

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
REGULAR MEETING

FEBRUARY 23, 2009

The Regular Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, February 23, 2009, at 7:11 p.m. in the Auditorium of East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania.

REGULAR
MEETING

The Board Secretary called the roll:

MEMBERS
PRESENT

Members present: Directors Amato, Dexter, Follweiler, Koch, McKeon, Tenaglia, and Leeson – 7. Members absent: Directors Cann and Haytmanek – 2. Student member representatives: William Velekei and Megan Kelleher – 2.

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 with special consideration of a former Liberty High School graduate, Richard Matthews, who passed away while serving as a police officer in North Carolina.

SILENT
MEDITATION

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. 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.

COURTESY OF THE
FLOOR TO VISITORS

The following persons addressed the Board of School Directors:

1. Susan Lawrence – 744 Barrymore Lane, Bethlehem – Mrs. Lawrence, secretary of the Freedom High School Cheerleading Booster Club thanked Directors Amato and Haytmanek for paying for the transportation of the cheerleaders to the recent district competition.

Mrs. Lawrence noted that it was brought to their attention that the school district was considering the classification of cheerleading as a club sport under the new policy for the next school year. She pointed out that the booster club was present as an organization to request clarification on what the board proposed for cheerleading in the next year. She asked if the district was proposing that only the competitive aspect of cheerleading be classified as a club sport. She also questioned if the district would still require the cheerleaders to support the athletic teams at football, soccer, basketball, and wrestling events. She explained that their function as a booster club was to support Freedom High School Cheerleading. They did so in the past and would continue to raise funds to permit the cheerleaders to compete at the local, regional, and national level. She questioned if the district would support the girls regarding attendance to the competitions. If they raised the funds for registration fees and transportation, she asked if the district would permit the girls to attend several yearly competitions, including national championships, if they were classified as a club sport. She asked about the benefits of being classified as a club sport. They understood that the district was trying to cut costs wherever possible, but she questioned the cost. The booster club recommended allowing cheerleading to remain a varsity sport and allow the club to continue to support all aspects of competitive cheering, including busing and registration fees. Their concern, as an organization, was that Freedom High School might lose some very dedicated and talented coaches and cheerleaders if the district enacted a blanket policy that would not support competitive cheering and forced it to become a club sport. Mrs. Lawrence concluded that the booster club was asking that they make a decision where cheerleading would fall, within the next month or so, so the club could plan for the upcoming season, which would begin in April.

President Leeson addressed Mrs. Lawrence, stating that she asked some pertinent questions. She asked when they could schedule time to review the issue so they could respond to the cheerleading organization. She inquired if they could place it on a committee agenda.

Dr. Lewis replied that they could invite representatives for discussion. He added that he wanted it to be clear that the administration did not recommend anything relative to their status at the present time. He explained that there was a review on virtually all of their programs, which might designate some, in part; but the Rifle Program was the only one they seriously looked at, from an administrative perspective. He advised them to contact his office to arrange for further discussion or to attend a Curriculum Committee Meeting with any questions.

2. Carrie Hrichak – 3961 Notre Dame Court, Bethlehem –

Mrs. Hrichak stated that East Hills Middle School had four thematic curriculum programs – NatureQuest, Monagacci, Harmonium, and Spirit of Bethlehem. She expressed gratitude for everyone's support and recognition of the programs' benefits.

Mrs. Hrichak noted there was plenty of research, which demonstrated that small learning communities as the thematic programs were needed by students to excel in middle and high school levels. She added that although several would recognize the benefits of the programs, showing that the students who had the opportunities had better attendance rates, test scores, and attitudes toward learning, and were looking to duplicate the programs elsewhere throughout the district; they were now cutting them off at the knees. Mrs. Hrichak pointed out that in an effort to balance the budget, they canceled all field trips in October, or at least the funding for transportation. The teachers had to scramble to find ways to make the programs work without the funding. The Spirit of Bethlehem participants were actually carpooling to events with parents using personal days and their own gas money. The NatureQuest, Monagacci, and Harmonium groups had to cancel many of their outings with a few trips being independently funded. The parents raised an estimated \$5,000 to \$7,000. As parents, they were willing to help the teachers because they felt strongly about the programs, she noted that the general feelings from the parents, community, and the teachers was that they could not count on the same level of yearly support. She emphasized that they were talking about academic programs. When a child participated in the band or a sport, fair share payments and fundraising was expected to offset the costs of equipment and trips. However, when a student was accepted into an approved academic program, one did not expect it. Mrs. Hrichak commented that sports, music and intramurals were extras, important extras, but extras nonetheless. Scholastics were the fundamental reason why the children attended school and why they paid taxes. She asked if parents would be required for parents to pay for students to experience learning outside of the classroom. The proposed budget had a 7 percent decrease in athletic funding, but a 17.5 percent decrease for transportation. She asked where it left the academic programs, which relied on transportation as an integral part of the experience. She reflected on her previous statement, reiterating that in October they stopped or seriously limited funding for the field trips, but they needed to understand that the students in the four programs were not taking field trips in the traditional sense of the word, but she explained that they were experiential learning. Mrs. Hrichak noted that when her daughter was in NatureQuest last year, they took a trip to the bug zoo in Philadelphia and were taught by an entomologist. The students were able to touch, listen to, view, and even taste bugs. They were able to incorporate all of their senses into a learning experience and bring the experiences back to the classroom. She commented that the students were so excited about the outing that they spoke of it for weeks. She added that it was one of the trips that had to be canceled this year because of budgetary restrictions. With the Spirit of Bethlehem, Mr. Coyle did a similar type of outing to teach history and social studies. He taught about the earlier explorers and how their initial ventures into the new worlds were full of ignorance and prejudice.

Mrs. Hrichak stated that Mr. Coyle also took the students to the soup kitchens where they served and met people. The students came away with many stories about illness, lost jobs and other reasons why the patrons had fallen into hard financial times. It stripped away all of their preconceived notions about why the individuals were looking for handouts. The trip was important on so many levels considering the district's policy of No Place For Hate. She explained that the experiences could not be taught in a classroom or out of a textbook and students could not experience it without a bus. Historically, fundraising was used to pay for the learning experiences and not for transportation. Now that they were paying for the buses themselves, they had to eliminate trips and had no extra funds for supplies or to enhance the classroom and learning environment. Because they had to pay for the buses, they had to eliminate trips and had no extra funds for supplies or to enhance the classroom and learning environment. She said that Harmonium had planned to have an excursion or workshop every month this year, but only two had taken place, which had taken place only because of the fundraising efforts of parents and students. They were very fortunate to have two incredibly gifted teachers who were able to bring the music alive in the students. The students were missing out on so many other experiences that Mr. Cunningham and Mrs. Volpato had planned for them when they brought Harmonium into a fully thematic program this year. All the programs had trips that gave back to the community in the past, by providing music to those who could not come out to the performances and cleaning up the area around Sand Island and the Monocacy Creek. The programs not only taught academics, but taught life skills to the students, such as how to work with different types of people, how to think outside the box, critical thinking, and problem solving skills. They could not duplicate the lessons in the classroom. In conclusion, Mrs. Hrichak asked how they would fund the programs. She questioned how they would ask the teachers to plan a curriculum for next year and continue their programs without allowing them to submit a plan including the cost of busing the students. She requested inclusion of sufficient funding, when finalizing the 2009-2010 budget proposal, to allow the teachers to continue to provide exceptional programs to the students. As mentioned to Dr. Lewis at the recent parent meeting, they were doing the same thing to their wonderful teachers that the federal government had done to the district, with the No Child Left Behind Act. They were asking them to implement a program but would not provide the funding.

President Leeson announced there would be a short discussion on the issue during Unfinished Business.

3. Katya Hrichak – 3961 Notre Dame Court, Bethlehem –
Miss Hrichak stated she was an eighth grade student at East Hills Middle School who was lucky enough to be chosen for both NatureQuest and Harmonium. She commented that they went on about 30 field trips last year and noted that they weren't really field trips, but something more. She explained that when she was in elementary school, she went to see the *Nutcracker*, and THAT was a field trip. In NatureQuest, they went to Hawk Mountain, the Bug Zoo, Monocacy Creek, The Boulder Fields, and Hickory Run State Park. They were able to learn about organisms at the Monocacy, by actually catching and identifying them and they were able to see the birds in their own environment at Hawk Mountain. At the Bug Zoo, they saw so many different species that they could never obtain within the classroom. Her point was that they learned something different on every trip and learned in a way that was impossible to duplicate while sitting in a classroom. She was sad to find out that the current NatureQuest students weren't able to do the activities which their group had done. Even though they still loved the program, they were missing out on many valuable experiences. Katya pointed out that by working in groups, they developed new friendships and learned how to work with people they've never worked with before. She said that everything they did on the trips could not be done in the classroom. She explained that at the beginning of the year the students were told about the experiences planned for Harmonium and they had only done two at the present time. She commented that Harmonium was still an incredible experience, noting that she learned a lot from the teachers, but she thought it was sad that the program was limited because of bus funding. Katya said that she had friends in Spirit of Bethlehem and Monagacci who felt the same way about their programs. She thought they were great experiences and added that she would love to have her sixth grade sister to have the same opportunities. She requested that the programs continue to be funded and the students given the buses they needed, because "hands on" was the best type of learning.
4. John Del Vecchio – 2061 Tenth Street, Bethlehem –
Mr. Del Vecchio stated that last month he spoke about the insult of selling the transportation department after 50 years of history. He addressed the proposed \$1,000,000 cut in transportation costs by privatization. He noted that by using true and real world figures he planned to show that it would be impossible to run the district's transportation department for \$1,000,000 less. He calculated the cost of 129 district bus drivers from January 1, 2008 through December 31, 2008, which was \$2,177,837. The average bus driver's yearly income was \$16,882. Mr. Del Vecchio explained that his salary was higher than average because he worked the entire year which included snow removal, Saturday field trips, in addition to a month during the summer. He pointed out that he was paid for 207 total days and 414 shifts. He said that a bus driver was required to drive to work for the morning shift and then return again for the afternoon shift.

He was paid a gross amount of \$17,674 and his take home pay was \$12,151. He was paid \$42.69 gross per shift and \$29.35 was taken home per shift, which was the cost to the district for his services. Mr. Del Vecchio said that he did not receive medical benefits or unemployment compensation when he did not work the month of August, which did not cost the district. He added that he was paying for his own pension plan because he had less than 5 years with the district. He explained that he would have to take a 46 percent pay cut to equal the proposed \$1,000,000 cost savings. His gross salary would be \$9,543 with a net of \$6,561. He would be paid \$23.05 gross per shift or \$15.85 net. He said that if they believed that a private company would be able to take over the transportation department and offer to do the job for \$1,000,000 less, they were being misled. He pointed out that they would have a tough time finding a bus driver willing to transport the students for \$31 per day. He was sorry to say that he would find it difficult to live on that amount of money for responsibility of the job. Mr. Del Vecchio said that he could push shopping carts at Wegmans or serve coffee at McDonalds and make more money. He brought attention to the daily liability faced by bus drivers and added that their responsibility was enormous. A one-year salary for 129 bus drivers was less than what was proposed for new laptops for district staff at a February Budget Meeting, which amounted to \$3,200,000. He said that he did not want to see any more mistakes being made because they had a tremendous amount of debt created by poor advice from outside sources. He concluded that he had shown that they were not overspending for the cost of the drivers and to be cautious of any outside advisor or contractor attempting to tell them differently.

5. Michael Melnick – 4471 Wagner Drive, Bethlehem –
Mr. Melnick stated that he was speaking on behalf of the Bethlehem Township Athletic Association where he was assistant basketball coordinator. He noted that at the past several school board meetings, Mr. Spina had spoken on the issue about changing their status from a Class I to a Class II organization. The change would require the BTAA to pay for custodial fees when using the gym facilities during the weekend. The change would cost approximately \$40,000 in gym fees just for the basketball program alone. It did not include other expenses such as equipment, referee fees, and uniforms. If the BTAA was changed to a Class II organization, they would have no choice but to make concessions that would cause their basketball program to take a giant step backwards. The BTAA recognized the district's financial situation. He noted that at the last school board meeting, President Spina urged the district to work with them to resolve the issue in the best interest of both organizations. As a result, Dr. Lewis and the school district made a proposal to adopt a new I-A classification which would require the BTAA and the school district to split the custodial fee and the on site manager cost. They believed the adoption of a class I-A would be the best resolution of the issue.

At the last few board minutes, they suggested eliminating on-site manager fees instead of the adoption of a class I-A. The elimination of the manager fees would affect only games played at Freedom High School which would essentially save the BTAA approximately \$4,000. Those fees were not a concern of the BTAA, but rather the custodial fees from the four elementary schools and East Hills Middle School, which were used on the weekends throughout basketball season. Mr. Melnick noted that if they were required to pay for all custodial fees, they would have no choice but to cancel their weekend gym use at the schools. While eliminating on-site manager fees might seem to be a good idea on the surface; the use of the schools on the weekend was what really drove the program. Being unable to use the schools on the weekends would more negatively affect the basketball than paying for on-site managers at Freedom High School. Mr. Melnick reminded the school board that the BTAA was a non—profit organization which was run strictly and solely by volunteers. Their executive board, assistant coaches, coordinators, and head coaches put in countless hours of educating young children, coaching, and providing an outlet for roughly 2,000 children and families involved in the organization. He also reminded the school board that the BTAA provided children with the opportunities to play football, soccer, basketball, softball, wrestling, cheerleading, and lacrosse. The organization would not turn any child away from participation. If a family could not afford to pay for registration, the organization would still allow them to participate. He concluded that the BTAA urged the school board to adopt the formation of a Class I-A and continue to communicate and work with the association to resolve any future issues.

6. Reverend Gilberto Garcia-Rodriguez – First United Church of Christ – Bethlehem –

Reverend Garcia-Rodriguez stated that he wanted to speak about the issue involving “pay to play.” He said that education was a fundamental part of their lives and noted that there was sense of pride when children participated in sports. They were no longer living in the 1950s or 1960s with today’s sports being a fundamental role in education. The opportunities that some of the children had involved sports and in many cases it kept them in school. He did not think that the option of “pay to play” would help the children and he did not think that the board realized the financial situation of many families. At the end of the month, many families had to decide what bill they were going to pay because they did not have enough money to pay all of them because many were low income. He asked about how much money the athletes and their families were paying with fundraisers and purchasing equipment. He commented that they were adding more fees for them to be able to participate in something they all enjoyed. He said that he was sure that the money would not go towards the sports equipment but rather to the school district. There were other complaints they needed to consider such as people complaining that kids were always running around and were delinquent.

They would be putting more children in the street with the “pay to play” plan. He questioned if they were cutting programs and putting extra fees on sports in order to get the needed \$6,000,000 to \$8,000,000. He asked if raising taxes in the entire city would be next. He noted that it was an imbalanced situation and they recognized the problem, but, in the process, sometimes the solution became a bigger problem. He asked if administration considered cutting administrative positions. If they took out programs and established fees for families, then everything started at home, which implied that administrative staff also needed to go. His opinion was that the administration needed to bring a clear, honest, and sincere plan that could resolve the actual financial situation. He commented that it was not only the problem of the district but was also a community problem. Reverend Garcia-Rodriguez concluded that they all needed to work together but needed to have things clear.

7. Gayle McLaughlin – 5761 Monocacy Drive, Bethlehem –
Mrs. McLaughlin stated that she had taught in the Bethlehem Area School District for the past 18 years. She said that she started her career at Nitschmann Middle School teaching emotional support for 10 years, spent a year in the Special Education Department as an educational support teacher and most recently spent the last 7 years at the Regional Academic Standards Academy. She noted that she had been fortunate to have had three wonderful teaching positions, all of which she had found to be very rewarding, especially her job at the Regional Academic Standards Academy. If anyone visited their school for any length of time, they would know what she was speaking about. She extended an invitation to those who never had the opportunity to visit the school. She stated that their amazing staff originally volunteered to teach at the academy, which in itself, made a difference. Their teachers strived not to dwell on what the students could not do, but instead, focused on what they could get them to do and how they were going to do it. They often told the parents to not worry and that it was the teacher’s job to get them to learn because they took that responsibility very seriously. Their progress record was great. For example, their current fourth graders, of which they had 28 students, were at an average of grade 1.9 reading level at the beginning of the school year. Within only half of the school year, they were at an average of 3.1 reading grade level. She pointed out that it was over a year gained in a half-year span. Their average at the school was a gain of over 2 years in one school year. The same could be said for their math levels with students increasing almost an entire year, with a fourth grade average of 2.5 in the beginning of the school and the students were presently at the 3.4 grade level. For the students to go beyond grade level was almost a reality, which was something they, their parents, and prior teachers probably never thought could be a reality. She expressed that the academy did, for the students, what their former schools could not, which was not to say that their previous schools did not try.

Mrs. McLaughlin further commented that after looking at the student histories, she could assure that their previous schools did try, with most of the students having gone through Reading Recovery[®], IST, tutoring, and after-school extra help. Many things were tried, but for whatever reason, the students were not able to learn within the traditional means offered. She stated that a lot of time and resources were spent on students, only to have disappointing results. On the flip side, many of their elementary schools had tried to implement some of what the academy used, and interestingly, they appeared to work and had raised the student's scores, but what no one was looking at was that most likely, in too many classes, there was still one or two students who were not making progress. On paper, things looked good for those schools, but again, the same students were not being reached. They were the students who should be coming to the academy and in many cases were presently attending the academy. She explained that two years of intensive research of programs, curriculum, and best practices were studied before the school was started. With the differentiated instruction, smaller class size, one-to-one instructional opportunities, and intensive block scheduling, the students began to blossom and learn. Because of the programs such as Fast ForWord[®], STAR Math[™] and STAR Reading[™], FASTTMath[™], and their multi-modality instruction; the students were given the opportunities they had yet to experience, which was the opportunity to succeed. Mrs. McLaughlin said that what they did could not be replicated in a traditional classroom. They were told that their program was a major intervention for children before they were referred for special education testing and they were aware that it could become costly. As a special education teacher, she could clearly see how each and every one of the students, without their program, could be referred for special education testing by late elementary or early middle school, and she noted that most likely, many would qualify. They were able to significantly cut their referrals because they were an intervention, which helped students gain confidence and knowledge about their learning, thus saving the district money. The students experienced success because of the belief that they could learn and the different teaching strategies and programs. As a result, they had students who became learners who gained an amazing amount of self-confidence and went on to be successful students and in some cases they became leaders. She brought attention to some of the students who experienced success with their program. She also mentioned that many of the students returned to the school to serve as tutors and shared their own stories with the kids. She was aware that they were experiencing hard times involving difficult choices regarding program cuts, but hoped RASA would not be one of them. She hoped that after hearing from parents, students, and staff, it would be realized that the overall benefit to students outweighed the costs. In the end it might save the district more money by reducing the amount of special education referrals, after school programs, and the amount of students participating in their home school programs.

Mrs. McLaughlin stated that they lived by the district's motto – "One child at a time." It was one child at a time at their school that succeeds. She concluded that if they chose to close the school, they were making a choice to let hundreds of students continue to fail over the course of years, which would be failures that could have been prevented and turned into successes.

8. Auria Ortiz – 1628 East Sixth Street, Bethlehem –
Mrs. Ortiz said that she represented the Bethlehem Coalition for Quality Education and was present to discuss "pay to play." She believed the change involved Liberty and Freedom High School students paying \$50 per season to play sports and middle school students paying \$25. Under the plan there was a fee waiver or a reduced cost for low-income students who qualified for the free and reduced price federal lunch program. It was her opinion that the plan denied access for students to have a free public education. She said that extracurricular activities were an important part of the students' daily lives and helped the students build character, memories, friendships, and was fundamental for their health and overall well-being. She explained that the "pay to play" fees were adding insult to injury by separating students by income. She represented the poorer side of Bethlehem, which was the Southside, and expressed that they did not want to stereotype the students because of their income. The differences brought ill feelings to all involved in the process and discriminated against those who were unable to pay and also against the ones who could not pay. She stated that academic success was important to all of them, but to be able to participate in extracurricular activities provided a holistic approach to educating children. Mrs. Ortiz said there would be opposition from the community because the plan was illogical. They were putting a price tag on the students' well being. If they stayed with the plan, the only thing they would achieve would be to drive down student participation in sports and extracurricular activities. The students needed to be busy doing something they liked and enjoyed. If they put roadblocks in front of students to keep them from participating in well-rounded activities, many could be exposed to people who could possibly influence them towards other damaging activities. Mrs. Ortiz noted the auditor's recommendations regarding the accountability of money. If they followed many of the auditor's suggestions, they would not have to cut important programs that benefited the children and they would not be having the present conversation.
9. Angela Karol – 1661 Laurel Lane, Macungie –
Mrs. Karol stated that she was a teacher for the SPARK Prekindergarten Program. She was present to read the following written testimonies from parents in order to help save the SPARK Program:

- *"I feel that this program gives ample opportunity for readiness of school. I think it is a wonderful program that teaches school structure and preparedness for being in a classroom setting. My three stepchildren did not have an opportunity to attend such a program and I believe I can see a difference for the better when they were Lexie's age. Whether it is behavioral, wanting to read, or just trying to become more independent; I have seen my daughter go from wanting to watch T.V. to wanting to read books all day or spell her name or draw. The SPARK Program is nourishment for her brain. She has actually cried when she was sick because she wanted to go to school. I truly believe this program is helping our children in all aspects and I would be very sorry if my son, who will be three next year, would not be able to enjoy the experiences my daughter has been able to thus far."*
- *"Without SPARK, my son would not have had the opportunity to attend a preschool program prior to kindergarten. SPARK is free education for children and provides transportation. Both were obstacles for me. I enrolled my child because I've heard so many wonderful things about the program and it proved to be for my child. He has shown so much progress socially, and I see him becoming more independent and confident as he learns. He is not only listening to stories but wants to read them. I have a daughter who will hopefully have the same opportunities next year. Please consider the children's education. All some children needed were the right tools. They were not always easily accessible to every family. SPARK helps the community by providing the tools to families."*
- *"Most of the children that go to SPARK face some type of challenge. I have seen SPARK help many children that were very far behind their age group to be able to succeed in kindergarten. Without SPARK they would have been far behind other kindergarten children. Many of the children at SPARK come from financially challenged families that cannot afford Prekindergarten for their children. For some of them, if they were not here at SPARK, television would be their teacher. We need to save SPARK. This program is helping save many children from needing special education services when they enter elementary school. Without this program, we are turning our backs on the future of this country. Save SPARK!"*
- *"It is a great program. I have had two of my children attend the SPARK Program and it has been a positive learning experience in preparation for kindergarten. I feel the program helps them with the transition. It would be very upsetting if the program would end. The teachers are very patient and wonderful."*

- *“Every child deserves an opportunity to develop the skills that SPARK offers. With the education that is obtained from the teachers at SPARK, they can help on their journey as children going into kindergarten. It will help them become more confident and a lot more advanced. Why take that away? My son has improved a lot from the education he received from SPARK. The quote says it all – ‘Early success – Lifetime Learning.’ This program helps our children to develop their skills at a higher level and to be prepared to start school with much more enthusiasm.”*
- *“The children are the future of tomorrow. Here at SPARK they are learning a lot. I believe that it is not fair to play with something so important like education. They have teachers that are very comfortable with them. I hope this is taken into consideration.”*

10. Martha Hernandez – 110 Walker Drive, Northampton –

Mrs. Hernandez stated that she was one of the pioneer teachers with the SPARK Program. She was present to represent the families that did not speak English. She also had some testimonials to read from parents.

- *“ It is necessary to keep the SPARK Program for various reasons. It is very important for children to have early mental development. The SPARK Program is not only an economic benefit because it is free, but also because it helps them to better understand their children and teach them firm foundations to create a better future for one nation.”*
- *“We need to save SPARK because it is a program that helped my kids and especially me. I would like other families to have the same opportunity that we had. We really need to keep this program because this is the future of our one nation.”*
- *“We need to save SPARK because I have seen a learning improvement in my child with the high standards that the program had. Why close a program that is educating students for the future? SPARK is more than an educational program. It is a way for the men and women of the future to help our one nation to be better.”*
- *“I believe, I affirm, and I am 100 percent sure that the work that the SPARK Program does is hard and requires a lot of patience. I cannot find the correct word but I will call it marvelous. My child is doing a great job and I am completely sure that he will do a wonderful job in kindergarten. He will be prepared for what the elementary school is expecting him to do.”*

11. Valerie Muñiz – 612 North Hoffert Street, Bethlehem –

Mrs. Muñiz stated that her daughter attended the SPARK Program and was lucky enough to start in the three-year old program and was presently in the four-year old program. She noted that her daughter was a bit more advanced and commented that the curriculum from previous pre-schools did not keep up with her needs. She explained that she was experiencing behavioral problems because the schools were not challenging her daughter. She placed her in the SPARK Program and her progress was amazing. She said that Mrs. Hernandez was her teacher and was like a mother to the children. Mrs. Muñiz added that her daughter could print her first and last name and would be ready when she attended Lehigh Valley Academy next year. She said that her son attended a different preschool and pointed out that her daughter was more prepared than her son, who was a bit more behind when he entered kindergarten. She believed that SPARK deserved to be saved. As was stated in her testimonial, which was read earlier, hopefully they would not need to fund so much special education services, with early intervention. The children who entered SPARK only speaking Spanish could communicate with their peers and teachers on level when they began kindergarten. She would also hate to see the wonderful teachers lose their positions.

12. Joan Albus – 1519 Ralston Road, Bethlehem –

Mrs. Albus stated that her four sons attended the schools in the district and graduated from Liberty High School. They had participated in numerous sports programs such as football, baseball, track, cross-country and golf, plus various extracurricular programs such as student council, band, and orchestra during their school years. She stated that Coach Moncman wrote an excellent article in the Morning Call on February 19. He stated, “The students who have the motivation to go the extra mile and participate in any extracurricular activity at Liberty High School should be applauded for their efforts and not penalized through their pocketbooks.” This applies also to the students at Freedom High School and every middle school in the district. These activities heightened their school years, expanded their horizons, and gave them friends they would have never made elsewhere. Mrs. Albus said that three of her boys went to private colleges where academics played a part, but sports also played a part in getting schools to take notice. Once they were accepted, they were provided with monies in the form of grants and scholarships. She noted that one of her sons did not do well academically at Liberty High School, but with the football program and the support of the staff, he went on to college and today was a successful teacher and owned his own business. Without football, he might have never had made it and she pointed out that the same could be said about many students who stuck it out in school because of a sport or other activity of which they participated. She reflected on Coach Moncman’s statement that the current “pay to play” plan would affect only the middle class.

The poor families would have their fees waived or adjusted and those from the higher income families would have no problem with paying the fees. She explained that she was a middle class person and it would have affected her sons. She suggested they charge those who disrupted the classrooms, those who had to go to night or summer schools because they failed their courses, and charge those who were suspended. She asked why they didn't eliminate night and summer school and why were they wasting their money on those who were wasting the teacher's time. Mrs. Albus said that on April 20, 2008, Hilary Clinton used Liberty High School to a bill of over \$15,000. As a taxpayer, if she did not pay her taxes, the district would be after her. If she has not paid the district, she has taken away from the children of the district. She brought attention to how many fees the \$15,000 would cover. She said that she emailed the question to every member of the school board and received no response and repeated that she wanted to know if Hilary Clinton paid the bill, and if not, what was being done to collect the money.

President Leeson replied that her question would be addressed under Unfinished Business.

13. Frederick Harris – Main Street, Bethlehem – Freedom High School Athletic Director –

Mr. Harris stated that on Monday, February 16, 2009, he awakened to a telephone call from his supervisor, Mike LaPorta, questioning what he knew about a “missing deposit” from a 2007 football game. The amount was \$6,479. Through very little effort, from Mr. LaPorta, Mrs. Pfeiffer, the athletic secretary, and himself, they located the original deposit slip that matched the amount in question. The appropriate account code applied to the deposit slip and the appropriate receipt from Wachovia Bank, dated September 17, 2007. The receipts were collected on Friday, September 14 at a football game and deposited on Monday, September 17. He said that he was bringing it to their attention because their entire department had pride in their accuracy and anything less was unacceptable. It should be noted that sellers, takers, and counters worked all BASD Football Games for Freedom and Liberty High Schools. Mr. Harris said that their entire staff took gate receipts very seriously. As always, any and all recommendations to make the process more efficient and secure would be welcomed and in fact they had already implemented several practices recommended by the auditors in the fall. His purpose for addressing them was to make them aware that monies were not and were never missing. He referred to the deposit sheet and ticket reconciliation as proof. Mr. Harris also brought attention to the approval of the game help rate, which was one half of the current rate. He noted that 90 percent of game help at both Freedom and Liberty would be forced to either work for \$8.97 per hour or not work at all. He asked what they were telling their staff, who in large part were their secretaries, custodians, maintenance workers, retirees, and in some cases, teachers.

Mr. Harris added that some individuals had worked for the district for 20 years. While their department offered game help jobs to Bethlehem Education Association bargaining unit members first, the grim reality is that if it were approved, 90 percent of their work force would be drastically affected. He asked that they consider his points when they made their decision, on behalf of the athletic director at Liberty High School and himself.

Director Amato asked Mr. Harris for further clarification regarding the distributed documents.

Mr. Harris replied that there was a newspaper article published on Monday, February 16, 2009, which insinuated that Freedom High School was missing a deposit of \$6,479. He commented that he wanted to set the record straight.

Director Amato said that he would address it during Unfinished Business.

President Leeson added that they would be reviewing it during the audit report this evening, which was listed under the Superintendent's Report.

14. Vivian Robledo-Shorey – Fountain Hill, Bethlehem – Career Academy Principal –

Mrs. Robledo-Shorey extended an open invitation to the school board and community to attend their 3rd Annual Basketball For A Cause on March 12. She added that Liberty High School would be hosting the game which would be held from 6:00 until 8:00 p.m. She noted that for the last three years the students had taken the initiative to organize a basketball game. She added that they did all the planning and the work to get the game together. The monies went toward the skate park in Bethlehem and also for extracurricular activities at the Career Academy. Mrs. Robledo-Shorey said that this year's game was special because the City of Bethlehem would be participating as well as Northampton County Probation and Lehigh University.

15. Sis-Obed Torres Cordero – 520 East Fourth Street, Bethlehem –Executive Director of the Council of Spanish Speaking Organizations –

Mr. Sis-Obed Torres Cordero noted that school board minutes were listed for approval this evening and had concern with the January 12, 2009 Finance Committee Meeting. He believed it was stated that his organization failed to submit their charter school application on time and/or it was incomplete. Since then, he stated that he received a copy of a memorandum stating that the information was inaccurate and that, in fact, their application was submitted on time and was complete and in proper form. He requested that the minutes be amended to reflect the correct information.

16. Peter Seaman – 616 Roosevelt Avenue, Bethlehem –

Mr. Seaman stated that he was director of the Bethlehem Boys Basketball League, which operated out of Fountain Hill Elementary School. He said they began five years ago as a spin-off from the Hurricane League because of the need for Southside children to be able to practice and play at the same venue every week. When he submitted the lease for this year, the change in classification was not really brought to his attention. He brought attention to a bill received, which charged them for six Saturdays when they used the facility since the beginning of the year. He explained that they had not budgeted the money and commented that they felt railroaded. He added that they might be forced to possibly shutdown the league for the remainder of the year. He also commented that they charged a very minimal fee of \$20 per player with current count of 105 children in the organization. Every year they took the children to a professional basketball game and took over 250 people and 125 children to last year's game, with no charge to the children. They provided the trip through fundraising with community and parental support. Mr. Seaman asked for clarification on how an organization is classified. He also questioned why they were billed after the budgets were established and the season was almost completed. He said they currently had approximately 50 Fountain Hill Elementary School students and the remaining students were either from Donegan or Freemansburg Elementary School. He concluded that he would like clarification as to why they were being charged unlike other organizations.

Dr. Lewis asked Mr. Seaman to provide his name and a telephone contact to Mr. Washington so that Mr. Majewski could address the matter. He explained that the status of their organization in the future would be based on the policy, which could be adopted tonight. He thought that their organization might fall into 1-A because their program was a youth volunteer program, which specifically dealt with the description contained in the policy.

Mr. Gilliland commented that they addressed the situation with Mr. Stannard, who said he would contact their organization. He pointed out that there was never an approved lease for their application because the insurance information was pending of which they repeatedly attempted to obtain. He noted that they were granted permission to use the building.

FREEDOM HIGH SCHOOL – William Velekei stated that Freedom High School was relatively quiet at the present time but noted that the theater company was working on one of the potentially largest stories in the district's history. He explained that Warner Brothers contacted the high school's theater company director, Miss Jennifer Wescoe to create a partnership in making a documentary on the high school's spring play, *The Wizard of Oz*. He stated that Warner Brothers provided cameras to some of the students who filmed their own experience through the halls and at play practice. The play practices were also being filmed. The play was scheduled from April 2 through April 5.

In other news, Truc Nguyen, a senior from the school, was conducting a letter writing campaign to newly elected President Barack Obama. Truc believed that at least 200 letters should be written from the Lehigh Valley so the President had a better chance to see them. He was focusing on the energy crisis and utilizing more efficient energy in the United States.

Will announced that the student council was having a Pet Supply Drive, which was called Puppy Love, in honor of Valentine's Day. He stated they were experiencing a positive turnout. They would also be holding a blood drive on March 13 in partnership with Keystone/Miller Blood Center.

The Freedom Basketball Team lost their first district game to Easton High School, but they had a good run. Will stated that their game against Liberty High School was also exciting. The girls' team also had an exciting game against Liberty High School, experiencing a double overtime win. The swim team was performing impressively well at the present time with a hope to win in the relay and individual district and state qualifiers.

President Leeson stated that she understood that some of the National Merit Semi-Finalists became finalists.

LIBERTY HIGH SCHOOL – Megan Kelleher stated that their second semester was in full swing with the seniors beginning to feel a bit of “senioritis” while they were waiting for their acceptance letters. The Liberty Math Team competed in the 31st Annual Mathematics Competition at Muhlenberg College and actually won the entire competition, beating some of their area rivals. Each member of the team won a \$100 United States Savings Bond.

The boys and girls basketball teams won their playoff games this past weekend so they were still in the chase for their respective titles. The girls team played Whitehall High School at 6 p.m. on Tuesday, and the boys team played Parkland at 7:30 p.m. on Wednesday. The wrestling team had eight wrestlers advance to the regional level over the weekend with their Northeast Regional Meet taking place at Freedom High School on this weekend.

Liberty High School also had a strong showing at the DECA State Competition held in Hershey this past weekend, with the following students attaining national qualification: Abhiroop Das, Kevin Bearse, Andrew Berkman, and Danielle Zimmerman. There were also many other students who placed at the competition.

February 4 was National Signing Day with 14 student athletes sign with colleges and universities. Megan stated that she heard it was the largest group of students to take part in National Signing Day at Liberty High School.

Megan announced that Liberty's musical organizations were gearing up for their spring concerts. She concluded that their musical, *Peter Pan*, was coming along very nicely.

A motion was made by Directors Follweiler and Koch to approve the minutes of the December 8, 2008 Regular Board Meeting, the December 17, 2008 Special Board Meeting and the January 12, 2009 Special Board Meeting.

APPROVAL OF
MINUTES

President Leeson addressed Dr. Lewis, inquiring about a need for a change to the minutes of the January 12, 2009 Special Board Meeting.

Dr. Lewis stated to let the record show, with the board's endorsement, that the information relative to the submission of the Lehigh Valley Dual Language Charter School be corrected in that it was on time, in proper order, and in proper number.

President Leeson requested the minutes be approved as amended.

The motion was carried by voice vote.

Director Follweiler made the motion to accept the minutes of the board committees. Director Dexter seconded the motion. The motion was carried by voice vote.

APPROVAL OF
COMMITTEE
MINUTES

A motion was made by Directors Koch and Follweiler to approve the acceptance of the financial report and payment of the bills, which included Items 19, 20, and 21 on the Recommendations of the Administration. The motion was carried by voice vote.

APPROVAL OF
FINANCIAL REPORT/
PAYMENT OF BILLS

Director Tenaglia inquired about administration's expenditures by program for the months of January and December. He stated that he noticed a significant change in the debt service expense. He requested clarification, for the benefit of the board and the audience, regarding the rationale behind the adjustments between the December and January numbers.

President Leeson requested the specific pages that Director Tenaglia referenced.

Director Tenaglia stated that he was looking at the expenditures by program for debt service for the month of January and comparing it to the same page for the month of December.

Mr. Majewski replied that they had been experiencing significant improvements in the cost of the overall financing to the district, so they continued to review and modify their projections. He noted that last week they were approximately \$2,900,000 in excess of budget. When they looked at the type of projections they looked at earlier during the fall, the level of dysfunction in the market was far greater than at present.

Mr. Majewski stated that the projections going toward year-end were beginning to lower the overage that they had earlier projected. There was a projected \$30,000 weekly deficit, however, he had reason to believe, with continued improvement, it might stand a chance of elimination, but until it occurred, he would not include it in his projections. They had seen some lowered projections, which had to do with the significantly improved market conditions, which began in early 2009.

President Leeson asked Mr. Majewski about his projections regarding deficit spending for the present year.

Mr. Majewski responded that as of earlier this month they were in the process of coming up with some revisions, which he hoped to review with the board next Monday. He anticipated that their accumulated deficit, as of June 30, would be approximately \$8,000,000 to \$8,100,000.

Director Dexter referred to the entry under debt service on the expenditure page. She asked if employee benefits were projected at a \$1,100,000 deficit.

Mr. Majewski agreed that it was correct and was another item being looked at. He explained that because they were self insured, in the latter part of last year, they were paying on claims that appeared to have somewhat of an upswing. He was pleased to report that at the beginning of this year, it looked as if some of it had moderated. He was hopeful that it would continue, but at this point he did not yet feel comfortable that the deficit would go away.

Director Dexter stated that she served on the Intermediate Unit Board and noted a number of districts participated in a health benefit trust. She added that the trust seemed to be doing very well and did not seem to have the same kind of deficit problem which they had in Bethlehem. She understood there was an offer extended to the district to have a review of comparison costs at no charge and asked Mr. Majewski if he considered the offer.

Mr. Majewski stated that they had been in contact and were awaiting the formatting information of reports so they could obtain competitive repricing, which was received today. He would be forwarding the information to their current provider, so the reports could be generated so they could look at whether or not the discounts were comparable. He noted that with being self-insured, the discounts would either improve or lower their costs. It is difficult to compare the district with others because they might have a good year but it was associated with the utilization of claims. Historically, their district had some very fine utilization of claims and also had years with bad spikes which was the difficulty with being self-insured. They did need to occasionally get into the markets to obtain repricing to see if the negotiated discounts have shifted and were more favorable from one to the other.

Director Dexter commented that she was not clear on Mr. Majewski's answer and further inquired if they were looking at the issue themselves.

Mr. Majewski replied affirmatively.

She asked if they were analyzing it in-house, did it mean they were not interested in the Intermediate Unit's offer of a comparative study done by their personnel.

Mr. Majewski responded that they were not interested because they needed to look at the two benefit packages. Being somewhat familiar with their benefit package, he was sure the unions would have some serious concerns regarding the modification of the packages without negotiation.

Director Dexter commented that as a board member, she was interested in having the Intermediate Unit look at it, especially since the offer was made at no cost to the district. She appreciated that Mr. Majewski was doing the analysis, but she did not know if there would be harm having them look at it also with the result of two opinions. She added that perhaps there would or would not be a change in the benefit package, but they could take the information from that point. She questioned if it was the third or fourth consecutive year they were running a deficit in healthcare costs.

Mr. Majewski responded that it was none of the above. He noted that the Intermediate Unit had never approached them, so he did not know about their offer. He would have to contact them to see if they were willing to look at something and they would then need to have some groups come together. He agreed to take the initiative to inquire. When looking at whether there was a deficit, he explained that the year before last, he knew there was a significant increase over what was budgeted. He tracked the history and found there were increases between zero and five percent. He added that some of the increases were double digits with some being 17 percent.

Director Dexter stated that she looked over some previous minutes and noted that they exceeded the budget in 2006-2007, 2007-2008 and 2008-2009. She was thinking how they might budget differently or look at other options and thought the answer right now was to look at other options.

Mr. Majewski said he would contact the Intermediate Unit to inquire if they would be interested in doing a study.

President Leeson asked if the information could be provided at the Finance Committee Meeting.

Mr. Majewski replied that it would be highly unlikely because a review would take several months. He agreed to make the contact to see if they would take a look at the benefit package, item for item, and then reprice it accordingly.

Director Tenaglia asked for clarification regarding Mr. Majewski's statement, which included the words, "accumulated deficit." He assumed that he was talking about the deficit for the prior fiscal year plus the current fiscal year and the accumulation then being the \$8,100,000.

Mr. Majewski replied that he was correct.

Director Tenaglia commented that in the budget proposal, it did not address that deficit. He wondered at what point in time the administration would plan to address not only the proposed fiscal year spending plan, but solving the \$8,000,000 gap.

Mr. Majewski replied that it was an area of which they had interest. When they discussed working together as a team; it was exactly what it was going to take. He added that during a severe economic downturn with declining revenues, an issue was created when trying to get more revenue and with trying to preserve what they had at the present time. They were not sure how bad it would get. He noted that Act 1 of 2006 restricted tax increases and it was further complicated by the fact that they were a public service body and needed to provide a certain basic amount of service. The board needed to make the ultimate decision as to whether a program was eliminated or whether taxes would increase and at what levels could they agree and move forward. They could look at cutting programs and in consideration of the type of numbers and the size of their organization, it would not be the \$5,000 and \$10,000 reductions, which were also important, but in order to solve the problem it would take millions. They needed to continue to have dialogues and take a look at opportunities. They also needed to look at their limits regarding taxation and they type of programs they would provide for the community in the future.

Dr. Lewis added that he thought Director Tenaglia's question was valid. He noted that there were three variables, which they were trying to pin down. The first one was the impact of the stimulus package on the school district and what would be categorical in those dollars as opposed to unrestricted. He was optimistic and he pointed out that they were in direct contact with Deputy Secretary Michael Walsh. He thought the numbers were cautionary in terms of estimates, he thought there would be some significant dollars coming to the district. He added that Mr. Majewski had applied for exceptions as per Act 1 so the window was open. He believed that with their initial analysis, they would be fine in that regard. It would necessitate having the will to tax at a fairer rate in terms of impact on the district. He said the third area was the budget itself with what programs remained, what programs were adjusted, and what programs were cut. He explained they were tough questions, which was evident after hearing from many people this evening with logical reasoning. He said they received a memorandum on February 13, which outlined three tiers. Tier one explained the adjustments recommended by administration.

Tier two were those they were not recommending, but had been instructed to put on the table. He added that “pay to play” was in the second tier, and in deference to their speakers, administration was not recommending it at the present time. He noted that it did not mean that it could not be considered at some point. Dr. Lewis explained that it was their position that there were other areas, which could be cut. He also added that they looked at administrative cuts and had made many significant cuts in the last year and one half. He continued that tier three was another tier of cuts, which went deeper and were more critical and also more contentious. The board would need to look at all three areas in coming to the decision on how rapidly they wanted to rebuild the fund balance and at what cost. He said they would be hearing from their financial advisor this evening and hopefully he had some positive news. He expressed that Mr. Majewski had restructured the debt and noted that their exposure was decreasing, which was a good thing.

President Leeson asked if it was correct that “pay to play” which was originally on tier one was moved to tier two.

Dr. Lewis responded affirmatively.

President Leeson brought attention to his statement regarding “taxing at a fairer rate.” She asked if a fairer rate was above the 5 percent and was advocating a rate of 9 percent.

Dr. Lewis replied negatively and said that in order to get the record straight, tier one was at 7.81 without any stimulus dollars factored. He was optimistic that it would decrease. He wanted to be clear that the February 13 memorandum specified 7.81, which was a far cry from the 10 percent where they started. He was optimistic that it would go lower. He reviewed that the tax impact in the district was the lowest of the eight school districts in Northampton County and they needed to be realistic about their taxing levels.

Director Tenaglia said he would defer further questioning until the upcoming budget meeting with the exception of one additional question. He said that he understood from prior conversations with administration that they were considering another tax anticipation note to get them over cash flow shortfalls at the beginning of the next fiscal year.

Mr. Majewski replied that although the cash projections were not done, he thought it highly unlikely to be in a position to continue funding their activities through the summer without a tax revenue anticipation note.

Director Tenaglia asked why they purchased new Certificates of Deposit that would not return until July considering they would have to enter the marketplace in June to borrow money.

Mr. Majewski said there might be some, which might continue on, however, the majority of which he believed to be investments would be available to them by the end of June. They had most of their "balance of contract" payments due during that time. He explained that their revenue was very cyclical, especially with the tax revenue. He pointed out that the bills went out on July 1. He said that there was a possibility and a likelihood that there would be some cash available in early July, however, until the majority of receipts came in, he would expect that they would need to have some type of cash-flow assistance. He reviewed that he did not yet do the calculations. He thought it prudent to ensure that they did not run out of cash and try to have some type of funding during the summer.

Director Tenaglia questioned why \$4,000,000 was taken on January 5 to go out beyond June 30.

Mr. Majewski replied that he would need to look at it.

Director Tenaglia referred to the page behind the treasurer's report.

Mr. Majewski stated that he did not direct any deposits or any type of investments during the month of July.

President Leeson said that she thought they had \$4,000,000 to \$5,000,000 after June 30.

Mr. Majewski commented that he did see it and they would come due in early July, which would meet their balance of contract payments at the end of the year. He noted that the last one was July 9 and typically the cash shortfalls did not appear until the end of July or the early part of August. He did not see a problem with the amounts invested for that period of time, which was to meet current obligations.

Director McKeon questioned if \$8,000,000 was the projected deficit for the present academic year.

Mr. Majewski replied that the \$8,000,000 was not in the present fiscal year; rather it was 3.16 million from June 30, 2008 combined with whatever was projected for the current year.

Director McKeon asked if it was accumulative deficit.

Mr. Majewski agreed.

Director McKeon commented that they still did not address how they would recover it with regard to millage.

President Leeson addressed \$156,142.30 for special school police on page 1 in the general fund invoices.

Mr. Majewski replied that it was for the school district's portion of the school resource officers, as billed by the City of Bethlehem.

President Leeson asked the number of school resource officers the amount covered.

Mr. Majewski stated that it covered one full resource officer and 25 percent of another officer. There was resource officer at the Career Academy and there was one in each middle school.

President Leeson asked if it was a partial or full payment for the year.

Mr. Majewski responded that it was full payment for the year.

President questioned pre-paid conferences on pages 16 and 22 of prepaid invoices. She asked if the conferences were already approved.

Mr. Majewski replied that the department staff were trained in that if there was not an approved form attached to all of the documentation, they would not provide a check.

President Leeson further inquired about the other conference payment under Title IV – Just Community Inc/Project.

Mr. Majewski responded that if it was not approved, they would not provide any type of payment and if it were in excess of the required amount, then it would come to the board.

President Leeson noted that one conference seemed to be in Phoenix and the other in Boston.

Mrs. Katona commented that the conferences were approved last month and were two of the Nitschmann Middle School conferences.

President Leeson requested a roll call vote on Items 19, 20 and 21. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch, McKeon, Tenaglia, Amato, and Leeson – 7.

The motion was passed 7 – 0.

President Leeson stated that an executive session was held prior to the meeting at which time litigation, personnel, and student discipline matters were discussed.

ROLL CALL –
ACCEPTANCE OF
FINANCE REPORT/
PAYMENT OF BILLS –
ITEMS 19, 20 and 21

PRESIDENT'S
COMMUNICATIONS/
SPECIAL MEETINGS

President Leeson wanted to follow-up on an inquiry regarding summer school noting that proposals had just been passed and the program would be self-sustaining. She reviewed that there was a recommendation to charge the students.

Mr. Majewski commented that the programs had been self sustaining last summer and they would continue as such.

President Leeson announced a budget hearing scheduled for 6 p.m., Wednesday, February 25, at the Educational Center. She welcomed public input on the current budget issues.

President Leeson stated that she was at Liberty High School today and noticed that there were no students lingering outside. She said there was a real improvement with regard to something that had been an issue for many years.

President Leeson expressed gratitude to Air Products for their assistance in sending the Liberty High School Grenadier Band to the Rose Bowl. She noted that the company contributed \$4,300 and the district was very appreciative of their help.

Dr. Lewis noted the following corrections to the agenda:

SUPERINTENDENT'S
REPORT/FEDERAL
PROGRAMS UPDATE

Page 21 – Item 12 – Nominations for Appointment – Noninstructional Substitutes – Percy Fernandez De Castro pulled due to incomplete information.

Page 26 – Memorandum of Understanding between the Board of School Directors of the Bethlehem Area School District and the Bethlehem Education Association – Strike the following from sentence 4 in the attachment: “but the MOU must be reviewed and re-executed.”

Dr. Lewis also thanked Air Products for their generous donation, which made it possible for the students to attend the Rose Bowl.

Dr. Lewis brought attention to hand-carry Item 23 – Bus Monitor Compensation, which addressed an adjustment in the bus monitor salary due to a recent mediation decision. He added that it was available to the public.

Regarding the federal report, Dr. Lewis announced that the Keystone Stars Grant was awarded to the district with additional funding in the amount of \$41,100. The money generally went to their childcare area and was used for supplies, staff development, professional growth, upgrading technology, etc. To date, the total amount received from the grant was \$91,360.

The Bethlehem Area School District was notified that the Center for Safe Schools granted the district \$17,573 to be used to implement the Olweus Bullying Prevention Program in the three middle schools.

The Bethlehem Area School District was notified by the Division of Federal Programs of the Pennsylvania Department of Education, that their application for Title I School Improvement was approved in the amount of \$235,000 for Donegan and Fountain Hill Elementary Schools. He noted that Donegan Elementary would be receiving \$150,000 and Fountain Hill Elementary would be receiving approximately \$85,000 for school improvement activities.

Dr. Lewis stated that Mr. Scott Shearer from PFM was present to speak about a refinancing proposal for board consideration so they would be ready to move on short notice, if possible, when the market availed itself.

BOND REFINANCING
UPDATE – MR. SHEARER

Mr. Shearer reviewed that on the summary pages he distributed, the school district issued \$40,000,000 through the Shippensburg Borough Authority a few years ago, which was one of the issues they had been targeting and had discussed at an earlier meeting in February as far as something that needed some action taken sooner rather than later. He noted that it was the issue where there were currently bank bonds and there was approximately \$17,000,000 remaining in bank bonds. He recalled that the key consideration with bank bonds was that after the bonds were in the bank bond mode for over 180 days, early acceleration kicked in. Instead of amortizing the debt over 20 to 25 years, they needed to condense and amortize it over a five-year period of time, which could potentially place an additional strain on the school district's budget. He pointed out that earlier in the month there was \$32,000,000 in bank bonds and presently there was \$17,000,000 of bank bonds. He had discussion approximately two weeks ago with the district's remarketing agent, RBC and explained that there had been a tactic applied elsewhere regarding bonds which were not bank bond mode could potentially be taken out of bank bond mode and successfully remarketed by actually increasing the interest rate. Mr. Shearer said that in round numbers the other variable rate transactions were presently at a 2.25 percent interest rate. RBC increased the interest rate for the Shippensburg bonds, two weeks ago, to 4 percent. He explained that by increasing it from 2.25 to 4 percent, it basically released \$15,000,000 in bank bonds for which they found buyers. For the current week, they did not hear any news of buyers as of yet, but basically had until Wednesday to see if anymore of the bonds were converted back to normal mode. Presently they had \$9,000,000 of the \$17,000,000 began early acceleration as of early April. The early acceleration was dependent upon when the bonds initially became bank bonds. He said that the best-case scenario would be for them to get remarketed. He reviewed the summary page noting that if the remaining bank bonds could be successfully remarketed, they would then basically have a few months to re-strategize, look at the different options, evaluate the market, and come back to report the options.

If the bank bonds remained by Wednesday, they were requesting that the board have a special meeting next Monday to consider adopting some resolutions to adopt the Wachovia proposal previously discussed. He explained that it was a 2-year bank loan where it ultimately was taken out by another "for purchase" commitment later. It would be a special meeting to work with bond counsel to get documents ready to go if they needed to move. He said they chose March 2 as the date because, if approved, everything would still need to be filed in Harrisburg with the Department of Community and Economic Development with settlement basically on April 1 when the old bonds would be called to alleviate any kind of early acceleration. With the assumption that they could not liquidate the bank bonds, they would come back for a special meeting for the board to consider a note resolution and a swap resolution. The note resolution would be between the school district and the Shippensburg Borough Authority and the swap resolution would be to transfer the existing swaps over to the new arrangement. On March 10, there was a tentative meeting scheduled with the Shippensburg Borough Authority and at that time they would consider approving indenture to move forward with settlement on or before April 1, depending on when they received the DCD approval.

Mr. Shearer presented another alternative idea, which would be to reactivate the Bethlehem Area School District Authority instead of issuing the new bank loan proposal through the Shippensburg Borough Authority. He said that it had not been in action for quite some time, but would need to be reactivated, with new board members appointed, and resolutions passed to extend the life of the authority, which was coming due shortly. Mr. Shearer explained that it would keep local control as opposed to going through the Shippensburg Borough Authority, which would have initial and ongoing fees. He also brought attention to two other variable rate bond issues with swaps that they had not really discussed because there was no immediate action needed. He explained that when the time came, whether it was 3 months, 6 months or a year, it might be in the interest of the district to refinance them in the name of the Bethlehem Area School District Authority for state reimbursement purposes. There were immediate benefits for board consideration as well as potential future benefits as well. He added that the board would need to appoint five board members to the authority, which would preferably not be school administrators or current school board members as per the recommendation received from bond counsel.

President Leeson stated that at one point they were talking about the possibility of the school district being able to buy back their bonds. She asked if there was any research done on their ability to do so.

Mr. Shearer replied that there had been and thought the solicitor might have some input. He noted there was discussion about it last fall, but through further discussion and analysis, it was more or less dropped nationwide because of certain IRS restrictions.

Mr. Shearer stated that laws were changing, but to date, it was not being actively pursued due to some of the restrictions.

President Leeson proposed the possibility to instruct RBC to raise the rates again to 6 percent versus 4 percent just to get the \$9,000,000 off of the books for a week. She asked Mr. Shearer if they would have to take immediate action.

Mr. Shearer said that it would take place at the next reset date. They would be notified of the rate on Thursday and it actually reset on Wednesday.

President Leeson asked if the rate was out there for an entire week. She also questioned if they wanted to instruct RBC to go higher, would it go into effect the following week.

Mr. Shearer agreed and commented that the market was becoming more volatile, further stating that it might not work. He reviewed that they were successful in getting \$15,000,000 out, but they did not have success this week, but still had a few more days.

Director McKeon asked what the approximate increase in debt expense for the one week, if they bumped up from 2.25 percent to 4 percent.

Mr. Majewski replied that it would be approximately \$25,000.

Director Tenaglia asked Mr. Majewski if there was enough time to hold a special meeting.

Mr. Majewski responded that they had enough time to advertise for a meeting.

Director Tenaglia asked Mr. Shearer to bring a list of the tranches, dates, and amounts that were in bank bond status. He also requested an update on the status of the West Cornwall refinancing.

Mr. Shearer agreed. He noted that they were still going down the same road as he previously discussed regarding the West Cornwall refinancing. At the present time they were at the information gathering stage and received the requested information from the Business Office to put together the preliminary official statement. They could not do both at the same time because they had to be separated by 15 days due to IRS common plans of finance. They were pursuing that road, but presently had more needs for the Shippensburg transaction. They were still monitoring the swap termination for the West Cornwall and had the same deal structure, which was discussed a few weeks ago. He pointed out that if they did not have to do anything for the Shippensburg transaction, then they would expedite the West Cornwall transaction because they were approaching that deadline.

Director Tenaglia recalled that they were looking at the Dauphin County General Authority as an alternative and then it ran into financing problems. He questioned if they would have similar problems if they were to reactivate the Bethlehem Area School District Authority. He also stated that they discussed being one of three parties for the Dauphin County General Authority and asked if there was a possibility for the Bethlehem Area School District Authority to allow other entities to participate, similar to their proposed participation in the Dauphin County General Authority.

Mr. Shearer responded affirmatively, saying that it was something they could continue to look at the Bethlehem Area School District Authority developing some kind of pool program as well. He mentioned that there were three main ones presently in the Commonwealth and added that there were a lot of hurdles to get over to actually successfully implement a bond pool program. He explained that in today's market it would be extremely tough with consideration of the letter of credit and liquidity issues. He reviewed that one of the earlier questions was that by going through the Bethlehem Area School District Authority it would put them into the same situation, which created a roadblock for the Dauphin County issue. At the present time they had the commitment from Wachovia to do the two-year bank loan so they were not having the same issue as they had with the Dauphin County General Authority proposal. He thought it was definitely worth pursuing discussions to consider another program with continued analysis of the changing market.

Director Dexter stated her question was not on the immediate problem of the \$9,000,000 in bonds, but rather on the advisability of a strategy they might wish to adopt, which would be an investment policy. She understood that some districts had the policies that were set by board members which would include a requirement that variable rate debt would not exceed a certain proportion or that certain types of investments were permitted with other prohibited. She asked Mr. Shearer if he had participated in the development of such investment policies with any districts.

Mr. Shearer replied affirmatively and asked if she was speaking about investment policy or debt policy.

Director Dexter said she was speaking about both.

Mr. Shearer stated that he worked with debt policies and actually had a rough draft that he was working on specifically for Bethlehem and shared them with other school districts as well. Some of the districts had formally adopted the policies and others just used them as guidelines. He thought it was something they should consider in the near future. He reviewed that it set out the amount of variable rate debt, the amount of risk, exposure to the risk, and different levels for consideration.

Director Dexter recalled that he stated he was working on a draft and asked if he had a timeline to speak with them regarding their parameters.

Mr. Shearer agreed to discuss over the next couple of meetings and explained that he was putting more of a need on the urgent timelines. He added that sometimes it takes a long time for the boards to discuss, consider, and make changes, so presently he wanted to focus on the urgent matters and they could come back to it when they had some breathing room.

President Leeson announced that the Special Meeting of March 2 would be canceled if it was not necessary.

President Leeson addressed reactivating the Bethlehem Area School District Authority. She stated that she did not see a downside at the present time and asked the board if they were interested in pursuing the reactivation of the authority.

Director McKeon asked to begin with the five members they recently appointed to the Vo-Tech.

President Leeson thought there might be a conflict.

Dr. Lewis stated that he requested an opinion from the solicitor and noted that they could not have sitting board members or administrators appointed to the board. He added that they would recommend a separate authority so there would not be confusion between the two groups. He commented that there was no real downside if they didn't use it.

President Leeson asked for recommendations regarding potential individuals who would be interested in serving on the board.

Director Dexter suggested utilizing the website to post their consideration and solicit names of interested individuals.

Dr. Lewis agreed.

Director Follweiler suggested that they briefly describe the responsibilities of the position. She also recommended having further discussion about the roles and responsibilities as opposed to the one they just did for the Vo-Tech because she understood they were different.

Director McKeon questioned if they had any candidates in excess of the recently appointed five people.

Dr. Lewis responded that they used everyone who had applied.

Dr. Lewis introduced Mr. William Gorman, who was present to provide the auditor report and to answer questions.

AUDITOR
REPORT

Mr. Gorman stated that the report consisted of over 120 pages and would not go into detail, but would provide a brief summary of the report and then open the floor for questioning. He noted that he spoke with Mr. Shearer regarding Director Dexter's concern. He explained that the school districts in the Commonwealth of Pennsylvania were not allowed to invest in derivatives on the investment side of the balance sheet so if it was a concern from a policy standpoint; it did not even have to be in there, because legally, they were not allowed to do it. The derivatives that were allowed in the Commonwealth fell on the side of debt. He stated that it had been allowed by legislature but not on the investment side.

Director Dexter stated that she was concerned about both and was not aware that it was not allowed. She thought that she was aware that they were not involved in it presently, but wanted to make sure they set certain policies, which could guide them for future transactions.

Mr. Gorman said that he would not discuss the specifics except for an issue that was published in the news and he did not want any misunderstandings about some issues. He stated that the first page of the report was a transmittal letter, which explained what the auditors did and from pages 2 to 12 was the letter to the governing body and a letter to management. They must report to the governing body and have a conversation with them before and after the audit. At the request of the school board, he conducted a meeting with the Audit Committee before the audit. His response was located at the end of the audit on pages 2 through 12. He noted that on pages 14 and 15 was his independent auditor's report. He said it was his main function as an independent auditor to render an opinion as to whether the school district's financial statements were in accordance with generally accepted accounting principles in all material respects. He stated there was a qualification regarding the general and capital reserve funds, because of a material violation of laws and regulations. He would provide a more detailed explanation after finishing the remainder of the report. On page 13, there was a listing of the agencies required to receive the report. Pages 16 and 20 were the management's discussion and analysis of the financial statements. He cautioned that the financial statements were from the district and were not from Gorman and Associates. The basic financial statements were found on pages 21 through 34, which were broken down into four categories – government-wide financial statements that look at the government as a whole, governmental fund financial statements, proprietary fund financial statements (food service-day care), and the fiduciary funds. The final page showed a comparison of the general fund from the original budget, which was passed, to the amended final budget and the actual expenditures and revenues that occurred in the general fund for the 2007-2008 fiscal year, which the report covered. The required note disclosures were found on pages 35 through 76, which explained the numbers in front of it in the basic financial statements.

Supplemental information was found on page 78 through 103, which provided amortization of notes and bond issues and individual fund financial statements, showing more detail about the expenses in the athletic fund, the concession fund, the daycare fund, or the self-insurance fund. The Schedule of Expenditures of Federal Awards were on pages 104 and 105, and were the federal grants and programs that the school district ran during the course of the year. The required notes that accompanied the schedule were located on 106 and 107, which was a requirement by government auditing standards. Mr. Gorman pointed out that on pages 108 and 109 was his report to the district on his testing of internal controls and on the district's compliance with laws and regulations which were required under Generally Accepted Government Auditing Standards established by the United States Government Accountability Office in Washington, D.C. An independent auditor's report dealing with the opinion of whether the district was in compliance with federal programs run for the past fiscal year was located on pages 110 and 111. He noted that the district was in compliance. Pages 120, 121, and 122 was the independent auditor's report required by the Department of Public Welfare, dealing with one of the grants received from the Commonwealth of Pennsylvania. The management's response was not numbered in the table of contents. It was referred to as a corrective action plan to respond to the findings, material weaknesses, and the significant deficiencies discovered during the course of the audit. He explained that it basically repeated what was documented on pages 112 through 119, which was the Required Schedule of Findings and Questioned Costs and was broken into three components. The first part was a summary, which gave an opinion on the financial statements, and the federal compliances. Part two explained the findings in the audit of the financial statement. Part three dealt with any findings discovered in the compliance portion of the federal program audit. He added that section three did not have any findings and section two had 14 findings. The corrective action plan that followed the end of the report listed the findings in the same order on the Schedule of Findings and Questioned Costs with management's response was in lighter ink.

Mr. Gorman reviewed that he had to qualify his opinion and referred to pages 14 and 15 of the report. He noted that the first paragraph of an independent auditor's report on financial statements explained what was audited. The second paragraph explained the standards used for the audit. He explained that the district was audited under Generally Accepted Auditing Standards as established by the American Institute of Certified Public Accountants and they audited under the auditing standards established by the Government Accountability Office (GAO). The third paragraph explained the qualification. Mr. Gorman pointed out that this past year, there was \$2,500,000 transferred from a capital reserve fund, known as a special revenue fund, and back to the general operating fund where it originally came from. It was not a legal transfer and was not allowed.

Mr. Gorman explained that there were two types of capital reserve funds, which could be established by school districts. One was found in the Pennsylvania School Code – Section 690 and the other was in the Municipal Code – Section 1432. Since school districts in the Commonwealth of Pennsylvania were both school districts and municipalities, the district was required to follow both codes. They had the right to set up a capital reserve fund. Mr. Gorman said that when he brought it to Mr. Majewski's attention in September, he explained his concerns and what he believed to be correct at the time and Mr. Majewski communicated with him via email. There was some confusion because at the time, Mr. Majewski thought it was a Code Section 690 – Capital Reserve Fund. Mr. Gorman stated that to paraphrase what was in Code Section 690; it stipulated that they could create a capital reserve fund and the resources of which required a special tax assessment on the property owners of the school district. The purpose of the resources was to provide money for capital projects and if the project did not materialize or they did not spend everything put into the fund, they could transfer the rest back into the general operating fund of the school district. Mr. Gorman said that it was unfortunate that under Municipal Code – Section 1434, the capital reserve fund established required board approval for a transfer from the general operating fund into a capital reserve fund. He reviewed the code, stating that they could purchase school buses out of the capital reserve fund, purchase capital improvements, pay for deferred maintenance projects, capital outlay items, and for no other purpose. He added that they could not transfer money from the capital reserve fund to another fund, even though they were putting it back to the general fund where it originally came.

Mr. Gorman stated that before he decided to have discussion with Mr. Majewski and then later with the Audit Committee, he called the Pennsylvania Department of Education to confer and noted that they were in agreement with his position. He also spoke with his solicitor, Timothy Siegfried from Tallman, Hudders, and Sorrentino to confer that his understanding of the law was correct and that the transfer should not have occurred. He was also concerned about the resulting ramifications and at the time, there were two choices. The choice that was made to do nothing because the Department of Education informed him that it was a violation and the only thing that would occur would be that the auditor general would cite them for it. He commented that the auditor general did not have to cite the district for it because he did. He added that there was no monetary penalty for making the transfer and nobody would force them to put the money back. As a result the management decided to leave it in there because if they did, the \$3,100,000 deficit as of June 30, 2008, would be \$5,600,000 and they would be looking at an accumulated deficit of over \$10,000,000 for the year ending June 30, 2009.

Mr. Gorman asked if there were any inquiries about the issue.

Director Follweiler stated that it was her understanding that Mr. Gorman cited the error and by choosing to accept the audit report, the administration had been duly slapped. She asked what would be the future ramifications, if it should occur again, knowing that they were in violation of the different codes.

Mr. Gorman replied that it would be considered fraudulent financial reporting, which was a whole new arena, by which prosecution charges would be made and people could go to jail. He commented that he had been in the profession for 30 years, speaking for the American Institute of CPAs regarding government accounting and auditing subjects, as well as nonprofits. He noted that he knew the law and knew there was a problem. They had two choices; either come up with \$2,500,000 of capital related items or deferred maintenance items in the general fund which they expended in 2007-2008 year to make up for what was transferred into the general fund or do nothing. Mr. Gorman further explained that since there was no penalty imposed by the Commonwealth, they could not do anything more than what was happening at present. He stated that every entity had assets and liabilities and the difference between the two was one's worth. It was a fundamental portion of accounting. He focused on the fourth line from the bottom, which showed the net change in fund balances for the 07-08 year. There was a deficit of \$4,146,558 and if the transfer had not been made, the deficit would have been \$6,646,558, which would carry forward, down to the bottom line. At the same token, the capital reserve fund, instead of having \$1,800,000 at the end of the year, would have \$4,300,000.

Director Follweiler stated that she somewhat understood and reviewed that what he was saying is that they did the transfer, which they should not have done in light of the two conflicting codes. By doing the transfer, they shifted the debt on the balance sheet.

Mr. Gorman replied that the general fund's financial position presently was that the bottom line was overstated and the capital reserve fund was understated, which was why he had to qualify his opinion. He noted that it was not recurring and they would have it next year.

Director Follweiler stated that moving forward, she believed administration understood the different codes and knew not to do it in the future.

Dr. Lewis commented that they had been slapped.

Director Follweiler said that her real question was regarding future ramifications, should anything happen.

Dr. Lewis stated that he thought her question was fair and noted that he and Mr. Majewski discussed the matter. He said that it was the law and a matter of two different codes that applied.

Dr. Lewis said that it was done in an attempt to assist on the side of the general fund. He did not want to speak for Mr. Majewski, but he thought his purpose was to ease what was an economic situation with, in essence, a savings account. He explained that Mr. Majewski crafted a response and he thought his words spoke to that.

Mr. Majewski said that it was viewed as a Section 690, Capital Reserve Fund, which would have allowed the transfer, otherwise it would not have been recommended in the first place. Initially, he was not completely convinced that Mr. Gorman was correct, however, he looked at all of the information provided and did further research on his own. He was in complete agreement with the conclusion that the transfer should not have been allowed and would not be repeated.

President Leeson stated that when it took place, she remembered that it was questioned a number of times, with the district's attorney present, but it was a different attorney than the present one. The transactions took place with an attorney present and there was questioning at that time.

Mr. Gorman interjected that he recalled when reading the lengthy minutes, that it was a very contentious meeting.

President Leeson asked if it was reasonable to assume that lawyers who were specialists in education law would have picked it up for the district.

Mr. Gorman replied that as a layperson and not a lawyer, he agreed. He advised her to question the previous solicitors.

President Leeson reviewed that it was not their current attorneys, so there was no one in the room to question.

Mr. Gorman stated that the other issue he wanted to bring up was the \$6,479 athletic fund money, which was discussed earlier. He noted that if one read the language in the audit report, there was nothing said about missing money and in fact he could tell them verbatim that the money was deposited into the bank account. What some people might not know is that the Bethlehem School District pooled their cash into one bank account, whether it is collected by the athletic fund, collected by the general fund, the construction fund or the capital reserve fund. They used one bank account and used an accounting system to segregate the transactions. They could not find it being recorded in the athletic fund. Regardless of where it should have been coded, it was not there. Mr. Gorman added that nobody could tell them in the business office. He noted that someone at staff level, kept the cash receipt records and he had no record of the deposit in his cash receipt records. They interviewed him and looked at his cash receipt log for verification.

Mr. Gorman commented that he did not know why or where the money was recorded and that was what the issue was about. It had nothing to do with money being missing. The money was deposited in the bank and they saw the deposit slip. They had a copy of the deposit slip, so they did not have a problem with seeing the deposit. They were saying that when they tried to trace it out of the bank into their records, they could not find where it was posted.

Director Amato stated that it was not the way it came out in the newspaper. He stated that the newspaper stated that there was missing money and was pointing the finger at a part of their administration, as if it was stolen money. He questioned Mr. Gorman about the fact that he had it written as follows: "We came across a deposit slip for a Freedom High School Football Game in the amount of \$6,479. The revenue for this football game was not recorded in the athletic fund. Upon several inquiries, the district staff was unable to determine where this deposit was recorded or if the deposit was recorded at all. The receipt of cash was not in the receipt records. Director Amato noted that they had all the documentation in the hands of the new auditor and they knew the process that was in place to make sure that the funds were put in the proper account numbers. He asked why it wasn't investigated further to find the flaw. He asked why it wasn't recorded. He pointed out that Mr. Gorman said the receipt of cash was not in the receipt records. Director Amato questioned why. He stated it would have cleared the whole matter and it would not have been in the newspaper where good people in the school district were besmirched. He noted that people were very upset that the finger was pointed to them that they were stealing money. He thought it was a shame that they had that happen.

Mr. Gorman replied that he did not disagree with him and did not write the article. He explained that he was asked to give a representation on his side of the issue and declined to do so because he was not about to talk to a newspaper reporter before he gave the school board a chance to ask him questions.

Director Amato asked Mr. Gorman why the issue was not resolved. If they did not have a process in place to record the monies taken in by an athletic event, which he was familiar with by his own experience, then it was the district's fault and they should be cited that they did not have a process in place to make sure it does not happen. Director Amato added that with his own investigation with administration, there was a process in place, which was supposed to be followed and it would not have happened. He said that the ball was dropped somewhere along the line. He questioned why a good auditor firm like his own didn't pick it up.

Mr. Gorman referred to the last paragraph on page 3, in his management letter and read verbatim: "There are inherent limitations that should be recognized in considering the potential effectiveness of internal control over financial reporting. Errors can result from misunderstandings of instructions, mistakes of judgment, carelessness, fatigue, and other personal factors." He concluded by stating, " And that's what happened." He pointed out that with the best controls in place, human error could create a problem.

Director Amato replied that he understood and that they were all human. He added that if it was a situation where they did not have a process in place or if the process was used occasionally, then he could see if a mistake happened to an individual, but he noted that it was done throughout the football season. He explained that he personally had half the sporting events as compared to the Bethlehem School District, but they used a process that was used regularly. His concern was why it was not cleared up so it wasn't in the report.

Mr. Gorman understood Director Amato's concern and thought he was misinterpreting the whole purpose of the control deficiency in the first place. He was not telling them in the paragraph that the whole problem in the athletic fund related to the \$6,479. The first two paragraphs were being skipped and that was the problem. He explained that there was not control in the tickets that were being sold and compared to the cash being collected. It was what they were recommending and what he was stating was that part of the reason was because they came across the issue. He emphasized that the first two paragraphs on page 8 were the issue and the only reason he brought it up was because they saw some controls missing that they felt should be put there as they tried to uncover the location of the money. He said that he could only ask district personnel where it was posted in the computer system, because he would not spend the time to trace every single transaction in the system. He noted that they traced the athletic fund revenue for the specified amount and they could not find it. They spoke with the people involved in recording the transactions and the answer they gave was that they had no idea.

Director Amato commented that the person in the athletic department would have been asked about the disposition of the transactions, they would state where they were sent. He said the problem was that it did not get to Mr. Majewski's office and get recorded, so there was a breakdown in the path of the process. Director Amato said that he had learned from the situation, and pointed out that there was a starting ticket and an ending ticket. He noted that at the school district where he was employed, they did not rip the tickets apart, but took them and placed them in a bag so they would be all there and counted. He thought that was exactly what was done in the district, in that they didn't rip the tickets apart, but took them and placed them in a bag and tie them up so they had them as a reconciliation as to what was sold. He questioned Mr. Harris if that was done.

Mr. Harris replied, "We do not do that."

President Leeson asked about the administration's opportunity to respond to the issues.

Mr. Gorman replied that it was a requirement of the report.

President Leeson said that when it came to that particular issue, it could have been responded to as far as the difficulties in understanding the exact location of the money. She knew that he gave them a report and made it very clear that he did not anticipate that the money was missing, but that it was not recorded properly.

Mr. Gorman understood Director Amato's point. He said that some people read something and then reads what they want to read and they don't necessarily read the exact way it was worded. He added that there were multiple interpretations by people and to sell newspapers, they needed headlines. Sometimes the information was taken out of context; not necessarily on purpose, but it was just an interpretation. He commented that his job was to make the district better and it was not to demoralize or derail anyone. His job was to provide support and if he found something wrong, then he wanted to help correct it.

Dr. Lewis stated that he did not believe that Mr. Gorman's review stated, as was interpreted by the press, that there was something wrong at Freedom High School. He thought that Mr. Gorman's review suggested that there wasn't a recording of the transaction that he could follow on an audit trail to see what account the money was deposited. He never said the money was not deposited. Dr. Lewis stated that Mr. Gorman had a deposit slip and the problem was that the audit report was released prematurely with no opportunity for Mr. Gorman to make a presentation. Mr. Majewski and Mr. Gorman did not know how the report got released. He said that the fact was that a reporter chose to interpret the words in his or her own interpretation. He thought that Mr. Harris was citing the fact that there were probably many parents who had contacted the principal's and athletic director's office as well as Dr. Donaher's office and his own office that they were upset because it appeared that Freedom High School had done something wrong. Dr. Lewis pointed out that if one read the entire article, they saw a reference to the deposit slip in the article, but he noted that nobody read that, but rather they read the headlines. He wanted it to be understood that Mr. Gorman did not develop an argument that there was a problem at Freedom High School. He concluded that Mr. Harris, Mr. LaPorta and Dr. Donaher all came to his office and presented it and he advised them to put it together and be sure to give it to Mr. Majewski and they would have the opportunity for explanation. He believed the premature discussion in the press about the audit report stimulated a totally unnecessary controversy.

Director Dexter stated that his meaning was not clear to her after reading it. Her thought was that it might have been clearer if it was stated as a deposit receipt, instead of saying that they came across a deposit slip for Freedom High School. Everyone would then have known that a deposit was made and was not recorded. She reviewed that it was not that clear to her or to other board members and also to Dr. Lewis, because she had a conversation with him a few days before the meeting. She said that at the end it said that the receipt of cash was not in the receipt records, but she did not know which receipt records, whether they were bank receipt, athletic fund receipt, or GOB receipt, so she thought it would be a good time for clarification. She presently felt better after his explanation.

Director Tenaglia noted Mr. Harris' additional documentation and commented that they had a deposit ticket that looked like it was receipted by the bank; along with a supplemental slip that Wachovia practiced giving. He pointed out that if the receipt was never recorded on the district's books or if they could not find a record of the deposit being recorded on the district's books, he asked if they saw it on the Wachovia September bank statement.

Mr. Gorman replied, "Yes."

Director Tenaglia inquired how the district reconciled the band reports from September.

Mr. Gorman responded that based on Director Tenaglia's thought process, it had to be recorded someplace or else debits did not equal credits, knowing that it was a fundamental rule. They did not know where it was recorded. He stated that it was not recorded in the right fund or the right account and that was what it was saying to them. The issue had nothing to do with the deposit, but the issue had to do with improving the controls, in handling the gate receipts of the athletic events that occurred. He noted that they traced the deposit slip to the Wachovia bank statement and they knew the money went into the bank and that was not the issue. When they traced it to the revenue in the computer system that was recording the revenue from the gate receipts of the athletic fund, they could not find the receipt posted to where they believed it should have been posted. He added that when they went to the manual records kept which were called receipt records, the gentleman who kept the receipt record, had no record in his book that the receipt came through, so the manual record did not report it.

Director Tenaglia commented that if they looked at the district's recording of receipts for the month of September, in the aggregate, the number did not agree with what the bank was telling them, so there was a missed accounting of the \$6,400 deposit.

Mr. Gorman replied that they did not get to the point of comparing receipts on the daily or weekly basis as to what was on the bank statement and what was in the computer system. If the bank account was properly reconciled and the deposit was in the bank and was reconciled to what the cash balance was on the general ledger, then it had to be in there somewhere, but they just did not know where it was. He said that the pooled cash reconciled.

Director Tenaglia noted that in the report, Mr. Gorman began with material weaknesses on page 4 and carried over to page 8, where he referenced the athletic fund ticket sales, of which the deposit was noted in the third paragraph.

Mr. Gorman stated that there were seven material weaknesses and seven significant deficiencies, with their definitions on page 3.

Director Tenaglia referred to the material weaknesses that began on page 4 and carried over to athletic fund ticket sales at the top of page 8.

Mr. Gorman explained that significant deficiencies began on page 6. The athletic fund game receipts were considered a significant deficiency and not a material weakness.

Director Tenaglia noted that on page 8, under significant deficiencies, the third paragraph dealt with the deposit. When he went to page 113 through 118, it listed the financial statement findings – significant deficiencies at 208-12. He said there was no reference to athletic fund ticket sales.

Mr. Gorman replied that was because it was not the deficiency, which he was trying to explain to everyone. He said that it was like clarifying information to explain partially why he was recommending that they had a deficiency and to fix it to avoid these things from happening. They had to put another control in place to prevent it from happening in the future. It was not on page 113 because it had to list the actual deficiency of itself. The actual deficiency had to do with the fact that there was no accountability to tie the cash collected to the tickets that were sold and that was where the issue lied.

Director Tenaglia asked Mr. Gorman about his solution regarding the fact that the deposit was not properly credited.

Mr. Gorman responded that there was no solution because it was human error that occurred and frustrated his staff at the time because it was unaccountable monies. In realistic terms, he did not think it was going to cost anybody's job, which was not the purpose. No matter how good the system of controls, they would always have errors and hopefully by instilling and fixing some of the problems with the athletic game receipts and tying them to the cash, they might be able to resolve it in the future or they might not. They still might have an error from time to time.

Director McKeon stated that Mr. Gorman's job is not to find fault with an individual as much as to identify transactions that had weaknesses, if there were any. With regard to the missing cash receipt, if it went to the same individual every week, and by Tuesday or Wednesday, they did not receive a copy of the receipt, a phone call should have been made to one of the athletic departments requesting the paperwork. He thought it might have eliminated some of the angst. He noted that when Mr. Gorman was following the cash transaction to ensure it was going the right way and suddenly his people did not find it sitting in the cash receipts area, where it should have been. He assumed that if the athletic department did their job, made the deposit and kept all of the back-up transactions, the next step would have been to give the cash receipts book a copy of the information for journal entries. Whether it was put into interdistrict mail or they just never got it, so it was never recorded.

President Leeson announced that at the present time she asked to keep the discussion limited to the board and Mr. Gorman.

Director Amato commented that he thought he heard Dr. Lewis state that it was in the newspaper before they received the report. He asked who gave it to the newspaper.

Dr. Lewis replied that he did not know and commented that there was an article that appeared before Mr. Gorman had the opportunity to meet with the full board.

Director Amato thought it was the article involving the point/counter-point with Director Dexter and Moncman.

Dr. Lewis stated that he believed the article was in the Express Times on February 16 and there was an interpretation of the audit. He reviewed that it was not discussed with the full board and Mr. Gorman.

Director Dexter said that she wanted to follow-up on the capital reserve issue. She asked Mr. Gorman about his statement that the auditor general would not cite the district because he cited them.

Mr. Gorman replied that he could not speak for the auditor general's department, but what he was saying was that even if they did (cite the district), nothing would come of it.

Director Dexter commented that she read the management explanation for the transfer and it factually did not agree with the minutes of what happened at the time when they made the budgetary decision to transfer the money. The explanation for why they made the transfer and the actual reason did not match. She asked if there was any change in what he just mentioned or consequences on it. She was attempting to understand the implications.

Mr. Gorman asked if Director Dexter was referring to management's response to the finding.

Director Dexter replied that it was management's response to the finding, which was the part located in the back of the book.

Mr. Gorman said that he could not really respond to it because it was not something he audited. There were two items in the entire report that he did not audit. One was management's discussion and analysis and the only requirement on his standards was to make inquiries to make sure the information was correct. He said that he went a step further and reviewed the information to make sure it was pulled from the right sources and the right financial statements. He explained that he did some audit work even though it was not required. He added that the corrective action plan, which was not even numbered in the table of contents, but was in the back of the report, was not something he was really involved in.

Director Dexter asked if it was just for the board's information.

Mr. Gorman responded that it was not only for the board's information and referred to the report distribution list on page 13. He explained that everyone on the list received a copy of the report. The purpose of the corrective action plan was that it was a mandatory government auditing standard requirement. If a recipient of federal dollars was written up for a financial statement finding by their auditor or a finding of non-compliance dealing with a federal law of regulation, they were required to respond to the findings. The governing bodies of the federal and state government reviewed the management's responses. The intent was to satisfy them. It was not for him to review, which was beyond the scope of his audit.

Director Follweiler stated that she knew that in the private sector, Sarbanes-Oxley changed a lot of the requirements for what she needed to prepare for her audit in her private job. She asked how it affected a school district such as having a paper trail saved for five to seven years, depending on the type of document.

Mr. Gorman replied that Sarbanes-Oxley did not change the internal controls that an entity was supposed to have, whether they were the controls in place from an operating standpoint, which was beyond the scope of a CPA audit or its internal controls from a financial reporting aspect. He explained that the biggest thing that Sarbanes-Oxley did was to require the issuers; the companies on the stock exchanges which were under the confines of the security and exchange commission to have their auditors render an opinion on whether the internal controls in place at each respective companies were working effectively on an ongoing basis. Mr. Gorman expressed that it was not a requirement at the government level or at the private industry level at this point in time. He said that people get confused between material weaknesses, significant deficiencies and controlled deficiencies.

Even though they could read the definition right out of the standards, Mr. Gorman thought it to be confusing, if one wasn't an accountant. He said that material weaknesses were the worst; significant deficiencies were the second worst; and controlled deficiencies were the least problem. In the district independent auditor's report, he had eight opinions because the accounting principles that governments followed were different than the accounting principles that private and public industry followed. They had what was called an opinion unit and a company such as General Electric had an opinion unit, which was the whole corporation. The municipal corporation had eight opinions, which were located on pages 14 and 15. The governmental activities column on the government-wide financial statements was one opinion. The business type activities column on the government-wide financial statements was the second opinion. The general fund, the capital reserve fund, and the capital project fund were found in the government funds statement. There is also a term called non-major funds or aggregated non-major funds. Each major fund, based upon criteria established by the government accounting standards board had to be a separate opinion unit. The third one he gave an opinion on was the general fund. The fourth opinion was the capital reserve fund. The fifth opinion was the consolidation of the capital project funds. The sixth opinion was the food service fund, which was not a governmental fund, but a proprietary fund. The seventh opinion was the internal service fund, which was known to the district as the self-insurance fund. The eighth fund took all of the other non-major funds and aggregated them together as one opinion unit. When he reported a material weakness or significant deficiency in the athletic fund, it was based upon what he constituted as materiality for that opinion unit. Mr. Gorman said that if he found a problem with controls and it affected the governmental activities column of the district's financial statements, in order to be considered a material weakness, the control problem would have had to create a material misstatement of over \$1,025,000. In order for the general fund materiality to be considered a material weakness would have to exceed \$771,709. To be considered a material weakness, the problems in the control of the aggregate other fund information, which included the athletic fund, would have to exceed \$9,772. He explained that if there was not a material weakness, because the known and likely known misstatements exceeded the dollar figures, then it had the potential to be either a control deficiency or a significant deficiency. He defined a significant deficiency, in monetary means, which was based on this year's standards. If the error, known and unknown, exceeded 20 percent of materiality, then there was a significant deficiency. He gave the example of an error occurring in the food service fund that exceeded 20 percent of \$21,374, it would be a significant deficiency. If it exceeded \$21,374, because the error occurred in the controls and they could potentially have problems in not recording items, it then became a material weakness. If he listed something as a material weakness, it did not mean there were \$772,000 worth of errors, because it did not necessarily mean that errors actually occurred in the recording.

It meant that by his professional judgment, there was a problem with the design of a control or it was not operating properly, and would go unnoticed with errors that could develop which could exceed that amount.

President Leeson inquired about the question regarding if the district was a low-risk auditee and his response was "no."

Mr. Gorman agreed and explained that in order to be considered a low-risk auditee, they could not have any material weaknesses and must have a clean opinion for two years. He noted that the difference between that and not being one, had to do with the amount of required testing he did on the federal programs. If the district was a low-risk auditee, he only had to test 25 percent of all federal programs received. He believed that the district's schedule for awards had over \$11,000,000 in federal dollars received for 2007-2008 school year. It would also mean that he would not have to test federal programs in which they expended no more than 25 percent of that amount. Without being a low-risk auditee, it meant he had to test more than 50 percent of the \$11,000,000. He concluded that there was a benefit for those who consistently kept good books.

President Leeson reviewed that after working with Mr. Gorman, she knew he was very thorough and appreciated it. She noted that there were a lot of problems listed in their report. She understood that some of them were due to the fact that the district was new to working with him. She added that Mr. Majewski pointed out that next year, it would probably go much easier with an adjustment to the expectations. Taking into account that it was their first year with him, she pointed out that there were still a considerable amount of problems.

Mr. Gorman replied that it was probably the largest management letter he had written in 30 years of practice. He agreed that there were problems, which needed to be addressed and fixed. He stated that a number of the problems were somewhat inter-related. He said that he expressed some of the difficulties he had to the audit committee when he met with them. Mr. Gorman commented that he did more testing than some of his peers and had a reputation of being very detail and quality oriented, so he discovered things that went unnoticed for other reasons. He noted that part of it had to do with his profession and the latitude given within the professional standards. He referred to the opinion letter on the independent auditor's report, which said that in their opinion, they were in compliance with general accepted accounting principles in all material respects. He emphasized that it did not say "in all respects." It used the term "material," which was an interpretation for each individual auditor to make regarding what they believed materiality to be. He explained that he gave the numbers of what he believed materiality should be when he was performing the audit procedures that he established to do the district's audit. Mr. Gorman added that another competent auditor could come up with a higher number, which would be the direct result of doing less testing and finding less items, which could be wrong.

It was part of the disparity in the profession because the standards left the professional judgment to the professional who performed the audit and his or her client. He used a lower threshold and tested more transactions, but noted that no auditor tested 100 percent of the transactions, which was a misnomer that people believed. He pointed out that neither the district, nor any company, could afford to pay for every transaction to be tested, with the standards stating approximately 60 percent.

President Leeson expressed that she appreciated his detail and thoroughness and thought the citizens of Bethlehem could feel very comfortable that it was done well. She questioned a number of corrections on page 34 of the financial statements.

Mr. Gorman said that there were corrections to the original draft of the PDF document sent and the reasoning was because of problems with the ability to come up with the correct budget numbers as they were entered into the system at the start of the 2007-2008 year. When he took the original adopted budget, which was sent to Harrisburg, and when they reopened the budget in May 2008 for additional federal and state grants, which were the only two items for which they could reopen a budget; when he took the total, the expenditures and appropriations did not agree and he did not know the reason. He noted that the assistant business manager tried for over a month to figure out what was wrong within the system, but since her predecessor did it and she was no longer there, they could not get the numbers in the computer system which were shown for appropriations, to match what the budget should have been in the system. He stated that there was less in the system than what was appropriated. As a result, they took the original budget plus the reopening expenditures and revenues, broke them down by the categories listed on page 34 and then made budgetary transfers to correlate and make sure that every function was under budget, except those that were allowed to by law to exceed budget, which were debt service and interfund transfers. He explained that both categories of appropriations or expenditures could exceed budget without violating school law.

President Leeson questioned if they showed they were basically \$2,500,000 in the black when they were actually \$3,100,000 in the red.

Mr. Gorman explained that there were two columns, the original and the final, in the budget amount columns. The report was new and was out for only a few years and was a requirement. The original budget represented what was submitted on the PDE-2028 form that Mr. Majewski submitted to Harrisburg. It was what the board approved in June 2007 for the fiscal year of 2007-2008. The final budget was supposed to represent the original budget plus any budgetary transfers made throughout the course of the year.

In addition, in this case, it also included the reopening of the budget, which occurred in May 2008 for an amount somewhere near \$2,500,000 of additional federal grant money came in, which was not anticipated in the original budget, and therefore the board approved the reopening of the budget, to add the additional revenue and the additional expenditures from the original budget which was passed. He referred to the total expenditure line and noted \$178,421,778 of expenditures and to find the total approved appropriations, they had to add the amount under fund transfers, which was \$1,657,801, and the budgetary reserve amount of \$375,562. The sum of the three figures totaled approximately \$180,460,000. He pointed to the final column and said they were already over that number by just looking at the total expenditure line, which was \$183,053,496 and included the \$2,500,000 for which they reopened the budget. The reopening was not considered part of the original budget.

Mr. Gorman commented that the board anticipated a deficit of \$1,994,000 in both the original and amended budget and they ended up with a \$4,146,558 deficit for 2007-2008. The variance or the difference between what they anticipated losing and what they actually lost, was \$2,152,558 and was located in the variance column. He concluded that it was how much worse they did, than what was anticipated.

President Leeson asked Mr. Majewski for an explanation.

Mr. Majewski commented that they were making projections throughout the spring regarding the differences discussed monthly from January through June of last year would parallel very much with the end results. Most of them would be the same explanations, as he would have provided earlier. He offered to provide them again, but he knew they had a monthly review, as they did last year, and he projected a deficit last year. He explained that they could review them again.

Director McKeon inquired about the budget submittal to Harrisburg and noted there were two categories where they might exceed the projected or budgeted amount.

Mr. Gorman stated that it was not on the submittal of the budget, but he referred to the law within the Commonwealth that stated governments could not overexpend their appropriated budget, but added that there were two exceptions. He explained that debt service and interfund transfers were the two items where they could overexpend the budget without violating the budgetary law in Pennsylvania. As long as those were the items creating the overexpending, they were safe-harbored, which was good to know with consideration of the district's current debt service problem.

Director McKeon asked about the ramifications if they were to exceed any other category.

Mr. Gorman replied that he never had a situation where it happened, so he offered his gut feeling, based upon past observations. Depending on how much it was exceeded, they would probably do absolutely nothing, just like they would do with the \$2,500,000 transfer. He noted that he put a caveat to the extent that knowing the Commonwealth had the authority to write the district up as distressed and could take them over if they chose to do so. That would be the biggest ramification they could have by continuing to have deficit spending and by overexpending the budget. Mr. Gorman commented that the Department of Education would basically take over the school district.

President Leeson stated that Mr. Majewski indicated in the management and discussion letter, he indicated there was \$11,717,000 in the governmental fund deficit on page 16. She also addressed Dr. Lewis about the issues with ticket sales and recalled that approximately one year ago there were problems in other organizations. She wondered why, at that time, they did not institute a better procedure in the district.

Dr. Lewis replied that it was his belief that they had a procedure in place but thought they could improve upon it. He noted the chart presented by Mr. Harris, expressing that every ticket was tracked. He agreed with Mr. Gorman's recommendation to bag and tear the tickets. He believed that from his perspective, both athletic directors' processes were impeccable from the time he had been at the district.

President Leeson commented that she was not questioning either of the athletic directors and added that it was not her point. She thought the recommendations had come up in other venues and she wondered why they did not institute them in the district, just to ensure they would not have problems.

Dr. Lewis responded that he was sorry but he could not answer her question and did not know where she was headed with it. He said he did not know what she was suggesting and thought they had controls in place.

President Leeson reviewed that a year ago they knew that the best practice was to rip the tickets in half and to keep account. She stated that it was not difficult question.

Dr. Lewis replied that he did not know the answer. He reiterated that he answered that he believed they had a best practice in place and had no reason to do so. He noted that the miscue with the deposit occurred within the Education Center recording of the deposits. He did not see evidence of any issuance issues. If they could tighten it up, he was in favor of doing it. He explained that he was not objecting to Mr. Gorman's recommendations and added that both athletic directors mentioned to him that they thought it was a good idea and were moving to it. He concluded that they did not have any reason to believe that they had an internal problem. The issue from a year ago was not the district's issue.

Director Amato commented that they did the same thing in Wilson School District with the charts set up, but when they did something for the PIAA, they were required to take the first and last tickets and staple them together. He thought President Leeson's question to Dr. Lewis was about change when the Joe Craig issue came up. He said that there were some things instituted that they should have picked up on, but he would not have changed and thought that it was a pretty good way to do it. He added that they could improve on it by taking the first and last tickets.

Mr. Majewski referred to page 25 – Total Governmental Funds and noted the amount of \$11,000,717 as the fund balance. He explained it was one of the locations where it had not changed. He said it was a combination of the general fund, capital reserve, capital projects, and the non-major governmentals. In most cases, they were not accumulating receipts in excess of expenditures in the capital reserve and capital projects. They might get the financing with capital projects and it was spent over a number of years; so, in one year, it shows a significant increase in the fund balance, but then two or three years afterwards, it was showing a deficit. It had to do with the flow of the funds in those areas.

Director McKeon inquired about the next step regarding the audit procedure.

President Leeson thought it would then go on the agenda for March 2, if they were to have a special board meeting, or on next month's regular agenda for acceptance.

Mr. Majewski agreed with President Leeson.

Director Dexter asked if there were any reasons why they might not consider the present agenda. She noted that last year they were pushing the board to accept the audit because of concern that it was needed for financial institutions.

Mr. Majewski replied that he would be very pleased to have it added to the agenda at the present time and receive board acceptance.

Director Dexter commented that she had no personal problem with the audit acceptance, but had a number of questions concerning how the district was responding to the audit findings rather than to the audit itself, that she forwarded to Mr. Majewski. She expressed that she was willing to accept the audit and then discuss a response to the audit at a future committee meeting.

President Leeson stated that she thought it might be better to do it all at once as opposed to having a discussion about the audit after it had been accepted. She asked if it was urgent to have it done this evening or could it be placed on the March 2 agenda.

Mr. Majewski replied that he saw no reason why they could not do it because the audit itself would not change. If anyone had questions for Mr. Gorman, they could inquire now in order to resolve them. In the absence of questions, they could accept the audit and make it a matter of the record. He also expressed gratitude to Mr. Gorman, stating that he came with a large number of very qualified individuals. He knew what he was getting into and was not looking to have it easy. He added that one could learn a lot by being challenged, which Mr. Gorman did with his staff.

Mr. Gorman said it was the first year that he audited the district and as a service he sent a copy of the audit to the Lehigh and Northampton County Prothonotary's Offices, which was a requirement by law. Additionally, he forwarded a required legal notice to the Morning Call and the Express Times to inform them that the reports were available for public inspection. He said that he was informing them because they were being billed for it. They had nine months from the end of the fiscal year to approve the report and get all of the reports out.

Director McKeon agreed with Director Dexter in that Mr. Gorman would not be changing the findings. He would not have a problem with accepting it as presented because they would be going back to look over the various areas identified by Mr. Gorman.

President Leeson pointed out that Director Dexter raised a question about the voracity of one of the statements made, which was not one of Mr. Gorman's statements. She asked her if she wanted it accepted into the records as is.

Director Dexter replied that she was sure it would not affect the audit itself, but to clarify her point, she noted that Mr. Majewski's or the district's response stated that the funds in the capital reserve fund were to be used for the Nitschmann Middle School renovation and a new construction project. As a result of the dismal fund balance of the school district, the current debt market conditions, and the unwillingness of a new board to discuss the Nitschmann Middle School project, it had failed to materialize and therefore the funds needed to be returned to the general fund. She said that the transfer was actually made in September 2007 and new board members were not seated until December 2007 and there was no expression of unwillingness to discuss the Nitschmann project. Director Dexter pointed out that they had two town meetings after the board was seated, to discuss that very project so that part did not really seem to ring true. The current debt market conditions that existed in 2009 were not the same as what existed in 2007, when they made the capital reserve transfer. The dismal fund balance position was also very different two years ago. She noted that she reviewed the minutes of the budget meeting where they made the decision to make the transfer. There was some debate about the wisdom of budgeting a transfer to balance the proposed general operating budget.

Director Dexter noted that the recommendation was that it would be okay for them to do and that it was like giving money back to the taxpayers. It was the administrative recommendation to do so in order to keep down the tax increase. The present view differed from what was recorded in the minutes as to why they did it and she thought that President Leeson was the most vocal person who spoke out against it. As a board, they did vote for the transfer, but when she saw the explanation, it did not ring true and by accepting the audit, she did not want to be on record as accepting that explanation. She concluded that the explanation was not hers because hers would probably be best contained in the minutes of a 2006 budget planning meeting.

Mr. Gorman responded that the corrective action plan that was emailed to him along with Mr. Majewski's responses was a required part of the Single Audit Act, but it had nothing to do with their audit. He explained that their audit could be found on pages 2-12, which was his letter to them as the governing body.

Director Dexter replied that she understood, but she did not want to be board member endorsing that statement, if they accepted the audit. By making the statement that she just did, she was stating that she accepted his audit, but she did not endorse that particular explanation.

Mr. Gorman noted that up until the past year, the corrective action plan would never really accompany the Single Audit Report. It was not part of the document that he gave to each of his government clients. However, because the Single Audit Act required the recipient of federal dollars to respond to the findings, he had always told his clients to take their corrective action plan and staple it to the back of the report so it would all be in one bundle when it arrived at the Federal Audit Clearinghouse. He was informed that the Federal Audit Clearinghouse was not accepting paper any longer and would be taking a PDF file, so he held up every single audit report in order to give ample time to management at all his school districts so they could respond to any findings uncovered during their particular audits and be included in one document. He added that it did not have anything to do with the audit itself.

Director Dexter stated that she wanted to clarify that the meeting date that she referenced was April 25, 2007 and was also finished commenting on the issue.

Director Follweiler commented that it was her understanding that the questions regarding the corrective action issue were not part of the audit. She made a motion to add the acceptance of the audit report to the agenda. Director McKeon seconded the motion.

DIRECTOR
FOLLWEILER –
MOTION TO ADD
AUDIT REPORT
TO AGENDA

President Leeson stated that it would be added as Item 24 to the Recommendations of the Administration.

Director Follweiler stated she wanted to address issues that were brought up earlier by members of the community. The first item was the bill from the Clinton Campaign, which was previously brought up many times. She asked if it was considered unrecovered debt.

Dr. Lewis replied that it was not a dead issue.

Director Amato commented that they would not be getting the money.

Dr. Lewis disagreed and said it was his belief that with the recent change in Washington and some connections were made which provided them with a verbal affirmation. He explained that Mr. Majewski had restructured it and sent it out. He added that Mayor Callahan was instrumental in opening a new conduit.

Director Follweiler said that otherwise she would have the student representative add it to the 200 letters they were sending to the President.

Dr. Lewis replied that they did not let it go.

Director Follweiler asked if they restructured it as unpaid debt on the district's books, since it had been eight months.

Mr. Majewski responded that they were hopeful, but he would probably have a very large allowance for doubtful accounts, such as the full 100 percent. It was one that he would rather recognize as a revenue, refund, or prior period expense, as opposed to setting up the receivable.

Director Follweiler inquired if it was somewhere in the audit, if she asked Mr. Gorman to find it in the books.

Mr. Majewski replied that he would be able to find the expenditures, but he did not set up the accounts receivable. He thought it was more conservative to not recognize it as a receivable.

Director Follweiler thought they should probably discuss it more during the next Finance Committee Meeting. She also addressed the need to get a listing of all activities where students paid a participation fee. She was aware that the band was already paying fees and wondered when the information would be available.

Dr. Lewis replied that Dr. Donaher was addressing it for the Curriculum Meeting. He said that they would get it out as soon as possible.

Director McKeon commented that it was his understanding that Mrs. Clinton could not have any fundraisers to pay her debt because she was now a member of cabinet.

Director Amato also addressed the “pay to participate” issue. He pointed out that it should be a list of all of the activities that the school district required them to pay in order to participate. It was his understanding that it was not a requirement for the band members to pay in order to participate. He asked for a list of the school district activities that required students to pay to be part of the activity. He commented that it should be zero for everything.

President Leeson addressed Dr. Lewis regarding a scheduled tour of Liberty High School on March 9. She noted that there was a fairly heavy agenda for that evening and thought that March 2 had a much lighter agenda. She asked if there would be a possibility to switch the tour date.

Director Dexter suggested that if the meeting was not advertised, she asked if they could hold the executive session and then have the tour.

Dr. Lewis agreed.

President Leeson commented that they still had a heavy schedule.

Director Dexter pointed out that it did not change the end of the meeting, but it helped to accommodate Director Amato’s request to keep the executive session at the beginning of the meeting.

It was agreed to hold the executive session at 6:00 p.m. and then have the tour at 6:30 p.m.

President Leeson said that earlier, a speaker inquired about field trip money for special or thematic programs. She thought they had maintained the money for the thematic programs but they had taken out field trip funding. She asked Dr. Lewis if that was correct.

Dr. Lewis replied that he believed that field trips were reduced across the board. They assisted with some of the trips and deferred to Mrs. Katona for further comment. He added that he thought she was rebuilding some for next year’s budget.

Mrs. Katona stated that she did not have exact numbers but she knew that they pretty much took out the money for field trips this year. They had supported the thematic trips, as they had been able to, with the groups stepping up to do fundraising. If there was something they could not get and were able to support it, they had done so. They wanted to make sure that next year they would be able to state that they would support them and be able to provide transportation for them. She said that she was working with information she obtained from Mr. Himmelberger from the previous year’s trips and put together a total for next year to put into the budget to support the programs.

President Leeson commented about the way the mother and daughter spoke, stating that it sounded as if there was a significant reduction in funding of thematic programs. Her understanding now from Mrs. Katona was that some of the programs were helping by doing some fundraising, but not that the programs had been significantly impacted and that they were not able to do some of the trips that were integral to their academic program. It was not her understanding that they had done that.

Mrs. Katona replied that as she stated, they tried to continue to support transportation as they could, but as they had been doing fundraising, they had been able to go ahead with it. There was a request for them to re-examine unnecessary trips that could be cut back on for this year. She explained that she would have to speak with the administrators and/or teachers involved in the specific thematic program.

Director Dexter commented that it occurred to her that when the speaker was talking about one of the trips that were cut, it involved taking the students to the homeless shelters and serving in the soup kitchens. She brought attention to a National Service Learning Conference, which cost \$3,000 for two people to attend a conference. She reviewed that they received a copy of a memorandum stating that if a conference was not approved, the funds in the budget line could be lost. She asked if they could use the same grant fund for some academic programs such as the experiential learning programs to connect the students to service as in taking the students to the homeless shelter, the soup kitchen, or to prepare the Canal Park for spring.

Mrs. Cintrón replied that it might be possible, but it was not what they said they were going to do with the money when they submitted the grant application.

Director Dexter questioned what intent was noted on the grant application.

Mrs. Cintrón responded that she did not have the information with her but she could obtain it. She noted there were a number of activities, including the conference. She explained that when any grant was submitted, they had to put forth exactly what they planned on doing with it. The grant was accepted or rejected, based on the proposed activities. There were ways of changing the activities if they could not carry them out so they would not lose the funds. The application was judged on the merit of the activities.

Director Dexter asked if the two people did not attend the conference, would the district lose the grant funds or might they lose them.

Mrs. Cintrón replied that they might lose them. If they wanted to change the activity to something else and the department felt that they would not support it, then they could not use the funds for the activity.

Director Dexter asked how much time was involved in finding out.

Mrs. Cintrón said that they would have to submit a budget revision and wait for an answer. The time involved would depend on the particular department within the Department of Education. She asked if there was a specific alternate activity in mind that would cost the same amount of money.

Director Dexter stated that she did not know the cost, and thought it might be too late because the conference they were asked to approve was taking place in less than one month. The district did not have funds to transport academic students who wanted to learn about community service and be part of experiential learning and the service program and that was where she would rather use the funds. If the government wanted to give them \$3,200, she would rather use it to provide transportation and supplies to do that type of activity instead of sending two people to Tennessee or anywhere else. She noted that the district had previously sent people to a conference in Philadelphia because she recalled one of the expenses related to an inquiry she made two years ago. She was concerned about getting the most for the money, not only with local dollars, but also federal and state dollars. They needed to recognize that maybe conference spending was not the best way to spend their dollars all the time in consideration that academic programs were suffering.

Mrs. Cintrón replied that she agreed, however, sometimes the grants dictated what they would and would not fund. She was not sure if the particular grant in question would be willing to fund transportation. She expressed without doubt, that professional development, including conference attendance, was a big-ticket item on most grants. She added that they did not want to fund everyday activities but wanted to fund people gaining knowledge about running programs, so they were willing to put the money into professional development activities. She also noted that one month was not enough time to submit a budget revision and obtain an answer.

Director Dexter commented that when dealing with the government one was always dealing with bureaucracy. It was not like they could call someone tomorrow to agree to do it.

Dr. Lewis presented the following Recommendations of the Administration:

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OF THE
ADMINISTRATION

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1. ***Proposed General Operating Budget for the Colonial Intermediate Unit 20 for 2009-2010 School Year***

INFORMATION:

The Colonial Intermediate Unit 20's Proposed General Operating Budget for the 2009-2010 school year has been submitted to the component schools districts for approval. The budget includes administrative services, curriculum and instructional services, management services, instructional materials services, and ancillary programs totaling \$2,912,140. A comparison with the current year is shown herein:

	<u>Expenditures</u>
Proposed General Operating Budget 2009-2010	\$2,912,140
General Operating Budget 2008-2009	2,822,580
Increase	\$ 89,560

The overall increase in the Colonial Intermediate Unit 20's Proposed General Operating Budget for the 2009-2010 school year is 3.17 percent. The total portion of that budget to be withheld from school districts is \$511,990. The share for each district will fluctuate based on changes in weighted average daily memberships and market values. The Bethlehem Area School District's contribution for 2009-2010 will be the sum of \$102,796.35. This is an increase of \$2,963.00 or 2.97 percent.

RECOMMENDATION:

That the 2009-2010 Proposed General Operating Budget for the Colonial Intermediate Unit 20 be approved as presented.

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

2. *Proposed Northampton Community College's Budget for the 2009-2010 School Year*

INFORMATION:

The Northampton Community College (NCC) Proposed Budget for the 2009-2010 school year has been submitted to the sponsoring school districts for approval. The 2009-2010 general operating and capital outlay budgets that are shared by the districts cause the Bethlehem Area School District to include in its 2009-2010 Budget the amounts shown below:

	NCC 2009-2010 <u>Budget</u>	BASD 2009-2010 <u>Budget</u>
General Operating Expenditures	\$5,494,768	\$2,038,668
Total	\$5,494,768	\$2,038,668

The Bethlehem Area School District's share of the Northampton Community College's 2009-2010 Proposed Budget is \$2,038,668 as compared to \$1,980,317 for the 2008-2009 school year. This is an increase of \$58,351 or 2.95 percent.

RECOMMENDATION:

- a. That the Northampton Community College's Proposed Budget for the 2009-2010 school year be approved as presented.
- b. It is further approved that the administration be authorized to disburse the \$2,038.668 of Bethlehem Area School District funds, used to balance the community college budget, when billed by the college.

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

3. *Pool Grate Covers Update*

INFORMATION:

The Virginia Graeme Baker Pool Safety Act was signed into law on December 19, 2007. This legislation addresses entrapment hazards of every commercial and public pool in the nation. Retaining a design professional to examine drain compliance issues and to offer appropriate solutions to resolve identified deficiencies is needed to obtain Virginia Graeme Baker compliance. The initial procedure required for compliance involves a complete assessment of the profiles and interior dimensions of all drain assemblies. The federal government and the local health department will accept this action as an effort to bring district pools into compliance, and delay any action to close district pool operation.

RECOMMENDATION:

That the Board of School Directors authorizes the administration to retain the services of Wallover Architects to conduct a review analysis of Virginia Graeme Baker compliance issues at both district pools at a cost not to exceed \$5,000.

Cabinet Code: NA
Account Code: 10-2600-330-000-0800-00001
Budgeted: \$ 50,000.00
Program Code: 800
Expended: \$ 23,144.00
Remaining Balance: \$ 26,856.00

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

4. *High School Science Sequence Revisions*

INFORMATION:

At the February 9, 2009, Board Curriculum Committee Meeting, the combined science departments of both high schools, along with the Supervisor of Science, presented their draft for the new science sequence for high school students. The combined departments have studied the course offerings of other school districts, analyzed the Pennsylvania Department of Education Eligible Content for the Science PSSA test, and communicated with higher education science faculty, informal science educators, and local industry to determine the best sequence to prepare our students for the PSSA, future scientific study, and success in an increasingly scientific world. The committee's recommendation is to mandate a fourth credit of science for all students in the Bethlehem Area School District, and to modify the science sequence for all students as noted below.

RECOMMENDATION:

That the Board of School Directors approves that the science sequence at both high schools be modified as follows:

- a. All students will be required to take four credits of science, beginning with the Class of 2013.
- b. Honors students will take science courses in the following sequence: Honors Biology, Honors Chemistry, Honors Physics, and a selection from the following Advanced Placement (AP) and Honors courses to complete their enrollment: AP Biology, AP Chemistry, AP Physics, Honors Anatomy and Physiology.
- c. All other students will take science courses in the following sequence: Biology, Earth and Environmental Sciences, Chemistry, and either Physics or other science elective.

President Leeson stated that she would be approving the High School Science sequence, but noted that they received it a second time with no revisions and without information. She expressed that she was very disappointed that they did not receive additional information. She was aware that they needed the sequence now, in order to get ready for next year. She concluded that she was voting yes because of the urgent nature, but she reiterated that she thought they should have received more information as requested.

The administration's recommendations 4, 7, 18, and 24 were considered together.

5. *Student Discipline – #0964250, #0971979, #0973456, and #1001704 – Adjudications*

INFORMATION:

The Board of School Directors of the Bethlehem Area School District has received and reviewed the following information regarding misconduct by four students in violation of District Policy 233.

RECOMMENDATION:

That the Board of School Directors adopts the proposed adjudications relating to Student Numbers: 0964250, 0971979, 0973456, and 1001704.

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

6. *Student Discipline - #0943053 and #0954883 - Petitions*

INFORMATION:

The Board of School Directors of the Bethlehem Area School District has received and reviewed the following petitions to return from expulsion from two students.

RECOMMENDATION:

That the Board of School Directors adopts the petitions relating to Student Numbers 0943053 and 0954883.

Item 6 (with reference to Student 0943053) passed 5 – 2.

Item 6 (with reference to Student 0954883) passed 7 – 0.

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

7. *Muzak Heart and Soul Foundation – Muzak Matters Grant*

INFORMATION:

The Muzak Heart and Soul Foundation is an organization dedicated to redefining and supporting music education. Muzak Matters Grant awards in 2009 will focus on providing new and exciting ways to help children achieve their musical aspirations. Grant requests must articulate specific music program needs for existing and/or planned programs.

If awarded, these funds will be used to enhance the district's All-City Music Festival, a performance by fifth grade instrumental music students from the 16 elementary schools. It will allow the district to purchase new music, provide transportation to rehearsals and concert venues, initiate a partnership with the Allentown Band, present two concerts, and fund a culminating breakfast for fifth grade All-City Music Festival participants.

RECOMMENDATION:

That the administration be authorized to submit a Muzak Heart and Soul Foundation Muzak Matters Grant application for the 2009-2010 school year in the amount of \$10,479.57.

Director Koch noted that regarding past grants, they were at times obligated to continue the programs for a number of years. They often had parents stating that the program was wonderful and would request that it not be cut, even though the district would have the additional expense. She asked if the music program would experience the same trap.

Dr. Lewis replied that the program was funded year in and year out. He thought the principal who pursued the grant did not want to see the All-City Music Festival canceled. He was not sure if the grant would be obtained in future years. He explained that the purpose behind the grant application was to continue to fund a music program that everyone felt was valuable.

Mrs. Katona added that the principal was also going down different avenues to attempt to obtain funding so the All-City Music Festival would not fade away. They were not, in essence, solely relying on the grant, in order to keep it going.

Director Koch asked if the program was previously established.

RECOMMENDATIONS OF THE ADMINISTRATION – February 23, 2009

7. *Muzak Heart and Soul Foundation – Muzak Matters Grant* *(continued)*

Dr. Lewis replied that they were not establishing a new program.

The administration's recommendations 4, 7, 18, and 24 were considered together.

8. *Conference/Staff Trip Attendance***RECOMMENDATION:**

That the following conference for staff be approved:

March 16-18, 2009 Parent Education and Advocacy Leadership (PEAL) Inclusion Conference Pittsburgh, Pennsylvania	\$1,615.32 State/Inclusive Practices Grant
March 18-21, 2009 20th Annual National Service Learning Conference - Growing Hope, Cultivating Change Nashville, Tennessee	3,203.74 Federal/Learn and Serve Grant
April 2-5, 2009 The National Literacy Coaching Summit Corpus Christi, Texas	4,530.00 State/PA PACT Grant

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

9. *Field Trip Attendance*

RECOMMENDATION:

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

March 4-7, 2009 (2 Freedom High School Students and 3 Liberty High School Students) Pennsylvania Music Educators Association (PMEA) Region Band Festival Dingmans Ferry, Pennsylvania	\$360.00 General
March 18-20, 2009 (1 Freedom High School Student and 1 Liberty High School Student) Pennsylvania Music Educators Association (PMEA) Region Orchestra Festival Hazelton, Pennsylvania	198.00 General
May 8-9, 2009 (95 Broughal Middle School Students) Music in the Parks Festival Pittsburgh, Pennsylvania	0.00 All expenses will be fundraised
March 25-30, 2010 (24 Northeast Middle School Students) Fourth Annual Disney Youth Education Series (Y.E.S.) Program Orlando, Florida	0.00 All expenses will be fundraised

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

10. *Resignations*

RECOMMENDATION:

Instructional

1. NAME: **Eick, Cristin**
 ASSIGNMENT: Farmersville (.6)/Freedom (.4), Instrumental
 Music Teacher
 REASON: Personal
 EFFECTIVE: April 3, 2009

2. NAME: **Hodges, Jilda**
 ASSIGNMENT: District-wide, Psychologist
 REASON: Personal
 EFFECTIVE: March 16, 2009

10. *Resignations***RECOMMENDATION:*****Noninstructional***

1. NAME: **Frankenfield, Sharon**
 ASSIGNMENT: East Hills, Teacher Assistant
 REASON: Retirement
 EFFECTIVE: June 6, 2009

2. NAME: **Lassiter, Dominique**
 ASSIGNMENT: Child Care, Assistant Center Supervisor,
 2.5 hours, straight shift, 10 months
 REASON: Personal
 EFFECTIVE: January 12, 2009

3. NAME: **Miller, Paul Jr.**
 ASSIGNMENT: Maintenance, M-1
 REASON: Retirement
 EFFECTIVE: April 15, 2009

4. NAME: **Miller, Shirley**
 ASSIGNMENT: Liberty, Teacher Assistant
 REASON: Retirement
 EFFECTIVE: April 27, 2009

10. *Resignations*

RECOMMENDATION:

Miscellaneous

- | | | |
|----|-------------|----------------------------------|
| 1. | NAME: | Sclama, William |
| | ASSIGNMENT: | Freedom, Boys Soccer, Head Coach |
| | REASON: | Personal |
| | EFFECTIVE: | February 6, 2009 |

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

11. *Leaves of Absence***RECOMMENDATION:*****Instructional***

1. NAME: **Musella, Amy**
 ADDRESS: Easton
 ASSIGNMENT: Freemansburg, Speech Therapist
 REASON: Family Medical Leave of Absence
 EFFECTIVE: February 2, 2009, intermittently, until the end of the
 2008-2009 school year

2. NAME: **Schantz, Robert**
 ADDRESS: Allentown
 ASSIGNMENT: Donegan, Art Teacher
 REASON: Family Medical Leave of Absence
 EFFECTIVE: January 26, 2009, intermittently, until the end of the
 day on February 3, 2009

3. NAME: **Van Hise, Michele**
 ADDRESS: Nazareth
 ASSIGNMENT: East Hills, Grade 6 Teacher
 REASON: Childrearing Leave of Absence
 EFFECTIVE: March 11, 2009, until the end of the 2008-2009
 school year

11. *Leaves of Absence***RECOMMENDATION:*****Noninstructional***

1. NAME: **Novak, Mary**
 ADDRESS: Bethlehem
 ASSIGNMENT: Freedom, Teacher Assistant
 REASON: Family Medical Leave of Absence
 EFFECTIVE: January 29, 2009, intermittently, until the end of the
 2008-2009 school year

2. NAME: **Rich, Terrianne**
 ADDRESS: Bethlehem
 ASSIGNMENT: Northeast, General Kitchen Help
 REASON: General Leave of Absence
 EFFECTIVE: January 27, 2009, until the end of the day on
 January 30, 2009

3. NAME: **Smith, Michele**
 ADDRESS: Bethlehem
 ASSIGNMENT: Lincoln, General Kitchen Help
 REASON: General Leave of Absence
 EFFECTIVE: January 16, 2009, until the end of the 2008-2009
 school year

4. NAME: **Turner, Martha**
 ADDRESS: Bethlehem
 ASSIGNMENT: Asa Packer, General Kitchen Help
 REASON: General Leave of Absence
 EFFECTIVE: January 23, 2009, until the end of the day on
 January 30, 2009

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

- | | | |
|----|---|---|
| 1. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Blanco, Amanda
Alburtis
Kutztown University, B.S.
Miller Heights, Academic Integration Specialist
1 year, Pennsylvania
Long-term Substitute
\$39,689, prorated (Bachelor's, Step 2)
February 24, 2009, and terminating at the end
of the 2008-2009 school year, or upon the return
of L. Werkheiser |
| 2. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:

STATUS:
SALARY:
EFFECTIVE: | Hummel, Kyle C.
Bath
Moravian College, B.A.
Freemansburg, (.5)/Miller Heights, (.2)/Thomas
Jefferson, (.3) Vocal Music Teacher
Temporary Professional Employee
\$39,389, prorated (Bachelor's, Step 1)
February 24, 2009 |
| 3. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
STATUS:
SALARY:
EFFECTIVE: | Perry, Jonathan R.
Bethlehem
DeSales University, B.S.
Liberty, Mathematics Teacher
Long-term Substitute
\$39,389, prorated (Bachelor's, Step 1)
February 24, 2009, and terminating at the end
of the 2008-2009 school year, or upon the return
of S. Carvellas/M. Wagner |

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

1. NAME: **Chami, Abdou**
 ADDRESS: Whitehall
 ASSIGNMENT: Liberty, Monitor
 SALARY: \$16,298, prorated (Noninstructional Meet and Discuss,
 Category KK, Step 1, to be adjusted upon completion of
 the Noninstructional Meet and Discuss Bargaining
 Agreement)
 EFFECTIVE: February 24, 2009
2. NAME: **Farrell, Catharine**
 ADDRESS: Easton
 ASSIGNMENT: James Buchanan, Teacher Assistant, Special Education,
 Learning Support, full-time, 6.75 hours daily
 SALARY: \$13.72 per hour
 EFFECTIVE: February 24, 2009
3. NAME: **Merker, Lisa M.**
 ADDRESS: Bath
 ASSIGNMENT: Governor Wolf, Teacher Assistant, Special Education,
 Learning Support, full-time, 6 ¾ hours daily
 SALARY: \$13.72 per hour
 EFFECTIVE: March 9, 2009
4. NAME: **Rosado, Germaine**
 ADDRESS: Bethlehem
 ASSIGNMENT: Fountain Hill, C-1 Custodian, Long-term Substitute
 SALARY: \$13.79 per hour
 EFFECTIVE: February 24, 2009, terminating upon the return of
 J. Brannigan
5. NAME: **Schneider, Joseph**
 ADDRESS: Whitehall
 ASSIGNMENT: Liberty, (.5)/Lincoln, (.5) Supplemental Custodian
 SALARY: \$9.00 per hour
 EFFECTIVE: February 24, 2009

12. *Nominations for Appointment*

RECOMMENDATION:

Noninstructional (continued)

6.	NAME:	Tajdar, Muzda
	ADDRESS:	Bethlehem
	ASSIGNMENT:	East Hills, General Kitchen Help, 3.5 hours daily
	SALARY:	\$11.18 per hour
	EFFECTIVE:	February 24, 2009

12. *Nominations for Appointment*

RECOMMENDATION:

Miscellaneous

1. **ASPIRE Program**
(After School Programs for Instruction, Recreation, and Enrichment)
Helpers
Freemansburg Elementary School
Diaz, Sheila
SALARY: \$7.15 per hour

2. **Coaches**
Liberty High School

Baseball			
Assistant	Rusnak, Jack	New	\$3,291.00
 Girls Soccer			
Assistant	Michael, Erin	Continuing	3,291.00
 Softball			
Assistant	Lewis, Gerald Jr.	Continuing	3,876.00
Assistant (.5)	Malasics, Lauren	Continuing	1,938.00
Assistant (.5)	Sterner, Amanda	Continuing	1,938.00
 Boys Volleyball			
Assistant	Nabavian, Ali	New	2,329.00

3. **Game Help**
Freedom High School
Applegate, Michael
SALARY: \$17.94 per hour effective December 6, 2008, and two weeks after approval of Memorandum of Understanding \$8.97 per hour

4. **Lifeskills/Academic Maintenance Program (L/AMP)**
Monitor
Williams, LaTonya
SALARY: \$9.35 per hour (to be adjusted upon settlement of Noninstructional Meet and Discuss agreement)

12. *Nominations for Appointment*

RECOMMENDATION:

Miscellaneous (continued)

5. Ninety-Day Substitutes

NAME: **Norgard, Deborah**
ASSIGNMENT: Freemansburg, Grade 2 Teacher
SALARY: \$39,389, prorated (Bachelor's, Step 1)
EFFECTIVE: January 23, 2009

6. Permanent Day-to-Day Substitutes

Broughal Middle School

Breining, Mary

SALARY: \$100.00 per day

7. Transportation – Part-time Bus Driver

Nuno, Regina

SALARY: \$15.68 per hour

12. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Instructional

Adams, Kristina
Bethlehem

Ahrens, Amy
Bethlehem

Banas, Catherine
Alburtis

Buell, Margaret
Bethlehem

DeGruccio, Gail
Bethlehem

Dillon, Abbey
Bethlehem

Evans, Dina
Bethlehem

Fluck, Ryan
Hellertown

Higgins, Jill
Bethlehem

Lee, Robyn
Allentown

Loyer, Jennifer
Bethlehem

Minnich, Marci
Bethlehem

Riedi, Andrew
Pen Argyl

Sheriff, David
Bethlehem

Snyder, Eric
Emmaus

Weychert, Robert
Easton

12. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Noninstructional

Fernandez De Castro, Percy
Lodi, New Jersey

Gilman, Fatima
Bethlehem

John, Kelly
Bethlehem

Nunnemacher, Linda
Bethlehem

Patterson, Linda
Fountain Hill

Richardson, David Jr.
Bethlehem

Saveri, Kristie
Bethlehem

Sloyer, Deborah
Catasauqua

Turk, John
Bethlehem

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

13. *Reassignments*

RECOMMENDATION:

Instructional

1. NAME: **Burke, Stacey**
 FROM: Liberty, Special Education, Emotional Support
 Teacher, Long-term Substitute
 TO: Liberty, Special Education, Learning Support
 Teacher, Temporary Professional Employee
 SALARY: \$46,465, prorated (Master's +30, Step 3)
 EFFECTIVE: February 24, 2009

13. Reassignments**RECOMMENDATION:*****Noninstructional***

1. NAME: **Kelly, Scott**
 FROM: Freedom, Supplemental Custodian
 TO: Liberty, C-1 Custodian, Long-term Substitute
 SALARY: \$13.79 per hour
 REASON: Successful Candidate
 EFFECTIVE: February 24, 2009, terminating upon the return of
 H. Held

2. NAME: **Nieves, Nancy**
 ASSIGNMENT: Donegan-Fowler Family Center, Family
 Developmental Specialist

 FROM: \$26,476, prorated (Noninstructional Meet and
 Discuss, Category II, Step 1, to be adjusted upon
 completion of Noninstructional Meet and Discuss
 agreement)

 TO: \$27,751, prorated (Noninstructional Meet and
 Discuss, Category II, Step 3, to be adjusted upon
 completion of Noninstructional Meet and Discuss
 agreement)

 REASON: Salary adjustment/documentated experience
 EFFECTIVE: September 23, 2008

3. NAME: **Rodriguez, Yaritza**
 ASSIGNMENT: Freemansburg, Family Developmental Specialist
 FROM: \$26,476, prorated (Noninstructional Meet and
 Discuss, Category II, Step 1, to be adjusted upon
 completion of Noninstructional Meet and Discuss
 agreement)

 TO: \$28,388, prorated (Noninstructional Meet and
 Discuss, Category II, Step 4, to be adjusted upon
 completion of Noninstructional Meet and Discuss
 agreement)

 REASON: Salary adjustment/documentated experience
 EFFECTIVE: September 23, 2008

13. *Reassignments*

RECOMMENDATION:

Noninstructional (continued)

4.	NAME:	Warsing, Thomas
	FROM:	Freedom, Supplemental Custodian
	TO:	Liberty, C-1 Custodian
	SALARY:	\$13.79 per hour
	REASON:	Successful Candidate
	EFFECTIVE:	February 24, 2009

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

14. *Agreement Between Board of School Directors and Noninstructional Meet and Discuss Employees*

RECOMMENDATION:

That the following Agreement between the Board of School Directors and Non-instructional Meet and Discuss employees be approved as presented.

Item 14 passed 6 – 0 (1 abstention-McKeon).

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23 were considered together.

STATEMENT OF BENEFITS

FOR

NON-INSTRUCTIONAL

MEET AND DISCUSS

NOTIFICATION OF NONDISCRIMINATION

It is the policy of the Bethlehem Area School District not to discriminate in their educational programs, activities, or employment practices based on race, color, national origin, sex, disability, age, religion, ancestry or any other legally protected classification. This policy is in accordance with state and federal laws, including Title VI of the Civil Rights Act of 1964, as amended, Title IX of the Discrimination Act of 1975, and the Americans with Disabilities Act of 1990.

For information about your equal rights, contact the Supervisor of Minority Affairs, Governmental Programs and Grants, 1516 Sycamore Street, Bethlehem, Pennsylvania, 18017, phone: (610)-861-0500, ext. 60228.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

July 1, 2008 - June 30, 2010

LENGTH OF AGREEMENT

The Agreement shall be in effect from July 1, 2008, through June 30, 2010.

LEAVES OF ABSENCE

1. Personal Day

Employees in Group 1 shall be granted one unrestricted personal day and employees in Group 2 shall be granted two unrestricted personal days per year not deductible from sick leave. Such requests shall be made on the approved form to the superintendent of schools at least 24 hours in advance. No reason for the absence need be cited. No more than five percent shall be eligible for this privilege on any one day.

2. Emergency Day

Employees in Groups 1 and 2 shall be granted two emergency days per year deductible from sick leave. Any portion of a day that is taken as an emergency absence day shall count as a full day. The following procedure shall apply:

- (a) Requests shall be submitted on the approval form to the immediate supervisor at least 24 hours in advance unless the nature of the emergency makes advance notification impossible.
- (b) Requests for emergency absence days for reasons listed in Groups 1 and 2 below shall be automatically approved by the appropriate representative of the superintendent of schools, except Item 9, Group 2, which shall be approved by the superintendent.

Group 1: Emergencies

1. Non-local doctor appointments.
2. Court appearance other than subpoena or jury duty.
3. Birth of a child.
4. Illness in immediate family (for definition of immediate family refer to "death in family" next page).
5. Home or property damage resulting from fire, flood, lightning, collision.

Group 2: Personal Responsibilities

1. Change of residence.
2. Closing purchase of family residence.
3. Graduation from college of immediate family member.
4. Marriage (the day of the marriage and the day prior to or following the marriage).
5. Election day (for election officials only).
6. Transaction of legal business.
7. Obligatory religious observances.
8. Selective service pre-induction and induction requirements.
9. Any legitimate request not listed above approved by the superintendent.

3. Death in Family

Absence on account of death in the immediate family or household, from the date of death until and including one day after the funeral, shall be recompensed at full salary. Immediate family shall be defined as father, mother, brother, sister, son, daughter, husband, wife, parent-in-law, step-mother, step-father, grandfather, grandmother, grandson, granddaughter, son-in-law, daughter-in-law, or near relative who resides in the same household, or any person with whom employee has his/her home at time of death.

One day of absence on account of the funeral of a near relative shall be recompensed at full salary. Near relative shall be defined as first cousin, aunt, uncle, niece, nephew, step-brother, step-sister, brother-in-law and sister-in-law. This does not include uncle-in-law, aunt-in-law, nephew-in-law, and niece-in-law.

4. Jury Duty

Employees who are absent for jury duty shall receive full pay for the day or days absent, less any compensation paid for such jury services. To accomplish this, the employee shall be paid his or her regular salary and shall endorse to the board any warrant or voucher received for jury duty.

5. Leave

An employee, upon request, shall be granted leave of absence without pay to campaign for public office provided such campaign activities interfere with their assigned duties. The employee shall make the request for the leave of absence at least thirty days prior to the date of such leave. If elected, and upon assuming public office, the leave of absence shall terminate.

Leave will be granted to employees who serve in the Peace Corps or VISTA. Other programs shall be subject to the approval of the board on an individual basis, and if granted, will be with a leave of absence.

All benefits shall be reinstated immediately upon return from any approved leave of absence.

6. Maternity Leave

The school district will grant a leave of absence to a female employee who becomes pregnant. Such a leave shall be for a maximum of two years from the July 1 following the date leave commenced.

As soon as the employee determines that she is pregnant, she must notify the superintendent, in writing, with a statement from her physician of the approximate date of delivery.

The employee must notify the superintendent, in writing, by the end of her fifth month of pregnancy of the date she wishes to commence her leave of absence. Such notice must include a written statement from her physician attesting the employee's ability to continue performing the schedule of her duties and responsibilities. She will be permitted to continue on active duty until such date, provided she performs the full duties and responsibilities of her position.

The employee may return at any time during the leave of absence provided she notifies the superintendent, in writing, at least 30 working days prior to the date she wishes to return and furnishes a statement from her physician attesting to her ability to resume the full performance of her duties and responsibilities. If an employee fails to notify the superintendent within 30 working days prior to the expiration of such leave or provides notice and fails to return within 24 months from July 1 following the date leave commenced, she shall be deemed to have resigned and the obligation of the school district to provide a position for her will cease. Such a maternity leave will be without pay and other benefits. In case of miscarriage or death of the infant during the maternity leave, the employee will be eligible immediately for reinstatement when an opening exists in the same or equivalent position, waiving the 30 working days notice requirement but not the physician's statement.

Upon returning, the employee shall be placed in the same position that she held at the time said leave commenced, if available; if not, to an equivalent position for which she is qualified. All benefits shall be reinstated upon her return.

Any employee who is granted a maternity leave shall be properly certified before she can return to an active position with the school district.

7. Adoption Leave

The school district will grant a leave of absence without pay or benefits to an employee who adopts a child. Such leave shall be for a maximum of two years from July 1st following the date leave commenced.

As soon as the employee determines that he/she is to adopt a child, he/she must notify the superintendent, in writing, with a statement from the adoption agency indicating the approximate date of adoption. The employee must notify the superintendent, in writing, as soon as possible as to the date he/she wishes to commence the leave of absence.

The employee may return at any time during the leave of absence provided he/she notifies the superintendent, in writing, at least 30 working days prior to the date he/she wishes to return.

If an employee fails to notify the superintendent within 30 working days prior to the expiration of such leave or provides notice and fails to return within 24 months from July 1st following the date leave commenced, the employee shall be deemed to have resigned and the obligation of the school district to provide a position for the employee will cease.

Such adoption will be without pay and other benefits. Upon returning, the employee shall be placed in the same position that employee held at the time said leave commenced, if available; if not, to an equivalent position for which employee is qualified. All benefits shall be reinstated upon his/her return.

8. Reimbursement for Organizational Dues

Effective July 1, 1995, payment for membership dues to professional organizations will be reimbursed for employees in Categories B-M up to \$150 per year; and, effective July 1, 1998, \$250 for employees in Category A. Requests for organizations that do not appear on the authorized list must be submitted to your immediate supervisor for approval. All payment requests must be approved by your cabinet member (Exhibit D).

9. Tuition Loan Program

A tuition loan program is available for full-time employees taking courses at two-year or four-year degree granting universities or colleges to improve professional competence. The courses taken must relate to the employee's job in the district, except as identified below, with such determination being made by the superintendent of schools or his/her designee. All course work needs to be pre-approved. A "B" or better needs to be earned or successful completion needs to be submitted to the superintendent of schools or his/her designee for reimbursement. Full-time employees will be allowed reimbursement for a maximum of twelve credits per contract year at the Kutztown University graduate rate. Credit and noncredit courses must be directly related to the individual's job. In the event an employee is required to take a non-job-related course to complete a job-related degree, formal documentation from the college verifying the individual's acceptance into a degree program must be provided, and the college must verify that the course is required for the degree program. If the individual leaves the district within one year of completion of a course for which reimbursement was authorized, the employee owes the district 100 percent of the amount received. If an individual leaves after one year, but before two years, the individual owes the district 75 percent of the amount received. Each additional year of service reduces the amount by 25 percent.

SICK LEAVE, HEALTH AND WELFARE BENEFITS

1. Sick Leave

On July 1 of the fiscal year, each employee in Group 1 shall be credited with a 13 day sick leave and each employee in Groups 2 and 3 shall be credited with an 11 day sick leave allowance. The unused portion of such allowance shall be accumulated from year-to-year without limitation. Employees must use their accumulated sick leave prior to the onset of the disability income protection plan.

2. Income Protection

It is agreed that the board, upon completion of the use of the above sick leave, will pay to the employees in Groups 1 and 2, 70 % of their regular salary for a period of four weeks. Upon completion of this time period, the board will pay 50% of employee's salary per week for weeks 5 through 48 for employees in Group 1, and 50% of salary per week for weeks 5 through 40 for employees in Group 2. This 52/44 week guaranteed income will be governed by the conditions and clauses incorporated in the pamphlet published by the board relative to income protection. After 5 months of benefits, the employee must show evidence of application for social security disability benefits. Seventy percent of gross salary is the maximum total benefit, including any social security benefit.

3. Hospitalization

The preferred provider organization group (PPO) or Blue Cross/Major Medical coverage will be paid by the board for employees and their dependents, including full-time students up to 23 years of age. Major medical coverage will be subject to a \$1,000,000 limit.

Employees who earn less than \$40,000 per year shall contribute through payroll deductions \$13 per pay period for single coverage, \$14 per pay for two person coverage, and \$16 per pay for a family coverage toward their medical premiums.

Effective July 1, 2008 employees who earn \$40,000 and above shall contribute through payroll deductions \$20 per pay for single coverage, \$22 per pay for two person coverage, and \$24 per pay for family coverage towards their medical premiums (Blue Cross/Blue Shield, Major Medical, Dental and Prescription Plans).

Effective July 1, 2009 employees who earn \$40,000 and above shall contribute through payroll deductions \$22 per pay for single coverage, \$24 per pay for two person coverage, and \$26 per pay for family coverage towards their medical premiums (Blue Cross/Blue Shield, Major Medical, Dental and Prescription Plans).

Effective July 1, 2009 the major medical deductible shall be \$175 annually for employees who earn less than \$40,000 per year and \$250 annually for employees who earn \$40,000 and above per year. (Note: Calculation is based on the salary in effect as of July 1.) After the deductible has been paid, the cost for covered expenses will be shared 80% by the plan, and 20% by the employee. The 20% will be capped at \$2,400 annually per covered employee. Reimbursement for covered expenses that exceed the annual cap will be at 100%, not to exceed the plan's maximum lifetime benefit.

Employees will be provided Emergency Medical Care. Effective July 1, 2001, employees will be provided with Outpatient Medical Care.

Any employee may request to enroll or change their medical plan on a yearly basis. The enrollment period for changing medical plans begins May 1 through May 31 of each year, with an effective date of change on September 1.

4. Life Insurance

The Board will provide term life insurance coverage for all employees in accordance with the following schedule:

Nearest \$1,000 to 2.5 times the salary with minimum of \$10,000.

5. Dental Insurance

The board will pay the full cost of the dental plan, up to a maximum of \$2,000 per covered individual, as explained in the Non-instructional Meet and Discuss Dental Expense Benefits Booklet. You may obtain a copy of this booklet through the Human Resource Office.

6. Prescription Drug Program

Members of the Non-instructional Meet and Discuss group and their dependents, including full-time college students up to 23 years of age, shall be provided a prescription plan. The plan will provide generic drugs, unless specifically prohibited by the physician, and will require the employee to pay \$10.00 deductible for each prescription or refill. Oral contraceptives shall be covered under the prescription plan.

7. Wellness Program

Each employee in Groups 1 and 2 is encouraged to complete an annual physical examination. For each employee, a sum of up to \$500 may be used for the employee's cost which exceed the allowance and/or payments made by the district's medical benefits or any other hospital and/or doctor plan by which the employee is covered. Funds may be used for diagnostic tests such as eye and hearing examinations, but may not include reimbursement for the employee's contributions to the district's medical premiums or for lenses.

8. Long-term Disability Insurance

Employees may participate in a long-term disability insurance program at no cost to the district other than administering the payroll deduction.

SEVERANCE/RETIREMENT BENEFITS

To be eligible for this severance payment, an employee shall meet at least one (1) of the following criteria: (a) Have served ten (10) or more years in the Bethlehem Area School District and be at least fifty-two (52) years of age; or (b) Have served ten (10) or more years in the Bethlehem Area School District and have accrued a minimum of thirty (30) years of credited service in the Public School Employees' Retirement System regardless of age.

1. Employees retiring in Groups 1 and 2 will have the following options:

Option 1: Upon retirement, the employee may receive a severance benefit for unused sick days up to 150 days at the rate of 1/3 of an individual's per diem pay or \$60, whichever is greater. Accumulated sick leave in excess of 150 days shall be credited towards the purchase of health care benefits with the same provisions/benefits that members of Non-instructional Meet and Discuss receive, including any future changes, at the rate of 1/3 of an individual's per diem pay or \$60, whichever is greater.

Option 2: Upon retirement, the employee may exchange all of his/her unused sick days for credit towards the purchase of the health care benefits with the same provisions/benefits that members of Non-instructional Meet and Discuss receive, including any future changes. The employee's decision to exchange the severance payment for unused sick days for credit toward the health care benefits at the rate of 1/3 of an individual's per diem pay or \$60, whichever is greater, must be included in the employee's formal letter of retirement.

2. Purchase of Health Care Upon Retirement

Effective July 1, 1985, employees electing retirement without penalty (superannuation retirement) may elect to subscribe to and pay for the preferred provider organization group (PPO) or Blue Cross/Major Medical coverage (medical benefits) until Medicare eligibility is attained. Failure to make payments on a timely basis as required by the administration will result in discontinuation of coverage. Employees forfeiting their right to enroll at retirement may not subsequently enroll.

Employees shall be billed for group medical benefits coverage on a timely basis according to their status: Individual, Two Person, or Family.

3. Retirees with Spouses Employed by the District

Non-instructional Meet and Discuss member retirees, who have a spouse employed by the Bethlehem Area School District whose employment continues subsequent to the effective retirement date of the Meet and Discuss Unit member retiree, shall be permitted to maintain medical benefits coverage through said spouse. Should said spouse decease while employed by or sever employment with the Bethlehem Area School District for any reason, the member retiree may elect to subscribe and to pay for continuous medical benefits coverage until Medicare eligibility is attained.

4. Tax Sheltered Account Retirement Benefit

The value of all unused leave not being applied to retiree health coverage accrued at the time of termination of employment or payable after March 1, 2009, shall be contributed as an employer contribution by the school district into a Section 403(b) tax sheltered account of the employee's choice up to the amount permissible by law. Any amounts in excess of the shelter limit will be contributed in subsequent tax years up to the amount permissible by law, payable on the first business day of the new tax year. In no case will any unused sick leave not being applied to retiree health coverage be paid directly to the employee.

TRAVEL EXPENSES

Employees who are required to drive their own vehicle in the course of their employment on behalf of the school district shall be compensated at the established district rate per mile.

PAYROLL DEDUCTIONS

1. Authorization for group membership dues deduction shall continue in effect until revoked by the employee on a form available from the group.
 - (a) Revocation filed after September 1 shall be effective until the first paycheck in the following school year.
 - (b) The right to refund money to employees under such authorization shall be solely with the group.
 - (c) The group agrees to reimburse any employee for the amount of dues deducted by the district and paid to the group which was done in error.

2. Upon authorization of the employee, for Educator's Health and Accident Insurance, for U.S. Savings Bonds, for United Fund, for investment in or the repayment of loans to the local Teachers' Credit Union, for tax sheltered annuities, and for professional dues for the local, state, and national education association, the District will make authorized deductions.

VACATION

1. Twenty (20) days' vacation with full pay will be granted employees in Group 1 after 12 months satisfactory employment. Vacation is accrued at the rate of 1.66 days per month and may be taken in the first year as it is accrued only with the approval of the superintendent.

The superintendent's memo of 5/24/79 continues to be applicable in that "five days of unused vacation may be carried forward for use in the following year, beginning July 1. If not used during that year, the five days will be lost."

2. Members are permitted to use vacation time, which has been properly accrued and certified to, over a period of fourteen months (July 1 through August 31) rather than the present twelve-month period. Requests for specific vacation dates are subject to prior approval of the superintendent of schools or his/her designee (board approved 6/18/79).

No vacation is earned during a leave of absence or while on income protection.

NOTE: Unused vacation carry-over can be saved for payment at the termination of employment. A maximum of 20 original days and 5 carry-over days are applicable.

HOLIDAY

For employees in Groups 1, 2 and 3, the holiday schedule shall be the annual schedule as adopted by the board. Those holidays shall be as follows:

- **Fourth of July Observance**
- **Labor Day**
- **Thanksgiving Day and the following Friday**
- **Christmas through New Year's Holiday**
- **President's Day**
- **Easter Holiday**
- **Memorial Day**

PLEASE NOTE: This "Holiday Calendar" is subject to all conditions, stipulations, and changes mandated by the Official School District Calendar adopted by the Board of School Directors.

Employees in Groups 2 and 3 will not receive Fourth of July Observance as a paid holiday. In addition, Non-instructional Meet and Discuss Personnel will be granted two off-duty days. The days are to be taken uniformly and will be mutually agreed upon with the administration.

SECTION 125 PLAN

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 March 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 \$3,000.00 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.

COMPENSATION

The salary schedule for each year will be established by using the following Category A, Step 15 salary:

July 1, 2008 to June 30, 2009	-	\$80,455
July 1, 2009 to June 30, 2010	-	\$82,490

Effective with the beginning of the 2009-2010 year; which shall be July 1, 2009, Hall Monitors will work 190 days per year. These days shall be the days students are actually attending classroom instruction and days immediately prior to and after the days students are attending classroom instruction, as scheduled by the building principal. The salary for Hall Monitors commencing July 1, 2009 will be 190 divided by 218 multiplied by the salary determined using the percentages of Category A Step 15 applied to the Non-Instructional Meet and Discuss Schedule

LONGEVITY

Employees in selected categories will receive a non-cumulative adjustment to their annual salary for longevity/experience after completion of the identified years of continuous service with the Bethlehem Area School District, by Category, as described in the chart directly following this paragraph. Implementation of this supplement will commence July 1, 2008. Longevity pay will only become part of the salary on July 1 after the completion of the identified years of service. The longevity supplement is provided for the categories below and will be as follows:

Categories A, B, C, D, E

Years 16-20 - \$300
Years 21-24 - \$600
Years 25- 29 - \$900
Years 30 or more - \$1,500

Categories F, G, H, I, L

Years 16-20 - \$225
Years 21-24 - \$450
Years 25-29 - \$675
Years 30 or more- \$1,125

Categories J, K, M, N

Years 16-20 - \$150

Years 21-25 - \$300

Years 26-29 - \$450

Years 30 or more - \$750

OVERTIME

Overtime for a Non-instructional Meet and Discuss employee who is eligible for overtime under the Fair Labor Standards Act does not accrue until after 40 hours are worked during a week.

ANNUAL PERFORMANCE RATING

Employees who receive an overall annual performance rating of unsatisfactory on the approved rating form will forfeit their raise for the following year.

Employees who receive an overall annual performance rating of “Needs Improvement” on the approved rating form will receive an improvement plan for the following year. If the employee’s performance has not improved sufficiently for the individual to be rated satisfactory at the conclusion of the year in which the improvement plan is implemented, the employee will be rated unsatisfactory and will forfeit a pay raise in the following year.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

**APPROVED LIST OF PROFESSIONAL
ORGANIZATIONS
FOR
NON-INSTRUCTIONAL MEET AND DISCUSS EMPLOYEES**

- Association for Childhood International
- Association of Negotiators and Contract Administrators
- Association of School Business Officials
- Governmental Finance Officers Association
- Lehigh Chapter, Pennsylvania Association of School Business Officials
- Lehigh and Northampton Association for the Education of Young Children
- National Fire Protection Association
- National Roofing Association
- Pennsylvania Association for Educational Communications and Technology (PAECT)
- Pennsylvania School Food Service Association
- Pennsylvania School Transportation Association

NON-INSTRUCTIONAL MEET AND DISCUSS CATEGORIES

<i>Group 1 - 12 Month Positions With Benefits</i>	
<u>Category A (100%)</u>	
Assistant Director of Business Affairs	Data Processing Operator
Supervisor of Transportation	Administrative Assistant to the Superintendent
Supervisor of Data Processing	Warehouse Supervisor
Supervisor of Child Accounting	<u>Category H (59.1%)</u>
	Early Childhood Assistant
<u>Category B (85.5%)</u>	<u>Category I (54.2%)</u>
Assistant Supervisor of Buildings and Grounds	Confidential Secretary
Family Centers Supervisor	<u>Category J (47.7%)</u>
Network Supervisor	Security Officer
Operations Manager, Maintenance	<u>Category K (46.3%)</u>
Developer/Administrator of Special Systems/Webmaster	Family Development Specialist
	Site Coordinator –ASPIRE
<u>Category C (78.4%)</u>	Child Care Supervisor (12 month)
Coordinator of Business Services	Support Technologist
<u>Category D (78.3%)</u>	<i>Group 2 - 10 Month Positions With Selected Benefits</i>
Database Administrator, Student Services	<u>Category K (46.3%)</u>
Database Administrator, Financial Services	Center Supervisor
<u>Category E (71.7%)</u>	<u>Category L (56.6%)</u>
Account Analyst	Attendance Officers
Assistant Supervisor of Transportation	
	<u>Category M (45.3%)</u>
	Assistant Supervisor of Dining Services
<u>Category F (66%)</u>	
Grants Facilitator Specialist	<u>Category N (27.8%)</u>
	Building Monitor
<u>Category G (62.2%)</u>	<i>Group 3 - 12 Month Positions With No Benefits</i>
Access Program Assistant	<u>Category O (14.6%)</u>
Administrative Assistant to the Assistant Superintendent for Curriculum and Instruction	Athletic Director
Benefits Assistant	<i>Group 4 - Part-time Positions With No Benefits</i>
Bookkeeper	<u>Category P (15.2%)</u>
Network Assistant	Assistant Athletic Director
Payroll Assistant	Assistant Athletic Equipment Manager
Purchasing Assistant	<u>Category Q (10.7%)</u>
	Middle School Coordinator of Athletics

**NON-INSTRUCTIONAL MEET AND DISCUSS SCHEDULE
YEAR 1 – 2008-2009**

STEP		A	B	C	D	E	F	G	H	I
	Percent	1.000	0.855	0.784	0.783	0.716	0.660	0.622	0.591	0.542
1	0.748	\$60,180	\$51,454	\$47,181	\$47,121	\$43,089	\$39,719	\$37,432	\$35,567	\$32,618
2	0.760	\$61,146	\$52,280	\$47,938	\$47,877	\$43,780	\$40,356	\$38,033	\$36,137	\$33,141
3	0.778	\$62,594	\$53,518	\$49,074	\$49,011	\$44,817	\$41,312	\$38,933	\$36,993	\$33,926
4	0.796	\$64,042	\$54,756	\$50,209	\$50,145	\$45,854	\$42,268	\$39,834	\$37,849	\$34,711
5	0.820	\$65,973	\$56,407	\$51,723	\$51,657	\$47,237	\$43,542	\$41,035	\$38,990	\$35,757
6	0.832	\$66,939	\$57,232	\$52,480	\$52,413	\$47,928	\$44,179	\$41,636	\$39,561	\$36,281
7	0.851	\$68,467	\$58,539	\$53,678	\$53,610	\$49,023	\$45,188	\$42,587	\$40,464	\$37,109
8	0.870	\$69,996	\$59,846	\$54,877	\$54,807	\$50,117	\$46,197	\$43,537	\$41,368	\$37,938
9	0.888	\$71,444	\$61,085	\$56,012	\$55,941	\$51,154	\$47,153	\$44,438	\$42,223	\$38,723
10	0.906	\$72,892	\$62,323	\$57,148	\$57,075	\$52,191	\$48,109	\$45,339	\$43,079	\$39,508
11	0.925	\$74,421	\$63,630	\$58,346	\$58,272	\$53,285	\$49,118	\$46,290	\$43,983	\$40,336
12	0.942	\$75,789	\$64,799	\$59,418	\$59,342	\$54,265	\$50,020	\$47,141	\$44,791	\$41,077
13	0.960	\$77,237	\$66,037	\$60,554	\$60,476	\$55,302	\$50,976	\$48,041	\$45,647	\$41,862
14	0.980	\$78,846	\$67,413	\$61,815	\$61,736	\$56,454	\$52,038	\$49,042	\$46,598	\$42,734
15	1.000	\$80,455	\$68,789	\$63,077	\$62,996	\$57,606	\$53,100	\$50,043	\$47,549	\$43,607

STEP		10 month								
	Percent	J	K	K	L	M	N	O	P	Q
		0.470	0.449	0.449	0.566	0.453	0.277	0.147	0.152	0.107
1	0.748	\$28,285	\$27,021	\$22,517	\$34,062	\$27,262	\$16,670	\$8,847	\$9,147	\$6,439
2	0.760	\$28,739	\$27,454	\$22,879	\$34,609	\$27,699	\$16,937	\$8,988	\$9,294	\$6,543
3	0.778	\$29,419	\$28,105	\$23,421	\$35,428	\$28,355	\$17,339	\$9,201	\$9,514	\$6,698
4	0.796	\$30,100	\$28,755	\$23,962	\$36,248	\$29,011	\$17,740	\$9,414	\$9,734	\$6,853
5	0.820	\$31,007	\$29,622	\$24,685	\$37,341	\$29,886	\$18,275	\$9,698	\$10,028	\$7,059
6	0.832	\$31,461	\$30,055	\$25,046	\$37,887	\$30,323	\$18,542	\$9,840	\$10,175	\$7,162
7	0.851	\$32,180	\$30,742	\$25,618	\$38,752	\$31,016	\$18,965	\$10,065	\$10,407	\$7,326
8	0.870	\$32,898	\$31,428	\$26,190	\$39,618	\$31,708	\$19,389	\$10,289	\$10,639	\$7,490
9	0.888	\$33,579	\$32,078	\$26,732	\$40,437	\$32,364	\$19,790	\$10,502	\$10,859	\$7,645
10	0.906	\$34,259	\$32,729	\$27,274	\$41,257	\$33,020	\$20,191	\$10,715	\$11,080	\$7,799
11	0.925	\$34,978	\$33,415	\$27,846	\$42,122	\$33,713	\$20,615	\$10,940	\$11,312	\$7,963
12	0.942	\$35,621	\$34,029	\$28,358	\$42,896	\$34,332	\$20,993	\$11,141	\$11,520	\$8,109
13	0.960	\$36,301	\$34,679	\$28,899	\$43,716	\$34,988	\$21,395	\$11,354	\$11,740	\$8,264
14	0.980	\$37,058	\$35,402	\$29,502	\$44,627	\$35,717	\$21,840	\$11,590	\$11,985	\$8,437
15	1.000	\$37,814	\$36,124	\$30,104	\$45,538	\$36,446	\$22,286	\$11,827	\$12,229	\$8,609

**NON-INSTRUCTIONAL MEET AND DISCUSS SCHEDULE
YEAR 2 – 2009-2010**

STEP	Percent	A 1.000	B 0.855	C 0.784	D 0.783	E 0.717	F 0.660	G 0.622	H 0.591	I 0.542
1	0.748	\$61,703	\$52,756	\$48,375	\$48,313	\$44,241	\$40,724	\$38,379	\$36,466	\$33,443
2	0.766	\$63,187	\$54,025	\$49,539	\$49,476	\$45,305	\$41,704	\$39,303	\$37,344	\$34,248
3	0.770	\$63,517	\$54,307	\$49,798	\$49,734	\$45,542	\$41,921	\$39,508	\$37,539	\$34,426
4	0.788	\$65,002	\$55,577	\$50,962	\$50,897	\$46,607	\$42,901	\$40,431	\$38,416	\$35,231
5	0.806	\$66,487	\$56,846	\$52,126	\$52,059	\$47,671	\$43,881	\$41,355	\$39,294	\$36,036
6	0.838	\$69,127	\$59,103	\$54,195	\$54,126	\$49,564	\$45,624	\$42,997	\$40,854	\$37,467
7	0.843	\$69,539	\$59,456	\$54,519	\$54,449	\$49,860	\$45,896	\$43,253	\$41,098	\$37,690
8	0.863	\$71,189	\$60,866	\$55,812	\$55,741	\$51,042	\$46,985	\$44,279	\$42,073	\$38,584
9	0.882	\$72,756	\$62,207	\$57,041	\$56,968	\$52,166	\$48,019	\$45,254	\$42,999	\$39,434
10	0.899	\$74,159	\$63,406	\$58,140	\$58,066	\$53,172	\$48,945	\$46,127	\$43,828	\$40,194
11	0.918	\$75,726	\$64,746	\$59,369	\$59,293	\$54,295	\$49,979	\$47,101	\$44,754	\$41,043
12	0.939	\$77,458	\$66,227	\$60,727	\$60,650	\$55,537	\$51,122	\$48,179	\$45,778	\$41,982
13	0.954	\$78,695	\$67,285	\$61,697	\$61,619	\$56,425	\$51,939	\$48,949	\$46,509	\$42,653
14	0.973	\$80,263	\$68,625	\$62,926	\$62,846	\$57,548	\$52,973	\$49,923	\$47,435	\$43,502
15	1.000	\$82,490	\$70,529	\$64,672	\$64,590	\$59,145	\$54,443	\$51,309	\$48,752	\$44,710

STEP	Percent	J 0.477	K 0.463	10 month K 0.463	L 0.566	M 0.453	N 0.278	O 0.146	P 0.152	Q 0.107
1	0.748	\$29,432	\$28,568	\$23,807	\$34,924	\$27,951	\$14,950	\$9,009	\$9,379	\$6,602
2	0.766	\$30,140	\$29,256	\$24,380	\$35,764	\$28,624	\$15,310	\$9,225	\$9,604	\$6,761
3	0.770	\$30,298	\$29,409	\$24,507	\$35,951	\$28,773	\$15,390	\$9,274	\$9,655	\$6,796
4	0.788	\$31,006	\$30,096	\$25,080	\$36,791	\$29,446	\$15,750	\$9,490	\$9,880	\$6,955
5	0.806	\$31,714	\$30,783	\$25,653	\$37,632	\$30,119	\$16,109	\$9,707	\$10,106	\$7,114
6	0.838	\$32,973	\$32,006	\$26,671	\$39,126	\$31,314	\$16,749	\$10,092	\$10,507	\$7,397
7	0.843	\$33,170	\$32,197	\$26,830	\$39,359	\$31,501	\$16,849	\$10,153	\$10,570	\$7,441
8	0.863	\$33,957	\$32,960	\$27,467	\$40,293	\$32,249	\$17,249	\$10,394	\$10,821	\$7,617
9	0.882	\$34,705	\$33,686	\$28,072	\$41,180	\$32,959	\$17,628	\$10,622	\$11,059	\$7,785
10	0.899	\$35,374	\$34,335	\$28,613	\$41,974	\$33,594	\$17,968	\$10,827	\$11,272	\$7,935
11	0.918	\$36,121	\$35,061	\$29,218	\$42,861	\$34,304	\$18,348	\$11,056	\$11,510	\$8,103
12	0.939	\$36,948	\$35,863	\$29,886	\$43,841	\$35,089	\$18,768	\$11,309	\$11,774	\$8,288
13	0.954	\$37,538	\$36,436	\$30,363	\$44,542	\$35,649	\$19,067	\$11,490	\$11,962	\$8,420
14	0.973	\$38,285	\$37,162	\$30,968	\$45,429	\$36,359	\$19,447	\$11,718	\$12,200	\$8,588
15	1.000	\$39,348	\$38,193	\$31,827	\$46,689	\$37,368	\$19,987	\$12,044	\$12,538	\$8,826

15. *Memorandum of Understanding Between the Board of School Directors of the Bethlehem Area School District and the Bethlehem Education Association*

INFORMATION:

The district pays individuals for support services for interscholastic athletic events (i.e. scorekeepers, etc.) and these individuals are classified as “Game Help” in the Collective Bargaining Agreement and sets forth an hourly rate for “Game Help” payment. Past practice has been to pay the same hourly rate to an individual whether or not he/she is a member of the bargaining unit. The district and Bethlehem Education Association wish to modify the past practice as set forth in the attached Memorandum of Understanding.

This item was tabled at the January 26, 2009, Regular Board Meeting and was reviewed at the February 9, 2009, Board Human Resources Committee Meeting.

RECOMMENDATION:

That the Board of School Directors approves the attached Memorandum of Understanding between the Board of School Directors of the Bethlehem Area School District and the Bethlehem Education Association.

Director Amato commented that it did not state what non-Bethlehem Education Association workers would be paid.

Dr. Lewis stated that it permitted the board to set the rate, which was set at one-half. He noted that he heard Mr. Harris’ comments and concerns and appreciated his position, but he thought, with all due respect, they had a great number of support staff that did the jobs. However, a vast majority also ended up getting a blended rate, which would be considerably more. He recalled the discussion with President Leeson and Director Dexter, commenting that they have had people getting in the mid to high twenty-dollars for taking tickets. He thought the purpose of it was to be fair to people, but also making a reduction in something they could control.

Director Amato pointed out that they weren’t really reducing it in any great amount.

Dr. Lewis replied that for many people, the rate that they would be paid could sometimes be a blended rate. If one was a secretary and worked a 40-hour week, anything above it, because it was a different assignment, became a blended overtime rate.

Director Amato suggested that most districts paid people a specific rate if they were part of the payroll (such as \$35) and if they were not part of the payroll and needed a separate check, they would be paid less (such as \$30). He noted that a timer or a scorekeeper could be paid a set amount (such as \$30 per game), which would be one rate. The difference would be that the person on the payroll would receive \$35 because of taxes and the person who was not on payroll received \$30.

Dr. Lewis agreed with Dr. Lewis and said he was not familiar with the history, but knew that it was all grouped together under “game help.” He explained that they were paid the same rate regardless of the job description. He thought that the argument was that the rate of pay, under the BEA contract, was considerable. He agreed with Director Amato if he was thinking about building a schedule and thought there was an opportunity in the next contract. He said that he discussed it with Mr. Zieger and did not think it belonged in the BEA contract and should be in a separate schedule. He noted that it was supplemental and they should be able to ask anyone to take tickets for \$15 or for someone to keep score for \$25. He thought that a rate could be set for positions with greater responsibility.

Director Amato said that it looked as if the BEA was open to negotiations if they went along with the present memorandum.

Dr. Lewis replied that it was a delicate matter, which is why they had a Memorandum of Understanding, because they did not want to negotiate for non-union members.

Director Amato said they should negotiate a rate for everyone, stating that in most school districts in the Colonial League, a rate was set for timers, scorers, ticket takers, and ticket sellers and if they were part of the payroll, they received \$5 more and if not, they received \$5 less. He thought there was a better way to do it.

Dr. Lewis considered it as a first step.

Director Amato thought if the BEA was going to have a Memorandum of Understanding, they should discuss going further with the structure in the way it was structured in most school districts. He suggested they poll the Lehigh Valley Conference and the Colonial League.

Director Amato moved to table the item. Director Follweiler seconded the motion. The question was called with roll call as follows: Yea, Directors Follweiler, Koch, McKeon, Amato, and Leeson – 5. Nay, Directors Dexter and Tenaglia – 2.

DIRECTOR
AMATO –
TABLE ITEM 15

The motion to table Item 15 passed 5 – 2.

President Leeson noted that she believed the item was previously tabled.

MEMORANDUM OF UNDERSTANDING
Bethlehem Area School District and the
Bethlehem Education Association

This Memorandum of Understanding between the Bethlehem Area School District ("District") and the Bethlehem Education Association ("BEA") is entered into in accordance with the provisions of the Collective Bargaining Agreement ("CBA").

WHEREAS, the District pays individuals for support services for interscholastic athletic events (i.e. scorekeepers, etc.); and

WHEREAS, these individuals are classified as "Game Help" in the CBA;
and

WHEREAS, the CBA sets forth an hourly rate for "Game Help" payment;
and

WHEREAS, the past practice has been to pay the same hourly rate to an individual whether or not he/she is a member of the bargaining unit; and

WHEREAS, the District and BEA wish to modify the past practice.

NOW THEREFORE, intending to be legally bound, the parties agree as follows:

1. The District shall first offer any "Game Help" positions to members of the Bargaining Unit.
2. If the BEA members are not interested in providing services as "Game Help", the District may offer the work to individuals outside the bargaining unit.
3. This memorandum is not intended to and does not create any contractual rights or obligations except as set forth herein.
4. This memorandum may be amended, expanded or modified any time upon the written consent of the parties, but the MOU must be reviewed and re-executed.
5. In the event of changes in state or federal law which necessitate changes to this MOU, the District and the BEA shall collaborate to promptly change this MOU to ensure compliance by the District and the BEA with state and federal requirements.

The parties hereby acknowledge the foregoing as the terms and conditions of their understanding.

Loretta M. Leeson,
President
Bethlehem Area Board of School Directors

Date:_____

Craig J. Zieger,
President
Bethlehem Education Association

Date:_____

16. *Revisions to Board Policy Number 706 – Property Records – Second Reading*

INFORMATION:

Board Policy 706 – Property Records was approved by the Board of School Directors at the November 15, 2004, Regular Board Meeting. Adjustments to the policy need to be made under Delegation of Responsibility in regards to purchasing obsolete district laptops. The policy is attached with the adjustments in bold.

The board reviewed these changes at the February 9, 2009, Board Human Resources Committee Meeting.

RECOMMENDATION:

That the Board of School Directors approves the attached revisions made to Board Policy Number 706 – Property Records.

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10 11, 12, 13, 14, 16, and 23 were considered together.

DRAFT BETHLEHEM AREA SCHOOL DISTRICT

First Reading – February 9, 2009

Second Reading – February 23, 2009

SECTION: PROPERTY

TITLE: PROPERTY RECORDS

ADOPTED: November 15, 2004

REVISED:

	706. PROPERTY RECORDS
1. Purpose	The Board recognizes that adequate property and inventory records must be maintained on all buildings, equipment, and physical property under district control
2. Authority	The Board directs that a complete inventory, by physical count, of all district-owned equipment and property records of all district buildings and grounds shall be maintained and updated at intervals that coincide with property insurance renewal.
3. Delegation of Responsibility	It shall be the responsibility of the Assistant to the Superintendent for Finance and Administration to ensure that equipment inventories are systematically and accurately recorded, updated, and adjusted annually by reference to purchase orders and withdrawal reports. Property records of facilities shall be maintained on an ongoing basis. The Assistant to the Superintendent for Finance and Administration shall maintain a system of property records which shall show, as appropriate to the item recorded: 1. Description and identification. 2. Year of purchase. 3. Initial cost. 4. Location. 5. Depreciation. 6. Current valuation, in conformity with insurance requirements. Major items of equipment shall be subject to annual physical spot check inventory to determine loss, mislocation or depreciation; major losses shall be reported to the Board.

Records of consumable supplies shall be maintained on a continuous inventory basis.

No equipment shall be removed for personal or nonschool use, except in accordance with Board policy.

Equipment shall be identified with a permanent tag that provides appropriate school district identification.

Disposal of Obsolete/Surplus Materials

As appropriate, the Superintendent shall recommend to the Board the sale of unused, unnecessary, surplus, or obsolete books, furniture, supplies, **technology**, or equipment. The Board shall, by resolution, declare the same to be disposed of by any one or more of the following methods:

1. Public auction after Board notice and approval.
2. Solicitation of bids or quotations from companies or persons engaged in a business related to the nature of the items to be disposed of.
3. Offer to the general public at prices set by the Board, by resolution, upon recommendation by the school administration.
4. Offer to suppliers of similar books, furniture, supplies, or equipment, who shall be required to state their bid for the same as a dollar discount against items they may be proposed to sell to the school district.
5. Other methods as the Board may adopt by resolution enacted at a regular or special Board meeting.
6. **When a District-owned computer has been identified as obsolete equipment by the technology administrator, the computer** ~~will be offered to staff members who were assigned the specific laptop and will be sold according to the following guidelines:~~
~~When a laptop computer has been identified as obsolete equipment by the technology administrator,~~
 - a. Staff members will be permitted to purchase their assigned computer at the fair market value as determined by usedprice.com or its

	successor site. b. Payments by check will be made payable to the Bethlehem Area School District prior to the release of the equipment. c. Staff members who purchase their own computers will also receive the charger / power cord. d. Purchases will be “as is” and the school district will have no responsibility for defects of any kind. <u>No warranty or guarantee is offered.</u> The school district Information and Technology department will no longer support the equipment. e. ~~Only software that is not licensed to the district will remain on the laptops.~~ <u>Software that is licensed to the district will be removed prior to the completion of the sale.</u> f. <u>If a staff member chooses not to purchase his/her assigned computer, it</u> Laptops not purchased by the ~~individual staff member~~ will be offered <u>for sale</u> by lottery to other staff members. <u>Any remaining computers not purchased through the lottery will be</u> disposed of according to the methods identified via 1 through 5 above. Notice of such disposal of property shall be advertised in accordance with bidding requirements. There shall be no disposal of personal property owned by the school district except by this policy.
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17. *Revisions to Board Policy Number 707 – Use of School Facilities – Second Reading*

INFORMATION:

Board Policy 707 – Use of School Facilities was revised and approved by the Board of School Directors at the April 21, 2008, Regular Board Meeting. Adjustments to the policy need to be made under Class I – District-Sponsored Activities, Class II – Community Service Groups, and to the Rental Charges form – Note 4: Circumstances Requiring a Site Manager.

The board reviewed these changes at the November 10, 2008, Board Human Resources Committee Meeting. At the November 17, 2008, Regular Board Meeting, the board tabled this agenda item as they requested additional information from the administration regarding costs associated with Category I and II of the Lease Policy. This information was provided to the board and was to be discussed at the November 24, 2008, Board Finance Committee Meeting. However, this was not discussed at the meeting on November 24, and this had to be placed on the January 12, 2009, Board Finance Committee Meeting. The costs information and this agenda item were reviewed with the board at the January 12, 2009, Board Finance Committee Meeting. This item was once again tabled at the January 26, 2009, Regular Board Meeting. A Class IA group was added regarding district approved youth athletic programs. This new information was reviewed at the February 9, 2009, Board Human Resources Committee Meeting.

RECOMMENDATION:

That the Board of School Directors approves the attached revisions made to Board Policy Number 707 – Use of School Facilities.

Director Follweiler stated that earlier, a spokesperson from the community had a good point to solidify her own notes. She commented that the two groups that they had knowledge of were agreeable with the policy. She had asked the question at the last committee meeting about other volunteer groups. She noted that the policy read that a member could go into Class 1-A after being recognized by the board. She was prepared to accept the policy as written; however, she did not see that they had an avenue to recognize the groups. She pointed out that they presently had three organizations and asked how many there were and how would they be recognized.

Dr. Lewis replied that he thought they fit the standard criteria of being all volunteer with no paid executive officers, and not owning assets, parks, playing fields, etc. He thought they could identify them by having them meet the criteria. He noted that they did not go out to identify Class III organizations and put them through a test.

Dr. Lewis pointed out that the gentleman who spoke earlier did not have a lease and added that they were uncertain if he was from an organization, which was why they requested information for follow-up conversation. If he met the standards his organization would qualify. He explained that the policy defined the classes.

Director Follweiler noted that the policy stated that it had to be recognized by the board.

Dr. Lewis explained that they recognize the board by establishing the policy. He said that they did not have to approve volunteer groups. They would set the policy by which administration administers the criteria.

Director Follweiler commented that they should probably reword it to read, “as requirements set within this policy,” versus “as recognized by the board.” She interpreted that “as recognized by the board” would mean that it would be brought to the board. She gave the recent example of girls lacrosse at Liberty High School. The gentleman had approached the board several times looking to be recognized, so she assumed before it could become a sport recognized by the schools, it would be recognized by the board. She viewed this policy in a similar vein.

Dr. Lewis thought that “as recognized by the board” spoke to policy. They established a policy and set the criteria. He did not think it was literal that they had to bring and petition the board to be recognized as Class I, Class I-A, Class II, Class III, etc.

President Leeson stated that she interpreted the policy the same way as Director Follweiler. She found it to be quite unwieldy. She said that she knew that he had worked with the organizations to come up with a solution, but she did not know if the solution was necessarily the best one. She noted that one of the problems she had with the issue was that the school facilities were community facilities and were built with community dollars. She thought they should be available and open to the community. President Leeson pointed out that they were trying to establish community in schools programs where they were opening the schools and welcoming organizations. She commented about the separation of groups, those that fed into the athletic programs and those who didn’t, such as the Boy Scouts and Girl Scouts, computer literacy and parenting classes.

Dr. Lewis replied that he thought they had been very clear.

President Leeson commented that the board would be receiving various applications.

Dr. Lewis responded that the Boy Scouts and Girl Scouts owned assets and a paid executive officer, an extensive budget with paid staff and owned camps. He thought there was a distinct difference. He said that they were school buildings, but they were strapped with a budget, which they were all trying to work through. They continued to put things back into it and someone had to pay the bill.

President Leeson replied that she did not disagree with Dr. Lewis, but, as community assets, she did not think the school district should be carrying any additional expenses for community groups. She did feel that the facilities should be made available. She added that his interpretation of the scouts differed from her interpretation along with some of the other board members. She thought that he might have seen it clearly for himself but it was not necessarily as clear for the whole board.

Dr. Lewis commented that he wished they would have the discussion during the committee meeting, which was where they worked on it in a workshop, and now, suddenly it came up at the regular meeting when it was ready for approval. He concluded that they would do whatever was the will of the board.

Director Amato said he did not agree with the policy. He stated that the district facilities should be open to the non-profit organizations that wanted to use the facilities for their membership, in order for the young people to play and excel in sports or in any type of activity. He didn't think they should be charged anything during the week because they already had custodial coverage. Dr. Lewis replied that they were not charging the organizations during the week.

Director Amato also pointed out that they often had existing coverage on weekends because there were wrestling or basketball events. If one of the organizations wanted to get in prior to a varsity event, they should get access for no cost. They would not solve their budgetary problems by putting the organizations out of business. He added that they all stated that they did not have the funds to support the activities on the weekend.

Dr. Lewis responded that they sat at the table with him and Dr. Donaher and stated that they understood the district plight and wanted to help out and worked through a compromise. He stated that earlier, the gentleman encouraged them to pass a Class 1-A. He said that he sent the board copies of letters of endorsement from the Bull Dogs and the Hurricanes and they were agreeable with the compromise. He suggested that the policy was drafted to be a compromise because they knew they were youth groups and did not have a bottomless fund to draw upon. They essentially finished in March as far as the interior facilities were concerned and they did not lease the fields. He explained that it was strictly to cover expenses to clean, maintain, and operate the facilities and he thought they were fair. The fact was that both groups brought their executive officers in and stated that it was a fair agreement and were appreciative.

Director Amato stated that his problem was that they had facilities that were built and paid for by the taxpayers' dollars and as a school district; they should make the facilities available to those organizations at no cost. It would be like them building a structure with taxpayers' money and then charge the board of directors rent to hold their meetings.

Dr. Lewis noted that they were not being charged rent.

Director Amato debated that it was then a custodial fee whatever it might be called to clean up.

Dr. Lewis brought attention to a letter he received today from a senior citizen and would copy it to the members of the board. He explained that the essence of the letter was the question of charging the senior citizen a few more dollars on his tax bill or should they charge the user for the cleaning and maintenance of the facility. He thought it was a hard question and noted that he did not disagree with Director Amato in that they should be doing as much as they could to offer the students activities. They had to have some balance in the way they funded it. If they were protesting that they would have to shut down, but they came forward and stated that it was fair and they could live with it.

Director Amato remarked that the senior citizen should not be charged anything – period. They supported the whole system until they retired. He thought it was unfair.

Director Dexter commented that the issue did come up in a committee meeting and she noted that she heard him say that he wished that it had, but she recalled that it did and specifically recalled President Leeson mentioning other groups that might be considered. It was her view that it was not really proper to develop a policy that accommodated one, two or even three groups, without considering the broad based implications that it had for others. She understood Director Follweiler's point, which she had repeatedly made on different issues, which was to try to be fair to all and to have consistency, which she appreciated. She thought the policy needed to go back to committee for more discussion regarding whether the board would recognize groups or the administration.

Director Dexter addressed the criteria and did not think they were ready to vote, and moved to table the matter.

DIRECTOR
DEXTER –
MOTION TO
TABLE

The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch, McKeon, Tenaglia, Amato, and Leeson – 7.

ROLL CALL –
TABLE ITEM 17

The motion to table Item 17 passed 7 – 0.

BETHLEHEM AREA SCHOOL DISTRICT

1st Reading – February 9, 2009
2nd Reading – February 23, 2009

SECTION: PROPERTY

TITLE: USE OF SCHOOL FACILITIES

ADOPTED: November 15, 2004

REVISED: April 21, 2008

	707. USE OF SCHOOL FACILITIES
1. Purpose	The Board recognizes that although the primary purpose of the school buildings, facilities and property is to provide students with an appropriate learning environment, the Board may make school facilities available to individuals and community groups without discrimination and in accordance with this policy, provided the use does not interfere with the educational program of the schools.
2. Authority	The Board directs that use of school facilities may be granted to individuals and community groups for the following types of activities: 1. Instruction in any branch of education, learning and the arts, consistent with the school district's mission. 2. Social, civic and recreational meetings and entertainment, and other uses pertaining to the welfare of the community. 3. Polling places for holding primaries, elections and special elections as permitted or required by state law. 4. Recreation, physical training and athletics, including competitive athletic contests for children and adults.
SC 775	The Board shall establish a schedule of fees for the use of school facilities by approved groups. The fee schedule shall differentiate between profit and nonprofit groups.
3. Delegation of Responsibility	The Superintendent or designee shall implement procedures for requesting and granting permission for use of school facilities and shall distribute the policy and procedures to individuals affected by them. An application for use of school facilities may be disapproved because of noncompliance with established policy and procedures by the Superintendent or designee.

4. Classifications	The classification scheme established in this policy will be used in determining fees or other requirements. <u>Class I – District-Sponsored Activities</u> Class I activities are those that are directly sponsored by the district or those directly supporting district activities. They include activities such as, but not limited to, school programs (open houses, concerts, etc.), college fairs, science fairs, interscholastic and intramural athletic events, and approved clubs. This group also includes, but is not limited to; alumni organizations, PTA's, ~~district-based youth athletic programs~~ and formally recognized booster groups. As district-sponsored or district supporting activities, building or custodial fees will not be charged and no insurance certificate will be necessary. <u>Class IA – District Approved Youth Athletic Programs</u> <u>Class IA activities are those district-based youth athletic programs <i>that are voluntarily run</i> formally recognized by the board of school directors. As a district approved youth athletic program the Class I fee schedule will be applied and custodial and site management fees will be charged at one-half the calculated cost.</u> <u>Class II – Community Service Groups</u> Class II represents nonprofit organizations that provide services to the communities within the district and include the Boys and Girls Scouts, Boys and Girls Club of Bethlehem, community recreation organizations supporting primarily the students of the Bethlehem Area School District, fraternal organizations, and other nonprofit community service groups. Class II organizations will be provided use of district facilities without charge, but will be required to pay custodial fees and/or other personnel fees when necessary. Lease fees will be charged per Policy 707 Attachment. They will also be required to provide an insurance certificate in the specified amounts naming the district as additionally insured. <u>Class III – All Other Organizations and Individuals</u> Class III represents all other organizations and individuals requesting use of district facilities. These groups will be required to pay building use fees, custodial fees and/or other personnel fees when necessary, and to provide an insurance certificate. District employees requesting the use of district facilities in a capacity other than their official district capacity must conform to the same requirements as any of the organizations and individuals as identified in this policy.
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5. Guidelines	<u>Application Process</u> An individual or community group requesting permission to use school buildings, facilities or school property must submit a written request on the prescribed application form two (2) weeks in advance of the proposed date to the building principal. The application must specify the portion of the school facilities requested for use; proposed activities; number of individuals participating; and the beginning and ending date, time and duration of the proposed event. Along with the completed application, the individual or group must submit the following: 1. Payment of the specified rental fee. 2. Evidence of organizational liability to limits required by district guidelines. 3. Documentation evidencing the school district shall be held harmless by the user for any liability that arises from use of school facilities by the individual or group. <u>Application Evaluation</u> No application to use school facilities shall be approved if the proposed activity would result in any of the following: 1. Conflict with any school-sponsored activity. 2. Access to school facilities closed due to renovations, maintenance, cleaning, the school calendar, or Board action. 3. Access to school facilities containing equipment or furnishings which would be detrimental to the operation of a district program if damaged or operated by an unqualified operator. 4. The proposed use would prevent or encumber district personnel from preparing school facilities for their primary purpose, because of the nature or duration of the activity. The district reserves the right to limit the duration of the lease to promote broad-based community involvement. <u>Limitations</u> When individuals and community groups receive written permission to use school facilities under this policy, such use shall be conditioned upon strict compliance with the following:
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SC511 10 P.S. 311 et seq. 20 U.S.C. Sec. 7181 et seq. 35 P.S. 1223.5	1. Individuals shall not use, access or enter upon any portions of the school facilities or their contents not specified in the approved written request form. 2. Individuals shall refrain from any conduct or activities not specifically identified in the approved written request form. 3. When advertising or promoting activities held at school facilities, individuals and community groups shall clearly communicate that the activities are not being sponsored by the school district. 4. School equipment used in conjunction with requested facilities shall be identified when the application is submitted. Users of school equipment must accept liability for any damage to or loss of equipment that occurs while in their use. Where rules so specify, no equipment may be used except by a qualified operator, provided by the school. <u>Prohibited Activities</u> The following activities are strictly prohibited in school facilities when individuals and community groups are granted written permission to use said school facilities: 1. Possession, use or distribution of illegal drugs and/or alcoholic beverages. 2. Possession of weapons. 3. Conduct that would alter damage or be injurious to any district property, equipment or furnishings. 4. Conduct that would constitute a violation of the Pennsylvania Crimes Code, and/or state and federal laws and regulations. 5. Gambling, games of chance, lotteries, raffles or other activities requiring a license under the Local Option Small Games of Chance Act, unless such activity has been expressly authorized by the district. 6. Use of tobacco products. <u>Violations</u> The school district reserves the right to remove from the schools district premises any individual or community group who fails to comply with the terms and conditions of this policy and established procedures. In the event an individual or community group violates this policy or the terms under which permission was granted to use school facilities, the individual or community group forfeits the right to submit future written requests to use school district property, unless otherwise decided by the Board.
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School Code 511, 775 PA Code Title 22 Sec. 403.1 10 P.S. 311 et seq 35 P.S. 1223.5 20 U.S.C. Sec. 7181 et seq 20 U.S.C. Sec. 7905	<u>Fee Schedule</u> Use of school facilities for activities directly related to the educational program and district operations shall be without cost to the users. Other classifications of users will pay based on the board approved Recommended Rental Charges.
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18. *Polling Places – May 19, 2009, General Primary Election and November 3, 2009, General Election*

RECOMMENDATION:

That the administration be authorized to allow the following buildings to be used as polling places for the May 19, 2009, General Primary Election, and the November 3, 2009, General Election:

Asa Packer Elementary School
East Hills Middle School
Education Center
Farmersville Elementary School
Governor Wolf Elementary School

Hanover Elementary School
Marvine Elementary School
Miller Heights Elementary School
Northeast Middle School
Spring Garden Elementary School

Director Koch expressed that as she had stated on previous occasions, there were many senior citizens who had difficulty getting into the polling places. She requested that parking spaces be set aside so they could have the ability to vote.

Director Tenaglia said that he noticed the administrators nodding their heads and questioned how it would be implemented, especially at Hanover Elementary School.

Mr. Majewski replied that they had tried to work out certain sections in certain parking areas and noted that every principal had done that to a certain degree. He did not receive many complaints and thought that it depended on the traffic flow at the time. He added that most of the activity they had at the polling places went without any major issues so what they had done in the past appeared to be working.

President Leeson commented that in the past she had gone to the Hanover Elementary polling place with senior citizens and did not have a problem with parking, which was located close to the door.

Director Follweiler saw that the Northeast Middle School polling place was now moved into the new building.

Mr. Majewski stated that he contacted the county who made arrangements to look at the new Northeast and found a polling location in the new building.

The administration's recommendations 4, 7, 18, and 24 were considered together.

19. *Budgetary Transfers – 2008-2009*

RECOMMENDATION:

That the administration be authorized to make budgetary transfers in the 2008-2009 General Fund Budget as set forth in the attachment.

The administration's recommendations 19, 20, and 21 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

BUDGET TRANSFERS
2008-2009 SCHOOL YEAR
FEBRUARY 2009

<u>FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1100	Instruction - Regular Programs	\$ 1,870
2200	Support Services - Instructional Services	\$ 4,230
5900	Budgetary Reserve/Suspense Account	
	TOTAL BUDGET TRANSFERS	<u><u>\$ 6,100</u></u>

<u>TO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2800	Support Services - Central Support Services	\$ 6,100
	TOTAL BUDGET TRANSFERS	<u><u>\$ 6,100</u></u>

20. *Treasurer's Report*

RECOMMENDATION:

That the Board of School Directors approves the Treasurer's Report dated January 31, 2009.

The administration's recommendations 19, 20, and 21 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

REPORT OF THE TREASURER
January 1 through January 31, 2009

BEGINNING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	4,727,551.41
Bank of America - General Account	1,001,467.18
Pennsylvania School District Liquid Asset Fund	25,492,948.24
Wachovia - Worker's Comp Trust Fund	643,085.30
Pennsylvania Local Government Investment Trust	77,558.64
Pennsylvania State Treasurer Invest Program	974,876.83
Wachovia Money Market	54,749.51
Bank of America Money Market	44,586.04
Commerce Bank Money Market	1,128.35
Sovereign Bank Money Market	28,962.16
PSDLAF - Term Investments	21,000,000.00
KNBT Bank - Scholarship Fund	45,971.98
KNBT Bank - Scholarship Fund	112,000.00
Baird Public Investment Advisors - 2007A Bond Fund	13,089,549.09

TOTAL CASH AND INVESTMENT BALANCE \$ 67,294,434.73

MONTHLY RECEIPTS

Local Sources	1,930,926.66
State Sources	5,865,902.05
Federal Sources	463,524.94
Other Financing Sources	0.00

\$ 8,260,353.65

MONTHLY DISBURSEMENTS

Monthly Bills Paid	7,331,571.67
Payroll	8,647,604.12
Debt Service	1,823,179.02

\$ 17,802,354.81

TOTAL FUNDS AVAILABLE

\$ 57,752,433.57

ENDING CASH AND INVESTMENT BALANCE

		<u>Interest Rate</u>
Wachovia Bank - Cash Management	2,653,943.66	0.750%
Bank of America - General Account	1,001,467.18	0.350%
Pennsylvania School District Liquid Asset Fund	14,002,058.69	varies .516 to .886%
Wachovia - Worker's Comp Trust Fund	643,104.72	0.040%
Pennsylvania Local Government Investment Trust	77,633.49	1.140%
Pennsylvania State Treasurer Invest Program	6,117,775.93	1.235%
Wachovia Money Market	54,754.01	0.100%
Bank of America Money Market	44,595.05	0.240%
TD Bank Money Market	1,128.69	0.400%
Sovereign Bank Money Market	28,965.66	0.140%
PSDLAF - Term Investments	21,000,000.00	see attachment
KNBT Bank - Scholarship Fund	45,971.98	3.750%
KNBT Bank - Scholarship Fund	112,000.00	4.300%
M&T Investment Group - 2007A Bond Fund	11,969,034.51	3.986%

TOTAL CASH AND INVESTMENT BALANCE \$ 57,752,433.57

Interest Received for January; to be posted in February \$ 51,564.57

Respectfully Submitted,

Anne M. Morton
Treasurer

21. *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.

A motion was made by Directors Koch and Follweiler to approve the acceptance of the financial report and payment of the bills, which included Items 19, 20, and 21 on the Recommendations of the Administration. The motion was carried by voice vote.

The administration's recommendations 19, 20, and 21 were considered together.

22. *Budget Information*

INFORMATION:

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

2008-2009 EXPENDITURES BY PROGRAM

Includes Year-To-Date January 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	2008-2009 UNEXPENDED BUDGET	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of January, 2009	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of January, 2008	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
						\$ (B - C = D)	% (D / B = E)			
BUILDING ALLOCATION	100	PRIN	1,428,603	1,428,603	1,250,000	178,603	12.50%	924,926	1,123,269	1,414,106
BOARD	AA	SUPT	347,150	347,150	410,000	(62,850)	-18.10%	292,045	154,433	274,834
CABINET	AB	SUPT	1,174,552	1,025,282	1,151,712	(126,430)	-12.33%	640,700	726,552	1,226,818
BUDGETARY RESERVE	AC	SUPT	100,000	100,000	-	100,000	100.00%	0	0	0
SUPT OFFICE-EQUIPMENT REPLACEMENT RESERVE	AD	SUPT	7,000	7,000	-	7,000	100.00%	0	53	2,256
SUPERINTENDENT'S OFFICE	AE	SUPT	178,300	178,300	50,000	128,300	71.96%	31,212	98,321	154,979
BUILDING STAFF	AF	SUPT	6,201,461	6,238,461	6,395,370	(156,909)	-2.52%	3,580,209	3,502,520	6,206,588
PUBLIC RELATIONS	AN	SUPT	21,143	21,143	38,500	(17,357)	-82.09%	21,433	61,796	124,907
STAFFING-TEACHERS	CA	HR	58,379,392	58,351,041	58,491,700	(140,659)	-0.24%	24,679,553	24,591,014	57,359,728
CHILD ACCOUNTING DEPARTMENT	CD	HR	242,013	242,013	234,500	7,513	3.10%	122,450	118,853	227,557
STAFFING-TEACHER ASSISTANTS	CE	HR	2,481,187	2,481,187	2,446,800	34,387	1.39%	1,276,028	1,191,104	2,525,377
STAFFING-SUBSTITUTES	CG	HR	1,273,000	1,273,000	1,273,000	0	0.00%	603,072	587,556	1,299,660
HUMAN RESOURCES DEPARTMENT	CK	HR	399,575	399,575	324,750	74,825	18.73%	213,753	218,121	331,381
STUDENT ACTIVITIES	D1	C&I	244,236	244,236	184,100	60,136	24.62%	118,679	110,788	283,999
CREDIT ACQUISITION PROGRAM	D2	C&I	27,785	27,785	55,000	(27,215)	-97.95%	24,754	19,368	54,940
CURRICULUM ENRICHMENT ACTIVITIES	D3	C&I	130,000	130,000	60,000	70,000	53.85%	45,076	84,534	191,261

2008-2009 EXPENDITURES BY PROGRAM

Includes Year-To-Date January Information

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			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 January, 2009	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of January, 2008	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
CAREER ACADEMY/RASA/ALTERNATIVE EDUCATION	D4	C&I	512,761	541,112	682,500	(141,388)	-26.13%	313,604	438,345	953,944
TESTING - K-12	D5	C&I	30,000	30,000	5,000	25,000	83.33%	3,700	13,209	14,196
ACADEMIC INTERVENTIONS	DA	C&I	100,000	100,000	140,000	(40,000)	-40.00%	81,939	58,858	137,457
MUSICAL INSTRUMENT REPAIR	DD	C&I	37,000	37,000	35,000	2,000	5.41%	25,601	19,422	34,016
DEPARTMENT OF INSTRUCTION	DE	C&I	286,600	286,600	194,600	92,000	32.10%	83,084	129,226	302,642
READING RECOVERY/PROJECT READ	DF	C&I	28,212	28,212	25,000	3,212	11.39%	8,191	24,640	26,526
INSTRUCTIONAL MTLS RESERVE	DG	C&I	500,000	500,000	475,000	25,000	5.00%	409,474	732,481	683,771
EQUIPMENT REPAIR	DM	C&I	13,000	13,000	13,000	0	0.00%	12,372	19,111	11,116
PLANETARIUM	DO	C&I	2,444	2,444	2,000	444	18.17%	0	2,575	2,578
SUMMER SCHOOL - SECONDARY	DQ	C&I	50,000	50,000	60,000	(10,000)	-20.00%	56,584	143,051	141,644
DRIVER EDUCATION	DS	C&I	90,125	90,125	79,500	10,625	11.79%	40,290	27,338	98,483
ASST SUPERINTENDENT FOR CURR & INSTRUCT	DT	C&I	630,006	593,006	500,000	93,006	15.68%	276,685	371,683	598,443
INTERSCHOLASTIC ATHLETICS	DU	C&I	1,532,629	1,532,629	1,300,000	232,629	15.18%	479,805	578,936	1,418,521
INTRAMURALS	DV	C&I	74,000	74,000	72,000	2,000	2.70%	25,766	35,576	87,824
ATTENDANCE SERVICES	E4	STD SVCS	86,160	86,160	91,335	(5,175)	-6.01%	44,123	55,598	99,655

2008-2009 EXPENDITURES BY PROGRAM

Includes Year-To-Date January Information

			2008-2009						2007-2008	2007-2008
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			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 January, 2009	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of January, 2008	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
MINORITY AFFAIRS/GOV. PROGRAMS/GRANTS	EB	STD SVCS	29,939	29,939	25,000	4,939	16.50%	14,418	16,899	26,033
SPARK - EARLY CHILDHOOD/SUMMER	EC	STD SVCS	629,992	629,992	625,000	4,992	0.79%	290,314	316,312	647,621
SCHOOL RESOURCE OFFICERS	EF	STD SVCS	281,000	281,000	290,000	(9,000)	-3.20%	0	270,000	311,097
HOMEBOUND INSTRUCT/REGULAR ED.	EG	STD SVCS	155,000	155,000	185,000	(30,000)	-19.35%	63,419	73,725	211,633
HEALTH SERVICES - MEDICAL	EH	STD SVCS	51,822	51,822	42,000	9,822	18.95%	20,570	18,946	38,691
HEALTH SERVICES - DENTAL	EJ	STD SVCS	10,364	10,364	9,000	1,364	13.16%	1,848	4,909	8,781
STUDENT SERVICES	EK	STD SVCS	2,500	151,770	154,800	(3,030)	-2.00%	27,406	2,694	11,835
GUIDANCE (SUMMER)	ET	STD SVCS	35,000	35,000	40,000	(5,000)	-14.29%	33,229	27,774	35,461
ENGLISH ACQUISITION	EY	STD SVCS	260,963	260,963	250,000	10,963	4.20%	134,698	158,976	257,651
BUSINESS DEPT-ACCOUNTS PAYABLE	GA	F&A	1,006,527	1,006,527	940,000	66,527	6.61%	695,891	672,461	934,866
BUSINESS DEPT-ACCOUNTS RECEIVABLE	GB	F&A	1,024,077	1,024,077	925,000	99,077	9.67%	394,648	422,639	878,968
DEBT SERVICE	GC	F&A	19,298,602	19,298,602	23,400,000	(4,101,398)	-21.25%	15,304,270	13,334,024	17,128,686
EMPLOYEE BENEFITS	GD	F&A	29,826,642	29,826,642	31,000,000	(1,173,358)	-3.93%	13,478,383	13,860,170	31,522,855
INSURANCE	GE	F&A	643,658	643,658	615,000	28,658	4.45%	468,727	565,260	613,658
INTERSYSTEM PAYMENTS	GF	F&A	20,746,441	20,746,441	19,875,000	871,441	4.20%	14,777,274	13,101,237	19,096,341

2008-2009 EXPENDITURES BY PROGRAM

Includes Year-To-Date January Information

			2008-2009					2007-2008	2007-2008	
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			2008-2009 APPROVED BUDGET	2008-2009 AMENDED BUDGET	2008-2009 PROJECTED EXPENDITURES JUNE 30, 2009	2008-2009 UNEXPENDED BUDGET	2008-2009 UNEXPENDED BUDGET	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of January, 2009	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of January, 2008	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
						\$ (B - C = D)	% (D / B = E)			
RESERVE FOR ENCUMBRANCES	GG	F & A						0	84,258	
PHOTOCOPIERS	GP	F&A	607,692	607,692	530,000	77,692	12.78%	259,804	341,957	591,247
SPECIAL EDUCATION	LF	SPEC ED	545,959	545,959	541,000	4,959	0.91%	389,067	449,524	737,837
HOMEBOUND INSTRUCTION / SPECIAL ED.	LG	SPEC ED	30,000	30,000	37,000	(7,000)	-23.33%	14,311	9,225	36,862
MAINTENANCE / CUSTODIAL DEPARTMENT	NA	B&G	11,002,051	11,002,051	9,700,000	1,302,051	11.83%	4,877,473	4,936,582	9,698,327
MAINTENANCE DEPT - SUPPLIES	NE	B&G	459,600	459,600	453,000	6,600	1.44%	309,251	333,330	488,199
MAINTENANCE DEPT - CONTRACTED SERVICES	NF	B&G	966,500	966,500	1,050,000	(83,500)	-8.64%	735,086	788,446	1,120,546
TRANSPORTATION DEPARTMENT	NT	B&G	4,521,504	4,521,504	4,400,000	121,504	2.69%	2,495,938	2,431,303	4,481,857
TECHNICAL SERVICES	TK	TECH	650,186	650,186	830,000	(179,814)	-27.66%	687,656	607,635	772,720
INFO & COMMUNICATIONS TECHNOLOGY DEPT.	TL	TECH	2,078,389	2,078,389	1,960,000	118,389	5.70%	1,610,868	1,548,886	1,867,938
DATA PROCESSING DEPARTMENT	TN	TECH	733,556	733,556	768,000	(34,444)	-4.70%	529,923	519,507	840,709
TOTALS			\$172,206,298	\$172,206,298	174,685,167	(\$2,478,869)	-1.44%	\$92,049,577	\$90,135,011	\$168,649,626

23. *Salary Increase – Bus Monitors***INFORMATION:**

Unit clarification has placed the bus monitors in the bus drivers bargaining unit. That requires the school district to negotiate with that group who is represented by the Teamsters Union Local #773. The Union has agreed to defer further negotiations of the terms and conditions of employment for the Bus Monitors, and to approve concurrent negotiations in the upcoming negotiation process of the bus drivers' collective bargaining agreement scheduled to terminate August 31, 2009. This was conditioned upon the school district agreeing to provide bus monitors a wage rate increase of three percent (3%) retroactive to January 1, 2009.

RECOMMENDATION:

That the Board of School Directors establish the rate of pay for the position of bus monitor at \$10.04 per hour.

Directors McKeon and Follweiler moved the administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, and 23. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch (with the exception of Item 6 – Student 0943053 – No), McKeon (abstention – Item 14), Tenaglia, Amato (with the exception of Item 6 – Student 0943053 – No), and Leeson.

ROLL CALL –
RECOMMENDATIONS
1, 2, 3, 5, 6, 8, 9, 10, 11,
12, 13, 14, 16, and 23

All items with the exception of Items 6 (Student 0943053) and 14 passed 7 – 0.
Item 6 (with reference to Student 0943053) passed 5 – 2.
Item 6 (with reference to Student 0954883) passed 7 – 0.
Item 14 passed 6 – (1 abstention) – 0.

The administration's recommendations 1, 2, 3, 5, 6, 8, 9, 10 11, 12, 13, 14, 16, and 23 were considered together.

24. *Annual Audit Report*

RECOMMENDATION:

That the Annual Audit Report for the fiscal year ending June 30, 2008, be received from Gorman & Associates, Certified Public Accountants. Said report is on file in the Business Office, 1516 Sycamore Street, Bethlehem, Pennsylvania 18017.

Director Dexter asked Mr. Majewski to look at page 52 of the audit to see if he would agree to one modification, which she thought would be appropriate. She addressed that they had listed that they were paying a fee of \$2,700,000 to the firm of Spillman Farmer, but she thought they had a different architect.

Mr. Majewski agreed with an amendment to read Furst Architects.

President Leeson added that she would be approving the auditor's report with the same changes in the administrative response, regarding the capital reserve transfer fund, as previously mentioned by Director Dexter.

President Leeson called for a vote on Items 4, 7, 18, and 24. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch, McKeon, Tenaglia, Amato, and Leeson – 7.

ROLL CALL –
RECOMMENDATIONS:
4, 7, 18, and 24

The motion was passed 7 – 0.

The administration's recommendations 4, 7, 18, and 24 were considered together.

BETHLEHEM PARKS AND RECREATION COMMISSION – President Leeson stated she would mail the report in consideration of the lengthy meeting.

COMMITTEE
REPORTS

COLONIAL INTERMEDIATE UNIT 20 – Director Dexter stated they were making plans for summer professional development programs. Because of the tight budget year, some of the expenditures were being debated, which was unusual for their board. The issues involved the per diem costs of some of the speakers, with some coming in at \$3,500 and some even higher, which resulted in controversy. She noted that they were installing a new HVAC system in the building, which involved much discussion. They also hired Anthony Pidgeon, as a new Human Resources cabinet member, which left a vacancy at the Colonial Academy.

NORTHAMPTON COMMUNITY COLLEGE BOARD OF TRUSTEES – Director Koch stated her report was on a meeting held on February 5. She believed the most important item was with regard to a grant that Elizabeth Bugalghis discussed regarding the teaching of local history. Director Koch commented that she knew from her own experience with taking history courses in the local colleges that there was not a lot of focus on local history and added that she thought it was a wonderful idea. There were also plans to expand one of the buildings because their enrollment had greatly increased. She questioned why they weren't just constructing a new building and she was told that the grant would not support it, so they had to attach an addition to an existing building. The next meeting at the college would be held on March 5.

PSBA – Director Koch stated that the most important issues involving the organization was the total redesign of how the program was set up. In the past, when she was appointed a regional director, it involved school board members from seven counties voting on a director. Presently, each school district would get only one voting representative who attended a meeting to choose the assistant regional directors, of which there would be six individuals, although currently there were four individuals. The six assistant regional directors would choose the regional director. She said it would no longer be a matter of people from all over the seven counties voting, but rather the six individuals voting on the position. She concluded that the focus with PSBA this year would be to work on the unfunded mandated programs and pointed out that they thought it was the best year to do so.

BETHLEHEM AREA VOCATIONAL-TECHNICAL SCHOOL – Director McKeon stated that he did not attend the meeting.

DIVERSITY COMMITTEE – There was not a report available.

DUAL ENROLLMENT – President Leeson noted that Director Cann was absent from the current meeting.

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Director Follweiler inquired how they would be assured that their policy would be followed when people used their facilities. She asked if it could be addressed at the next Facilities Meeting.

NEW AND
MISCELLANEOUS
BUSINESS

Mr. Majewski agreed to address Director Follweiler's concern.

Director Dexter requested to obtain the line-by-line athletic budget; such as they received last year, to have on hand for Wednesday evening's meeting.

Director Dexter noted that she viewed the high school course catalogs online and saw that the criteria for entering the honors program had not been revised, although they revised the program ideas. She asked if it was possible for the board to look at it to consider revisions so the actual intent of the board was better reflected in the catalog. She suggested they discuss it at the Curriculum Meeting because it was a timely item, but it did not have to be listed as an agenda item. It could be discussed during open forum if time permitted. Director Dexter told Mrs. Katona that she did not think that the board would object to receiving proposals.

No one wished to address the Board of School Directors.

COURTESY OF THE
FLOOR TO VISITORS

Directors McKeon and Tenaglia moved to adjourn the meeting, which carried by voice vote. The meeting adjourned at 11:48 p.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.
Board Secretary

:dw