resides in the same household, or any person with whom the employee has made his/her home at the time of death.

Near relative shall be defined as first cousin, grandfather, grandfather-in-law, grandmother, grandmother-in-law, aunt, uncle, niece, nephew, stepbrother, stepsister, brother-in-law, and sister-in-law. For clarification, this does not include uncle-in-law, aunt-in-law, nephew-in-law, and niece-in-law.

Section 7 – Limit to eight days per year

ARTICLE X – GRIEVANCE PROCEDURE AND ARBITRATION

Change to five (5) business days all references to three (3) working days. Change in all references the term working days to business days. For the purpose of this article, business days means all days Monday thru Friday except for District observed holidays and the District's winter break in which the school and offices are closed for the Christmas –New Year's holiday.

ARTICLE XII – HOURLY WAGES

Section 1 –Annual 3.50% increase

Change New Hire reduction to be Year 1 \$1.00, Year 2 % \$0.50

Annual Longevity bonus - \$100 after 10 years, \$150 after 15 years, \$250 after 20 years, based on bargaining unit seniority. The bonus shall be payable on or before the last pay check in December of each year.

Section 4 – Add language: All lunches and breaks shall be taken so as not to interfere with the preparation of food or service of food.

Section 10 - The district shall adopt an IRS Section 125 Plan and shall make available to members of the bargaining unit a Section 125 Flexible Spending Account program for Medical and Dependent Care Expenses beginning no later than January 1, 2009. The open enrollment period for participation shall begin October 15 each year and end November 30 each year. The employee will determine their amount of contribution during the enrollment period and will not be allowed to change the amount or drop out of the plan during the year unless he or she experiences a verifiable change in family status. The Medical Maximum shall be \$3,000 annually; the Dependent Care Maximum shall be the maximum permitted by IRS regulation. At no time will the district provide any financial support for the cost of the Section 125 Plan administration. By law, the employee forfeits any unspent funds in the account at the end of the year.

Article XIII

Section 3

While on District business, secondary liability insurance will be provided by the Board. Secondary liability insurance shall be defined as motor vehicle insurance provided by the School District with limits and benefits in accordance with the Motor Vehicle Financial Responsibility Law, but shall be payable in excess of any benefits paid by the employee's motor vehicle insurance which shall be primary; provided, however, in the event the employee is required to pay any deductible for any property damage to her vehicle arising out of the use of her vehicle,

the School District shall pay said deductible to the employee in addition to the secondary benefits described herein.

MEMORANDUM OF UNDERSTANDING NUMBER 1: see attached

By District

By Union

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE BOARD OF SCHOOL DIRECTORS
OF THE
BETHLEHEM AREA SCHOOL DISTRICT
AND
PA JOINT BOARD UNITE HERE LOCAL 391B**

The Bethlehem Area School District Dining Services Department strives to provide a superior dining experience, especially for *general* and *special catered events*. A general catered event is a catered function that has routine or lead cook oversight. If a school is holding a general event the lead cook and staff of that school have the first choice to work the event. A special catered event is a catered function that requires trained, lead cook oversight or dining services management (continental breakfasts and board dinner/receptions). Special catered events will require specialized training.

In an effort to accomplish this goal and provide all interested individuals covered by the food service employee's collective bargaining agreement and opportunity to work these events the parties agree to the following:

1. The school district will annually provide training sessions (at no cost to the district) prior to the first day of the school session and as determined necessary by the person designated as the supervisor of dining services, for any dining service employee interested in working special catered events. After successfully completing the training and working two (2) events successfully the employee will be compensated for the training time. The list of employees eligible to be assigned to work these events will be established based on the successful completion of these sessions. Employees not successfully completing these training sessions may be provided an opportunity to attend future training sessions in an effort to become eligible for the list. The list of trained employees at the beginning of the school year will be based on the master seniority list with the most senior person first and the least senior person last. Individuals added throughout the year will be added to the bottom of the list and not have an opportunity to work until completion of that rotation. This list will be made available upon request.
2. Rotation shall continue vertically from one employee to the next and shall return to the top of the list after every employee on the list has been provided one opportunity, if available, during that rotation to work an event.
3. Employees who refuse to work three consecutive events may, at the sole discretion of the person designated as the supervisor of dining services, be removed from the list.
4. Employees absent from work due to illness or approved leave of absence scheduled to work an event will not be considered to have refused the work. These individuals will move down on the rotation list and not be offered a Replacement event.

5. The duration of the agreement will be one year commencing on September 1, 2008 and terminating August 31, 2009. Upon expiration of the term the parties agree to review this agreement for an additional period of not less than one year.

This Memorandum of Understanding affects only the circumstances noted above and does not mean that either party will approve future changes.

11. *Approval of Declaration of Relationship with Current Employees and Officials Form for Applicants*

INFORMATION:

Several school districts have adopted a Declaration of Relationship with Current Employees and Officials disclosure form to guard against Nepotism. While it is certainly not illegal or unethical to be hired into a system where a relative is employed or a relationship exists with an employee, acknowledgement of the fact dispels favoritism or nepotism allegations.

This information was reviewed with the Board of School Directors at the Board Curriculum Committee on August 11, 2008. Upon board approval, the form will be implemented and be part of the application packet for applicants.

RECOMMENDATION:

That the Board of School Directors approves the attached Declaration of Relationship with Current Employees and Officials form for applicants.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.



Bethlehem Area School District
Human Resources Department

CONFIDENTIAL

Declaration of Relationship with Current Employees and Officials

All applicants for employment of any category with Bethlehem Area School District are required to submit the following Declaration of Relationship with current employees and officials of the school district with their application for employment. Disclosure of the requested information will not necessarily preclude hiring. Falsification of information submitted or requested may be grounds for non-hiring or dismissal, if hired.

_____	_____	I am related to a current Bethlehem Area School District employee or official.
YES	NO	

_____	_____	I share a residence with a current Bethlehem Area School District employee or official. (The nature of your relationship to this employee or official does not need to be disclosed.)
YES	NO	

I verify that the above information is true and correct to the best of my knowledge, information, and belief.

Applicant's Signature

Date

INSTRUCTIONS: Please forward to Human Resources Department immediately.

12. *Revisions to Board Policy Number 006 – Local Board Procedures – Third Reading*

INFORMATION:

A board request was made to the administration that they would like to discuss with the board a possibility of changing the Regular Board Meeting agenda order, and making changes to the Board Committee Meetings. This request was brought to the board at the July 21, 2008, Board Human Resources Committee Meeting, and it was agreed to revise Board Policy 006 – Local Board Procedures and have three readings prior to approval.

Board Policy Number 006 – Local Board Procedures is attached with bolded changes to Page 5 and Page 6 of Order of Business and Page 11 of Committee Meetings.

The first and second readings of Board Policy Number 006 occurred at the July 28, 2008, Regular Board Meeting, and the August 11, 2008, Special Board Meeting.

RECOMMENDATION:

That the Board of School Directors approves the revisions made to Board Policy Number 006 – Local Board Procedures, and that the changes will take effect in September 2008.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading – July 28, 2008
Second Reading –
Third Reading -

SECTION: LOCAL BOARD PROCEDURES

TITLE: MEETINGS

ADOPTED: November 15, 2004

REVISED:

65 P.S. 701 et seq	006. MEETINGS Section 1. <u>Parliamentary Authority</u> Cushing's Manual, Robert's Rules of Order or other approved manuals shall be the authority on all questions of parliamentary law not covered by the bylaws of the Board: a. The President may speak on all points of order in preference to other members of the Board and shall decide questions of order, subject to an appeal to the Board by any two (2) members. b. A motion must be seconded and, when required, repeated by the President or read aloud before it is debated; every motion must be reduced to writing if the President or any member of the Board shall so require. c. Any member who has made a motion shall have liberty to withdraw it with the consent of the seconder. d. The consideration of any question may be postponed to a fixed time or the question may be suppressed altogether by an indefinite postponement. e. A motion once voted down shall not be renewed at the same meeting without the consent of the number of members required for adoption. f. An amendment may be moved on any motion and shall be decided before the original motion; but not more than one (1) amendment to an amendment shall be entertained. g. If a motion under debate is composed of two (2) or more parts, which are so far independent of each other as to be susceptible of division into several questions, any two (2) members may have it divided and a vote taken on each part.
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SC 508	h. When any item for discussion is properly brought before the Board, consideration of the same shall not be interrupted except by motion for adjournment, for tabling, for the previous question, for postponement, for commitment or for amendment. i. A motion for adjournment shall always be in order and shall be decided without debate except that it cannot be entertained without unanimous consent when the Board is voting on another question. j. The question cannot be moved by less than a majority of the members present, and when thus called, all debates shall be precluded. The call for the previous questions shall not cut off any pending amendment, but the vote shall be taken without debate on the amendments in their order and finally on the question. k. A motion for postponement shall preclude commitment, and motion for commitment shall preclude amendment or decision on the original subject. l. A motion for reconsideration shall be entertained when made and seconded by members who were in the majority on the vote on the original question. m. If the previous question is decided in the negative, the effect shall be to arrest the discussion and produce indefinite postponement. n. No member shall be interrupted when speaking unless they are out of order, or for purposes of correcting mistakes and misrepresentations. o. No member in the course of debate shall be allowed to indulge in personal reflections. p. If any member acts in any respect in a disorderly manner, it shall be the privilege of any member and the duty of the President to call that member to order. q. If any member shall consider themselves aggrieved by a decision of the chair, it shall be their privilege to appeal to the Board and a vote on such appeal shall be taken without debate. r. When the taking of a vote has commenced, no further remarks or debates shall be permitted, unless some evident mistake has been made, in which case the mistake shall be rectified and the taking of the vote shall then be continued. A majority vote of those members present and voting shall prevail, except in those subjects enumerated in law requiring a majority of all members of the Board.
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	s. Any two (2) members may require the recording of the yeas and nays on any subject or question, irrespective of whether the subject matter under discussion be such as shall require the recording of the yeas and nays under the provisions of the School Code. t. The first person recognized by the President as desiring to speak shall have the right to the floor. u. To allow ample time for full consideration before Board meetings, any new proposals by Board members at meetings shall be laid on the table or deferred until the next regular or special meeting unless it is clearly shown that immediate action on the proposal is essential.
SC 422	Section 2. <u>Quorum</u> A quorum shall be five (5) Board members present at a meeting. No business shall be transacted at a meeting without a quorum, but the Board members present at such a meeting may adjourn to another time.
SC 405, 426, 427, 428	Section 3. <u>Presiding Officer</u> The President shall preside at all Board meetings. In the absence, disability or disqualification of the President, the Vice-President shall act instead. If neither person is present, a Board member shall be elected President pro tempore by a plurality of those present to preside at that meeting only. The act of any person so designated shall be legal and binding.
65 P.S. 703, 709	Section 4. <u>Notice</u> Notice of all open public Board meetings, including committee meetings and discussion sessions, shall be given by publication of the date, place, and time of such meetings in the newspaper(s) of general circulation designated by the Board and the posting of such notice at the administrative offices of the Board.
65 P.S. 703, 709	a. Notice of regular meetings shall be given by publication and posting of a schedule showing the date, place and time of all regular meetings for the fiscal year at least three (3) days prior to the time of the first regular meeting.
65 P.S. 703, 709	b. Notice of all special meetings shall be given by publication and posting of notice at least twenty-four (24) hours prior to the time of the meeting, except that such notice shall be waived when a special meeting is called to deal with an actual emergency involving a clear and present danger to life or property.

65 P.S. 703, 709	c. Notice of all rescheduled meetings shall be given by publication and posting of notice at least twenty-four (24) hours prior to the time of the meeting.
65 P.S. 703	d. Notice of all recessed or reconvened meetings shall be given by posting a notice of the place, date and time of meeting and sending copies of such notice to interested parties.
65 P.S. 709	e. Notice of all public meetings shall be given to any newspaper(s) circulating in Northampton County and a radio or television station which so requests. Notice of all public meetings shall be given to any individual who so requests and provides a stamped, addressed envelope for such notification.
SC 423	Notice of all regular and special Board meetings shall be given to Board members prior to the time of the meeting. Section 5. <u>Regular Meetings</u>
65 P.S. 701 et seq SC 421	Regular Board meetings shall be public and shall be held at least once every two (2) months. All regular meetings of the Board shall be held in the auditorium at the East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania, or at such other place or places as the Board may from time to time determine. The stated time for all regular meetings shall be the third Monday of each month at 7:00 p.m. or at the call of the President with prior notice to each member and the press. The meeting for organization in December will be held at the call of the Board during the first week in December. No business shall be transacted at this meeting other than reorganization. Board members may request that verbatim comments be included in the written minutes. a. Agenda It shall be the responsibility of the Superintendent, in cooperation with the Board President, to prepare an agenda of the items of business to come before the Board at each regular meeting.

The agenda for the regular meeting is hand-delivered to Board members, BEA officials (3), custodial/maintenance personnel (1), teacher aides (1), cafeteria personnel (1), and the press on the Friday preceding the Board meeting. Copies are also distributed to key administrative personnel and to each elementary and secondary school faculty room prior to the meeting.

b. Order Of Business

The order of business for regular meetings shall be as follows, unless altered by the President or a majority of those present and voting:

1. Roll Call
2. Pledge of Allegiance
3. Silent Meditation
4. **Instructional Report or Student Recognition**
5. **Courtesy of Floor to Visitors**
6. **Approval of Minutes**
7. **Approval of Committee Minutes**
8. **Financial Report/Payment of Bills**
9. **President's Communication/Special Meetings**
10. **Superintendent's Report/Federal Program Update**
11. **Unfinished Business**
12. **Recommendations of Administration**
13. **Reports of Committees and Student Representatives**
14. **New and Miscellaneous Business**
15. **Courtesy of the Floor to Visitors**
16. **Adjournment**

65 P.S. 701 et seq SC 426	Section 6. <u>Special Meetings</u> Special meetings shall be public and may be called for special or general purposes. The President may call a special meeting at any time. Upon the President's failure or refusal to call a special meeting, such meeting may be called at any time by a majority of the Board members. No business shall be transacted at any special meetings except that named in the call sent to the members for such special meetings; provided, that special meetings may be called for general purposes. All special meetings of the Board shall be held in the auditorium at the East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania, or at such other place or places as the Board may determine. Unless a special meeting is called for a specific purpose, the following shall be the order of business: 1. Roll Call 2. Pledge of Allegiance 3. Silent Meditation 4. Instructional Report or Student Recognition 5. Courtesy of Floor to Visitors 6. Approval of Minutes 7. Approval of Committee Minutes 8. Financial Report/Payment of Bills 9. President's Communication/Special Meetings 10. Superintendent's Report/Federal Program Update 11. Unfinished Business 12. Recommendations of Administration 13. Reports of Committees and Student Representatives.
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	14. New and Miscellaneous Business 15. Courtesy of the Floor to Visitors 16. Adjournment
Pol. 903 65 P.S. 701 et seq	Section 7. <u>Hearing Of The Public</u> A member of the public present at a Board meeting may address the Board in accordance with law and Board policy and procedures. Section 8. <u>Voting</u> All motions shall require for adoption a majority vote of those Board members present and voting, except as provided by statute or Board procedures. All votes on motions and resolutions shall be by voice vote unless an oral roll call vote is requested by the President or another Board member.
SC 324	a. The following actions require the unanimous consent of all the remaining members of the Board: 1. Appoint as attorney or solicitor for the Board a school director who has served for two (2) consecutive terms of six (6) years each after resigning office. 2. Appoint as Secretary to the Board of a district of the second class a school director who has resigned his/her office. b. The following actions require the recorded affirmative votes of two-thirds of the full number of Board members:
SC 609	1. Transfer of budgeted funds.
SC 687	2. Transfer of any unencumbered balance, or portion thereof, from one appropriation to another, or from one spending agency to another.
SC 634	3. Incur a temporary debt or borrow money upon such obligation.
SC 687	4. Incur a temporary debt to meet an emergency or catastrophe.
SC 324	5. Elect to a teaching position a person who has served as a Board member and who has resigned.

SC 707	6. Convey land or buildings to the municipality co-terminus with the school district.
SC 803	7. Adopt or change textbooks without the recommendation of the Superintendent.
SC 1129	8. Dismiss, after a hearing, a tenured professional employee.
SC 671	9. Fix the fiscal year to begin on the first day of January.
SC 508	c. The following actions require the recorded affirmative votes of a majority of the full number of Board members:
	1. Fixing the length of school term.
Pol. 108	2. Adopting textbooks recommended by the Superintendent.
SC 1071, 1076	3. Appointing the district Superintendent and Assistant Superintendent(s).
	4. Appointing teachers and principals.
Pol. 604	5. Adopting the annual budget.
Pol. 005, 606	6. Appointing tax collectors and other appointees.
Pol. 605	7. Levying and assessing taxes.
	8. Purchasing, selling, or condemning land.
	9. Locating new buildings or changing the location of old ones.
Pol. 107	10. Adopting planned instruction.
	11. Establishing additional schools or departments.
SC 621	12. Designating depositories for school funds.
	13. Expending district funds.
Pol. 610	14. Entering into contracts of any kind, including contracts for the purchase of fuel or any supplies where the amount involved exceeds \$100 (including items subject to \$10,000 bid requirements).

SC 224	15. Fixing salaries or compensation of officers, teachers, or other appointees of the Board. 16. Combining or reorganizing into a larger school district. 17. Entering into contracts with and making appropriations to the intermediate unit for the district's proportionate share of the cost of services provided or to be provided by the intermediate unit.
SC 514, 1080	18. Dismissing, after a hearing, a nontenured employee.
SC 212	19. Adopting a corporate seal for the district.
SC 702	20. Determining the location and amount of any real estate required by the school district for school purposes.
SC 708	21. Vacating and abandoning property to which the Board has title.
SC 1503	22. Determining the holidays, other than those provided by statute, to be observed by special exercises and those on which the schools shall be closed for the whole day.
Pol. 004	23. Removing a school director.
Pol. 004	24. Declaring that a vacancy exists on the Board by reason of the failure or neglect of a school director to qualify.
Pol. 005	25. Removing an officer of the Board.
Pol. 005	26. Removing an appointee of the Board.
Pol. 003	27. Adopting, amending or repealing Board policy or procedure.
65 P.S. 706 SC 518	Section 9. <u>Minutes</u> The Board shall cause to be made, and shall retain as a permanent record of the district, minutes of all open Board meetings and Board committee meetings. Said minutes shall be comprehensible and complete and shall show: a. The date, place, and time of the meeting. b. The names of Board members present. c. The presiding officer.

65 P.S. 705	d. The substance of all official actions. e. Actions taken. f. Recorded votes and a record by individual members of all roll call votes taken. g. The names of all citizens who appeared officially and the subject of their testimony.
SC 433	The Board Secretary shall provide each Board member with a copy of the minutes of the last meeting prior to the next regular meeting. The minutes of Board meetings shall be approved within two (2) months and signed by the Board Secretary. All Board meetings are tape-recorded and the tapes are kept for two (2) years. The tapes are transcribed by the Board Secretary and reduced to minute form. Twenty (20) copies of the minutes are run and are distributed to Board members, the solicitor, the Superintendent, and other key administrative personnel. A copy of the permanent Minute Book is kept on file in the Office of the Board Secretary.
Pol. 006 65 P.S. 703, 709	Section 10. <u>Adjournment</u> The Board may at any time recess or adjourn to an adjourned meeting at a specified date and place, upon the majority vote of those present. The adjourned meeting shall take up its business at the point in the agenda where the motion to adjourn was acted upon. Notice of the rescheduled meeting shall be given as provided in Board policy.
65 P.S. 707, 708	Section 11. <u>Executive Session</u> The Board may hold an executive session, which is not an open meeting, before, during, at the conclusion of an open meeting, or at some other time. The presiding officer shall announce the reason for holding the executive session; the announcement can be made at the open meeting prior to or after the executive session. The Board may discuss the following matters in executive session: a. Employment issues. b. Labor relations. c. Purchase or lease of real estate.

	d. Consultation with an attorney or other professional advisor regarding potential litigation or identifiable complaints that may lead to litigation. e. Matters that must be conducted in private to protect a lawful privilege or confidentiality. Official actions based on discussions held in executive session shall be taken at a public meeting. Section 12. <u>Work Sessions</u>
65 P.S. 701 et seq	The Board may meet as a Committee of the Whole in an open meeting to vote on or to discuss issues. Public notice of such meetings shall be made. A meeting of the Committee of the Whole, not regularly scheduled, may be called at any time by the President; the President shall call such a meeting when requested to do so by Board members. Public notice of the meeting shall be made in accordance with Pol. 006, 4.b.
65 P.S. 703, 709	The Board Secretary shall provide notice of a meeting of the Committee of the Whole as per the notice provisions of Board procedures. Section 13. <u>Committee Meetings</u>
65 P.S. 703, 709	1. Each committee will meet a minimum of one evening a month to discuss specific issues and major initiatives in its respective area. The responsible cabinet member for each individual committee will serve as the district's liaison and will generate the agenda with dialogue with the board chairperson prior to the meeting. The board chairperson will facilitate the meeting.
65 P.S. 701 et seq	2. Minutes of each committee meeting will be prepared by the cabinet member working with the respective committee and distributed to the entire board prior to the regular board meeting. Board members who cannot attend the meeting can submit verbal or written questions to be answered and recorded on the committee minutes. 3. The intent of these committee meetings is to fully discuss issues, formulate policy, and develop recommended proposals for action by the full board. Committee meetings will be open to all board members if they wish to participate in the discussions. Board members in attendance at committee meetings will, through consensus, place committee meeting agenda items on the regular board meeting agenda.

13. *Bid Award – Bids Opened July 30, 2008 – Sports Supplies – Winter/Spring*

INFORMATION:

Bids were received and publicly opened at noon Wednesday, July 30, 2008, for:

Sports Supplies – Winter/Spring

The bids have been tabulated and reviewed by the appropriate administrative and supervisory personnel. The recommendation of the awards is based upon the lowest responsible bidders meeting specifications. (Vendor Award Analysis is attached.)

All low bid items have been awarded except those which have not met specifications.

RECOMMENDATION:

That the administration be authorized to award a contract to the lowest responsible bidders who have met specifications. These awards are tabulated on the attached Vendor Award Analysis.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

August 18, 2008

VENDOR AWARD ANALYSIS
SPORTS SUPPLIES – WINTER/SPRING

<u>VENDOR</u>	<u>AMOUNT</u>
Aluminum Athletic	\$ 156.00
Anaconda Sports	2,417.71
B & R Pools	522.30
Bethlehem Sporting Goods	41,985.74
Boathouse Sports	2,733.84
Coplay Sporting Goods	2,330.75
D & J Sports	1,423.00
M-F Athletic	1,264.00
Metuchen Center	454.95
Neff Motivation	2,452.68
Passons Sporting Goods	1,173.10
Riddell/All American	457.80
Swim City	<u>2,841.05</u>
 TOTAL AMOUNT AWARDED	 \$ <u>60,212.92</u>

30 specifications mailed
16 bids received

14. *Bid Award – Bids Opened August 6, 2008 – Fuel Oil - Number 2***INFORMATION:**

Bids were received and publicly opened at noon Wednesday, August 6, 2008, for:

Fuel Oil - Number 2

The bids have been tabulated and reviewed by the appropriate administrative and supervisory personnel. The recommendation of award is based upon the lowest responsible bidder meeting specifications. (The Tabulation of Bids is attached.)

RECOMMENDATION:

That the administration be authorized to award a one-year contract to the lowest responsible bidder meeting specifications as indicated on the attached Tabulation of Bids subject to proper execution of contract documents and performance bond as required in the bid specifications.

Fuel Oil - Number 2

Petroleum Traders Corporation
7120 Pointe Inverness Way
Fort Wayne, Indiana 46804

Price Fluctuation
Based on the
Delivery Date
Posted Price
as Specified

per gallon +\$0.0322

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

Bid Opening: August 6, 2008

August 18, 2008

**TABULATION OF BIDS
FOR
FUEL OIL - NUMBER 2**

	ISObunkers LLC	Petroleum Traders Corporation
Firm Price for the contract period Price per gallon	No Bid	No Bid
Fluctuating Price for the contract period Net differential to posted price	+\$.1176	+\$.0322

BID AWARD

8 specifications mailed
2 bids received

15. *Remarketing Agent Agreement*

INFORMATION:

The remarketing agent for the Bethlehem Area School financing was Ferris, Baker Watts, which was purchased by the Royal Bank of Canada. As a result of that change, and a lowered fee, new agreements are required to be approved.

RECOMMENDATION:

The Bethlehem Area Board of School Directors authorizes the execution and signing of the attached Remarketing Agreements, and agrees to the terms of said Agreements.

Director Koch stated that she was not present when the subject was discussed and conveyed that she would be voting no on the item because they have had so many years with Mr. Les Bear as their financial advisor. It was her opinion that he did a fantastic job for the district and she did not want to change advisors.

Director Tenaglia asked Mr. Majewski if he had feed back from the solicitor's office regarding a change in the language that they communicated by email.

Mr. Majewski replied that Mr. Reagan recommended that the third paragraph in all four of the agreements, where it indicated the following: "DEXIA CREDIT LOCAL (the "Bank") – to make the change: (the "Bank" or "Liquidity Provider"). He stated that it should cover the remainder of the issues.

Director Follweiler asked for clarification regarding the agreement. She commented that the wording was changed in the remarketing agreement because of the buy-out of Ferris, Baker Watts by the Royal Bank of Canada. She assumed that if they chose to change to another agent at any time, it would involve a different discussion.

Mr. Majewski agreed.

Director Follweiler asked if it was fair to say that it was the same agreements that they had with Ferris, Baker Watts Company, but it was being folded over to the new name of the company who purchased them.

Mr. Majewski replied that the agreements were not identical but they accomplished the need to replace the existing agreements identifying the fee at eight basis points.

Dr. Lewis noted that the fee structure was the same.

Director Follweiler commented on Director Koch's explanation in that she felt very confident in Mr. Bear's performance, which she did not necessarily disagree with, but she didn't think that by voting yes to this agreement was the same as what Director Koch understood.

Dr. Lewis commented that until such time the board decided where to go with the future issue, whether it was Mr. Bear, this outfit, or another agent; this outfit held the four outstanding issues. He explained that they bought the company that did the remarketing. He explained that Mr. Majewski created an agreement along with the solicitor's office, which would basically guarantee the fees. He noted that as Mr. Majewski pointed out, the language was not exactly the same, but it was the gist, because no two companies had the same exact language in their agreements. He said it was the maintenance of the current issues.

Mr. Majewski further commented that they could not have an immediate change right now because there still needed to be 45 days between notification of the change and the actual implementation. He explained that it could not be any other provider, other than the Royal Bank of Canada.

Director Tenaglia brought attention to the termination provisions in the agreement.

Mr. Majewski replied that there were provisions and it did not require any other agreement such as FSA (Financial Security Assurance Inc.) as part of it. They stood alone with the request for termination.

President Leeson called for a vote on the administration's recommendations 3, 8 and 15. The question was called with roll call was as follows: Yea, Directors Tenaglia, Amato (abstain for Item 8-Number 12), Cann, Dexter (with the exception of Item 3 – No), Follweiler, Haytmanek, Koch, McKeon and Leeson (abstain for Item 8-Number 8 and with the exception of Item 3 – No).

ROLL CALL –
ITEMS 3, 8 and
15

Item 3 passed 7 – 2.

Item 8, Number 8, passed 8 – 0 (1 abstention).

Item 8, Number 12, passed 8 – 0 (1 abstention).

Item 15 passed 9 – 0.

The administration's recommendations 3, 8 and 15 were considered together.

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between BETHLEHEM AREA SCHOOL DISTRICT (the "Borrower") and RBC Capital Markets Corporation (the "Remarketing Agent" or "RBC CM") and consented to by the SHIPPENSBURG BOROUGH AUTHORITY (the "Issuer").

Whereas, on September 6, 2007, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$40,000,000 (the "Bonds"), pursuant to that certain Trust Indenture dated as of SEPTEMBER 1, 2007 (the "Indenture") between the Issuer and MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the "Trustee"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable Standby Bond Purchase Agreement (the "Standby Agreement") to the Trustee; and

Whereas, the outstanding Bonds (\$40,000,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Indenture) as provided in the Indenture; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Indenture; and

Whereas, the Issuer, the Borrower and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer, the Borrower and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Indenture and in this Remarketing Agreement, the Issuer, with the consent of the Borrower, hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Indenture and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Indenture or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Indenture, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Indenture. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Indenture). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Borrower, the Trustee, the Tender Agent or the Liquidity Provider.

Section 3. Disclosure Statement. (a) If the Remarketing Agent determines that it is necessary or desirable to use a

disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Borrower and the Borrower will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Borrower will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Borrower will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Borrower does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated SEPTEMBER 6, 2007, including appendices consisting of financial and other information in respect of the Borrower and the Bank. The Issuer and the Borrower authorize the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer and the Borrower as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Indenture and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Indenture will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Borrower Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Borrower pursuant to any mortgage, resolution, agreement or instrument to which the Borrower is a

party or by which it or any of its properties is bound other than those provided for in or contemplated by the Bond Documents (as defined in the Indenture).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Borrower of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Borrower, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Borrower or the ability of the Borrower to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Borrower will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Borrower shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 5. Representations, Warranties, Covenants and Agreements of the Borrower. The Borrower, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Borrower of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Borrower contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Borrower and Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Borrower or Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Borrower by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased

Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or supplement to it would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Borrower or Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer and Borrower, and each of its directors, officers or employees and each person who controls the Issuer or Borrower within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer, the Borrower and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to

such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent, the Borrower or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Borrower or the Remarketing Agent on grounds of policy or otherwise, the Borrower and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Borrower and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Borrower on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Borrower and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Borrower on the one hand and the

Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Borrower on the one hand and of the Remarketing Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Borrower or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act, the fault shall be deemed to

be entirely that of the Borrower. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Borrower and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Borrower or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Borrower will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Indenture, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Borrower also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws, qualifying the Indenture under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Indenture, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Indenture, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Borrower, the Issuer, the Trustee, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Indenture, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Indenture, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Indenture against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Indenture and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Borrower, the Liquidity Provider and the Trustee in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

- (ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or
- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Borrower contained in any of the Borrower's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Indenture or the Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Indenture by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Borrower, the Liquidity Provider] and the Trustee.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Indenture, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Indenture until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: Shippensburg Borough Authority, Franklin and Cumberland Counties, Pennsylvania

Borrower: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Borrower may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation

of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Borrower have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

Title

ACKNOWLEDGMENT:

SHIPPENSBURG BOROUGH AUTHORITY, Franklin and Cumberland Counties, Pennsylvania

By _____ Name

_____ Title

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between BETHLEHEM AREA SCHOOL DISTRICT (the "Issuer") and RBC Capital Markets Corporation, as successor Remarketing Agent (the "Remarketing Agent" or "RBC CM").

Whereas, on January 5, 2005, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$55,000,000 (the "Bonds"), pursuant to the terms of a resolution (the "Resolution") adopted by the Board of School Directors of the Issuer on December 8, 2003 and by a Paying Agent Agreement between the Issuer and MANUFACTURERS AND TRADERS TRUST COMPANY, as paying agent (the "Paying Agent"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable standby bond purchase agreement (the "Standby Agreement") to the Paying Agent; and

Whereas, the outstanding Bonds (\$54,985,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Resolution) as provided in the Resolution; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Resolution; and

Whereas, the Issuer and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Resolution and in this Remarketing Agreement, the Issuer hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Resolution and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Resolution or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Resolution, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Resolution. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Resolution). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Trustee, the Tender Agent or the Liquidity Provider.

Section 3. Disclosure Statement. (a) If the Remarketing Agent determines that it is necessary or desirable to use a

disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Issuer and the Issuer will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Issuer will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Issuer will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Resolution under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Issuer does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated JANUARY 5, 2005, including appendices consisting of financial and other information in respect of the Issuer and the Bank. The Issuer authorizes the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Resolution and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Resolution will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Issuer Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer pursuant to any mortgage, resolution, agreement or instrument to which the Issuer is a party or by which it or any of its properties is bound other than those provided for in or contemplated by the Bond Documents (as

defined in the Resolution).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Issuer of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Issuer, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Issuer or the ability of the Issuer to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Issuer will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Issuer shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 5. Representations, Warranties, Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuer by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or supplement to it

would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer, and each of its directors, officers or employees and each person who controls the Issuer within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Issuer or the Remarketing Agent on grounds of policy or otherwise, the Issuer and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Issuer and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Issuer on the one hand and of the Remarketing Agent on the other shall

be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act, the fault shall be deemed to be entirely that of the Issuer. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other

fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Issuer and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Issuer or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Issuer will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Resolution, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Issuer also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws qualifying the Resolution under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Resolution, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Resolution, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Issuer, the Trustee, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Resolution, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Resolution, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Resolution against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Resolution and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been

given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Issuer, the Liquidity Provider and the Paying Agent in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

- (ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or
- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Issuer contained in any of the Issuer's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Resolution or the Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Resolution by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Issuer, the Liquidity Provider and the Trustee.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Resolution, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Resolution until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Issuer may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience.

of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Issuer have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

Title

REMARKETING AGREEMENT

Remarketing Agreement, dated and effective as of JUNE 20, 2008 between BETHLEHEM AREA SCHOOL DISTRICT (the "Issuer") and RBC Capital Markets Corporation (the "Remarketing Agent" or "RBC CM").

Whereas, on January 4, 2007, the Issuer issued its Putable Adjustable Rate Taxable Securities in the aggregate principal amount of \$55,000,000 (the "Bonds"), pursuant to the terms of a resolution (the "Resolution") adopted by the Board of School Directors of the Issuer on December 8, 2003, and by a Paying Agent Agreement (the between the Issuer and MANUFACTURERS AND TRADERS TRUST COMPANY, as paying agent (the "Paying Agent"); and

Whereas, to secure the payment of the principal of, interest on and purchase price of the Bonds, DEXIA CREDIT LOCAL (the "Bank"), issued its irrevocable standby bond purchase agreement (the "Standby Agreement") to the Paying Agent; and

Whereas, the outstanding Bonds (\$54,995,000 as of AUGUST 1, 2008) are subject to purchase upon notice and delivery to the Paying Agent and Tender Agent (as such terms are defined in the Resolution) as provided in the Resolution; and

Whereas, the Issuer has appointed the Remarketing Agent (and the Remarketing Agent by execution hereby accepts the appointment) as Remarketing Agent pursuant to the Resolution; and

Whereas, the Issuer and the Remarketing Agent desire to make additional provisions regarding the Remarketing Agent's role as Remarketing Agent for the Bonds.

Now, therefore, for and in consideration of the covenants herein made, the Issuer and the Remarketing Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used in this Remarketing Agreement which are not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Section 2. Duties. In reliance upon the representations and agreements, but subject to the terms and conditions contained in the Resolution and in this Remarketing Agreement, the Issuer hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive remarketing agent in connection with the offering and sale of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds.

The Remarketing Agent will perform the duties specified as Remarketing Agent under the Resolution and this Remarketing Agreement. In acting as Remarketing Agent, the Remarketing Agent will act as agent and not as principal except as expressly provided in this Section.

The Remarketing Agent may, if it determines to do so in its sole discretion, buy as principal any such Bonds but it will not in any event be obligated to do so.

Notwithstanding the foregoing or any other provisions of this Agreement, the Resolution or the Liquidity Facility, the Remarketing Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Remarketing Agent, which include but are not limited to: (i) the duty to set the weekly rate pursuant to the terms and provisions of this Agreement and the Resolution, and (ii) the duty to utilize best efforts to remarket tendered Bonds under the terms and provisions of this Agreement and the Resolution. The Remarketing Agent has the right to purchase and sell bonds for its own account and may in its own discretion, but is not obligated to, tender any Bonds it has purchased for its own account to the Tender Agent (as such terms are defined in the Resolution). While exercising these rights and duties, the Remarketing Agent does not act at the direction of any of the Issuer, the Paying Agent, the Tender Agent or the Liquidity Provider.

Section 3. Disclosure Statement. (a) If the Remarketing Agent determines that it is necessary or desirable to use a disclosure statement in connection with its offering of the Bonds, the Remarketing Agent will notify the Issuer and

the Issuer will provide the Remarketing Agent with a disclosure statement satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The Issuer will supply the Remarketing Agent with such number of copies of the disclosure statement and documents related thereto as the Remarketing Agent requests from time to time and will amend the disclosure statement (and/or the documents incorporated by reference in it) so that at all times the disclosure statement and any documents related thereto will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements in such documents, in the light of the circumstances under which they were made, not misleading. In addition, the Issuer will take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Resolution under the Trust Indenture Act of 1939, as amended, and will provide the Remarketing Agent such officers' certificates, counsel opinions, accountants' letters and other documents as may be customary in similar transactions. If the Issuer does not perform its obligations under this Section, the Remarketing Agent may immediately cease remarketing efforts.

(b) The Issuer has previously prepared and delivered to the Remarketing Agent a copy of the Official Statement, dated JANUARY 4, 2007, including appendices consisting of financial and other information in respect of the Issuer and the Bank. The Issuer authorizes the use by the Remarketing Agent of the Official Statement in connection with the remarketing of Bonds. For purposes of this Remarketing Agreement, the Official Statement and any other documents provided to the Remarketing Agent pursuant to paragraph (a) of this Section shall be considered to be the Disclosure Statement (as defined in § 7 hereof).

Section 4. Representations, Warranties, Covenants and Agreements of the Remarketing Agent. The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer as follows:

(a) It is authorized by law to perform all the duties imposed upon it by the Resolution and this Remarketing Agreement.

(b) The execution and delivery of this Remarketing Agreement and the consummation of the transactions contemplated herein and in the Resolution will not conflict with or constitute on the part of the Remarketing Agent a breach of or default under its charter documents, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note agreement or other agreement or instrument to which the Remarketing Agent is a party or by which it or its properties are bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Remarketing Agent or any of its activities or properties.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent.

(d) The Remarketing Agent will use its best efforts to remarket the Bonds pursuant to the Remarketing Agreement.

Section 5. Representations, Warranties, Covenants and Agreements of the Issuer. The Issuer, by its acceptance hereof, represents, warrants, covenants, and agrees with the Remarketing Agent as follows:

(a) It has full power and authority to take all actions required or permitted to be taken by it or under, and to perform and observe the covenants and agreements on its part contained in, the Issuer Documents and any other instrument or agreement relating thereto to which it is a party (collectively, the "Closing Documents").

(b) It has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for: (i) the execution, delivery and performance of the Closing Documents and which have been executed in connection with the transactions contemplated by the foregoing documents, and (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated hereby and by the Official Statement; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(c) The Closing Documents which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws, or equitable principles relating to or limiting creditors' rights generally.

(d) The execution and delivery of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement, the compliance with the terms, conditions or provisions thereof, and the consummation of the transactions therein contemplated do not and will not violate any law, regulation, order, writ, injunction or decree of any court or governmental body or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer pursuant to any mortgage, resolution, agreement or instrument to which the Issuer is a party or by

which it or any of its properties is bound other than those provided for in or contemplated by the Bond Documents (as defined in the Resolution).

(e) All authorizations, consents and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the Issuer of the Closing Documents and which have been executed in connection with the consummation of the transactions contemplated hereby and by the Official Statement have been obtained, given or taken and are in full force and effect; *provided* that no representation is made with respect to compliance with the securities or Blue Sky laws of the various states of the United States.

(f) To the knowledge of the Issuer, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting it wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition or solvency of the Issuer or the ability of the Issuer to perform its obligations under the Closing Documents or any other agreement or instrument to which it is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement.

(g) The Issuer will cooperate with the Remarketing Agent in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualifications in effect so long as required for the distribution of all the Bonds by the Remarketing Agent; *provided* that the Issuer shall not be required to incur any expense, consent to service of process in any such jurisdiction or qualify to do business in any jurisdiction where it is not now so subject.

Section 6. Conditions To Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained herein, on and as of the date of delivery of this Remarketing Agreement. The obligations of the Remarketing Agent on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement are also subject to the following further conditions:

(a) Each of the Closing Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent; and

(b) No Event of Default (as such term is defined in the Closing Documents) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default.

Section 7. Indemnification and Contribution. (a) The Issuer will indemnify and hold harmless the Remarketing Agent, each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of § 15 of the Securities Act of 1933, as amended (such Act being herein called the "Act" and any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement, or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure statement referred to in § 3 hereof (a "Disclosure Statement") or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuer by the Remarketing Agent specifically for use in connection with the preparation thereof, or if the person asserting any such loss, claim, damage or liability purchased Bonds from the Remarketing Agent, if delivery to such person of the Disclosure Statement or any amendment or supplement to it would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the same was not delivered to such person by or on behalf of the Remarketing Agent. This indemnity agreement shall not be construed as a limitation on any other liability that the Issuer may otherwise have to any Indemnified Party.

(b) The Remarketing Agent shall indemnify and hold harmless the Issuer, and each of its directors, officers or employees and each person who controls the Issuer within the meaning of § 15 of the Act (for purposes of this paragraph (b), an "Indemnified Party") against all losses, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in a Disclosure Statement or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Issuer by the Remarketing Agent specifically for use in the preparation of a Disclosure Statement. The Issuer and the Remarketing Agent agree that any statements set forth in a Disclosure Statement furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to such Section. This indemnity agreement shall not be construed as a limitation on any other liability which the Remarketing Agent may otherwise have to any Indemnified Party, but in no event shall the Remarketing Agent be obligated for double indemnification.

(c) An Indemnified Party (as defined in paragraph (a) or paragraph (b) of this § 7) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Remarketing Agent or the Issuer, as the case may be (in either case the "Indemnifying Party"), notify the Indemnifying Party in writing of the commencement thereof. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so as to assume the defense thereof, such Indemnified Party shall reasonably cooperate in the defense thereof, including without limitation, the settlement of outstanding claims, and the Indemnifying Party will not be liable to such Indemnified Party under this § 7 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation incurred with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld; provided, however, that unless and until the Indemnifying Party assumes the defense of any such action at the request of such Indemnified Party, the Indemnifying Party shall have the right to participate at its own expense in the defense of any such action. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if any Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. Any obligation under this Section of an Indemnifying Party to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in reasonable amounts and at reasonable periodic intervals not more often than monthly as requested by the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be liable for any settlement of any action or claim affected without its consent, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph (a) or (b) of this § 7 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Issuer or the Remarketing Agent on grounds of policy or otherwise, the Issuer and the Remarketing Agent shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Issuer and the Remarketing Agent may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other from the remarketing of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and the Remarketing Agent in connection with the failure to register or qualify certain instruments as described in § 7(a)(i) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Remarketing Agent on the other shall be deemed to be in the same proportion as the aggregate principal amount of the Bonds remarketed pursuant to this Remarketing Agreement bear to the total remarketing fees received by the Remarketing Agent. The relative fault of the Issuer on the one hand and of the Remarketing Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or by the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or

prevent such statement or omission; provided, however, in the case of an allegation or determination that the Bonds, the obligations of the Issuer under this Remarketing Agreement or the obligations of the Bank under the Standby Agreement should have been registered under the Act or the Resolution should have been qualified under the Trust Indenture Act, the fault shall be deemed to be entirely that of the Issuer. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(e) The Issuer and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this § 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this § 7, the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. No person guilty of fraudulent misrepresentation (within the meaning of § 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution agreements of all parties to this Remarketing Agreement contained in this § 7 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent, by or on behalf of any person controlling the Remarketing Agent or by or on behalf of the Issuer or (ii) any termination of this Remarketing Agreement.

(g) For purposes of this § 7, each person who controls the Remarketing Agent within the meaning of § 15 of the Act shall have the same rights as the Remarketing Agent. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under paragraph (d).

Section 8. Fees and Expenses. In consideration of the Remarketing Agent's services under this Remarketing Agreement, the Issuer will pay the Remarketing Agent as Remarketing Agent an annual amount equal to an aggregate of 8 basis points of the aggregate principal amount of Bonds outstanding for the prior period under the Resolution, payable semi-annually in arrears on March 1 and September 1, commencing on September 1, 2008 and computed on the basis of the aggregate principal amount of the Bonds then outstanding. The Issuer also will pay all expenses in connection with the preparation of any Disclosure Statement and the registration of the Bonds and any other documents relating to the Bonds under any securities laws, qualifying the Resolution under the Trust Indenture Act and will reimburse the Remarketing Agent for all of its direct out-of-pocket expenses incurred by it as Remarketing Agent under this Remarketing Agreement and the Resolution, including counsel fees and disbursements.

Section 9. Intention of Parties. It is the intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided and provided in the Resolution, shall constitute or be construed to be extinguishment of any Bonds or the indebtedness represented thereby or the re-issuance of any Bonds.

Section 10. Fails. The Remarketing Agent will not be liable to the Issuer, the Paying Agent, the Paying and Tender Agent or the Bank on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document in respect of the sale. It is understood and agreed that the Remarketing Agent shall not be obligated to advance its own funds to purchase, or to effect the purchase of, any Bonds.

Section 11. Remarketing Agent's Performance. (a) The duties and obligations of the Remarketing Agent as Remarketing Agent shall be determined solely by the express provisions of this Remarketing Agreement and the Resolution, and the Remarketing Agent shall not be responsible for the performance of any other duties and obligations than as are specifically set forth in this Remarketing Agreement and the Resolution, and no implied covenants or obligations shall be read into this Remarketing Agreement or the Resolution against the Remarketing Agent.

(b) The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Resolution and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

(c) The Remarketing Agent shall not be liable for any actions taken or omitted to be taken pursuant to this Remarketing Agreement, except for its own negligence or willful misconduct.

Section 12. Termination. The Remarketing Agent may terminate its obligations under this Remarketing Agreement by notifying the Issuer, the Liquidity Provider and the Paying Agent in writing of its election to do so upon the earlier to occur of (a) the expiration or termination of the Liquidity Facility in accordance with its terms or (b) at any time if:

(i) the United States Constitution or the Constitution of the Commonwealth of Pennsylvania is amended or any federal or Pennsylvania legislation is proposed or enacted or a decision by a state court or a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, is rendered or a ruling, regulation, order or official statement of the Treasury Department of the United States or the Internal Revenue Service is made or proposed or other action or event occurs affecting, directly or indirectly, the federal or Pennsylvania tax status of the interest received on obligations of the general character of the Bonds or any of the Bonds; or

(ii) legislation is introduced by amendment or otherwise in, or is enacted by, the House of Representatives or the Senate of the Congress of the United States, or recommended by a committee to the Congress of the United States for passage, or a decision of a court established under Article III of the Constitution of the United States is rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or any of the Bonds, as contemplated hereby; or

(iii) any information has become known that, in the reasonable opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or any Disclosure Statement, as the information contained therein has been supplemented or amended by other information, as of the date furnished or supplied to the Remarketing Agent, or causes the Official Statement or any Disclosure Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(iv) any legislation, resolution, ordinance, rule or regulation is introduced in, or is enacted by any governmental body, department or agency of the United States, the Commonwealth of Pennsylvania or the State of New York, or a decision by any court of competent jurisdiction within the United States, the Commonwealth of Pennsylvania or the State of New York is rendered that, in the reasonable opinion of the Remarketing Agent, adversely affects the marketability of the Bonds; or

(v) additional material restrictions not in force as of the date hereof have been imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) any governmental authority imposes, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force; or

(vii) a general banking moratorium is established by federal, Pennsylvania or New York authorities; or

(viii) any rating of the Bonds is reduced or withdrawn or placed on "Credit Watch" with negative implications or a similar alert by a national rating service (other than a reduction in the rating on the Bonds on the date of delivery of an Alternate Liquidity Facility to which the Remarketing Agent has consented) that, in the opinion of the Remarketing Agent, materially adversely affects the ability to remarket any of the Bonds; or

(ix) there shall occur any outbreak or escalation of hostilities involving the United States of America or other national or international calamity or crisis (including, without limitation, the United States of America's "War on Terrorism"), financial or otherwise, the effect of which on the financial markets of the United States, in the reasonable opinion of the Remarketing Agent, would make it impracticable or inadvisable to sell any Bonds, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds; or

- (x) the Remarketing Agent at any time and in its sole discretion determines that a material change in the security of the Bonds renders such security unsatisfactory to it in any respect; or
- (xi) any event has occurred or any condition exists that makes untrue or incorrect in any respect any representation or warranty of the Issuer contained in any of the Issuer's Documents (including, without limitation, this Remarketing Agreement and the Liquidity Facility); or
- (xii) the Liquidity Facility for any reason ceases to be in effect; or
- (xiii) any "event of default" under the Resolution or the Liquidity Facility occurs and is continuing.

In addition to terminations permitted above, the Remarketing Agent may at any time resign and be discharged of all duties and obligations hereunder and under the Resolution by giving notice, in writing, 30 days prior to the effective date of such resignation, to the Issuer, the Liquidity Provider and the Paying Agent.

The Remarketing Agent may be removed at any time with or without cause at the direction of the Borrower and/or at the direction of the Bond Insurer, if any, upon thirty (30) days prior written notice to the Remarketing Agent, the Liquidity Provider and the Trustee. The Remarketing Agent shall assign and deliver this Agreement to any successor which shall be subject to the approval of the Bond Insurer and the Liquidity Provider, which approval shall not be unreasonably withheld.

Following termination or resignation of the Remarketing Agent pursuant to this section, the fee provisions contained herein will continue in effect, and each party will pay the other any amounts owing at the time of termination. Unless otherwise provided for in the Resolution, the rate for the Bonds upon termination shall be the Maximum Rate as provided for in the Resolution until such time as a successor Remarketing Agent is retained.

Section 13. Miscellaneous. (a) except as otherwise provided, any notice or other communication herein required or permitted to be given shall be in writing or by telex or facsimile transmission or by telephone with subsequent written confirmation and may be personally served or sent by United States mail, first class postage prepaid, and shall be deemed to have been given upon receipt by the party notified. For the purposes hereof, the address of the parties (until notice of a change thereof is delivered as provided in this section shall be as follows:

Remarketing Agent: RBC Capital Markets Corporation

Issuer: Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania

(a) The Remarketing Agent and the Issuer may, by notice given under this Remarketing Agreement, designate other addresses to which notices or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) All of the representations, warranties and covenants made in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto, (ii) delivery of and any payment for any Bonds hereunder, or (iii) termination or cancellation of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provisions in question

invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The terms of this Remarketing Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by written instrument signed by all of the parties hereto.

(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(i) This Agreement shall inure to the benefit of any be binding only upon the parties hereto and their respective successors and assigns. The term "successors" and "assign" shall not include any purchaser of any of the Bonds merely because of such purchase.

In witness whereof, the Remarketing Agent and the Issuer have caused this Remarketing Agreement to be signed in their names by undersigned officers, thereunto duly authorized, all as of the day and year first above written.

RBC CAPITAL MARKETS CORPORATION, as Remarketing Agent

By

Name

Title Managing Director

ACCEPTANCE:

BETHLEHEM AREA SCHOOL DISTRICT, Northampton and Lehigh Counties, Pennsylvania

By _____ Name

_____ Title

16. *Treasurer's Report*

RECOMMENDATION:

That the Board of School Directors approves the Treasurer's Report dated July 31, 2008.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

REPORT OF THE TREASURER
July 1 through July 31, 2008

BEGINNING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	2,106,373.23
Bank of America - General Account	200,540.56
Pennsylvania School District Liquid Asset Fund	1,122,242.68
Wachovia - Worker's Comp Trust Fund	641,786.74
Pennsylvania Local Government Investment Trust	76,721.84
Pennsylvania State Treasurer Invest Program	130,884.81
Wachovia Money Market	54,653.94
Bank of America Money Market	2,076,315.25
Commerce Bank Money Market	1,119.92
Sovereign Bank Money Market	28,665.08
PLGIT - Term Investments	0.00
PSDLAF - Term Investments	0.00
Sovereign Bank - Scholarship Fund	45,971.98
KNBT Bank - Scholarship Fund	112,000.00
Arthurs Lestrage Cash Management - 2007 Bond Fund	9,159.90
Arthurs Lestrage Cash Management - 2007A Bond Fund	33,278,491.27

TOTAL CASH AND INVESTMENT BALANCE \$ 39,884,927.20

RECEIPTS

Local Sources	25,805,683.02
State Sources	3,372,483.88
Federal Sources	292,049.43
Other Financing Sources	0.00

\$ 29,470,216.33

TOTAL FUNDS AVAILABLE

\$ 69,355,143.53

DISBURSEMENTS

Monthly Bills Paid	9,967,540.16
Payroll	5,216,789.72
Debt Service	713,150.82

\$ 15,897,480.70

ENDING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	9,124,025.95
Bank of America - General Account	1,000,000.56
Pennsylvania School District Liquid Asset Fund	3,548,770.28
Wachovia - Worker's Comp Trust Fund	642,619.89
Pennsylvania Local Government Investment Trust	76,863.71
Pennsylvania State Treasurer Invest Program	179,962.45
Wachovia Money Market	54,681.72
Bank of America Money Market	9,968,129.49
Commerce Bank Money Market	1,121.96
Sovereign Bank Money Market	28,716.30
PLGIT - Term Investments	0.00
PSDLAF - Term Investments	0.00
Sovereign Bank - Scholarship Fund	45,971.98
KNBT Bank - Scholarship Fund	112,000.00
Arthurs Lestrage Cash Management - 2007 Bond Fund	-
Arthurs Lestrage Cash Management - 2007A Bond Fund	28,674,798.54

TOTAL CASH AND INVESTMENT BALANCE \$ 53,457,662.83

TOTAL FUNDS AVAILABLE \$ 69,355,143.53

Interest Earnings For The Period \$ 22,533.85

Respectfully Submitted,

Anne M. Morton
Treasurer

17. *Monthly Bills*

RECOMMENDATION:

That the bills, which have been reviewed as to correctness by the appropriate Business Office staff and verified by the treasurer, be approved for payment. A copy of the bill list is available in the Business Office of the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania, for review.

The administration's recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

18. *Budget Information*

INFORMATION:

Presented for information is the statement of the Condition of the Budget by major accounts.

**BETHLEHEM AREA SCHOOL DISTRICT
CONDITION OF THE BUDGET
FINANCIAL STATEMENT
REVENUES**

FOR THE PERIOD ENDING JULY 31, 2008

10 - GENERAL FUND

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>BUDGET REVENUE</u>	<u>M-T-D RECEIVED</u>	<u>Y-T-D RECEIVED</u>	<u>BUDGET BALANCE</u>
10-60000	REVENUE - LOCAL SOURCES	126,479,111.00	13,375,842.49	13,375,842.49	113,103,268.51
10-70000	REVENUE - STATE SOURCES	45,420,187.00	1,264,458.00	1,264,458.00	44,155,729.00
10-80000	REVENUE - FEDERAL SOURCES	50,000.00	0.00	0.00	50,000.00
10-90000	OTHER FINANCING SOURCES	257,000.00	0.00	0.00	257,000.00
TOTAL GENERAL FUND		<u><u>\$172,206,298.00</u></u>	<u><u>\$14,640,300.49</u></u>	<u><u>\$14,640,300.49</u></u>	<u><u>\$157,565,997.51</u></u>

**BETHLEHEM AREA SCHOOL DISTRICT
CONDITION OF THE BUDGET
FINANCIAL STATEMENT
EXPENDITURES**

FOR THE PERIOD ENDING JULY 31, 2008

10 - GENERAL FUND

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>BUDGET APPROPRIATION</u>	<u>ACTUAL EXPENDITURES</u>	<u>UNPAID ENCUMBRANCES</u>	<u>BUDGET BALANCE</u>
10-1100	REGULAR EDUCATION	70,887,687.00	-1,944,992.09	596,887.30	72,235,791.79
10-1200	SPECIAL EDUCATION	19,249,977.00	-26,550.83	1,663,492.61	17,613,035.22
10-1300	VOCATIONAL EDUCATION	8,689,850.00	584,770.77	4,552,055.63	3,553,023.60
10-1400	OTHER INSTRUCTIONAL PROGRAMS	744,406.00	-1,922.71	0.00	746,328.71
10-1600	ADULT EDUCATION PROGRAMS	6,711.00	274.39	0.00	6,436.61
10-1700	COMMUNITY COLLEGE PROGRAMS	1,980,317.00	205,127.83	1,775,189.17	0.00
10-1800	INSTRUCTIONAL PROGRAMS - PRE-K	515,130.00	-27,664.06	1,142.64	541,651.42
10-2100	SUPPORT SRVCS-PUPIL PERSONNEL	5,848,603.00	-99,904.37	4,684.66	5,943,822.71
10-2200	SUPPORT SRVCS-INSTRUCTIONAL	5,868,809.00	64,149.47	24,130.45	5,780,529.08
10-2300	SUPPORT SRVCS-ADMINISTRATION	9,812,126.00	614,793.40	7,978.90	9,189,353.70
10-2400	PUPIL HEALTH SERVICES	1,674,556.00	-40,337.63	7,031.47	1,707,862.16
10-2500	BUSINESS OFFICE	2,796,253.00	180,950.11	41,152.81	2,574,150.08
10-2600	OPERATION / MAINTENANCE OF PLANT	15,930,576.00	530,237.22	559,679.71	14,840,659.07
10-2700	STUDENT TRANSPORTATION SERVICES	5,157,998.00	63,315.89	422,172.01	4,672,510.10
10-2800	SUPPORT SRVCS-CENTRAL	1,471,589.00	166,048.65	24,000.00	1,281,540.35
10-2900	OTHER SUPPORT SERVICES	40,000.00	0.00	0.00	40,000.00
10-3200	STUDENT ACTIVITIES	388,493.00	9,426.92	1,417.30	377,648.78
10-3300	COMMUNITY SERVICES	174,222.00	0.00	0.00	174,222.00
10-5100	DEBT SERVICES	18,606,366.00	414,503.01	0.00	18,191,862.99
10-5200	FUND TRANSFERS	1,532,629.00	0.00	0.00	1,532,629.00
10-5800	SUSPENSE ACCOUNT	730,000.00	22,237.70	37,561.50	670,200.80
10-5900	BUDGETARY RESERVE	100,000.00	0.00	0.00	100,000.00
TOTAL GENERAL FUND		<u>\$172,206,298.00</u>	<u>\$714,463.67</u>	<u>\$9,718,576.16</u>	<u>\$161,773,258.17</u>

2008-2009 EXPENDITURES BY PROGRAM

PROJECTED JUNE 30, 2009

Includes Year-To-Date July Information

			2008-2009					2007-2008	2007-2008	
PROGRAM	PROGRAM CODE	Responsible Office	A	B	C	D	E	F	G	H
			2008-2009 APPROVED BUDGET	2008-2009 AMENDED BUDGET	2008-2009 PROJECTED EXPENDITURES JUNE 30, 2009	2008-2009 UNEXPENDED BUDGET \$ (B - C = D)	2008-2009 UNEXPENDED BUDGET % (D / B = E)	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July 2008	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July , 2007	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
BUILDING ALLOCATION	100	PRIN	1,428,603	1,428,603		1,428,603	100.00%	306,092	316,591	
BOARD	AA	SUPT	347,150	347,150		347,150	100.00%	23,381	9,575	
CABINET	AB	SUPT	1,174,552	1,174,552		1,174,552	100.00%	101,871	116,446	
BUDGETARY RESERVE	AC	SUPT	100,000	100,000		100,000	100.00%	0	0	
SUPT OFFICE-EQUIPMENT REPLACEMENT RESERVE	AD	SUPT	7,000	7,000		7,000	100.00%	0	0	
SUPERINTENDENT'S OFFICE	AE	SUPT	178,300	178,300		178,300	100.00%	806	40,018	
BUILDING STAFF	AF	SUPT	6,201,461	6,201,461		6,201,461	100.00%	366,662	367,419	
PUBLIC RELATIONS	AN	SUPT	21,143	21,143		21,143	100.00%	9,498		
STAFFING-TEACHERS	CA	HR	58,379,392	58,379,392		58,379,392	100.00%	(2,739,261)	(2,459,258)	
CHILD ACCOUNTING DEPARTMENT	CD	HR	242,013	242,013		242,013	100.00%	13,507	14185	
STAFFING-TEACHER ASSISTANTS	CE	HR	2,481,187	2,481,187		2,481,187	100.00%	0	174	
STAFFING-SUBSTITUTES	CG	HR	1,273,000	1,273,000		1,273,000	100.00%	38,390	41,659	
HUMAN RESOURCES DEPARTMENT	CK	HR	399,575	399,575		399,575	100.00%	46,277	46,577	
STUDENT ACTIVITIES	D1	C&I	244,236	244,236		244,236	100.00%	8,085	6,725	
CREDIT ACQUISITION PROGRAM	D2	C&I	27,785	27,785		27,785	100.00%	10,671	1,032	
CURRICULUM ENRICHMENT ACTIVITIES	D3	C&I	130,000	130,000		130,000	100.00%	0	204	
CAREER ACADEMY/RASA/ALTERNATIVE EDUCATION	D4	C&I	512,761	512,761		512,761	100.00%	(17,882)	19,992	
TESTING - K-12	D5	C&I	30,000	30,000		30,000	100.00%	0	0	
ACADEMIC INTERVENTIONS	DA	C&I	100,000	100,000		100,000	100.00%	1,095	17,812	
MUSICAL INSTRUMENT REPAIR	DD	C&I	37,000	37,000		37,000	100.00%	108	1,500	
DEPARTMENT OF INSTRUCTION	DE	C&I	286,600	286,600		286,600	100.00%	4,419	52,078	
READING RECOVERY/PROJECT READ	DF	C&I	28,212	28,212		28,212	100.00%	0	632	
INSTRUCTIONAL MTLS RESERVE	DG	C&I	500,000	500,000		500,000	100.00%	384,667	701,563	
EQUIPMENT REPAIR	DM	C&I	13,000	13,000		13,000	100.00%	6,500	9,175	
PLANETARIUM	DO	C&I	2,444	2,444		2,444	100.00%	0	0	
SUMMER SCHOOL - SECONDARY	DQ	C&I	50,000	50,000		50,000	100.00%	4,615	45,065	
DRIVER EDUCATION	DS	C&I	90,125	90,125		90,125	100.00%	0	0	
ASST SUPERINTENDENT FOR CURR & INSTRUCT	DT	C&I	627,006	627,006		627,006	100.00%	36,205	40,282	

PROJECTED JUNE 30, 2009

			2008-2009					2007-2008	2007-2008	
PROGRAM	PROGRAM CODE	Responsible Office	A	B	C	D	E	F	G	H
			2008-2009 APPROVED BUDGET	2008-2009 AMENDED BUDGET	2008-2009 PROJECTED EXPENDITURES JUNE 30, 2009	2008-2009 UNEXPENDED BUDGET \$ (B - C = D)	2008-2009 UNEXPENDED BUDGET % (D / B = E)	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July 2008	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of July , 2007	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
INTERSCHOLASTIC ATHLETICS	DU	C&I	1,532,629	1,532,629		1,532,629	100.00%	0	0	
INTRAMURALS	DV	C&I	74,000	74,000		74,000	100.00%	962	2,020	
ATTENDANCE SERVICES	E4	STD SVCS	86,160	86,160		86,160	100.00%	0	450	
MINORITY AFFAIRS/GOV. PROGRAMS/GRANTS	EB	STD SVCS	29,939	29,939		29,939	100.00%	482	443	
SPARK - EARLY CHILDHOOD/SUMMER	EC	STD SVCS	629,992	629,992		629,992	100.00%	(20,694)	18,642	
SCHOOL RESOURCE OFFICERS	EF	STD SVCS	281,000	281,000		281,000	100.00%	0	818	
HOMEBOUND INSTRUCT/REGULAR ED.	EG	STD SVCS	155,000	155,000		155,000	100.00%	0	4,535	
HEALTH SERVICES - MEDICAL	EH	STD SVCS	51,822	51,822		51,822	100.00%	7,680	6,600	
HEALTH SERVICES - DENTAL	EJ	STD SVCS	10,364	10,364		10,364	100.00%	0	0	
STUDENT SERVICES	EK	STD SVCS	5,500	5,500		5,500	100.00%	0	161	
GUIDANCE (SUMMER)	ET	STD SVCS	35,000	35,000		35,000	100.00%	3,447	8,520	
ENGLISH ACQUISITION	EY	STD SVCS	260,963	260,963		260,963	100.00%	24,269	33,148	
BUSINESS DEPT-ACCOUNTS PAYABLE	GA	F&A	1,006,527	1,006,527		1,006,527	100.00%	101,171	111,518	
BUSINESS DEPT-ACCOUNTS RECEIVABLE	GB	F&A	1,024,077	1,024,077		1,024,077	100.00%	87,389	79,482	
DEBT SERVICE	GC	F&A	19,298,602	19,298,602		19,298,602	100.00%	512,525	673,382	
EMPLOYEE BENEFITS	GD	F&A	29,826,642	29,826,642		29,826,642	100.00%	(133,411)	(63,105)	
INSURANCE	GE	F&A	643,658	643,658		643,658	100.00%	53	0	
INTERSYSTEM PAYMENTS	GF	F&A	20,746,441	20,746,441		20,746,441	100.00%	9,434,064	9,184,828	
PHOTOCOPIERS	GP	F&A	607,692	607,692		607,692	100.00%	55,022	57,189	
SPECIAL EDUCATION	LF	SPEC ED	545,959	545,959		545,959	100.00%	25,453	44,180	
HOMEBOUND INSTRUCTION / SPECIAL ED.	LG	SPEC ED	30,000	30,000		30,000	100.00%	0	2,342	
MAINTENANCE / CUSTODIAL DEPARTMENT	NA	B&G	11,002,051	11,002,051		11,002,051	100.00%	321,165	328,107	
MAINTENANCE DEPT - SUPPLIES	NE	B&G	459,600	459,600		459,600	100.00%	162,447	131,081	
MAINTENANCE DEPT - CONTRACTED SERVICES	NF	B&G	966,500	966,500		966,500	100.00%	377,660	46,798	
TRANSPORTATION DEPARTMENT	NT	B&G	4,521,504	4,521,504		4,521,504	100.00%	478,628	467,429	
TECHNICAL SERVICES	TK	TECH	650,186	650,186		650,186	0.00%	203,889	237,712	
INFO & COMMUNICATIONS TECHNOLOGY DEPT.	TL	TECH	2,078,389	2,078,389		2,078,389	100.00%	54,581	67,285	
DATA PROCESSING DEPARTMENT	TN	TECH	733,556	733,556		733,556	100.00%	130,555	193,866	
TOTALS			\$172,206,298	\$172,206,298	\$0	\$172,206,298	100.00%	\$10,433,040	\$11,026,875	\$0

19. *Approval of “No Place for Hate” Program***INFORMATION:**

The administration has been meeting with representatives from the Anti-Defamation League with regards to a program they offer entitled “No Place for Hate.” The district has invited surrounding municipalities to join forces to create a community that furthers the concept of “No Place for Hate.” This program will run for the entire school year addressing issues surrounding our goal of “Understanding Differences.”

RECOMMENDATION:

That the Board of School Directors endorses and supports the “No Place for Hate” Program.

President Leeson requested a motion to approve the administration’s recommendations. Director Haytmanek moved the administration’s recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19. Director Follweiler seconded the motion. The question was called with roll call as follows: Yea, Directors Tenaglia, Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon and Leeson – 9.

ROLL CALL
RECOMMENDATIONS
1, 2, 4, 6, 7, 9, 10, 11,
12, 13, 14, 16, 17 and 19

The motion passed 9 – 0.

The administration’s recommendations 1, 2, 4, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17 and 19 were considered together.

August 18, 2008

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1.	Employee Hearing – August 13, 2008	1
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1. *Employee Hearing – August 13, 2008*

INFORMATION:

An employee requested a hearing with the Board of School Directors regarding the elimination of the Public Relations Department for the 2008-2009 school year. The employee hearing was held Wednesday, August 13, 2008. Seven board members were present at the hearing.

RECOMMENDATION:

That the Board of School Directors upholds its decision to close the Public Relations Department and reduce staff by two positions due to budgetary reasons.

President Leeson announced that Item 1 was pulled from the Recommendations of the Board. She stated they did not receive the adjudication for the item.

2. *Employee Hearing – August 11, 2008*

INFORMATION:

The administration has brought before the board a teacher who has been arrested and convicted of assault and other various charges. The employee hearing was held on Monday, August 11, 2008. Seven board members were present at the hearing.

RECOMMENDATION:

That the Board of School Directors terminate employee number xxx-xx-7961.

President Leeson requested a motion to accept the recommendation of the board. The motion was made by Director Follweiler and seconded by Director Cann. The question was called with roll call as follows: Yea, Directors Tenaglia, Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, and Leeson.

DIRECTOR
FOLLWEILER –
MOTION TO
ACCEPT THE
RECOMMENDATION
OF THE BOARD

The motion passed 9 – 0.

President Leeson stated they were establishing an Audit Committee. She said that she, along with Directors McKeon and Tenaglia, would be serving on the committee. The first meeting would be held on Wednesday, August 20th at 4:30 p.m. She noted that Director Tenaglia would be the chairperson.

NEW AND
MISCELLANEOUS
BUSINESS

President Leeson addressed Director Cann about the issue that she wanted to address. She asked if she wanted to discuss it at present or did she want to wait until she obtained the information from Dr. Lewis in the Curriculum Committee.

Director Cann requested to elaborate on her rationale with regard to her request to provide a commitment to reinstate a full-time reading specialist to Hanover Elementary. She stated that other schools had either lost a .5 or a 1.0 reading specialist position, but all of those schools had kept a minimum of one full-time reading specialist with the exception of Hanover Elementary School. She said it mattered because as long as the school had at least one person in the building all day long for the week, they could, however difficult, spread that person very thin to try to get to every student in need. They could not spread thin, a resource that did not exist. She explained that for half of every school day, they did not have anyone to even spread thin. She questioned why Hanover Elementary School should be treated differently than every other school in the district by the administration and the board. She moved to make the commitment to restore a full-time reading specialist to Hanover Elementary School.

DIRECTOR CANN –
MOTION TO
COMMIT TO
PROVIDE A 1.0 READING
SPECIALIST
TO HANOVER
ELEMENTARY
SCHOOL

Director Amato asked why they didn't open it up to all of the positions.

Attorney Spry pointed out that a second was needed before discussion could take place.

Director Dexter seconded the motion.

Director Amato stated that he was never in favor of cutting the Reading Recovery[®] Program but they did it to save money. He said that now they were going to start to restore the program, piece by piece. He thought they should completely restore it or not at all. He said that he sympathized with a half of a position trying to service the whole school, but he reminded everyone that the students who attended Hanover Elementary School were a little bit different than the students who attended Marvine or Donegan Elementary where they cut the positions from five to two or from four to one. He noted that they were dealing with the same issue. He concluded that it could not be piece-mealed because it was not servicing all of the students fairly.

Director McKeon said that he would support the reinstatement solely if they could find the money elsewhere in the budget. It must be budget neutral.

President Leeson asked Directors Amato or Cann if there were any recommendations for where the money could be obtained.

Director Cann recommended that Mr. Majewski take a look and possibly work one of his miracles. She commented that there was such a basic unfairness that it had to be addressed.

President Leeson noted that they had voted on monies in the last couple of weeks and at that time they talked about the impact. They could have restored reading at the time they voted on other items.

Director Amato agreed with Director Amato in that if they could find the money and keep it budget neutral without spending anymore.

President Leeson asked Director Amato if he had any recommendation for where they could find the money.

Director Amato asked President Leeson if she or Director Dexter had a recommendation on finding the money.

President Leeson replied that she made the recommendation a couple of weeks ago when they were putting in additional money and did other things.

Director Dexter stated that she seconded the motion so they could have discussion but she didn't know how she would vote on it because she wanted to know where they would get the money. There were other cuts that they considered and she thought they had some departments that were not hit as hard as others. As she said earlier, they knew they made mistakes and as she was listening to the people tonight and when she also reviewed the letter from a staff member from Hanover Elementary School which outlined the impact, she thought it was a different situation there because they didn't have the other specialists and support staff in the building. She thought the impact to Hanover Elementary School was a lot greater than what they thought. If they restored the teacher, it would be the same as Governor Wolf, which had almost double the population of students. They needed to keep in mind that Governor Wolf had other support staff that could help students with special needs. The bottom line was where could they obtain the money to fund the program. She actually thought that when they were really motivated, that was when they find sources of funding.

Director Follweiler stated that she didn't know if she could vote with good conscience tonight because she thought they needed discussion to find the funding. They needed to look at all of the schools in a fair manner. She said they had heard from Governor Wolf Elementary School and that they felt they were the only school in the district that had their position cut in half.

Director Follweiler pointed out that Hanover Elementary School's reading specialist position was also cut in half, so that group was not the only ones who felt they were being treated unfairly. She brought attention to Director Amato's point that they had to look at the impact on all of the schools. She inquired about how many students were serviced at each school.

Mrs. Katona directed Director Follweiler to the chart, which showed the information.

Director Follweiler said that everyone had good points so she didn't think they had enough information to vote. For example, if Governor Wolf staff presently had one reading specialist and they came before the board many times to point out that it was insufficient and if they did have twice as many students; it was something that had to be looked at.

Director Koch completely agreed with Director Follweiler. She said they needed to give Mr. Majewski time to look at the numbers from the information they received today and to try to determine whether or not there was money available. They also needed to know how many children were being impacted in the various schools. She thought if they had one school which had a much larger number of students who no longer had access to the Reading Recovery[®] Program, then that school would move up to the priority as far as need. She agreed that they needed more time.

Director McKeon spoke to the business area and said he was learning through the budget process that they had a lot of incomplete information. When moving forward they needed to substantiate the monetary value behind the program. He noted they cut the Reading Recovery[®] Program without any verbal meet behind the recommendation and now they were encountering the potential pitfalls. He pointed out that the more information they received, the easier it was to make the recommendation. He brought attention to the field trip policy and suggested they be informed about what trips were being planned in the given fiscal year.

Director Haytmanek thought they needed a little more information about the number of students being impacted. He stated that it was an impressive display by the Hanover Elementary School staff and parents but he agreed with Director McKeon in that they needed more information before making a decision. He asked if they could table the item.

Director Tenaglia asked if Director Cann would consider amending her motion to allow the administration to come back to the board with some answers to the questions raised.

Dr. Lewis suggested that they had previously passed motions with contingencies and asked if they could obtain authorization from the board that it was a restoration, which the board would like to see happen, provided that the funding came through.

Dr. Lewis noted that once they had a commitment in hand, they could make the staff adjustments and do the hiring. He added that somebody would move back and they would need to hire a .5 position in something else such as a kindergarten or IST position in another building. He asked the board if it would be an acceptable option.

President Leeson asked Dr. Lewis if he was recommending that they restore all reading positions.

Dr. Lewis replied, "no."

President Leeson said that she didn't think that he understood that a number of the board members were saying that they wanted to look at all of the reading positions before restoring any of them.

Dr. Lewis responded that it was fine but he was just speaking to the motion. He agreed with Mr. Majewski about not being comfortable with restoring something without having the funds to support it. They had a verbal commitment. If they were to pass a motion that it was indeed what the board wanted them to do relative to the particular situation. In retrospect, the school did not have any other support staff in place. He agreed in part with Director McKeon in that they were all learning about the process. He added that Director Dexter brought up the point that they were going to go through the year and see that they made a wise decision in one area and not in another area, and they had to learn from it. He asked Director Cann if it would be an acceptable contingency to her motion.

Director Cann agreed that it made sense because practically speaking it could not be done without the funding.

Dr. Lewis said that he did not know if it would be one week, two weeks or a month.

Director Cann expressed the intent to know that they would be automatically in line to have the change happen. She added that they were due because of the disparity.

President Leeson stated that all along she had wanted to see the reading program restored and wanted to see the full reading program restored. She thought that when they accepted the budget, they knew they had to stay within the parameters, which the budget held. They were already taxing to the maximum and had a limited amount of money to spend. They said they would accept the budget parameters and continue to tweak the budget. She noted the tweaking surrounded the reading program, which was one of the big programs on the top of the list, which they wanted to try to restore if at possible.

President Leeson was in favor of restoring the entire reading program if they could afford to do it. She said that she was hearing from Dr. Lewis that they might get support from the state to restore part of the program. If they were able to pay some of their expenses, they would then be able to use that money to partially restore the program. From a personal standpoint, she wanted to look at the entire program. She understood the needs of Hanover Elementary School and agreed that it was not quite fair that they had taken one-half of their only support system.

Director Koch said that some of them have asked for a list of the schools to see what the need was at each individual building.

Dr. Lewis replied that the information was provided in their packets.

Director Koch asked if they would have an opportunity for discussion before the money was supplied to one school or another.

Dr. Lewis responded that he was not quite sure how they could approach it without an overall discussion. He thought they had to look at everything. He pointed out that a total restoration of the reading positions would total to a quarter of a million dollars. He inquired about where they would find the money. Philosophically speaking, it was not something he was happy about. There had been a parade of people speaking on a variety of reasons; from bussing cheerleaders to saving the Virginia Duel Tournament registration fee. He noted that the Curriculum and Instruction costs should be at the highest priority but they were often part of the block as well as everything else.

Director Koch emphasized that they needed to have the discussion.

Dr. Lewis replied that it was what he and Mr. Majewski had recommended earlier.

Director Koch said that she was misunderstanding him because she thought that if he received the money, he would quickly restore the reading position.

Dr. Lewis explained that if the board wished to restore a .5 position, they would feel better if a contingency were put upon it. In other words, he and Mr. Majewski would feel better if they had the paper in their hand stating that they were receiving "x" amount of funding.

Director Koch replied that she understood that part and asked if there would be any hiring until they had the opportunity for discussion.

President Leeson said they would vote on whether they would or not.

Dr. Lewis thought they needed to vote on whether to do it.

President Leeson added that if they voted “yes” on the issue, then it would mean that they might not have a full discussion because they made the commitment to one.

Director Tenaglia stated that they had already committed that reading would be the first restoration.

President Leeson agreed.

Dr. Lewis brought attention to the question of “where” because they may not have the ability to restore all four positions.

Director Tenaglia said that he had the understanding from Dr. Lewis’ inquiry, that he was willing to amend the motion to give Hanover Elementary the priority.

Dr. Lewis responded that what he was saying was if it were the will of the board, he would prefer that the motion had the contingency on it. If they received a commitment or found the money, they would move on it, but, without it, they were putting Mr. Majewski and himself in a precarious situation because they did not have the money.

President Leeson summarized that she was hearing support for the restoration of reading positions from everyone. The question was on the table about the commitment to restore the .5 position at Hanover Elementary School tonight. If they voted “no,” it would more than likely mean that they would have an additional discussion to look at all schools and situations before committing to one school or another. She also said that it could be tabled.

Director Dexter questioned Director Cann’s motion.

Director McKeon thought that Director Cann had to withdraw her motion or they had to vote.

Mr. Majewski stated that it was the question without amendments.

Director Cann said that it should be amended with the contingency.

Director Amato asked about the contingency.

President Leeson stated that Director Cann’s motion was to restore the .5 position with the contingency of a commitment being received from the state.

Director Amato said that he thought they went over it and noted that Director McKeon said that he was in favor of it if they could find the money and make it clustered. Now they are saying that they were going to place Hanover Elementary School at the top of the list if they received money from the state.

Director Amato requested that they make up their minds.

Director McKeon stated that he thought they were attempting to address Director Cann's motion and if it was approved, they had to define commitment. If it was not approved, then it was subject to future discussion.

Director Amato asked if they voted on it with Director Cann's contingency, was it that they would restore the .5 position if the administration finds the money and keeps the cost neutral. He emphasized that if they received money from the state that they would be on the top of the list.

President Leeson replied, "That is what it is."

Director Amato stated that it was not right.

President Leeson said that the question was called and they allowed some discussion, which actually was not proper.

Director Tenaglia asked for the question to be restated before they voted.

President Leeson stated that the question, as she understood it, was that they would like to restore a .5 reading specialist position to Hanover Elementary School, if the state money comes in.

Director Cann asked if they could add, "Or, if money is otherwise found in the budget."

Director Dexter stated that she called the question that was on the floor, which did not include a contingency at that point. She noted that if Director Cann wanted to amend her motion, it would be a different story.

Dr. Lewis said that she could amend her motion. He noted that it was not likely that they would find money in the budget.

It was decided that there would be no contingency on the motion.

President Leeson repeated the question as, "A commitment to restore a .5 position to Hanover Elementary School."

Dr. Lewis explained that he wanted to make a point of order so the board realized that they could challenge the calling of the question by a majority vote. If they wished to permit the contingency, as a board, they could challenge calling the question with a majority of the board.

Director Cann stated that she would then challenge the question.

DIRECTOR CANN
CHALLENGES QUESTION

President Leeson asked for a voice vote by raise of hands if the board members supported Director Cann's challenge to call the question, which meant the motion could be modified. President Leeson observed a 2 – 7 result by raised hand, which indicated that the modification of the motion did not pass. She stated that it would be voted upon as it stood.

VOICE VOTE –
DIRECTOR CANN'S
CHALLENGE

Dr. Lewis asked if all members understood the question. He reviewed that Director Cann wanted to challenge Director Dexter's calling of the question, for the purpose of amending her motion.

President Leeson reviewed the board's response and reiterated that the motion failed. She reviewed the question, stating, "Do we restore a .5 position to Hanover Elementary School tonight." The question was called with roll call as follows: Yea, Directors Tenaglia, Cann, Dexter, and Haytmanek – 4. Nay, Directors Amato, Follweiler, Koch, McKeon and Leeson – 5.

ROLL CALL –
QUESTION TO
RESTORE THE
READING POSITION
TO HANOVER
ELEMENTARY SCHOOL

The motion failed 4 – 5.

President Leeson stated that she wanted to have it scheduled for discussion at the Curriculum Meeting and requested additional information regarding the state money as discussed earlier. She asked if there was any further new or miscellaneous business.

Director Dexter moved to restore the reading position to Hanover Elementary School with the contingency that when they received the letter from the state confirming that they would be receiving the reading money, the position be funded, but if they did not receive the letter or the funding fell through, the position could not be recovered. Director Cann seconded the motion.

DIRECTOR DEXTER –
MOTION TO RESTORE
READING POSITION
WITH CONTINGENCY

President Leeson asked for discussion.

Director Follweiler commented that in fairness to all schools, she did not think that they did not have enough information to be able to make a motion to restore the entire program to a single school with no offense intended to Hanover Elementary School. She thought it absolutely needed to be restored but she didn't think they could single out one school to be voted upon tonight.

Director Cann stated she understood that they needed more information in order to decide about what was fair, but they did not need more information to determine that it was presently unfair.

Director Amato commented that it was her opinion.

Director Cann agreed, that it was her opinion, of which she was expressing.

Director Amato stated that he agreed that they should restore the whole program. They should find \$250,000 somewhere because it needed to be restored. He stated, "It was a very, very important part of our educational process and we screwed up and got rid of it." He explained that if they restored it, they should restore it to everyone. He noted that it was not fair to pick out a specific school to restore a position. He explained that the people at Donegan or Marvine who were not at the meeting had the same thoughts. He reiterated that it was not fair.

Director Tenaglia asked to move the question.

President Leeson stated that the question had been moved and asked if there was a challenge to moving it.

The question was called with roll call as follows: Yea, Directors Tenaglia, Cann, and Dexter – 3. Nay, Directors Amato, Follweiler, Haytmanek, Koch, McKeon and Leeson – 6.

The motion failed 3 – 6.

President Leeson asked if there was further new or miscellaneous business.

Director Tenaglia asked if the superintendent would give them an update on the sinkhole situation at East Hills Middle School.

Dr. Lewis replied that they sent out a second batch of photographs. He noted that Mr. Fazil was present, who could explain the status. He explained that it was located by the salt bin on the East Hills site, against the area of the foundation.

Mr. Fazil explained that it was an emergency situation because it was undermining the foundation of the salt bin storage building. One of the concerns was the threat of thunderstorms and the area was wide-open. If it started to further undermine, they could have lost the footing or had to do more extensive and special types of retrofitting to the foundation to attempt to restore it. He noted that the building itself was not a very expensive building because it was a storage building, however, it would cost a substantial amount of money to reconstruct it. He pointed out there was a foundation wall that went up approximately 8 feet where the salt and cinders sat. They wanted to make it as economical as possible in an attempt at restoration. One of their concerns was that more of the loose soil started to fall when they dug the holes, so it could create a bigger problem. He said that they were very careful excavating on Thursday and were successful in basically underpinning the existing footing, which was concrete and also placed some reinforcing dowels. He said that the building was stabilized and noted that they added additional drainage to attempt to reduce the potential for additional storm water infiltration in the area, which obviously led to sinkholes.

ROLL CALL –
PROVIDE 1.0 READING
POSITION TO HANOVER
ELEMENTARY SCHOOL
CONTINGENT UPON
STATE FUNDING

Director Tenaglia questioned if the photo that showed the exposed rebar was part of the repair or was it the undermining portion of the foundation.

Mr. Fazil replied that they added the rebar to attempt to create a tie-in and connection; almost like building a shoring wall down to suitable sub-grade to connect the footing.

Director Tenaglia asked about the depth of the sink hole.

Mr. Fazil responded that it was initially 7 or 8 feet, but by the time they were done cleaning it out and getting down to the limestone ledges, they were down to around 12 feet, noting the ladder in one of the photos.

Director Tenaglia commented about the number of sinkholes in that general location.

Mr. Fazil stated that in the Lehigh Valley and at the Freedom and East Hills site had extensive experience with sinkholes. He explained that there was not a lot they could do except to keep the water away from the building areas and attempt to manage storm water. He noted that it was the only one this year.

Dr. Lewis thought it was caused by run-off from the roof for 25-40 years, without it being redirected, which he noted they would be correcting.

Director Koch stated she had knowledge that Governor Wolf Elementary School had trouble along with neighboring houses because of the limestone.

Mr. Fazil thought the expenses were \$8,000 - \$10,000 to correct it, which was very good, in the realm of what they had.

Director Dexter addressed the issue of the Freedom High School Choir trip. She stated that they tabled the matter and noted that sometimes they don't automatically list it for next month's agenda. It was her understanding that in this case, they tabled it because they did not have a policy to address the equities and inequities. She expressed concern that they wouldn't have a policy in time for that trip to take place, noting that even if they had a presentation from Mrs. Katona's department in September and if the policy had been written and they had their three readings; by the time they approved the policy, the trip would be impossible. Her thoughts were that they should list the matter for next month's agenda and if it was the will of the board that no such trip could take place because of the administrative costs being unequal from one trip to another, she thought the choir could come back to them with a proposal that they would fund the administrative costs, since it was one of the hold-ups and they would be refunded if, in fact, that it was later determined that whatever policy put into place would have allowed the trip.

Director Dexter pointed out that the choir at Freedom High School was extraordinary and she agreed with Dr. Lewis that it was a very valuable educational experience for the students. She stated that she supported the trip and wanted to see what could be done to make it happen. She thought if the choir could guarantee the expenses or perhaps as a board, they could consider waiving the requirement that an administrator travel with the group. She reiterated that she did not see any possibility of having the field trip policy resolved in September, October and possibly November. She noted that they needed to make commitments, not only about accommodations but also where they would be playing, their choice of music and fundraisers. Director Dexter said she knew there were other groups that they were putting off until they passed the policy, which she noted was important and was being discussed for years. She added that the choir might not have a chance to make up the trip and pointed out that it was a stellar academic program. She said she often attended their performances and applauded the students. They deserved to have it listed for the next agenda to see how they could make it work. She noted that other board members might have reasons such as substitute costs or the students missing classes. She noted communication with Mrs. Katona for three to four months and said the trip was actually revised, at her request, to include more performances and other criteria. She said they had met the criteria and it was recommended by administration.

President Leeson requested additional information as to whether the groups might be using the \$6,000 fund. She noted that the groups have increased to seven or eight groups. She reviewed that the Liberty band was going to the Rose Bowl and questioned if the Freedom Band were traveling this year and were they also relying on that allocation. She expressed that she wanted the information for their next discussion.

Director Tenaglia asked if the Liberty Band trip included the loss of instructional time. He believed it took place over the winter vacation.

President Leeson noted that they still paid for the expenses of administrators for the trip, but they did not pay for substitute expenses for this trip.

Director McKeon asked Dr. Lewis to pass on to district faculty about the positive job they had done with getting the PSSA scores going in the right direction. He also commented that Dr. Lewis was one of the very few people who publicly stated, "Enough of the complaining about we don't like what it is. It is what it is and we have to work with it." Director McKeon said that it happened in the business world all of the time, with not liking the decisions that were made, but they had to figure out a way to get it resolved. He applauded Dr. Lewis' approach, of which he was quoted in the newspaper.

Director Dexter referred back to the field trip and said she wanted to know what problems were associated with the people who voted no on the trip. She asked if it was because they didn't have a policy, the substitute costs or the idea of the students missing classes. She wanted to make the motion, which was put before the board so it could be placed on the agenda. The motion should include her view to try to resolve whatever problem it was which could be identified.

Director Follweiler said she agreed that they needed a policy and understood it was time sensitive. She stated that her biggest problem was that the amount under consideration was half of the budget. If it was half of the budget, she asked where the money was for the many other trips. She stated that she agreed to table it because she wanted information if the amount remaining would be sufficient for the other trips. She personally would agree to place it on next month's agenda as long as they had that information.

Director McKeon said that he had no problem with it because one reason why he raised his hand was to ask if it was included in the budget and the answer was yes. His question did not address the size of it in proportion to the total budget.

President Leeson thought that it was further discussion, which could take place at their next meeting when they received additional information.

Director McKeon agreed with Director Dexter in that a decision had to be made.

President Leeson stated that if anyone had any questions, which they wanted answered at their committee meetings, she directed them to email them so the information would be available so they could move on the matter in a timely fashion.

Director Dexter moved to place the matter on the agenda for next month's meeting so they could take another vote on the trip.

Dr. Lewis stated that it was already listed. He said that administration was endorsing the trip.

President Leeson asked if there was any further new or miscellaneous business.

Director Dexter requested a statement of district overtime expenses, from July 1st forward, and also from the last school year. She understood that they were currently working with auditors and said that it could be prepared within the next month so they could have it in their packets before the next meeting.

Mr. Majewski asked if she wanted an overtime report for all of the employees throughout the entire district.

Director Dexter replied that she only wanted the report for the Education Center.

The following individuals addressed the Board of School Directors:

COURTESY OF THE
FLOOR TO VISITORS

1. Mr. Stephen Antalics – 737 Ridge Street, Bethlehem

Mr. Antalics stated that he was trying to get a common denominator on the discussion over the reading specialists. The term he came up with was “sacrifice.” He commended the board because they spent countless hours at committee and board meetings. He noted that they were professionals and although he did not agree with some of them, they dedicated their time, which was really impressive. He referred to their hourly worth relative to the time they had invested for the school district. He said it would be a tremendous amount, which could be well over \$500,000. He said there was no question that they were all well intended by the way they talked about the issues. He asked them to take the sacrifice and extend it to the administration. To take a .5 position to a 1.0 position would not take that much money and he noted that it could come from some funds. He suggested that there recent significant increases in salaries which were not met with the pleasure of many on the board. He pointed out that teachers might make \$35,000 - \$40,000 - \$50,000 or \$60,000, and seemed to get by with that. He said that the salaries of people within administration at cabinet level were well over \$100,000. He noted that it was a nice income. If the board could make a sacrifice, he asked if the administration, in lieu of the problem of a .5 teacher, also could make a sacrifice by taking a 5 percent cut in salary to pay for a .5 teacher to get over the Hanover Elementary School problem. If the administration and cabinet saw the seriousness of the problem, and were willing to support the Hanover people to make that sacrifice the way the board was making a sacrifice, it just might be a small thing to ask. He thought the superintendent, by conscience, should think about it, and talk with his administration to discuss if they were willing to make a sacrifice in this situation to help out in getting a full-time person at Hanover Elementary School and then deal with the problem later for the entire district. He referred to the theorem called “whose ox is gored.” He noted that whomever’s ox was gored came to the meeting and in this case it was the Hanover Elementary School people. He noted they were present because they had a serious problem, so they must address their problem. If the others felt they had a serious problem, they would be at the meeting. He implored the superintendent to poll his people in good conscience to see if they would be willing to take a one-time cut to support a one-half teaching position.

2. Mrs. Laura Kuehner – 4294 Kathi Drive, Bethlehem –

Mrs. Kuehner readdressed the board stating that it was not her intention to “beat a dead horse,” but their reading specialist was their only support.

Mrs. Kuehner brought attention to some of the new positions the other schools had such as Math Coach, Science Coach, Welcome Classroom, which she did not know existed until she became involved in the present matter a few days ago. She noted that they had 31 new students, some of which she thought were ESOL (English for Speakers of Other Languages), coming in to the school this year, which was a lot for their school. To not have any additional professional there to help the students become acclimated to their school, would be difficult for both the students and staff. She said that in a perfect world, the entire program would be restored, but as far as it being fair to the Hanover Elementary School, they had no other support. They never had a Math Coach or Welcome Classroom since she had been in the school for the past eight years and they were not asking for them. They only wanted their reading specialist back. Mrs. Kuehner pointed out that last year, that person did many more things other than just reading, so they did get a lot more bang for their buck for that position. She was sure if the position was completely reinstated, they would continue to make that person go a lot more than just a full-time and a half.

President Leeson commented that at this point, the issue was not dead and noted there was continued discussion.

President Leeson announced that there would be an Executive Session held immediately following adjournment to discuss personnel issues.

Directors Tenaglia and McKeon moved to adjourn the meeting, which carried by voice vote. The meeting adjourned at 10:06 p.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.
Board Secretary