

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
REGULAR MEETING

MAY 18, 2009

The Regular Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, May 18, 2009, at 7:20 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 (arrived at 7:51 p.m.), Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia, and Leeson – 9. Student member representatives: Megan Kelleher and Lindsey Anderson – 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.

SILENT
MEDITATION

National History Day State Level Competition Presentation

STUDENT
PRESENTATION

Dr. Lewis recognized Katherine Dawson and Anna Thomas, students from East Hills Middle School, for their achievement in the junior performance group at the National History Day Competition, which was held at Millersville University on May 7, 2009. He noted that both students would be advancing to the national competition in June located in Maryland. Dr. Lewis wished both students the best of luck in their future competition. He also recognized their teacher, Mr. Craig Zieger, who worked very hard at the initiative, who was proud to accompany the students at the competition.

Mr. Zieger introduced his colleague, Mrs. Tammy Dutton. He noted she was a former student of his and had proven that a student could surpass their teacher.

Mr. Zieger explained that approximately 1,000,000 students competed throughout the United States every year with a requirement for the students to perform original research during the entire year. He noted that the girls were working on the topic since September, completing an annotated bibliography of approximately thirty sources of which half were primary sources. Mr. Zieger announced the title of the students' work as *Joan Baez: A Voice of Reason*.

Mr. Zieger pointed out that the students were attempting to arrange a personal interview with Ms. Baez. He thought they would achieve their goal because of their determination.

Mr. Zieger introduced Katherine Dawson and Anna Thomas, who presented an excerpt of their material to everyone in attendance.

President Leeson thanked the students along with their instructors for sharing their production, commenting that they did an extraordinary job of research and displayed an outstanding performance.

President Leeson proceeded with Courtesy of the Floor. 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. Maureen Venkersammy – 3152 Kenwick Circle, Bethlehem –
Parent Advisory Committee Representative –
Mrs. Venkersammy stated that the meeting covered both April and May primarily discussed the upcoming search for the new superintendent. She noted that the Parent Advisory Council covered 18 of the 24 schools, not including the SPARK Program, within the Bethlehem Area School District. She said they were requesting, as stakeholders within the district, that they be allowed to furnish input concerning the upcoming selection of a new in term, as well as, permanent replacement for the position of superintendent of schools. Each of their committee members interacted and discussed many aspects of the school district with their parent groups. The information would be valuable for discussions with any future prospects. She noted they were in the process of creating and distributing a simple three question parent survey so they could have a comprehensive, collaboration of ideas and suggestions on what qualities were most important for the future superintendent of schools. She stated there were many questions by the committee as well as members of the community in recent days as to the rules of choosing an interim superintendent.

Mrs. Venkersammy thought it might be beneficial for the community if the procedures were outlined regarding the choice of an interim superintendent. She thanked Dr. Lewis for his time and commitment to the council over the years and wished him well in his retirement.

2. Marci Ronald – United Way of the Greater Lehigh Valley –
Ms. Ronald announced that she was present to personally extend the invitation to an unprecedented event in Pennsylvania, as they began dialogue about community schools in the commonwealth. She explained that the initiative, Compass Community Schools, was asked to host the first Community Schools Summit in the Lehigh Valley on June 10. She pointed out that the United States Secretary of Education, Arne Duncan, used the community school model of community schools strategies as one of his top three education reform models when he was a CEO of the Chicago Public Schools for several years. They were hearing dialogue on a national level regarding the strategy in terms of policy and also funding to support the work. She thought it seemed to be on the tip of the tongue of Secretary Duncan in many of the arenas where he offered public commentary. She noted that for the first time, Dr. Gerald Zahorchak, along with a panel presentation of all three superintendents including Dr. Joseph Lewis, Dr. Karen Angello from Allentown, and Mr. John Reinhart from Bangor, along with two higher education partners, would be spending some time dialoging on June 10 about the innovative strategy designed to transform schools into the hub of the community and to create an organized set of partnerships around a common vision for serving students. She added that it was an exciting initiative and one that they had worked on for approximately four years within the district. She concluded that they were looking forward to the continued expansion of the model across the commonwealth. Ms. Ronald encouraged attendance of the summit including the candidates who were considering school board positions.
3. Jordan A. Roman – Liberty High School, Bethlehem –
Mr. Roman stated he was a junior student at Liberty High School who had been in the district since he entered kindergarten at Asa Packer Elementary School in 1996. He shared that throughout the years he had a variety of experiences and opportunities, and his share of good times and bad. He said that Thursday, May 7, 2009, would always be a memorable day. He wanted to publicly thank Mr. Richard Agretto for his time and also for arranging for him to present a check in the amount of \$3,800 to the Autism Society of the Lehigh Valley. He pointed out that Mr. Agretto had been stellar in his performance as the coordinator of Special Olympics and he thought it was absolutely necessary to publicly thank him.

President Leeson thanked Jordan for his efforts in raising the money to support the Autism Society.

4. Sis Obed Torres-Cordero – 612 Prospect Avenue, Bethlehem –
Director of the Council of Spanish Speaking Organizations for the Lehigh Valley – Southside Bethlehem –
Mr. Torres-Cordero commented that at times they heard about urban legends but in this case he thought it was a suburban legend that the board had been meeting outside of the normal times and places where it should be meeting. He added that a rumor had reached the Southside that the board was actually meeting in somebody's home to make governing decisions. He wanted to bring it to the board's attention because he did not believe in rumors and was taught by his mother that if one heard a rumor, one should attempt to dispel it.

Secondly, like the Parent Advisory Council, Mr. Torres-Cordero stated that on behalf of the Latino Community, he wanted to participate in the process of the new superintendent selection. He hoped they were conducting a national search and would find someone who had experience with populations of the community that represented everyone, meaning across the suburban/urban divide. He thought the next choice was very important and if there was to be an interim superintendent, the person should serve for a short period of time. He believed there were a lot of excellent candidates across the country possessing the ability to fill the position.

Mr. Torres-Cordero commented on his refusal to extend his hand to President Leeson and noted that he requested an apology for an incident that occurred approximately two years ago. He said that he was disappointed but had gotten over it and added that he sought her apologies.

FREEDOM HIGH SCHOOL – Lindsey Anderson, the alternative student representative for the high school, commented that the junior students were being consistently tested between PSSA Science and 4Sight Testing. In addition, many juniors and seniors took the numerous AP Tests to receive college credits in the past month. To finish out the school year, the majority of students would be taking finals on June 2 and 3, with the exclusion of many seniors.

STUDENT REPORTS

Lindsey noted that "senioritis" was in full bloom, as the last day for seniors arrived this week, with the themed days of Senior Spirit Week. Graduation would be taking place on June 2 at Stabler Arena to honor all of the accomplished graduates as they bid farewell to Freedom High School. To honor some of the other students at Freedom High School, the academic awards banquet was being held on Wednesday with the Athletic Awards to follow on Tuesday, May 26.

Lindsey noted that the Junior/Senior Prom was held on May 8 at the Holiday Inn at Fogelsville, where all of the students enjoyed eating, dancing, and cheering on their new prom king and queen, Mark Emrick and Ashley Piccione.

The Freedom High School Theatre Company was hoping to get lucky at the Freddy Awards to be held on Thursday with their twelve nominations for their production of *The Wizard of Oz*.

The high school track and field and cross-country teams would be hosting the second annual Freedom to Liberty 4-Mile Run, which would start at Freedom High School and end at Liberty High School on Saturday June 6. Lindsey noted that many of the spring sports were finished which was a sign the end of the school year was quickly approaching.

In preparation of the next year, the classes would be hosting elections this week for officers and class representatives for the approaching school year. Lindsey concluded that she was sure Will Velekei wanted to be in attendance at the meeting, but on behalf of both of them, she thanked the board for giving them the honor to serve as student representatives for the year.

LIBERTY HIGH SCHOOL – Megan Kelleher, student representative for the high school, expressed that the school year was dwindling down to a close and seniors were starting to see the end. She was excited to say there were only three days of learning left for all of the seniors with underclassmen only having a bit more so all of the students were ready for summer.

She noted the prom was held on Friday and shared that everyone had a good time. They left Martin Tower at 2:45 p.m. for Hoboken, New Jersey and spent approximately 6 hours on the ship by the name of The Cornucopia Majesty. The students enjoyed a buffet style dinner, packed the dance floor, and enjoyed an amazing view of the New York City skyline.

The high school also had their choral pop concert this past Thursday with ten student solos in addition to an accompanying inhouse band. The proceeds of the concert went to the Good Shepherd Rehabilitation Hospital's Pediatric Unit.

She congratulated Hannah Schwarzbach, the alternate student representative for the high school. The junior was chosen as an honorable mention in the Dupont Challenge Science Essay Writing Contest. Megan elaborated that there were over 6,000 students from the United States and Canada who submitted research papers with only 30 students chosen to win.

The Liberty High School All Sports Banquet would be held on Thursday, May 28, at 6:30 p.m. in the Memorial Gymnasium to congratulate all of the amazing sports teams that excelled during the year.

The Academic Achievement Awards Ceremony would be held tomorrow night at 7:00 p.m. in the auditorium for all of their academic achievements.

Finally, Megan extended congratulations to the cast and crew of *Peter Pan*. The group received seven Freddy Award nominations including scenery, lighting, orchestra, stage crew, costumes, outstanding featured ensemble member. She added that Jake Dunn received the award for outstanding performance by an actor as Captain Hook.

President Leeson interjected that Megan omitted that she was the nominee for the outstanding ensemble member and expressed that the district was very proud of her accomplishment.

Dr. Lewis recognized Lindsey Anderson from Freedom High School and Hannah Schwarzbach from Liberty High School as the alternate student representatives, noting they would be moving into the student board representatives for next year. He also gave special recognition to Megan Kelleher from Liberty High School, who, as a senior, had entertained as well as informed everyone at the meetings. He noted that Will Velekei was not present, but would also be receiving a gift of acknowledgment. He pointed out that the students were extraordinary and contributed to the board's deliberations, attended committee meetings, and also gave freely of their time.

A motion was made by Directors Dexter and McKeon to approve the minutes from the January 12, 2009 Board Finance Committee Meeting, the May 4, 2009 Board Facilities Committee Meeting, the May 11, 2009 Board Curriculum Committee Meeting, and the May 11, 2009 Board Human Resource Committee. The motion passed by unanimous voice vote.

APPROVAL OF
COMMITTEE
MINUTES

A motion was made by Directors Follweiler and McKeon to approve the acceptance of the financial report and payment of the bills, which included Items 25 and 26 of the Recommendations of the Administration. The motion was carried by voice vote.

APPROVAL OF
FINANCIAL REPORT/
PAYMENT OF BILLS

Director Tenaglia stated that he sent an email to the superintendent and received a response but had several questions. He noted that he questioned Item 25 and was told that reports were updated and would be provided at the meeting.

Mr. Majewski stated they were printed, and he checked with his assistant but she did not see them. He said they would need to provide the updated reports to the board. He added that the Treasurer's Report was not changed, however, the Capital Reserve Report would include the following encumbrances of which the board would receive documented copies:

○ Financial Management System -	\$156,337
○ Freedom Emergency Power -	15,165
○ Asa Packer Roof Repair -	262,300
○ Farmersville Roof Repair -	340,130
○ Freemansburg Roof Repair -	92,450
○ Asa Packer Fire Alarm System -	<u>58,385</u>
Total Encumbrances -	\$924,767

Mr. Majewski noted the relief of the unencumbered balance in the capital reserve account as of April 30 was \$373,721.38. He also noted a report on the 2008 Bond Fund, which was included in their packet; however, it did not include an entry found on the Treasurer's Report, which was accurate with a balance of \$6,298,485.17. He stated that he would ensure that everyone received an updated copy of the information.

Director Tenaglia also questioned the LOC (letter of credit) standby commissions paid on the letter of credit regarding the bond financing, which was listed on page 16 of the Monthly Bills (Item 26). He noted that last month they had an almost \$2,000 expenditure on the same item. He asked for an explanation regarding the \$2,000 and \$12,000 items.

Mr. Majewski replied that the \$12,000 item for the LOC was for the renewal required by the developer's agreement for Liberty High School. He provided copies of both developers' agreements to the solicitor for review to ensure they were in compliance with their administrative duties. He added that he did not have the information on the amount of \$2,000.

Director Tenaglia stated that Mr. Majewski was absent from a Finance Committee Meeting and at that time they had discussion about the capital reserve fund. They were to receive footnoted information as to what the board had approved but was not showing on the report. He asked that administration provide the information going forward. Director Tenaglia said that he asked for documentation in his email to the superintendent with regard to the standby letter of credit agreement that was charged against the bond fund and requested it be added to the agenda for the June Finance Committee Meeting.

Dr. Lewis inquired if he wanted the development agreement.

Director Tenaglia replied that he wanted to talk about the process of how the letter of credit was executed and whether it was put out for bid, solicited, or did they merely go back to the bank. He also requested a detailed explanation regarding the \$2,000 expenditure from last month and the \$12,500 commission paid for the present month. He commented that the solicitor had responded to the appropriateness as to whether or not board approval was required for the extension of the letter of credit and told the board that he would provide the information. He questioned the process as to how the district extended the letter of credit and the expenses for requested approval.

Mr. Majewski responded that the letter of credit was required by the developer's agreement.

Director Tenaglia inquired about the specific charges.

Mr. Majewski thought he questioned the appropriateness, which was what he was attempting to address with regard to the developer's agreement. He explained that he would discuss the process at the Finance Committee Meeting with regard to it being appropriate, which was under the solicitor's review.

President Leeson inquired with Director McKeon, Chairman of the Finance Committee, if the discussion could be deferred to the Finance Committee Meeting.

Director McKeon agreed.

Director Tenaglia noted there was an approximate \$1,000,000 change in the projections from last month as it pertained to the forecasted deficit. He noted that he received the mathematical explanation in a response, but requested an elaboration as to the cause behind the estimated changes made by Mr. Majewski.

Mr. Majewski stated they looked at the revenue areas as one area of improvement as far as the current real estate tax collections based upon actuals. The current real estate taxes were due and payable by the end of December and as they went through the reconciliation process, they had a higher number than originally projected. In order to reflect it, they increased their projections. He referred to the mercantile tax regarding the trending of present receipts as compared to last year; it appeared that the receipts were higher than what was earlier projected. Mr. Majewski noted a significant increase in delinquent real estate taxes received this year as compared to last year, which increased the revenue projection by approximately \$500,000. He said there was not a specific area that caused any type of reduction regarding expenditures. In the net area, they were down approximately \$400,000, but every area was evaluated and updated therefore some areas went up and others were down. In the end, there was not one cause other than the thought that they were trying very hard to cut back on expenditures wherever possible. In conclusion he thought the \$1,000,000 swing was due to lower expenditure and higher revenue projections.

Director Dexter stated she noticed on the prepaid invoices that the \$12,000 charge was listed as a prepaid charge made on April 23. She recalled that the board had a meeting on April 21 and the board was not advised of the upcoming bill, the charge, or even the letter of credit process.

Mr. Majewski replied that in reference to the process, he was not asked to provide the information on the process; however, he welcomed the opportunity for discussion. Since the board had not requested discussion on the process and it was not requested in the past, it was not known to discuss the process. He referred to the renewal billing and noted there was an expiration date for the letter of credit and with the developer's agreement, it had to be renewed in order to be compliant. Because of the timing of the notification received from the city, it was not able to be part of the bill listing so it was then required to be part of the prepayment and was reflected in that area. If there was recognition that a letter of credit was due and discussion ensued about the possible reduction in the amount of the fee; the only way they could renew the letter of credit was if the city established the dollar amount, which in this case was not in time for the meeting.

Director Dexter questioned the authority that authorized the payment of that type of bill without the approval of the board.

Mr. Majewski replied that it was what the solicitor was reviewing. The assumed authority, since they had developer's agreements, was that once it was approved, the responsibilities bound by the approval of the agreement were to be maintained. At some point, the board could take action to rescind the agreement, but he thought there would be a legal issue with the City of Bethlehem.

Director Dexter commented that she was not sure if it was an item that could have been negotiated or bid as suggested by Director Tenaglia, but expressed her own opinion that it was cautionary whenever the administration paid bills in advance. She knew that many members of the board wanted to make sure that it was done because of necessity and not just because it was convenient. The board ultimately had the right to ask about the process in advance, and in some cases, challenge the amount of the bill or the appropriateness of the charge.

Mr. Majewski said he was willing to have the discussion, noting that they had a number of developer's agreements for over a decade and the processes remained the same.

Director Dexter stated that she was agreeable to have further discussion at the committee meeting but wanted to state, for the record, on the issue of the Payment of Bills, that the prepayment of bills was an area of concern. She recalled a previous bill of which became an issue. She thought they should only pay the bills in advance when it was really necessary and when there was not an opportunity to have board discussion.

Director Follweiler reminded everyone that when an issue was discussed via email, they should "reply to all" because it was difficult to follow without the previous responses, especially the mathematics.

MAY 18, 2009

President Leeson requested a roll call on Items 25 and 26. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch, McKeon, Tenaglia, Amato, Cann and Leeson – 8. (Director Haytmanek temporarily departed from the meeting and was not present for roll call.)

ROLL CALL –
FINANCIAL REPORT/
PAYMENT OF BILLS
ITEMS 25 and 26

The motion passed 8 – 0.

President Leeson welcomed the boy scouts who were present to observe the meeting in order to fulfill a requirement necessary to obtain the Citizen of the Community Badge.

PRESIDENT’S
COMMUNICATIONS/
SPECIAL MEETINGS

President Leeson reported that an executive session of the Board of School Directors was held prior to the board meeting to discuss student discipline and personnel issues. They also held two previous executive sessions on Friday and Monday to discuss personnel issues.

President Leeson announced the Regional Academic Standards Academy was having a “Demo Day” on May 21. The facility would be open to the public from 1 p.m. until 3 p.m. She thought it was a wonderful opportunity for the students to share their experiences.

President Leeson also commented that the board was committed to an extensive search for the next full-time superintendent with support from the board for input from the community as there had been with other issues. She added that they had not formulated exactly how it would take place but they would look at ways to incorporate community input.

Dr. Lewis also acknowledged the boys scouts, and gave special recognition to Timothy Keeler and Adam Abeles, students from Freedom High School who attained Eagle Scout status.

SUPERINTENDENT’S
REPORT/FEDERAL
PROGRAMS UPDATE

Dr. Lewis recognized Allison Pittenger, a second grade student from Governor Wolf Elementary School, who won the Bethlehem Public Library 2009 Poetry Contest for Grades 1 and 2. Her poem would be placed on a bookmark and shared at the library as well as become part of the library’s permanent collection.

Dr. Lewis announced he received a letter of recognition from Mr. Bob Wood, Executive Vice President of Client Development at Sodexo, with regard to students Naomi Rosario and Francesca Negroni. They were school district volunteers for the March of Dimes Saving Babies Walkathon. Mr. Wood conveyed that both students, along with their teacher, Paulina Collazo-Navarro, worked diligently and were a testament to both Sodexo and the Bethlehem Area School District during the walkathon. They distributed refreshments to the participants and were definitely an added bonus to the event.

Dr. Lewis announced that Mr. Frank Arbushites, Acting Director of Information Technologies, was awarded the Outstanding Technology Director Award through the Colonial Intermediate Unit 20. He recognized the efforts of Mr. Arbushites and noted he was selected from a group of approximately fifteen individuals.

President Leeson addressed the Senior Lunch Privilege and reviewed that last month they had the community come forward to discuss the problems within the community because of students who were outside of school during school hours. She thought Dr. Lewis agreed to bring a recommendation to the board and had a brief discussion at a committee meeting. She noted that last year when they reviewed Senior Lunch Privilege, the administration came to them with the recommendation to continue the privilege with some modifications. At that time, the board questioned the administration as to whether they could administer the program, pointing out there were some concerns about the appropriate senior students leaving the building. She pointed out the community concerns and commented that it appeared they had not been successful in administering the Senior Lunch Privilege. President Leeson said they received a memorandum that stated they were in discussion with students, parents, faculty, and administrators. She shared the following information from the memorandum: "The institution of the Senior Lunch Privilege should be delayed until after the Liberty-Freedom game. Records should be maintained during the timeframe of August through November, which would indicate whether or not the concerns presently expressed by the community were significantly reduced or eliminated. If the problems continued to exist, then the members of the meeting would request the Senior Lunch Privilege be reinstated, since the data would indicate that the privilege had nothing to do with the concerns being raised by the community. If, on the other hand, a significant reduction in concerns was realized, then perhaps an elimination or severe curtailment of the senior lunch privilege would be in order." President Leeson also pointed out that the parents were not in favor of the recommendation, but the faculty, administration, and students were in support of it. She reviewed that they had acknowledged the problem at both of the high schools with a particular community problem surrounding Liberty High School, but the recommendation was to allow a few months and then return to the same situation.

UNFINISHED
BUSINESS

Dr. Lewis responded that he shared the information with the board and did not approach with a formal recommendation. He added that the board had insisted upon taking public input, which was done by Dr. Donaher, in addition to input from parents, teachers, administrators, and students. Dr. Lewis noted that the considerations were formulated for central administration and board review but they did not complete cabinet level discussion. He said it was on their agenda but they wanted to share what they were doing to date with the board.

Dr. Lewis stated that it was one of the proposals that came out of the committee. It did not necessarily mean that the current format would be the one brought to the board. Dr. Lewis added that the areas at Freedom and Liberty High Schools were being patrolled and he believed they received telephone communication sharing a complimentary observation about the Liberty High School environment. He pointed out they were not prepared to make a final recommendation with the end of the school year approaching. They would keep up the intensity, review it and then come back to the board with a solid recommendation. He said he was not prepared to make the decision at the present meeting and concluded that it would be discussed in cabinet tomorrow morning.

Director Follweiler agreed with Dr. Lewis regarding the approved Board Curriculum Meeting minutes in that the discussion ended with the administration in agreement to bring the board an update at the current board meeting. She believed that it was the intention of the memorandum and also believed that the intent was to bring it up again in the next Curriculum Meeting.

Dr. Lewis stated that Director Follweiler was correct.

Director McKeon asked to make it a point to notify Mrs. Shive from the Block Watch, that the matter would be discussed at the next Curriculum Meeting.

Dr. Lewis requested permission to make the following modification to the Recommendations of the Administration:

RECOMMENDATIONS
OF THE
ADMINISTRATION

Page 19 – Item 13 – Nominations for Appointment – Spring Garden Elementary School Principal – Dr. Lewis stated there was a recommendation that the appointment go through with no salary adjustment at the present time, however, it would be adjusted retroactively once the budget settled. He expressed the need to proceed in anticipation of the imminent retirement of Mr. Bertoni.

Mr. Majewski pointed out that Item 20 was an “information only” item which referenced the election for the Colonial Intermediate Unit 20 Board of Directors. He asked that each board member complete the ballot and return it to him by the end of the meeting.

TABLE OF CONTENTS**May 18, 2009**

Item	Recommendations of the Administration	Page
1.	Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget	1
2.	Authorization to Expend 2009 Series B Bond Funds for the Design and Approval for the Demolition and Site Work of the Old Northeast Middle School	2
3.	Middle School Summer Program - 2009	3
4.	Textbook Adoption for Grades 11 and 12 English	4
5.	Textbook Adoption for Middle School Social Studies	5
6.	Student Discipline – #0952409 and #1006941 – Adjudications	6
7.	Student Discipline – #0943566, #0945567, #0947286, #0955198, #0971978, #1003756, #1006302, #1006228, and #0957686 – Waivers	7
8.	Federal/State Program Budgets	8
9.	Lehigh Valley Workforce Investment Board, Inc. – Innovative Summer Youth Program Grant	9
10.	Lehigh Valley Workforce Investment Board, Inc. – Innovative Summer Youth Program Grant – Career Academy	10
11.	Resignations	11-13
12.	Leaves of Absence	14-18
13.	Nominations for Appointment	19-32
14.	Reassignments	33-34
15.	Board Policy 201 – Admission of Students – Second Reading	35
16.	Approval of School Lunch Prices for 2009-2010	36
17.	Authorization to Accept Offer on Property Q7 6 6 0204C; Creek Road, City of Bethlehem – Northampton County Repository Sale	37
18.	Authorization to Contract with Sodexo for Food Service Management	38
19.	Change in Mileage Reimbursement	39
°20.	Election – Colonial Intermediate Unit 20 Board of Directors	40
21.	Pennsylvania Auditor General’s Audit Report for the Years Ending June 30, 2005 and 2006	41
22.	Rental of Land for Farming – Corner of Freemansburg Avenue and Farmersville Road	42
23.	Bid Award – Bids Opened March 18, 2009 – Fall Sports Supplies	43
°24.	Quotations for the \$5,800 - \$15,200 Cost Category	44
25.	Treasurer’s Reports	45
26.	Monthly Bills	46
°27.	Budget Information	47

° Information Item Only

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget*

RECOMMENDATION:

That the attached Resolution to adopt the 2009-2010 Proposed Budget for the Bethlehem Area School District be approved as presented.

Dr. Lewis asked the board to refer to a document at their seat and explained that because the budget was a production expense of major magnitude, Mr. Majewski prepared an update on the expenditures. He referred to the first page, which was alluded to previously. The revenue stayed fixed at the 1.98 millage increase at 5 percent. He noted that the budgetary reserve crept upward to \$2,031,057. The adjustments made by Mr. Majewski were located on the last page including changes from the May 5 hearing.

Mr. Majewski pointed out an addition of \$15,000 in the Assistant Superintendent for Curriculum and Instruction Category, which was for the return of the money to pay PBS. He explained that the budgetary reserve was just a net amount that would have settled in after the changes. The Information Technology reduction was a reduction due to a lower cost for the renegotiated Apple Lease. In the area of Interscholastic Athletics, middle school soccer was reinserted as discussed at the May 5 Budget Hearing. Under the Intersystem Payment Category, the Bethlehem Area Vocational Technical School had successfully refinanced their debt, which allowed the district to have a reduction of \$105,098.

Dr. Lewis commented that the technology lease was presently down to \$669,000 with the same equipment. He noted that the original figure was \$780,000.

Director Follweiler said that she received an email containing the timeline regarding the budget approval. She stated that although she fully understood the timeline, she would be voting against it because she was still not comfortable with the budget as it stood at the present time.

Dr. Lewis replied that it was still a preliminary budget and if they did not pass it tonight, they would be placing themselves in a situation where they would need to conduct a meeting where they could vote prior to May 30. He added that a 30-day advertising period was required. The latest they could vote would be June 30. He reiterated that it was a preliminary, proposed, and tentative budget, which meant that it could go up or down regarding revenue and/or expenditures. He said the timeline would be impossible if they did not advance the budget.

President Leeson asked about Director Follweiler's specific concerns.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget (continued)*

Director Follweiler replied that she felt there were too many undefined variables. She believed their budget was deeply tied to other decisions that had to be made and she felt the need for more time to discuss what they had within their own control and how they could make the decisions in the “what if” scenarios, should they not receive state or federal funding in certain areas. She asked what would they need to do to change the budget before June 30.

Dr. Lewis interjected that the senate would not come back into session until the end of the month. They would know nothing more on May 30 than what they knew at the present time as far as the state’s contribution. They did know that the numbers could be approved as they stood and also advanced as a proposed budget but they still had the right to go back for reanalysis based upon new information.

President Leeson reviewed that more than likely, they would not know their state and federal contributions until well after the budget was adopted. She asked if they could go back into the budget at that point to readjust and make cuts, if the state and federal monies came through significantly lower than what was currently anticipated.

Dr. Lewis replied that she was correct and explained that they had to vote to establish a budget as required by June 30 or the alternative was to shut down. They could not go back in. The tax bills would have been sent out. He added that it was not prudent to do it and questioned if it was even permitted. He said they could restrict their expenditures. He referred to Senate Bill 850 as an atrocity and an embarrassment. He commented that it handcuffed the local taxpayer and was a major slap in the face to education. He further explained that if they passed a budget in August and it did not include the anticipated revenues, they would be seeking approximately \$3,700,000, which would lead to draconian cuts. Dr. Lewis said he did not think they would see the worst-case scenario. He said he heard commentary today that Secretary of Education Duncan cautioned that if they used stimulus money as the senate suggested, they would be removed from the race for the top monies consisting of several billion dollars.

Mr. Majewski commented that it was not uncommon for the state to miss their deadline. He recalled that in the past the state did not approve their budget until almost the end of the calendar year, which meant if they waited for more clarity, they would have to shut down school for almost half of the year. The best they could do was to make an estimate as to what they thought was needed for the budget, have further discussion with the board, and ultimately approve a budget that hopefully would take all of the anticipated variables into consideration. He believed they should comply with the requirements of Act I and approve the budget on the necessary timeline. It was imperative for them to be able to continue with the process and not injure the school system by effectively shutting down if they did not have a budget by June 30.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget (continued)*

Director McKeon addressed Dr. Lewis and Mr. Majewski, noting the TRAN (Tax and Revenue Anticipation Note) in July. He questioned the timing of the state reimbursement with consideration of the budget being finalized as it stood and the tax bills being mailed in July with the collection process beginning in August.

Mr. Majewski replied that the state would typically begin reimbursement in July but if they did not have a budget, they would be missing several million dollars. He noted that they were paid approximately every two months during the year but the longer they went, the more difficult it might become because the district could get further behind. He noted the discussions about the TRAN to be repaid during the month of September, but if the state did not approve the budget, they would have discussion about not repaying the TRAN immediately until the issue with the state was resolved.

Director McKeon inquired if, at some point in time, they could run out of cash.

Mr. Majewski responded that the only way they would run out of cash would be if they did not have a budget approved by June 30 and if he did not get the tax bills out.

Director McKeon asked what would occur if the state budget did not get resolved until December.

Mr. Majewski replied that if the state budget did not get resolved until September, they would still be able to have sufficient cash on hand with the tax revenue anticipation note plus the tax bills in order to continue operations.

Director Dexter asked what specific alternative education program would be cut in consideration of the 2008-2009 budget being reduced from \$541,000 to \$278,000.

Dr. Lewis replied that he believed they had some reduction in staff for both RASA (Regional Academic Standards Academy) and Career Academy with some additional revenue received.

Mrs. Cintrón commented that she did not have the analysis, but noted that the alternative education funding was paid per student and she believed the numbers had considerably dropped at Career Academy, which would indicate a loss of the revenue.

Dr. Lewis added that he believed there were staff reductions at both Career Academy and RASA and inquired with Mr. Washington regarding the specific information.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget (continued)*

Mr. Washington stated there was a staff reduction at RASA being reduced by a classroom teacher. There was also a reduction to the teacher assistants and the secretary. He added that one of the business teachers and the art teacher would be moved out of the Career Academy.

Director Dexter inquired about the present enrollment at Career Academy.

Mr. Washington replied there were approximately 73 students. He said they started with 85 students with a target of 90 students.

Director Dexter asked if the reduction in alternative education include any reduction in outside alternative education programs not run by the district.

Mr. Majewski replied that it did not.

Dr. Lewis noted that those programs would be listed under intersystem payments.

Director Dexter inquired about the reduction from \$130,000 to \$18,000 for Curriculum Enrichment Activities. She asked what exactly was being cut.

Mrs. Katona replied that she did not have her outline but she believed it was some of the different clubs and activities.

Dr. Lewis thought a large portion of it was for driver salaries for the field trips. The operational salary cut was close to \$60,000 and the miscellaneous purchase services which would have been incoming activities, et cetera.

Mrs. Katona added that they were specific field trips such as the Historic Bethlehem, Weller Center and the art museum field trips, which the schools would be doing on their own.

Director Dexter brought attention to the earlier a presentation for National History Day and noted other academic programs that complimented their curricular offerings such as science programs and math competitions. She asked if any of those programs were affected by the reduction.

Mrs. Katona and Dr. Lewis both replied, "No."

Director Dexter asked what line item contained the funds for the programs she just mentioned.

Mr. Majewski replied that the monies came from the student conference area.

Director Dexter inquired about school newspapers.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget (continued)*

Mr. Majewski responded that the student clubs were capped at \$20,000 per high school with the responsibility of the high schools to determine the clubs.

Director Dexter asked if it was administration's intent that the budget cuts affect whether or not a high school had a newspaper or how often it was published.

Dr. Lewis replied that the dollar amount was there and the principals made the determinations with their staff.

Mrs. Katona added that the amount listed was for the advisors' salary and would not affect the number of times a publication would be done over the course of the school year. She did not think that activity would be removed.

Director Dexter commented that she was informed that the impact of the budget cuts would mean that the school newspaper would be published four times instead of eight.

Dr. Lewis replied that he was not aware of it and explained that they did not get into that detail with the principals.

Director Dexter noted that at the previous two budget hearings, the board learned of some cuts made that they did not intend because they did not ask the right questions. It appeared they needed to understand the full impact of the cuts with that particular issue coming to her attention. She thought the impact would be made somewhere. She asked who would be in charge of deciding what club would remain or be eliminated.

Dr. Lewis replied that the building principal recommended the continuation of funding for a club. There was a club advisor salary in the contract with the recommendation made to the Human Resources Office to appoint an individual to run the organization like the Key Club. He pointed out that each high school did not have the same organizations and some chose to run larger clubs with fewer advisors.

Director Dexter asked about the student club budgets for the previous two years.

Mr. Majewski responded that they were approximately \$45,000 for each school.

Director Dexter noted that it was more than a 50 percent cut in the school activity area.

Mr. Majewski pointed out they were not categorized as school activities but rather school clubs.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget (continued)*

Director Dexter reviewed that research showed that students who were involved in extracurricular activities had a higher academic success rate. She thought they were attempting to encourage rather than discourage student activities.

Mr. Majewski agreed that they were trying to encourage the students, but as previously discussed, there was going to be some shared pain through the decisions made in order to get through the difficult times. He stated there was no doubt that past practices might need to be somewhat curtailed or modified.

Director Dexter asked where the cut was noted on the document.

Mr. Majewski replied that it was not shown on the present document but it was in the large budget books used for budget hearings. He said that he did not think anyone was prepared to go through an indepth budget review with the focus on a tentative adoption but from what he heard, they might need to schedule more hearings.

President Leeson shared concern about the reduction in the student club budget and asked how many students it would impact. She expressed that the board was surprised that Middle School Soccer was being cut which involved many students and thought the student clubs involved quite a number of students as well.

Director Dexter commented that when they were receiving stimulus money they were told that the Title I money could not be spent on other expenditures. She asked if it would be possible for them to use stimulus money to keep the activities in place. She knew there was a commitment to athletics and music and did not want to take away from them or ask for cuts in those areas, but there were many students in the schools who were involved in non-athletic activities and they had to be careful about their involvement.

Dr. Lewis agreed, however there were limitations on the stimulus money. He pointed out they could not spend the money in the high school. He explained that Mrs. Cintrón carefully reviewed the legislation. He noted that they elected to use the unregulated dollars to bring the budget into line as much as they could to the 1.98 mill increase. Any addition or replacement of something such as the high school activities would come off of the budgetary reserve. He pointed out they did not have any stimulus money. Dr. Lewis stated that the only ones they did not utilize in their proposal were those in the incentive categories because so many other needs were critically important. He emphasized that the Title I money was severely restricted. There was some wiggle room in Special Education but was based on instruction and also was heavily restricted. He said the Technology 3-D money had to be applied to technology. They elected to place SFSF (state fiscal stabilization funds) monies back into the support of the general operating budget, which was the dollar amount involved with the senate.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

1. *Tentative Adoption of the 2009-2010 Bethlehem Area School District Budget (continued)*

President Leeson inquired if there was interest in scheduling another budget hearing and asked for input regarding a meeting date. She asked if the board was prepared to vote upon the preliminary budget with the idea that they would be scrutinizing the budget between now and June.

Director Amato commented that he would not be voting in support of the tentative budget. He said the next budget hearing should be scheduled before the end of the month. He noted there were so many items he was questioning, especially when they were just notified about the potential cut to the Middle School Soccer Program.

Dr. Lewis expressed that he thought they were tweaking the budget and honestly did not believe they could move off of the minimal increase. He brought attention to the specific timelines governed by Act I and thought there was no advantage to not passing it tonight.

After some discussion, it was decided to hold a Budget Hearing on May 27 at 5 p.m.

President Leeson asked for a consensus on passing the tentative budget tonight with discussion taking place on May 27 and if necessary on another evening before the end of June. She noted a consensus in support of the tentative adoption.

BOARD
CONSENSUS
TO PASS
TENTATIVE
BUDGET

President Leeson proceeded with a roll call vote on Item 1. The question was called with roll call as follows: Yea, Directors Haytmanek, Koch, McKeon, Tenaglia, Cann, and Leeson – 6. Nay, Directors Dexter, Follweiler, and Amato – 3.

ROLL CALL –
ITEM 1

The motion passed 6 – 3.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

RESOLUTION-RE: 2009-2010 BETHLEHEM AREA SCHOOL DISTRICT
TENTATIVE BUDGET

WHEREAS, a careful consideration of the estimated budget requirements of the Bethlehem Area School District for the fiscal year of 2009-2010 shows that a total of \$195,296,647 will be necessary to operate the public schools on an efficient basis.

NOW, THEREFORE, BE IT RESOLVED THAT:

The General Fund Budget for the 2009-2010 fiscal year of the Bethlehem Area School District in the amount of \$195,296,647 is based on the following:

- (a.) A 41.56 mill (or \$4.156 per \$100 of assessed valuation) tax on Northampton and Lehigh Counties taxable real estate in the school district.
- (b) A \$5 Resident Per Capita Tax, taxable on 18 year olds and over, based on Section 679 of the School Code of 1949.
- (c) The following taxes under Act 511 are:
 - (1) 1% Earned Income Tax shared equally with the coterminous municipalities.
 - (2) 1% Realty Transfer Tax shared equally with the coterminous municipalities.
 - (3) \$5 Resident Per Capita Tax, taxable on 18 year olds and older.
 - (4) \$5 Local Services Tax.
 - (5) Business Privilege Tax at the rate of one and one-half mills on gross receipts.
 - (6) Mercantile License Tax at the rate of one mill on wholesale vendors or dealers and one and one-half mills on retail vendors or dealers.

2. *Authorization to Expend 2009 Series B Bond Funds for the Design and Approval for the Demolition and Site Work of the Old Northeast Middle School*

INFORMATION:

The old Northeast Middle School is scheduled to be demolished to prepare for new athletic fields and associated improvements. The design and approval processes for demolition, site work, and associated improvements of the old Northeast Middle School are estimated at nine months.

RECOMMENDATION:

That the Board of School Directors authorizes the following services:

- a. That D'Huy Engineering, Inc. in accordance with their capital improvement agreement prepares the design and bid documents for the demolition of the existing building and construction of new site work and associated improvements at the old Northeast Middle School site for a fee of 6.5 percent.
- b. That JMSI Environmental Corp. prepares the design and bid documents for the environmental remediation of the building for a cost not to exceed \$30,000.

Director Tenaglia stated that he had asked for clarification on the lease with Northampton Area School District and received a response that was not exactly on point. He said that he questioned the status with the request for the Northampton Area School District and the status of the investment of the net funds.

Dr. Lewis replied that he received a memorandum today from Mr. Fazil and felt that if he hand carried it, he could provide an explanation. He noted that Mr. Fazil had finalized the restructuring. Dr. Lewis explained they would stay on schedule for the demolition and the renewal project and build in an alternative bid with a delayed project start, if any. The costs would be part of the Northampton Area School District's lease of the building, if indeed they had to delay. He noted that they would be able to start in April without their occupancy and in late June or July with their occupancy.

Director Tenaglia referred to the terms of the status with the Northampton Area School District, the last information he recalled was that they had made an inquiry as to the availability.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

2. *Authorization to Expend 2009 Series B Bond Funds for the Design and Approval for the Demolition and Site Work of the Old Northeast Middle School (continued)*

Dr. Lewis noted that the solicitor pointed out that Northampton Area School District requested an option to go to June 2010 if they could not deal with their elementary school issue. He explained that Dr. Firestone had formally advised the district that they had not originally planned to stay beyond July, but had asked for the additional month. He added that she knew there would be extenuating circumstances and was also aware that the district had borrowed the money and planned to move ahead with the demolition. He thought they could bid it with an alternate and if Northampton Area School District needed to stay, they realized there would be an additional cost and it would not cost our district anymore money.

Director Tenaglia asked where the district stood with the investment of the net proceeds from the 2009 Bond Issue.

Mr. Majewski explained they looked at several quotes from companies and the returns included at least two that were better than what they heard at the last Finance Committee Meeting with the best being from the Invest Program, which was run through the state. They were attempting to open a capital account with them because it needed to be a specific segregated account so that when they moved the money from M & T to an account, it would provide the highest return they were able to obtain through the RFP process.

Dr. Lewis said they would bring forth the information as soon as it was solidified.

Director Cann stated that in any agreement with Northampton Area School District, they needed to make certain that the extension could not go beyond when they needed an empty building to effectuate at least the alternate delay date.

Dr. Lewis replied they would put into any continued agreement that it would be the absolute end of term.

The administration's recommendations 2, 4, 5, 8, and 23 were considered together.

3. *Middle School Summer Program - 2009*

INFORMATION:

The Middle School Summer Program is prepared to offer courses in Reading/English and mathematics. Emphasis will be placed on remediation and development of basic skills.

Middle school students in grades 6, 7, and 8 who fail two core academic subjects (English, reading, mathematics, science, or social studies) will be required to participate in a summer school remediation program.

This twenty-day program will focus on reading and mathematics with the emphasis in reading in the content area.

RECOMMENDATION:

That the Board of School Directors authorizes the administration to operate a district wide middle school summer school remediation program for a cost not to exceed \$25,000.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

4. *Textbook Adoption for Grades 11 and 12 English*

INFORMATION:

At the April 14, 2008, Board Curriculum meeting, information was presented regarding a proposed pilot in grades 11 and 12, in order to choose one of two textbooks to be used in English classes. Board members received copies of the textbooks from Pearson/Prentice-Hall and Holt/McDougal, along with information on how the pilot would run, beginning in fall 2008, and ending in spring 2009, with a final recommendation based upon an evaluation completed by teachers involved in the pilot, to be made in May 2009. At the April 21, 2008, Regular Board Meeting, the board granted approval to run the pilot.

Upon completion of the pilot on April 27, 2009, an analysis of pilot teachers' evaluation data of text characteristics such as organization, content criteria, teacher resources, diversity, and alignment to district scope and sequence/state standards was conducted. On-line resources and student supplements were scrutinized for their ability to meet the needs of all learners. Customer service, in-service trainings, and cost effectiveness for both companies have been reviewed. With this information in mind, the administration recommends to the board the purchase of English 11 and English 12 textbooks from Pearson/Prentice Hall for the high school level in anticipation of the 2009–2010 school year.

RECOMMENDATION:

That the Board of School Directors approves the purchase of the Pearson/Prentice-Hall English 11 and English 12 textbook series to be used beginning in fall 2009.

Director Tenaglia noted that Items 4 and 5 were lacking budget allocation and cost information.

Mr. Majewski explained that the budget allocation did not appear because it would be part of the 2009-2010 budget. He said that until the board approved a budget, they did not have any budget allocation for next year, however, there was currently an amount of \$500,000 in the proposed 2009-2010 budget.

Director Tenaglia reviewed that they had a \$500,000 allocation in the proposed budget but they had no cost statements on either of the two recommendations in addition to the expense. He noted that once again the administration was asking for approval for expenditures without providing an amount.

Mrs. Katona stated that she had the cost information. She said they wanted to purchase classroom sets for middle school social studies for a total of \$107,990. They had hoped to purchase one English book per student for grades 11 and 12, at a cost of \$138,671.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

4. *Textbook Adoption for Grades 11 and 12 English* (continued)

Mrs. Katona noted that if they were to only purchase class sets, the cost would be \$66,735. She explained that they preferred to purchase one per student at the grade 11 and 12 level due to the amount of reading requested of the students outside of class.

Director Tenaglia noted that it was roughly one-half of the textbook budget.

Dr. Lewis replied that he was correct and they were new textbook adoptions for the account. He noted that replenishment came out of the building level allocations.

Director Follweiler echoed that it was approximately one-half of the proposed budget. She asked if there would be enough funds.

Mrs. Katona explained that they had some math textbooks they would be bringing to the board for the Algebra III course that would begin next year. They also had some science textbooks to purchase, however, she would be bringing the recommendation to the board. She pointed out that because several courses for the science textbooks were new, they were able to write them into some of their grants, so it would not affect the purchase of the books. She said there were a few outstanding social studies books needed for the high schools, because of the change in sequence for the additional students, but they would be all right with the allocated amount in the budget.

Director Cann addressed the English books and asked if the text was available online.

Mrs. Katona replied affirmatively.

Director Cann asked if it was necessary to buy hard copies for each student when they could obtain the text online.

Mrs. Katona responded that not all of the students had online access at home.

Director Cann suggested that the students who did not have access could possibly borrow the classroom copies. She did not understand why they would pay for online services if they were going to purchase one per student. She asked if they could purchase one classroom set with a few additional copies with an estimation of how many students did not have online access.

Mrs. Katona replied that she could look into it and speak with the department chairs about it. She agreed that the online access was one of the perks but the concern was that all students have access.

Director Cann asked Mrs. Katona about the amount of books they were presently seeking approval.

Mrs. Katona responded they were hoping for the one on one books for grades 11 and 12 but if the board preferred the class sets, then it would be agreeable.

Dr. Lewis asked if the licenses relegated to the number of ordered textbooks.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

4. *Textbook Adoption for Grades 11 and 12 English* (continued)

Mrs. Katona replied affirmatively and said she did not know if they would have enough to cover if the students did not have home access. They would only have as many as they had in the class sets so she did not know how many students would have home access.

Dr. Lewis commented that he thought the problem would be that they would not have adequate licenses if they cut the textbooks back to classroom sets. He added that unfortunately it was the way that many textbook companies operated.

Director Cann thought the only advantage to the online access was that they did not have to tote the weight of the book.

The administration's recommendations 2, 4, 5, 8, and 23 were considered together.

5. *Textbook Adoption for Middle School Social Studies*

INFORMATION:

At the March 10, 2008, Board Curriculum meeting, information was presented regarding a proposed pilot at the middle school level, in order to choose one of two textbooks to be used in social studies. Board members received copies of the textbooks from Pearson/Prentice-Hall and Holt/McDougal, along with information on how the pilot would run, beginning in fall 2008, and ending in spring 2009, with a final recommendation based upon an evaluation completed by teachers involved in the pilot, to be made in May 2009. At the March 17, 2008, Regular Board Meeting, the board granted approval to run the pilot.

Upon completion of the pilot on April 27, 2009, an analysis of pilot teachers' evaluation data of text characteristics such as organization, content criteria, teacher resources, diversity, and alignment to district scope and sequence/state standards was conducted. Customer service, in-service trainings and cost effectiveness for both companies have been reviewed. With this information in mind, the administration recommends to the board the purchase of social studies textbooks from Pearson/Prentice Hall for the middle school level in anticipation of the 2009–2010 school year.

RECOMMENDATION:

That the Board of School Directors authorizes the administration to purchase social studies textbooks at the middle school level from Pearson/Prentice Hall to be used beginning in fall 2009.

Director Tenaglia noted that Items 4 and 5 were lacking budget allocation and cost information.

Mr. Majewski explained that the budget allocation did not appear because it would be part of the 2009-2010 budget. He said that until the board approved a budget, they did not have any budget allocation for next year, however, there was currently an amount of \$500,000 in the proposed 2009-2010 budget.

Director Tenaglia reviewed that they had a \$500,000 allocation in the proposed budget but they had no cost statements on either of the two recommendations in addition to the expense. He noted that once again the administration was asking for approval for expenditures without providing an amount.

Mrs. Katona stated that she had the cost information. She said they wanted to purchase classroom sets for middle school social studies for a total of \$107,990. They had hoped to purchase one English book per student for grades 11 and 12, at a cost of \$138,671.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

5. *Textbook Adoption for Middle School Social Studies* (continued)

Mrs. Katona noted that if they were to only purchase class sets, the cost would be \$66,735. She explained that they preferred to purchase one per student at the grade 11 and 12 level due to the amount of reading requested of the students outside of class.

Director Tenaglia noted that it was roughly one-half of the textbook budget.

Dr. Lewis replied that he was correct and they were new textbook adoptions for the account. He noted that replenishment came out of the building level allocations.

Director Follweiler echoed that it was approximately one-half of the proposed budget. She asked if there would be enough funds.

Mrs. Katona explained that they had some math textbooks they would be bringing to the board for the Algebra III course that would begin next year. They also had some science textbooks to purchase, however, she would be bringing the recommendation to the board. She pointed out that because several courses for the science textbooks were new, they were able to write them into some of their grants, so it would not affect the purchase of the books. She said there were a few outstanding social studies books needed for the high schools, because of the change in sequence for the additional students, but they would be all right with the allocated amount in the budget.

Director Cann addressed the English books and asked if the text was available online.

Mrs. Katona replied affirmatively.

Director Cann asked if it was necessary to buy hard copies for each student when they could obtain the text online.

Mrs. Katona responded that not all of the students had online access at home.

Director Cann suggested that the students who did not have access could possibly borrow the classroom copies. She did not understand why they would pay for online services if they were going to purchase one per student. She asked if they could purchase one classroom set with a few additional copies with an estimation of how many students did not have online access.

Mrs. Katona replied that she could look into it and speak with the department chairs about it. She agreed that the online access was one of the perks but the concern was that all students have access.

Director Cann asked Mrs. Katona about the amount of books they were presently seeking approval.

Mrs. Katona responded they were hoping for the one on one books for grades 11 and 12 but if the board preferred the class sets, then it would be agreeable.

Dr. Lewis asked if the licenses relegated to the number of ordered textbooks.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

5. *Textbook Adoption for Middle School Social Studies* (continued)

Mrs. Katona replied affirmatively and said she did not know if they would have enough to cover if the students did not have home access. They would only have as many as they had in the class sets so she did not know how many students would have home access.

Dr. Lewis commented that he thought the problem would be that they would not have adequate licenses if they cut the textbooks back to classroom sets. He added that unfortunately it was the way that many textbook companies operated.

Director Cann thought the only advantage to the online access was that they did not have to tote the weight of the book.

The administration's recommendations 2, 4, 5, 8, and 23 were considered together.

6. *Student Discipline - #0952409 and #1006941 – Adjudications*

INFORMATION:

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

RECOMMENDATION:

That the Board of School Directors adopts the proposed adjudications relating to Student Numbers: 0952409 and 1006941.

Item 6 passed 7 – 0 – 1 abstention (Amato).

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

7. *Student Discipline - #0943566, #0945567, #0947286, #0955198, #0971978, #1003756, #1006302, #1006228, and #0957686 – Waivers*

INFORMATION:

The Board of School Directors of the Bethlehem Area School District has received and reviewed the following Waivers of Expulsion Hearing and Stipulation regarding misconduct by nine students in violation of District Policy 233.

RECOMMENDATION:

That the Board of School of School Directors adopts the waivers relating to Student Numbers 0943566, 0945567, 0947286, 0955198, 0971978, 1003756, 10006301, 1006228, and 0957686.

Item 7 – Student #0943566 passed 6 – 1 – 1 abstention
Student #0945567 passed 6 – 1 – 1 abstention
Student #0947286 passed 6 – 1 – 1 abstention
Student #0955198 passed 6 – 1 – 1 abstention
Student #0971978 passed 5 – 2 – 1 abstention
Student #1003756 passed 5 – 2 – 1 abstention
Student #1006302 passed 6 – 1 – 1 abstention
Student #1006228 passed 7 – 0 – 1 abstention
Student #0957686 passed 7 – 0 – 1 abstention

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

8. *Federal/State Program Budgets*

INFORMATION:

The 2008-2009 Budget included \$13,103,381 in both revenues and expenditures for federal and state programs. Budget modifications are necessary to properly reflect the current status of funding from various federal and state organizations in the 2008-2009 Budget. The provisions of the Public School Code of 1949, Title 24, Article VI, Section 609 allow for these budget modifications required on a program basis to reflect revisions approved by the various federal and state organizations. These changes will adjust the total federal and state programs' revenues and expenditures from \$13,103,381 to \$13,329,427.

RECOMMENDATION:

That the administration be authorized to revise the federal and state program budgets as indicated on the attached schedule.

Director Follweiler inquired if the monies gained were due to changes in the federal and state programs.

Dr. Lewis agreed.

Director Follweiler asked if the monies were then reallocated to pay down the district debt.

Mr. Majewski replied that federal money had a strict supplanting issue and in general they could not take existing costs and charge them to a federal grant. He asked Mrs. Cintrón to provide more detail.

Mrs. Cintrón explained that the grant came to the district in the 2007-2008 school year. It was a Time Limited Family Reunification Grant, which was a grant with an initiative to reunify families of children placed in foster care. She noted that in the 2008-2009 school year, the grant came to Northampton County and the district was not eligible to apply. The county turned the grant over to the district to continue the initiative because they had done a good job in 2007-2008. She said that it was notification the district was receiving the funds from another source. She added that it was not budgeted because they knew they were not eligible to apply for the grant but now the district was receiving it.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

8. *Federal/State Program Budgets (continued)*

Director Follweiler asked if they were going to do something with the money that otherwise would not have been done if they never received it.

Mrs. Cintrón agreed. She noted that the PA Cares Initiative was basically an initiative they wrote for a specific purpose. She said the monies had come in and therefore they approached the board to inform that they were added.

Director McKeon asked how the money would be spent in two months.

Mrs. Cintrón replied that they received an approval but they did not show it to the board until they actually received the check. She stated they knew it had been approved and were aware that the county money was coming so they were able to initiate the program and begin the implementation.

The administration's recommendations 2, 4, 5, 8, and 23 were considered together.

2008-2009 FEDERAL/STATE PROGRAM BUDGETS

<u>Program Name</u>	<u>Approved Budget</u>	<u>Amended Budget</u>	<u>Increase/ (Decrease)</u>
PA CARES INITIATIVE	0	11,046	11,046
TIME LIMITED FAMILY REUNIFICATION	0	215,000	215,000
		TOTAL ADJUSTMENTS	<u><u>226,046</u></u>
APPROVED FEDERAL/STATE BUDGET REVENUES/EXPENDITURES			\$13,103,381
AMENDED FEDERAL/STATE BUDGET REVENUES/EXPENDITURES			\$13,329,427

9. *Lehigh Valley Workforce Investment Board, Inc. – Innovative Summer Youth Program Grant*

INFORMATION:

The Bethlehem Area School District is eligible to apply to the Lehigh Valley Workforce Investment Board (LVWIB) through the Private Industry Council of the Lehigh Valley, Inc. (PIC) to operate an Innovative Summer Youth Program.

The program, designed to offer eligible young adults job training and employment opportunities, will serve 50 mentally challenged students ages 14 to 24. In addition to the summer programming, follow-up activities throughout the school year will be conducted.

RECOMMENDATION:

That the administration be authorized to submit an application to the LVWIB in the amount of \$90,036 for an Innovative Summer Youth Program for mentally challenged students ages 14 to 24 for the summer of 2009 and the 2009-2010 school year.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

10. *Lehigh Valley Workforce Investment Board, Inc. – Innovative Summer Youth Program Grant – Career Academy*

INFORMATION:

The Bethlehem Area School District is eligible to apply to the Lehigh Valley Workforce Investment Board (LVWIB) through the Private Industry Council of the Lehigh Valley, Inc. (PIC) to operate an Innovative Summer Youth Program.

The Career Academy is applying to conduct a six-week program for 45 students. Participants will develop employability skills, and work on an academic program that includes business communications, financial math, economics, and service learning.

RECOMMENDATION:

That the administration be authorized to submit an application to the LVWIB on the behalf of the Career Academy in the amount of \$32,563 for an Innovative Summer Youth Program for the summer of 2009 and the 2009-2010 school year.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

11. Resignations**RECOMMENDATION:*****Instructional***

1. NAME: **Creyer, Samuel**
 ASSIGNMENT: Liberty, Art Teacher
 REASON: Retirement
 EFFECTIVE: June 10, 2009

2. NAME: **Danay, Kayla**
 ASSIGNMENT: Liberty, English Teacher
 REASON: Personal
 EFFECTIVE: June 10, 2009

3. NAME: **Morris, David**
 ASSIGNMENT: Spring Garden, Grade 4 Teacher
 REASON: Retirement
 EFFECTIVE: June 10, 2009

4. NAME: **Salsovic, Michael**
 ASSIGNMENT: Liberty, Special Education Teacher
 REASON: Personal
 EFFECTIVE: May 11, 2009

11. *Resignation*

RECOMMENDATION:

Noninstructional

1. NAME: **Gress, Suzanne**
 ASSIGNMENT: Child Care, Assistant Center Supervisor (2.5
 hours, straight shift, 10 month position)
 REASON: Personal
 EFFECTIVE: April 27, 2009

2. NAME: **Remaly, Kevin**
 ASSIGNMENT: Freedom, Assistant Athletic Director
 REASON: Personal
 EFFECTIVE: April 28, 2009

3. NAME: **Ward, Johnna**
 ASSIGNMENT: District-wide, Support Technologist
 REASON: Change in resignation date
 EFFECTIVE: March 28, 2009

11. *Resignation*

RECOMMENDATION:

Miscellaneous

- | | | |
|----|-------------|--------------------------------------|
| 1. | NAME: | Remaly, Kevin |
| | ASSIGNMENT: | Freedom, Head Swimming Coach |
| | REASON: | Personal |
| | EFFECTIVE: | April 28, 2009 |
| 2. | NAME: | Tone, John |
| | ASSIGNMENT: | Liberty, Head Girls Basketball Coach |
| | REASON: | Personal |
| | EFFECTIVE: | May 1, 2009 |

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

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

1. NAME: **Anderko, Karen**
ADDRESS: Danielsville
ASSIGNMENT: Liberty, Biology Teacher
REASON: Childrearing Leave of Absence, continuing
EFFECTIVE: August 24, 2009, until the end of the 2009-2010 school year
2. NAME: **Carvellas, Sarah**
ADDRESS: Allentown
ASSIGNMENT: Liberty, Mathematics Teacher
REASON: Childrearing Leave of Absence, continuing
EFFECTIVE: August 24, 2009, until the end of the 2009-2010 school year
3. NAME: **Chruscial, Allison**
ADDRESS: Walnutport
ASSIGNMENT: Broughal, Grade 6 Teacher
REASON: Family Medical Leave of Absence
EFFECTIVE: June 1, 2009, until the end of the 2008-2009 school year
4. NAME: **DeLillo, Michele L.**
ADDRESS: Breinigsville
ASSIGNMENT: Liberty, Special Education Teacher
REASON: Childrearing Leave of Absence, continuing
EFFECTIVE: August 24, 2009, until the end of the 2009-2010 school year
5. NAME: **Frank, Danielle M.**
ADDRESS: Bethlehem
ASSIGNMENT: William Penn, Grade 5 Teacher
REASON: Childrearing Leave of Absence, continuing
EFFECTIVE: August 24, 2009, until the end of the 2009-2010 school year

12. *Leaves of Absence***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|---|---|
| 6. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Hines, Erin
Whitehall
Fountain Hill, Special Education Teacher
Family Medical Leave of Absence
May 14, 2009, until the end of the day on
May 29, 2009 |
| 7. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Hinkle, Regina M.
Emmaus
William Penn, Grade 3 Teacher
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |
| 8. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Laubach, Michele
Whitehall
Liberty, Health and Physical Education Teacher
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |
| 9. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Miller, Michele M.
Easton
Thomas Jefferson, Grade 1 Teacher
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |
| 10. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Nelson, Sunny
Bethlehem
Freemansburg, Grade 4 Teacher
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |

12. *Leaves of Absence***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|-------------|---|
| 11. | NAME: | Pitsilos, Heidi |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Broughal, Grade 6 Teacher |
| | REASON: | Family Medical Leave of Absence |
| | EFFECTIVE: | June 3, 2009, until the end of the 2008-2009 school year |
| | | |
| 12. | NAME: | Schmittel, Julie |
| | ADDRESS: | Nazareth |
| | ASSIGNMENT: | Liberty, Science Teacher |
| | REASON: | Childrearing Leave of Absence, continuing |
| | EFFECTIVE: | August 24, 2009, until the end of the 2009-2010 school year |
| | | |
| 13. | NAME: | Silverthorn, Pamela J. |
| | ADDRESS: | Hellertown |
| | ASSIGNMENT: | Broughal, Reading Specialist |
| | REASON: | Childrearing Leave of Absence, continuing |
| | EFFECTIVE: | August 24, 2009, until the end of the 2009-2010 school year |
| | | |
| 14. | NAME: | VanHise, Michele |
| | ADDRESS: | Nazareth |
| | ASSIGNMENT: | East Hills, Grade 6 Teacher |
| | REASON: | Childrearing Leave of Absence, continuing |
| | EFFECTIVE: | August 24, 2009, until the end of the 2009-2010 school year |
| | | |
| 15. | NAME: | Wachinski, Jennifer |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Asa Packer, Grade 4 Teacher |
| | REASON: | Childrearing Leave of Absence, continuing |
| | EFFECTIVE: | August 24, 2009, until the end of the 2009-2010 school year |

12. *Leaves of Absence***RECOMMENDATION:*****Instructional (continued)***

- | | | |
|-----|---|--|
| 16. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Werkheiser, Laurie
Nazareth
District-wide, Academic Integration Specialist
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |
| 17. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | West, Kathy
Bethlehem
Fountain Hill, Grade 3 Teacher
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |
| 18. | NAME:
ADDRESS:
ASSIGNMENT:
REASON:
EFFECTIVE: | Windfelder, Susan
Quakertown
Freemansburg, Grade 3 Teacher
Childrearing Leave of Absence, continuing
August 24, 2009, until the end of the 2009-2010
school year |

12. *Leaves of Absence*

RECOMMENDATION:

Noninstructional

1. NAME: **Fistner, Christine**
 ADDRESS: Bethlehem
 ASSIGNMENT: Child Care, Center Supervisor
 REASON: Family Medical Leave of Absence
 EFFECTIVE: May 7, 2009, intermittently, until the end of the day
 on May 7, 2010

2. NAME: **Labukas, Rosemarie**
 ADDRESS: Bethlehem
 ASSIGNMENT: Northeast, Teacher Assistant
 REASON: Family Medical Leave of Absence
 EFFECTIVE: May 18, 2009, until the end of the 2008-2009 school
 year

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

13. *Nominations for Appointment*

RECOMMENDATION:

Administrative

- | | | |
|----|------------------|--|
| 1. | NAME: | Smith, Eric |
| | ADDRESS: | Bethlehem |
| | COLLEGE, DEGREE: | Pennsylvania State University, B.S.
DeSales University, M.Ed. |
| | | Immaculata University, Certification |
| | ASSIGNMENT: | Principal, Spring Garden Elementary School |
| | SALARY: | \$93,939 (Category 3, Step 8) |
| | EFFECTIVE: | August 2, 2009 |

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

1. NAME: **Gabovitz, Noelle S.**
 ADDRESS: Allentown
 COLLEGE, DEGREE: East Stroudsburg University, B.S.
 ASSIGNMENT: Fountain Hill, Grade 3 Teacher
 EXPERIENCE: 2 years, Bethlehem
 STATUS: Long-term Substitute
 SALARY: \$41,400 (Bachelor's, Step 3)
 EFFECTIVE: August 24, 2009, terminating at the end of the 2009-
 2010 school year, or upon the return of K. West

2. NAME: **Guldin, Elizabeth J.**
 ADDRESS: Northampton
 COLLEGE, DEGREE: Moravian College, B.A.
 ASSIGNMENT: East Hills, Grade 6 Teacher
 EXPERIENCE: 1 year, Bethlehem
 STATUS: Long-term Substitute
 SALARY: \$41,100 (Bachelor's, Step 2)
 EFFECTIVE: August 24, 2009, terminating at the end of the 2009-
 2010 school year, or upon the return of M. Van Hise

3. NAME: **Klein, Emily K.**
 ADDRESS: Northampton
 COLLEGE, DEGREE: Moravian College, B.S.
 ASSIGNMENT: Asa Packer, Grade 3 Teacher
 EXPERIENCE: 2 years, Bethlehem
 STATUS: Long-term Substitute
 SALARY: \$41,400 (Bachelor's, Step 3)
 EFFECTIVE: August 24, 2009, terminating at the end of the 2009-
 2010 school year, or upon the return of J. Wachinski

13. *Nominations for Appointment***RECOMMENDATION:*****Instructional (Continued)***

- | | | |
|----|---|---|
| 4. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Madison, Kathryn A.
Coopersburg
East Stroudsburg University, B.S.
William Penn, Grade 3 Teacher
3 years, Bethlehem
Long-term Substitute
\$41,674 (Bachelor's, Step 4)
August 24, 2009, terminating at the end of the 2009-2010 school year, or upon the return of R. Hinkle |
| 5. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
EXPERIENCE:

STATUS:
SALARY:
EFFECTIVE: | Washkau, Sarah J.
Allentown
Olivet Nazarene University, B.A.
William Penn, Grade 5 Teacher
2 years, Bethlehem
1 year, Illinois
Long-term Substitute
\$41,674 (Bachelor's, Step 4)
August 24, 2009, terminating at the end of the 2009-2010 school year, or upon the return of D. Frank |
| 6. | NAME:
ADDRESS:
COLLEGE, DEGREE:
ASSIGNMENT:
EXPERIENCE:
STATUS:
SALARY:
EFFECTIVE: | Wills, Thomas R.
Wind Gap
Kutztown University, B.S.
Fountain Hill, Grade 2 Teacher
1 year, Bethlehem
Long-term Substitute
\$41,100 (Bachelor's, Step 2)
August 24, 2009, terminating at the end of the 2009-2010 school year, or upon the return of L. Craven |

13. *Nominations for Appointment*

RECOMMENDATION:

Noninstructional

1. NAME: **Kelley, James W.**
 ADDRESS: Bethlehem
 ASSIGNMENT: Broughal, Support Technologist
 SALARY: \$28,105, prorated (Noninstructional Meet and Discuss,
 Category K, Step 3)
 EFFECTIVE: May 19, 2009

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

1. **Coach** (2009-2010 school year)
Liberty High School
Cross Country
Head Coach **Morgan, Angela** New \$4,284.00

 2. **Maintenance – Temporary Lead Vehicle Mechanic**
Byrnes, Michael
SALARY: Additional \$1.00 per hour above his established hourly rate

 3. **Site Manager**
Foust, Reik
SALARY: \$23.24 per hour

 4. **Summer ASPIRE Helpers**
District-wide
Bauer, Mary
Correll, Chad
Cressman, Jayne
Washington, Arria
- Fountain Hill Elementary School***
Lynn, Patricia
Lynn, Skylar
Meckes, Cassandra
- Freemansburg Elementary School***
Diaspe, Sharon **Morales, Brenda**
Diaz, Sheila **Yushko, Linda**
Gallarza, Emily
- Thomas Jefferson Elementary School***
Bogdanski, Catherine
Eggleston, Jade
Prosser, Linda
- Broughal Middle School***
Villegas, Luis
SALARY: \$7.15 per hour

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****5. Summer Child Care*****Assistant Center Supervisors*****Elliott, Lois** 3 hours per day**Hart, Sarah** 3 hours per day

SALARY: \$11.01 per hour

EFFECTIVE: June 5, 2009

6. Summer Dining Services**Cook**

Code: 50-3110-194-000-0000-00001

Cope, Florinda 6.5 hours per day \$14.66 per hour**Assistant Cook**

Code: 50-3110-195-000-0000-00001

DelVillaggio, Louise 4.5 hours per day 13.58 per hour**General Kitchen Help**

Code: 50-3110-195-000-0000-00001

Bedics, Sharon 3.5 hours per day 11.86 per hour**Miller, Christine** 3.5 hours per day 11.86 per hour**Myers, Rosemary** 3.5 hours per day 12.18 per hour

Code: 50-3110-195-000-0000-00001

King, Debra 3 hours per day 11.86 per hour**Mackaravitz, Donna** 3 hours per day 11.86 per hour**Millan, Maria** 3 hours per day 11.86 per hour

Code: 50-3100-194-000-0000-00001

Alternate/Special Event Help: Any dining service employee already approved by the Board of School Directors is to be paid the normal hourly rate for the work performed.

7. Summer Enrollment Services

Code: 10-1100-123-000-1120-00001

Haddad, Lydia**Lucrezi, Susan**

SALARY: To be paid per diem rate, not to exceed 25 days combined

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****8. Summer School – Elementary Schools*****Teachers******Calypto Elementary School*****Christiansen, Robert****Christine, Martha****Danyi, Kelly****DeLong, Heidi****Depoy, Kim****Flad, Stephen****Kret, Daria****Miller, Heather****Santana, Carlos****Seiler, Donna****Shellaway, Mark****Shuler, Amanda****Shuler, Jeremy****Venable, Jacqueline****Wastler, Amy*****Clearview Elementary School*****Bertagna, Jamie****Birster, AnnMarie****Cipriano-Ortiz, Clarabelle****Dunne-Porter, Melissa****Ortwein, Amanda****Fontanez, Eric****Kocon, Megan****Kravetz, Amy****Lesser, Jeremy****Loeb, Karen****Lyons, Matthew****Markham, Jeffrey****Meluskey, Kathleen****Ortwein, Jonathan****Overholt, Kimberly****Rucker, Lisa****Sosa, Lynn****Szoke, Corri****Shumanis, Lyn****Villani, Joanne*****Donegan Elementary School*****Beiner, Danielle****Blocker, Evonne****Burgos-Halm, Evanyl****Chisnall, Janet****Diaz, Susan****Donatelli-Medei, Nichole****DosSantos, Danielle****Fleckenstein, Dax****Galantini, Joseph****Giampapa, Tammy****Giordano, Sophia****Grube, Joslyn****Harding, Tina****Kenney, Joseph****Kvacky, Natalie****Leahy, Frances****Loller, Tracey****Lutz-Reinhart, Sherry****Myles, Maria****Oldt, Christine****Phillips, John****Rivera, Angel****Thrash, Leslie****Tracy, Jamie****Walters, Danette****Warmkessel, Ann**

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****8. Summer School – Elementary Schools (continued)*****Teachers******Donegan Elementary School (continued)***

Werkheiser, Patricia	Zavar, Kristen
Williams, Joey	Zellner, Tracy
Yanders-Feddor, Tracie	Ziegler, Laura

Fountain Hill Elementary School

Allford, Stacey	Nelson, Amanda
Benedict, Courtney	Piker, Erin
Bevilaqua, Danielle	Poole, Judith
Dailey, Rosemary	Raynor, Tracey
Dolak, Donna	Rowe, Rebecca
Drey, Brad	Sames, Michelle
Eisenhard, Jennifer	Sanchez, Michelle
Gabovitz, Noelle	Simpson, Marie
George, Ursula	Spirk, Nicole
Ginsberg, Jeremy	Taylor, Christine
Hahn, Amanda	Velez, Mary
Makin, Donita	Weychert, Paula
McIntyre, Thomas	Wills, Thomas
Moutafis, Maria	Zelko-Mease, Kara

Freemansburg Elementary School

Andrew, Shannon	Maldonado, Candy
Aoun, Maya	Misero, Marian
Barney, Maria	Seaman, Virginia
Ehrlich, Judith	Weaver, Heather
Foschetti, Shannon	Wickham, Donna
Francis, Tanya	Williams, Wanda
Garcia, Daniel	

Governor Wolf Elementary School

Baker, Kathy	Meila, Jeffrey
Hollinger, Melissa	Sabo, Kenneth
Keppel, Tiffany	

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****8. Summer School – Elementary Schools (continued)*****Teachers******James Buchanan Elementary School*****Butt, Julie****Millheim, Shelly****Deibler, Joi****Ziegler, Jenna*****Lincoln Elementary School*****Bortz, Gail****Salabsky, Rebbecca****Capozzolo, Peggy****Shadle, Karen****Lauray, Kelly****Stellato, Nancy****Muzyczka, Jan****Sumpter, Evelyn****Righi, JoAnne*****Marvine Elementary School*****Amigo, Consuelo****Reybitz, Jessica****DiMaria, Martin****Telese, Jessica****Garcia, Matilde****Trinidad, Anjanette****Hetrick, Jessica*****Thomas Jefferson Elementary School*****Craven, Kyle****Keen, Alicia****Coy, Amanda****McIntyre, Daniel****Donaldson, Jessica****Miller, Michele M.****Drabic, David****Pasternak, Robert****Fenstermacher, Michele****Poczak, Louis****Heller, Natalie****Wolf-Greenberg, Melanie*****William Penn Elementary School*****Frank, Danielle****Washkau, Sarah****Madison, Kathryn****Werner, Dara****Trinidad, Annjanette****SALARY: \$32.04 per hour**

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****8. Summer School – Elementary Schools (continued)*****Teacher Assistants******Calypso Elementary School*****Foldes, Patsy*****Thomas Jefferson Elementary School*****Compos, Linda****Nann, Cindy****SALARY: \$15.22 per hour****9. Summer School – English as a Second Language*****Teachers*****Bickley, Laura****Gabriel, Diane****Giordano, Sofia****Lynn, Karen****Maurer, Kristine****Phillips, John****SALARY: \$32.04 per hour****Porrata, Omar****Raynor, Tracy****Rodriguez, Ada****Velleca, Antonetta****Williams, Janice****Zavar, Kristen****10. Summer School – Middle Schools*****Broughal Middle School*****Altimare, James****Chruscial, Brant****DiSipio, Anthony****Figueroa, Anthony****Hatch, Eric****Kamyab, Melissa****Kirias, Michelle****Kutz, Gina****McKellin, Janice****Schultz, Barry****Voorhees, Karen*****Northeast Middle School*****Bauder, Felicia****Beisel, Toni****Bennett, Susan****Dodson, Ann****Gross, Jason****Heller, Brian****Jeffress, Karen****Justus, Rosemary****Knecht, Ronald****Korcienski, James****LaTourette, Kelly****Leon, Ronald****Maderas, Laura****Majczan, Sheri****Mingora, Thomas****Minotti, Courtney**

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)***

10. **Summer School – Middle Schools (continued)**
Northeast Middle School (continued)
Seaman, Stephanie **Smisko, Roseann**
Sitaras, John **Vanderstel, Elisa**
SALARY: \$32.04 per hour
- Teacher Assistant***
Northeast Middle School
Kaminski, Kathy
SALARY: \$14.22 per hour
11. **Summer Second Language Guides**
Oliveria, Rosemarie
Vazquez, Mariangeli
SALARY: \$11.00 per hour
12. **Summer School – High School**
Employment dependent on enrollment
Teachers
- | | |
|--------------------------|-------------------------|
| Achenzie, Jeffrey | McKellin, Janice |
| Arner, Michael | Nork, Joseph |
| Ayre, Jonathan | Patti, Joshua |
| Bradley, Steven | Patti, Nicole |
| Dectis, Nicholas | Pigga, Janice |
| Dermody, Thomas | Quintana, James |
| Giannantonio, Amy | Radler, Chad |
| Guindine, Ann | Rizzutto, Lee |
| Herbst, Christine | Smith, Gloria |
| Kline, Alan | Sparks, William |
| Kline, Joshua | Steele, Tracey |
| Kroboth, Suzanne | Terry, Daniel |
| Malacsics, Lauren | |
- SALARY: \$32.04 per hour

13. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****13. Summer SPARK Program*****Teachers*****Boyko, Kristina****Carrasco, Tricia****Johnson, Brandie****SALARY: \$32.04 per hour****Martin, Kristyn****Rupp, Karen****Teague, Deanne*****Teacher Assistants*****Collazo, Myriam****DeJesus, Ada****Marcial, Nancy****SALARY: \$14.68 per hour****EFFECTIVE: June 10-30, 2009****Menéndez, Evelyn****Peña, Jacquelyn****Torres, Idalís****14. Summer Transportation*****Bus Cleaners*****Canas, Reyna****Castro, Maribel****Matthews, Madeline****Morille, Clara****Serrano, Heriberto****Willever, David*****Alternates*****Bolsinger, Marlene****Drake, Janine****Lienbach, Mary****SALARY: \$8.00 per hour****Ringer, Cory****Simon, Jean****15. Support Teacher Induction Program****Inductee****Kitchell, Barbara****LaTourette, Kelly****SUPPORT TEACHER SALARY: \$604.00****School****Freedom****Northeast****Support Teacher****Young, Jeffrey****Shive, Linda****16. Team Leaders*****Broughal Middle School******Academic*****3 person****Chruscial, Allison (.77)****Schomaker, Timothy (.23)****\$ 810.04****241.96**

13. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Instructional

Croll, Jessica
Red Hill

Ehrie, Ryan
Bethlehem

Escott, Michael
Bethlehem

Harris, Crafford
Easton

Hill, Cyndee
Bethlehem

Kline, Joshua
Springtown

Longo, Robert
Stroudsburg

Morris, David
Bethlehem

Salabsky, Rebecca
Bethlehem

Sales, Christopher
Nazareth

Scala, Francesca
Bethlehem

Smullen, Judy
Bethlehem

Snyder, Megan
Bethlehem

Tramutola, Stacey
Mt. Bethel

Vetter, Linda
Bethlehem

Zameroski, Nathan
Bethlehem

13. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Noninstructional

Altagracia, Ana
Allentown

Otinda, Michael
Bethlehem

Colmenares, Rafael
Bethlehem

Peña, Jacquelyn
Hellertown

Martin, Robert J.
Bethlehem

Strohl, Marla
Bethlehem

Mertz, Diane
Bethlehem

Young, John
Easton

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

14. *Reassignments*

RECOMMENDATION:

Noninstructional

1. NAME: **Christman, Allen**
 FROM: Farmersville, C-1 Custodian
 TO: Lincoln, C-2 Custodian
 SALARY: \$19.83 per hour
 REASON: Successful Candidate
 EFFECTIVE: May 19, 2009

14. *Reassignments*

RECOMMENDATION:

Miscellaneous

- | | | |
|----|------------|---------------------------------|
| 1. | NAME: | Spang, Joseph |
| | FROM: | Liberty, (.5) DECA Club Advisor |
| | TO: | Liberty, 1.0 DECA Club Advisor |
| | SALARY: | \$357.00 |
| | REASON: | Adjustment in assignment |
| | EFFECTIVE: | 2008-2009 school year |

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

15. *Board Policy Number 201 – Admission of Students – Second Reading*

INFORMATION:

The Bethlehem Area School District has requirements for the admission of students that are consistent with statute and sound educational practice and ensure the equitable treatment of all eligible children. The January 22, 2009, Basic Education Circulars (BEC) provided guidance regarding public school enrollment procedures. These new guidelines reflect current requirements of the Pennsylvania Public School Code and 22Pa. Code, and Chapter 11. These enrollment procedures, consistent with law, exist to ensure that public schools promptly enroll students who are residents or who are eligible non-residents.

The board reviewed this policy at the May 11, 2009, Board Human Resources Committee Meeting.

RECOMMENDATION:

That the Board of School Directors approves the attached Board Policy Number 201 – Admission of Students with the recommended changes in bold.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading: May 11, 2009
Second Reading: May 18, 2009

SECTION: PUPILS

TITLE: ADMISSION OF STUDENTS

ADOPTED: November 15, 2004

REVISED:

	201. ADMISSION OF STUDENTS
1. Authority SC 1301 Title 22 Sec. 11.41	The Board shall establish age requirements for the admission of beginning students which are consistent with statute and sound educational practice and ensure the equitable treatment of all eligible children.
2. Guidelines Title 22 Sec. 11.14 Pol. 203	<u>Kindergarten</u> A child is eligible for admission to kindergarten if s/he is five (5) years old on or before October 1 or recommended as an exception by the Child Study Center. The Superintendent or designee shall require that each student who registers for entrance to school exhibits a birth certificate or similar documentation as proof of age and birthdate, along with proof of required immunizations and residency.
SC 1304, 1326	<u>First Grade</u> Beginners are students entering the lowest grade of the elementary school above the kindergarten level who are attending the Bethlehem Area School District for the first time. They shall be admitted to school only during the first two (2) weeks of the annual school term, except that a child who is eight (8) years of age may begin school at any time during the school year. An exception may be made, upon the recommendation of the principal and the approval of the Superintendent, for children of kindergarten age who move into the district before December 31, but after the expiration of the two-week admission period.
Title 22 Sec. 11.15	Children are eligible for admission to the first grade if they are six (6) years old on or before October 1 of that year or if they have successfully completed a Pennsylvania public school kindergarten program.

Early Admissions

Students not meeting the above criteria may be recommended for early admission to kindergarten or grade one if the following criteria are met:

1. Applications are accepted from May 1 to August 1 for a child who will not be five (5) years old on or before October 1 for kindergarten, or six (6) years old on or before October 1 for grade one. Parental requests for early admission testing before May 1 or after August 1 will not be granted. Requests from new residents will be accepted until the end of the first day of school.
2. To be eligible for early admission testing, a child who will not be five (5) years old on or before October 1 for kindergarten, or six (6) years old on or before October 1 for grade one, must have a birthday in October, November, or December during the calendar year that the application is received.
3. The child must be recommended for early admission based on established criteria by the district. Only the results of tests administered by the district personnel are recognized for the purpose of early admission. The results of outside testing are not considered.
4. The results of the tests administered for early admission are final. There is no appeal.
5. All early admission requests must be submitted to the district in writing.

Entitlement

A school age child is entitled to attend the public schools of the child's district of residence. A child's district of residence is that in which the parents or the guardian resides. When the parents reside in different school districts due to separation, divorce or other reason, the child may attend school in the district of residence of the parent with whom the child lives for a majority of the time, unless a court order or court approved custody agreement specifies otherwise. If the parents have joint custody and time is evenly divided, the parents may choose which of the two school districts the child will enroll for the school year. If the child is an emancipated minor, the resident school district is the one in which the child is then living. For purposes of this section, an emancipated minor is a person under 21 years of age who has chosen to establish a domicile apart from the continued control and support of parents or guardians. A minor living with a spouse is deemed emancipated.

Transportation for students must be provided consistent with the policy of the school district that the students are attending.

Enrollment

A school district shall normally enroll a child the next business day but no later than five business days of application. The school district has no obligation to enroll a child until the parent, guardian, or other person having control or charge of the student making the application has supplied proof of the child's age, a minimum of two proofs of residency, and immunizations as required by law, except in the case of homeless students.

Acceptable proofs of residence are:

- **Agreement of sale to purchase a home in the Bethlehem Area School District**
- **Lease agreement**
- **Utility bill**
- **Change of address from the Post Office (yellow sticker on received letter)**
- **Current automobile registration with current driver's license and current insurance card. These three are still only one proof of residency.**
- **Letter from Social Security Administration stating that the family is the recipient of Social Security benefits and has provided the Social Security Administration with a Bethlehem Area School District address**
- **Letter from the Department of Public Welfare**
- **Bank statement**
- **Letter from employer**
- **Credit card bill**

School districts receiving requests for educational records from another school district or charter school shall forward the records within 10 business days of receipt of the request

Nonresident Children

The enrollment requirements apply equally to nonresident children who are children living in facilities or institutions as defined in § 11.18 (relating to nonresident child living in facilities or institutions), or foster homes, or with a district resident who is supporting the child without personal compensation as defined in § 11.19 (relating to nonresident child living with a district resident), provided that the person making the application has supplied the documentation required by law, consistent with Board Policy 202 Eligibility of Nonresident Student.

School Code 503, 1301, 1304, 1326, 1925 PA Code Title 22 Sec. 4.41, 11.14 et seq, 11.15, 11.16, 11.41 Opinion, Attorney General 71 Op. A.G. 74	<u>Immigration Status</u> A child's right to be admitted to school may not be conditioned on the child's immigration status. A school may not inquire regarding the immigration status of a student as part of the admission process. This provision does not relieve a student who has obtained an F-1 visa from the student's obligation to pay tuition under Federal law. <u>Home Language Survey</u> A school entity shall administer a home language survey to all students seeking first time enrollment in its schools in accordance with requirements of the United States Department of Education's Office for Civil Rights.
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16. *Approval of School Lunch Prices for 2009-2010***RECOMMENDATION:**

That the school lunch prices for the 2009-2010 school year are set forth as follows:

	LUNCH PRICE 2008-2009	LUNCH PRICE 2009-2010
FREE	\$.00	\$.00
REDUCED	.40	.40
ELEMENTARY	2.00	2.05
SECONDARY	2.20	2.25
ADULT	2.75	2.80

Students purchasing a second lunch, which are nonreimbursable from the government, will cost \$.65 more than the elementary (or \$2.70) or secondary (or \$2.90) lunch price.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

17. *Authorization to Accept Offer on Property Q7 6 6 0204C; Creek Road, City of Bethlehem - Northampton County Repository Sale*

INFORMATION:

The above-referenced property was turned over to the Northampton County Tax Claim Bureau for collection of delinquent school district real estate taxes. Judicial sales proved to be unsuccessful, and as a result, the property has been retained in the County Repository since 1997. Subsequent attempts to sell the properties were also unsuccessful. On April 28, 2009, the school district received notification from the Tax Claim Bureau that a \$1,500 bid was tendered for parcel Q7 6 6 0204C.

Pennsylvania Real Estate Tax Law (Sec. 627) requires the Tax Claim Bureau to obtain written consent from the taxing district to accept an offer of any price for the property placed in the “repository for unsold properties” without court approval and published notice of sale. The taxing district may not unreasonably withhold its consent to the sale of the property.

The Tax Claim Bureau has evaluated the offer and considers it to be a fair offer and desires the property to be sold.

RECOMMENDATION:

That the Board of School Directors authorizes the administration to send the Tax Claim Bureau written consent to accept the offer of \$1,500 for parcel/property Q7 6 6 0204C; Creek Road.

The administration’s recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.



COUNTY OF NORTHAMPTON

DEPARTMENT OF FISCAL AFFAIRS REVENUE

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON ST
EASTON, PENNSYLVANIA 18042-7484
TELEPHONE (610) 559-3102
FAX NUMBER (610) 559-3723

April 24, 2009

STANLEY J MAJEWSKI JR
DIRECTOR OF BUSINESS AFFAIRS
1516 SYCAMORE ST
BETHLEHEM PA 18017

RE: REPOSITORY SALE PROPERTY

Creek Rd
Q7 6 6 0204C

Dear Mr. Majewski,

I am writing to you regarding the above referenced property. As you are probably aware, this property was not sold at the December 1997 Judicial Sale. As such, the above referenced premise is now being held in the County Repository. Pursuant to Sec. 627 of the Pennsylvania Real Estate Tax Law, the tax claim bureau may accept an offer of any price for a property held in the repository.

However, the 1998 amendment to Sec.627 now requires that before the tax claim bureau may sell the property from the repository, the bureau must first receive written consent for the sale from all taxing districts where the property is located.

Please be advised that we have received a bid of \$1500.00 for the above referenced property. We have evaluated this offer and consider it to be a fair bid. Rather than incurring further liability for this property, it is the tax claim bureau's position that this property should be sold as quickly as possible.

As such, would you please provide us with your written consent to sell this property.

If I can be of further assistance or if you have any questions, please call me at 559-3161.



Sincerely,

Cindy Hoffer
Tax Claim Supervisor

PARID: Q7 6 6 0204C
MIHULEC STEPHEN W & DAROTHY E

CREEK RD

Parcel

Street/Road	LANDLOCKED/NONE
Property Location	CREEK RD
Valuation Neighborhood	1901
GIS PIN	4663-07-7451-3286
School District	BETHLEHEM SCHOOL DIST
Utilities	ALL PUBLIC
Topography	LEVEL
Municipality	BETHLEHEM CITY
Parent Parcel	
Land Area	
Land Use Code	Vacant Land
Classification	Exempt
Parcel ID	Q7 6 6 0204C
Homestead /Farmstead	-
Approved?	-

Owner

Name(s) MIHULEC STEPHEN W & DAROTHY E

Mailing Address
City,State,Zip Code C O COUNTY TAX CLAIM DIVISION 669 WASHINGTON ST
EASTON PA 18042

Sales

Date Recorded	01-APR-1991
Sale Price	\$1
Deed Book and Page	828 - 000092
Type	LAND

Sales History

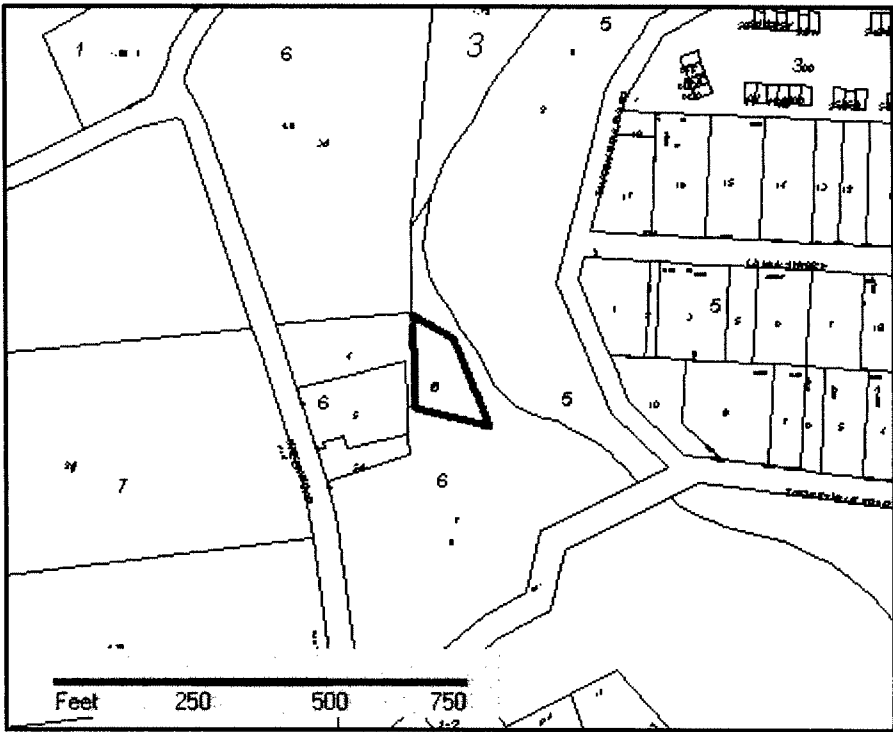
Date	Type	Sale Price	Deed Book and Page
04/01, 1991	LAND	\$1	828 - 000092

Values

Net Land	\$1,500
	\$0
	\$1,500
Exemption/Exclusion Type	
Assessment	\$800

PARID: Q7 6 6 0204C
MIHULEC STEPHEN W & DAROTHY E

CREEK RD



18. *Authorization to Contract with Sodexo for Food Service Management*

INFORMATION

The Bethlehem Area School District is required to publicly Request For Proposals (RFP) from food service management companies every five years, and in compliance with the regulation and format of the United State Department of Agriculture and the Pennsylvania Department of Education, Food and Nutrition Division. The RFP was prepared and distributed to five companies and publicly advertised. One company submitted a proposal, Sodexo. The Sodexo proposal and the RFP process was discussed with all Board of School Directors, administrators, and public at the May 4, 2009, Board Finance Committee meeting.

RECOMMENDATION:

That the Board of School Directors contract with Sodexo for food service management, in accordance with the terms of their proposal, and authorize the execution of all documents necessary to complete said contract.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

19. *Change in Mileage Reimbursement*

INFORMATION:

The Bethlehem Area School District adjusts the mileage reimbursement rate in accordance with contractual provisions and board policy for employees who use their personal vehicles in the course of their employment. Currently, the school district reimburses \$.585 per mile, and the maximum rate for mileage reimbursement as per the Internal Revenue Service (IRS) has been reduced to \$.55 per mile.

The school district will adjust the mileage reimbursement September 1 to equal the IRS rate.

RECOMMENDATION:

That the per mile reimbursement rate be reduced to \$.55 as of September 1, 2009, for required employment travel by district employees using their personal vehicles.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

20. *Election - Colonial Intermediate Unit 20 Board of Directors*

INFORMATION:

The Bethlehem Area School District received official election ballots from Colonial Intermediate Unit 20 to vote for appointments to the Colonial Intermediate Unit 20 Board of Directors. Official election ballots will be completed by each school director at the May 18, 2009, Regular Board Meeting, and returned to the board secretary. The board secretary will include the results in the official minutes and communicate the outcome to Colonial Intermediate Unit 20.

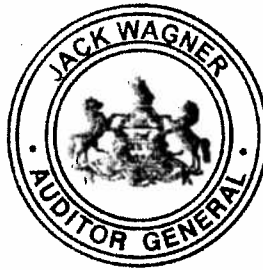
21. *Pennsylvania Auditor General's Audit Report for the Years Ending June 30, 2005 and 2006*

RECOMMENDATION:

That the audit report for the years ending June 30, 2005 and 2006, prepared by the Commonwealth of Pennsylvania Department of the Auditor General, become part of the minutes and be available for public inspection. A copy is on file in the Business Office, 1516 Sycamore Street, Bethlehem, Pennsylvania.

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

COMMONWEALTH OF PENNSYLVANIA



BETHLEHEM AREA SCHOOL DISTRICT
NORTHAMPTON COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

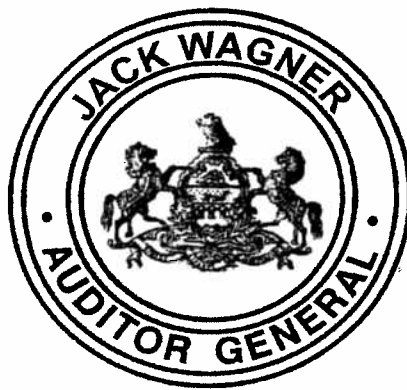
APRIL 2009

JACK WAGNER, AUDITOR GENERAL

PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

Table of Contents

Executive Summary	1
Audit Scope, Objectives, and Methodology	3
Findings and Observations	6
Finding No. 1 – Errors in Reporting Social Security and Medicare Wages Resulted in Reimbursement Underpayments of \$425,790	6
Finding No. 2 – Lack of Memorandum of Understanding	9
Observation – Unmonitored Vendor System Access and Logical Access Control Weaknesses	11
Status of Prior Audit Findings and Observations	15
Distribution List	17



Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the Bethlehem Area School District (BASD). Our audit sought to answer certain questions regarding the District's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures; and to determine the status of corrective action taken by the BASD in response to our prior audit recommendations.

Our audit scope covered the period August 18, 2006 through October 17, 2008, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidy and reimbursements was determined for school years 2005-06 and 2004-05 as they were the most recent reimbursements subject to audit. The audit evidence necessary to determine compliance specific to reimbursements is not available for audit until 16 months, or more, after the close of a school year.

District Background

The BASD encompasses 43 square miles. According to 2000 Federal census data, it serves a resident population of 108,574. According to District officials, in school year 2005-06, the BASD provided basic educational services to 15,212 pupils through the employment of 1,171 teachers, 871 full-time and part-time support personnel, and 61 administrators. Lastly, the BASD received more than \$37.5 million in state funding in school year 2005-06.

Audit Conclusion and Results

Our audit found that the BASD complied, in all significant respects, with applicable state laws, regulations, contracts, grant requirements, and administrative procedures; however, as noted below, we identified two compliance-related matters reported as findings and one matter unrelated to compliance that is reported as an observation.

Finding 1: Errors in Reporting Social Security and Medicare Wages Resulted in Reimbursement Underpayments of \$425,790. The BASD incorrectly reported total taxable Social Security and Medicare wages resulting in reimbursement underpayments of \$211,169 for the 2005-06 school year and \$214,621 for the 2004-05 school year for a total underpayment of \$425,790. BASD management agreed with the finding (see page 6).

Finding 2: Lack of Memorandum of Understanding. The BASD did not have signed Memorandums of Understanding with three of the five law enforcement agencies that have jurisdiction over the BASD's buildings. BASD management agreed with the finding (see page 9).

Observation: Unmonitored Vendor System Access and Logical Access Control Weaknesses. We noted that BASD personnel should improve controls over remote access to its computers. In particular, controls should be strengthened over outside vendor access to the student accounting applications. BASD management agreed with the observation (see page 11).

Status of Prior Audit Findings and

Observations. With regard to the status of our prior audit recommendations to the BASD from an audit we conducted of the 2003-04 and 2002-03 school years, we found the BASD had not taken appropriate corrective action in implementing our recommendations pertaining to Social Security and Medicare Wages (see page 15).

Audit Scope, Objectives, and Methodology

Scope

Our audit, conducted under authority of 72 P.S. § 403, is not a substitute for the local annual audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit covered the period August 18, 2006 through October 17, 2008, except for the verification of professional employee certification which was performed for the period July 28, 2006 through June 30, 2008.

Regarding state subsidy and reimbursements, our audit covered school years 2005-06 and 2004-05 because the audit evidence necessary to determine compliance, including payment verification from the Commonwealth's Comptroller Operations and other supporting documentation from the Department of Education (DE), is not available for audit until 16 months, or more, after the close of a school year.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with DE reporting guidelines, we use the term school year rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

Objectives

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as, laws, regulations, and defined business practices. Our audit focused on assessing the BASD's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?

What is a school performance audit?

School performance audits allow the Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each Local Education Agency (LEA). The results of these audits are shared with LEA management, the Governor, the PA Department of Education, and other concerned entities.

What is the difference between a finding and an observation?

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a law, regulation, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

- ✓ In areas where the District receives state subsidy reimbursements based on pupil membership (e.g. basic education, special education, and vocational education), did it follow applicable laws and procedures?
- ✓ In areas where the District receives state subsidy reimbursements based on payroll (e.g. Social Security and retirement), did it follow applicable laws and procedures?
- ✓ Did the District follow applicable laws and procedures in areas dealing with pupil membership and ensure that adequate provisions were taken to protect the data?
- ✓ Is the District's pupil transportation department, including any contracted vendors, in compliance with applicable state laws and procedures?
- ✓ Does the District ensure that Board members appropriately comply with the Public Official and Employee Ethics Act?
- ✓ Are there any declining fund balances which may impose risk to the fiscal viability of the District?
- ✓ Did the District pursue a contract buyout with an administrator and if so, what was the total cost of the buy-out, reasons for the termination/settlement, and do the current employment contract(s) contain adequate termination provisions?
- ✓ Were there any other areas of concern reported by local auditors, citizens, or other interested parties which warrant further attention during our audit?
- ✓ Is the District taking appropriate steps to ensure school safety?
- ✓ Did the District take appropriate corrective action to address recommendations made in our prior audits?

Methodology

What are internal controls?

Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as:

- Effectiveness and efficiency of operations;
- Relevance and reliability of operational and financial information;
- Compliance with applicable laws, regulations, contracts, grant requirements and administrative procedures.

Government Auditing Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings, observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings, observation and conclusions based on our audit objectives.

BASD management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with applicable laws, regulations, contracts, grant requirements, and administrative procedures. Within the context of our audit objectives, we obtained an understanding of internal controls and assessed whether those controls were properly designed and implemented.

Any significant deficiencies found during the audit are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies/reimbursement, pupil membership, pupil transportation, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, bus driver qualifications, professional employee certification, state ethics compliance, and financial stability.
- Items such as Board meeting minutes, pupil membership records, and reimbursement applications.

Additionally, we interviewed selected administrators and support personnel associated with BASD operations.

Lastly, to determine the status of our audit recommendations made in a prior audit report released on January 12, 2007, we reviewed the BASD's response to DE dated April 20, 2007. We then performed additional audit procedures targeting the previously reported matters.

Findings and Observations

Finding No. 1

Criteria relevant to this finding:

Instructions for completing the application state that wages reported in the "Total Taxable Social Security and Medicare Wages" columns must include wages of federally funded employees. Federally funded wages are then reported in a separate column, to be subtracted from the total to determine wages subject to state reimbursement.

Act 29 of 1994 changed the reimbursement calculation for the Commonwealth's share of Social Security and Medicare taxes and created two categories of employees that must be tracked by school entities for reimbursement purposes. The two categories of employees are "existing" employees and "new" employees. The reimbursement calculation is different for each category of employee. These two categories are mutually exclusive and comprehensive, so that an employee will fit into only one category.

Errors in Reporting Social Security and Medicare Wages Resulted in Reimbursement Underpayments of \$425,790

Our review of the District's Social Security and Medicare wages reimbursement records found that reports submitted to the Department of Education (DE) were inaccurate, resulting in reimbursement underpayments of \$211,168 for the 2005-06 school year and \$214,622 for the 2004-05 school year for a total underpayment of \$425,790.

Certain qualifying wages for both new and existing employees were inadvertently omitted from these reports due to District personnel's misunderstanding of DE's instructions for filing Social Security reimbursement forms.

Furthermore, District personnel failed to reconcile total taxable wages for Social Security and Medicare with wages reported on the Employer's Quarterly Federal Tax Return.

Wages eligible for Social Security and Medicare reimbursement were understated in reports submitted to DE, as follows:

Wages Subject to State Reimbursement

<u>Audited</u>	<u>Reported</u>	<u>Understated</u>	<u>Rate</u>	<u>Reimbursement Underpayments</u>
<u>Total Wages</u>				

2005-06

SE	\$44,026,938	\$41,846,629	\$2,180,309	.03100	\$ 67,590
ME	44,144,371	41,961,965	2,182,406	.00725	15,822
SN	38,276,483	34,936,443	3,340,040	.03100	103,541
MN	38,376,418	35,036,378	3,340,040	.00725	24,215
Total					\$211,168

2004-05

SE	\$46,975,568	\$44,709,103	\$2,266,465	.03100	70,260
ME	47,267,414	44,999,338	2,268,076	.00725	16,444
SN	33,483,254	30,139,010	3,344,244	.03100	103,672
MN	33,575,257	30,231,013	3,344,244	.00725	24,246
Total					\$214,622
Grand Total					\$425,790

(SE) Social Security wages for existing employees
 (ME) Medicare wages for existing employees
 (SN) Social Security wages for new employees
 (MN) Medicare wages for new employees

Recommendations

The Bethlehem Area School District should:

1. Ensure District personnel are aware of the proper procedures for correctly completing state Social Security reimbursement forms.
2. Reconcile total taxable wages for Social Security and Medicare with wages reported on the Employer's Quarterly Federal Tax Return.
3. Review reports filed for years subsequent to the audit period and, if errors are found, submit revised reports to DE.

DE should pay the District an additional \$425,790 to resolve the reimbursement underpayments.

Management Response

Management agreed with the finding and stated:

The error in reporting Social Security and Medicare wages was the result of data input confusion when the Commonwealth first required web application filing. This error was initially discovered in 2006 during the biannual review by the Auditor General staff; however, correction of the underpayment was disallowed by PDE until the finding appeared on the [Auditor General's] audit for the years in question.

The school district plans to amend its reports with the PA Department of Education to claim the monies due. Further, training of the staff who submits the report on the proper filing of these wages occurred in 2006 following the AG's reporting and appropriate submissions are now being made. In addition to training, the reports shall have the review of the Assistant Director of Business Affairs before the report is finalized.

Finding No. 2

Lack of Memorandums of Understanding

Our audit of the District's records found that the District did not have signed Memorandums of Understanding (MOU) with the City of Bethlehem, Fountain Hill Borough and Freemansburg Borough, which have jurisdiction over some school buildings.

Administrative personnel failed to develop and implement MOUs between the District and the City of Bethlehem, Fountain Hill and Freemansburg Police Departments.

The failure to obtain MOUs with all local law enforcement agencies could result in a lack of cooperation, direction, and guidance between District employees and law enforcement agencies if an incident occurs on school property, at any school sponsored activity, or any public conveyance providing transportation to or from a school or school sponsored activity. This internal control weakness could have an impact in law enforcement notification and response, and ultimately the resolution of a problem situation.

The Bethlehem Area School District should:

1. Develop and implement MOUs between the District and all appropriate local law enforcement agency(ies) and/or the Pennsylvania State Police.
2. Implement board policy to ensure MOUs are updated every two years.

Management agreed with the finding and stated:

The Bethlehem Area School District prepared Memorandums of Understanding for all municipalities within the school district, however, after attempts to obtain signatures from the Boroughs of Fountain Hill and Freemansburg and the City of Bethlehem, they were not returned. The school district will intensify its efforts to obtain agreement and signatures by involving the Superintendent and the school board. Additionally, we

Criteria and Public School Code section relevant to this finding:

Section 13-1303-A(c) requires:

All school entities shall develop a memorandum of understanding with local law enforcement that sets forth procedures to be followed when an incident involving an act of violence or possession of a weapon by any person occurs on school property. Law enforcement protocols shall be developed in cooperation with local law enforcement and the Pennsylvania State Police. Additionally, the Basic Education Circular issued by the Department of Education entitled Safe Schools and Possession of Weapons, contains a sample MOU format to be used for school entities.

Section VI, General Provisions, item (B) of this sample states: This Memorandum may be amended, expanded or modified at any time upon the written consent of the parties, but in any event must be reviewed and re-executed within two years of the date of its original execution and every two years thereafter. (Emphasis added)

Management Response

received the pledge from the Division of Student Safe School Services, PDE, to intervene and persuade the municipalities to respond in the manner necessary to have the MOUs on file.

Observation ← **Unmonitored Vendor Access and Logical Access Control Weaknesses**

What is logical access control?

"Logical access" is the ability to access computers and data via remote outside connections.

"Logical access control" refers to internal control procedures used for identification, authorization, and authentication to access the computer systems.

The Bethlehem Area School District uses software purchased from an outside vendor for its critical student accounting applications (membership and attendance). The software vendor has remote access into the District's network servers.

Based on our current year procedures, we determined that a risk exists that unauthorized changes to the District's data could occur and not be detected because the District was unable to provide supporting evidence that they are adequately monitoring all vendor activity in their system. However, since the District has adequate manual compensating controls in place to verify the integrity of the membership and attendance information in its database, that risk is mitigated.

Reliance on manual compensating controls becomes increasingly problematic if the District would ever experience personnel and/or procedure changes that could reduce the effectiveness of the manual controls. Unmonitored vendor system access and logical access control weaknesses could lead to unauthorized changes to the District's membership information and result in the District not receiving the funds to which it was entitled from the state.

During our review, we found the District had the following weaknesses over vendor access to the District's system:

1. All District employees are not required to sign that they agree to abide by the information technology (IT) Security Policy.

2. The District does not have current IT policies and procedures for controlling the activities of vendors/consultants, nor does it require the vendor to sign the District's Acceptable Use Policy.

3. The District has certain weaknesses in logical access controls. We noted that the District's system parameter settings do not provide a lockout after a specified number of log-in attempts or require all users, including the vendor, to change their passwords every 30 days; to use passwords that are a minimum length of eight characters and alpha numeric; and to maintain a password history (i.e., approximately ten passwords).
4. The District does not remove the vendors' access to the system/data after the vendor has completed their work on the system.
5. The District does not require written authorization prior to the updating/upgrading of key applications.

Recommendations

The *Bethlehem Area School District* should:

1. Require all District employees to sign that they agree to abide by the IT Security Policy.
2. Establish separate IT policies and procedures for controlling the activities of vendors/consultants and have the vendor sign this policy, and the District should require the vendor to sign the District's Acceptable Use Policy.
3. Implement a security policy and system parameter settings to require all users, including the vendor, to change their passwords on a regular basis (i.e., every 30 days). Passwords should be a minimum length of eight characters and alpha numeric. The District should maintain a password history that will prevent the use of a repetitive password (i.e., last ten passwords). Also, the District should implement a system lockout after a specified number of unsuccessful attempts (i.e. five attempts).
4. Remove the vendors' access to the system/data after the vendor has completed their work on the system.
5. Upgrade/update the District's system after receipt of written authorization from appropriate District officials.

Management agreed with the observation and stated:

Since August 18, 2008, the following modifications have been made or are in the development phase:

1. All I.T. department personnel reviewed the Acceptable Use Policy (AUP) and other department procedures on August 21, 2008. Each person signed that he/she had reviewed and understood all procedures and policies. These signatures are maintained in the I.T. office.
2. I.T. department personnel have captured in writing the procedures that are in place to control the activities of vendors/consultants, including a signature for the district's AUP. I.T. department personnel have notified the existing vendors that the district AUP must be signed by October 30, 2008.
3. I.T. department personnel are working on a lockout feature for all applications that require a login and password. This feature will lock out after 5 attempts. The timeline for completion is November 30, 2008.

Clarification regarding the perceived weaknesses:

1. The district does require written prior notification for updates or upgrades of key applications. Email is used for this notification and a copy was provided to the auditor.

2. Removal of the vendors' access after an update is contrary to the purpose of remote access monitoring. The vendor has been retained by the district for the purpose of remote monitoring to provide continual examination of performance therefore insuring that the application is always working properly and available for BASD staff access. Two engineers are assigned to the BASD account and have been properly trained for this role. They have been notified of the need to sign the district AUP on or before October 30, 2008.

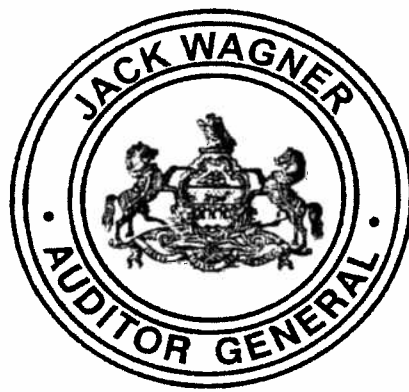
Auditor Conclusion

The conditions and recommendations stated above represent the information communicated to the auditors during our fieldwork. At the conclusion of our audit, the District was in the process of implementing new procedures, including requiring written authorization prior to updating/upgrading key applications. Email documenting written authorization prior to adding/changing/ deleting userID only was provided to the auditors. Any subsequent improvements or changes in management representations will be evaluated in the subsequent audit. The observation remains as presented. .

Status of Prior Audit Findings and Observations

Our prior audit of the Bethlehem Area School District (BASD) for the school years 2003-04 and 2002-03 resulted in one reported finding. The finding pertained to Social Security and Medicare Wages. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior recommendations. We analyzed the BASD superintendent's written response provided to the Department of Education (DE), performed audit procedures, and questioned District personnel regarding the prior finding. As shown below, we found that the Bethlehem Area School District did not implement recommendations related to Social Security and Medicare Wages.

School Years 2003-04 and 2002-03 Auditor General Performance Audit Report	
Prior Recommendations	Implementation Status
I. Finding - Errors in Reporting Social Security and Medicare Wages Resulted in Reimbursement of \$411,616 1. Ensure District personnel are aware of the proper procedures for correctly completing state Social Security reimbursement forms. 2. Reconcile total taxable wages for Social Security and Medicare with wages reported on the Employer's Quarterly Federal Tax Return. 3. Review reports filed for years subsequent to the audit period and, if errors are found, submit revised reports to the Labor, Education and Community Services (LECS). 4. DE should pay the District an additional \$411,616 to resolve the reimbursement underpayments.	Background: Our prior audit of the District's Social Security and Medicare wages reimbursement records found that reports submitted to the Comptroller's Office, LECS were inaccurate, resulting in reimbursement underpayments of \$203,332 for the 2003-04 school year and \$208,284 for the 2002-03 school year for a total underpayment of \$411,616. Current Status: We followed up on the BASD Social Security reports and found that the District did not take appropriate corrective action to address this finding (see Finding No. 1, page 6). In June 2008, DE adjusted the District's allocations to resolve the reimbursement underpayment of \$411,616.



Distribution List

This report was initially distributed to the superintendent of the school district, the board members, our website address at www.auditor.gen.state.pa.us, and the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
1010 Harrisstown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Robert M. McCord
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Senator Jeffrey Piccola
Chair
Senate Education Committee
173 Main Capitol Building
Harrisburg, PA 17120

Senator Andrew Dinniman
Democratic Chair
Senate Education Committee
183 Main Capitol Building
Harrisburg, PA 17120

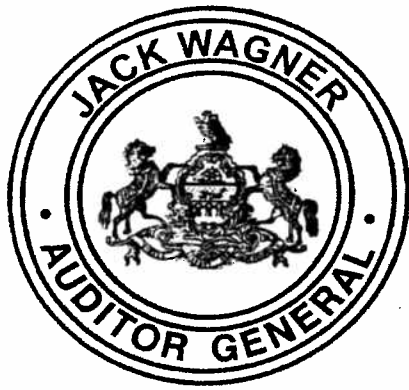
Representative James Roebuck
Chair
House Education Committee
208 Irvins Office Building
Harrisburg, PA 17120

Representative Paul Clymer
Republican Chair
House Education Committee
216 Ryan Office Building
Harrisburg, PA 17120

Ms. Barbara Nelson
Acting Director, Bureau of Budget and
Fiscal Management
Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter
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Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Dr. David Davare
Director of Research Services
Pennsylvania School Boards Association
P.O. Box 2042
Mechanicsburg, PA 17055



This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.



22. *Rental of Land for Farming – Corner of Freemansburg Avenue and Farmersville Road***INFORMATION:**

At the May 4, 2009, Board Finance Committee Meeting it was agreed to renew the Rental of Land for Farming Lease, (14.5 Acres), corner of Freemansburg Avenue and Farmersville Road, Bethlehem Township, Bethlehem, for a one-year period beginning May 18, 2009.

RECOMMENDATION:

That the administration be authorized to execute the attached lease.

Director McKeon moved the administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22. Director Follweiler seconded the motion. The question was called with roll call as follows: Yea, Dexter (with the exception of Item 7, No to students #0947286, #0971978, and #1003756), Follweiler, Koch, McKeon, Tenaglia, Amato (with the exception of Items 6 and 7 – abstention – commenting that he was not present for the prior executive meeting concerning the issue), Cann, and Leeson (with the exception of Item 7, No to students #0952409, #1006941, #0943566, #0945567, #0955198, #0971978, #1003756, and #1006302) (Director Haytmanek temporarily departed from the meeting and was not present for roll call)

ROLL CALL
RECOMMENDATIONS
3, 6, 7, 9, 10, 11, 12, 13,
14, 15, 16, 17, 18, 19, 21,
and 22

Items 3, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 passed 8 – 0.

Item 6 passed 7 – 0 – 1 abstention (Amato).

Item 7 – Student #0943566 passed 6 – 1 – 1 abstention

Student #0945567 passed 6 – 1 – 1 abstention

Student #0947286 passed 6 – 1 – 1 abstention

Student #0955198 passed 6 – 1 – 1 abstention

Student #0971978 passed 5 – 2 – 1 abstention

Student #1003756 passed 5 – 2 – 1 abstention

Student #1006302 passed 6 – 1 – 1 abstention

Student #1006228 passed 7 – 0 – 1 abstention

Student #0957686 passed 7 – 0 – 1 abstention

The administration's recommendations 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, and 22 were considered together.

LEASE AGREEMENT

THIS LEASE AGREEMENT made the 18th, day of May, 2009, by and between the **BETHLEHEM AREA SCHOOL DISTRICT** (hereinafter referred to as "Lessor"), and Dale and Gloria Koehler (hereinafter referred to as "Lessee").

WITNESSETH that the parties hereto each intending to be legally bound, hereby agree as follows:

1. LAND

The Lessee hereby leases from the Lessor upon the terms and conditions hereinafter provided, the parcel of land situated in Bethlehem Township, Northampton County, Pennsylvania, consisting of approximately 14.5 acres, commonly known as Freemansburg Avenue and Farmersville Road, more particularly described in Northampton County Record Book N7 4 1 020SE, subject to all applicable rights-of-way or easements.

2. TERM

Lessor hereby leases the Land to Lessee from May 18, 2009, through December 31, 2009.

3. RENT AND FEES

Lessee agrees to pay to Lessor One Thousand (\$1,000.00) Dollars per lease as rent for the following leased Land, payable to the Bethlehem Area School District.

4. USE OF LAND

Lessee shall have the right to use the leased Land solely for the purpose of farming. In farming, Lessee agrees only to use farming methods, techniques, pesticides, and equipment that are permitted under federal and state laws. Lessee may not use the leased Land for any purpose other than farming without prior written consent of Lessor.

5. CARE, MAINTENANCE, AND REPAIR

Lessee will provide usual and customary care for the leased Land. Lessee will be responsible for and shall pay for any repairs or replacements that are occasioned or made necessary by reason of the use of said Land by Lessee, its agents, employees, invitees, or guests. Lessee shall not be responsible for damage thereto by earthquake, act of God, or the elements.

6. INSPECTION BY LESSOR

Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said Land at all reasonable times and with reasonable notice for the purpose of inspecting said Land to determine whether Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said Land under this Lease or to perform Lessor's duties under this Lease.

7. ALTERATIONS OF LAND

Lessee may not make any alterations to the Land without prior consent of Lessor. Any alterations, additions, or improvements Lessee has made to the Land shall become the property of Lessor at the end of this or any subsequent Lease term.

8. HOLD HARMLESS

Lessee agrees to indemnify, defend, and hold harmless as to any and all claims asserted and suits filed to assert or impose any liability on the part of Lessor for: (a) injuries to invitees, licensees, and guests of Lessee, including, but not limited to, any employees of Lessee, whether such claims or suits are the result of any act or omission of Lessee, or its respective employees, servants, or agents, or any other person whatsoever; and, (b) injuries to persons other than those identified at subparagraph (a) above, and damage to any personal property, whether that of Lessee or any other person, arising out of or the result of any act or omission of the Lessee attributable to Lessee's possession of and operations on the Land or attributable to any work performed on the Land by Lessee during the Term.

9. CASUALTY

In the event that the Land becomes unusable, both Lessor and Lessee shall have an option to terminate this Lease by written notice to the other within sixty (60) days from the date of such damage or destruction. If Lessor and/or Lessee elect to terminate this Lease, Lessee shall promptly surrender possession of the Land, and Lessee understands and agrees that there will be no rebate of the Rent and Fees paid pursuant to section 3 above.

10. INSURANCE

Lessee will maintain in full force and effect at all times during the term of the Lease Agreement, insurance as required.

11. NONASSIGNMENT

Lessee may not assign this Lease, nor sublease the Land or any part thereof, except as approved beforehand by Lessor in writing.

12. ENTIRE AGREEMENT

This Lease contains all the agreements and conditions between the parties hereto and supersedes any prior understandings or writings or all agreements between the parties respecting the lease of the property in question and no additions, alterations, or changes in this Lease shall be binding unless set forth in writing signed by all parties hereto.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written, intending to be legally bound.

BETHLEHEM AREA SCHOOL DISTRICT

By _____

Loretta M. Leeson, Board President

By _____

Gloria Koehler, Lessee

ATTEST:

By _____

Stanley J. Majewski, Jr., Board Secretary

By _____

Dale Koehler, Lessee

23. *Bid Award – Bids Opened March 18, 2009 – Fall Sports Supplies*

INFORMATION:

Bids were received and publicly opened at 2 p.m. Wednesday, March 18, 2009, for:

Fall Sports Supplies

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

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

RECOMMENDATION:

That the administration be authorized to award a contract to the lowest responsible bidders meeting specifications as indicated on the attached Vendor Award Analysis.

Director Tenaglia noted that the amount of \$54,104.02 out of a \$96,000 budget. He said the budget was cut approximately one-third from the previous year. He asked if there would be enough funding for the winter and spring sports.

Mr. Majewski replied that the athletic directors went through their budget and were aware of the available monies. He commented that the fall sports supplies were generally far more expensive than spring sports. They were ensuring that they stayed within whatever budget they would be receiving. The bid was being addressed at the present time in order for a timely arrival of supplies.

Director Tenaglia explained that his point was there were three seasonal sports and he assumed they all submitted requests. He asked if the amount of \$54,104.02 fell into what was requested by the athletic directors or was it more and they were sacrificing from winter and spring sports.

Mr. Majewski responded that what was based on the conversations with the athletic directors, the fall sports amount was as requested.

Director Tenaglia asked if it was within the fall sport budget request.

Mr. Majewski replied that it would be.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

23. *Bid Award – Bids Opened March 18, 2009 – Fall Sports Supplies* *(continued)*

President Leeson called for a vote on the administration's recommendations 2, 4, 5, 8, and 23. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia, Amato, Cann, and Leeson – 9.

ROLL CALL
RECOMMENDATIONS
2, 4, 5, 8, and 23

The motion passed 9 – 0.

The administration's recommendations 2, 4, 5, 8, and 23 were considered together.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

May 18, 2009

VENDOR AWARD ANALYSIS
FALL SPORTS SUPPLIES

<u>VENDOR</u>	<u>AMOUNT</u>
ARC Sports	1,006.80
Arrowhead Athletics	2,903.60
Bethlehem Sporting Goods	25,761.56
Cannon Sports	1,374.99
Collins Sports Medicine	2,077.55
Coplay Sporting Goods	618.10
Georgi-Sports	664.00
Gilman Gear	245.00
Medco Supply Company	4,206.28
Metuchen Center	219.00
Neff Motivation	561.85
Passons Sporting Goods	2,145.94
Pyramid School Products	444.95
Schutt Reconditioning	2,969.10
Southshore Outdoor	3,262.90
Triple Crown Sports	1,786.80
Varsity Spirit Fashions	<u>3,855.60</u>
 TOTAL AMOUNT AWARDED	 \$ <u>54,104.02</u>

39 specifications mailed
25 bids received

24. *Quotations for the \$5,800 - \$15,200 Cost Category***INFORMATION:**

Quotations were solicited for:

Cleaning and Flameproofing Stage Draperies – Eleven Schools

The lowest responsible quotation was Metro Design Center, P.O. Box 20407, Lehigh Valley, Pennsylvania 18002, at a cost not to exceed \$11,874.

The following vendors also were contacted:

K & H Custom Window Treatments	\$ 28,550
Reynolds Drapery Service	No Quote

Cabinet Code:	NF
Account Number:	10-2600-431-000-0607-00001
Budgeted:	\$ 40,000
Expended:	\$ 27,137
Available:	\$ 12,863

25. *Treasurer's Report*

RECOMMENDATION:

That the Board of School Directors approves the Treasurer's Report dated April 30, 2009.

A motion was made by Directors Follweiler and McKeon to approve the acceptance of the financial report and payment of the bills, which included Items 25 and 26 of the Recommendations of the Administration. The motion was carried by voice vote.

Director Tenaglia stated that he sent an email to the superintendent and received a response but had several questions. He noted that he questioned Item 25 and was told that reports were updated and would be provided at the meeting.

Mr. Majewski stated they were printed, and he checked with his assistant but she did not see them. He said they would need to provide the updated reports to the board. He added that the Treasurer's Report was not changed, however, the Capital Reserve Report would include the following encumbrances of which the board would receive documented copies:

○ Financial Management System -	\$156,337
○ Freedom Emergency Power -	15,165
○ Asa Packer Roof Repair -	262,300
○ Farmersville Roof Repair -	340,130
○ Freemansburg Roof Repair -	92,450
○ Asa Packer Fire Alarm System -	<u>58,385</u>
Total Encumbrances -	\$924,767

Mr. Majewski noted the relief of the unencumbered balance in the capital reserve account as of April 30 was \$373,721.38. He also noted a report on the 2008 Bond Fund, which was included in their packet; however, it did not include an entry found on the Treasurer's Report, which was accurate with a balance of \$6,298,485.17. He stated that he would ensure that everyone received an updated copy of the information.

Director Tenaglia also questioned the LOC (letter of credit) standby commissions paid on the letter of credit regarding the bond financing, which was listed on page 16 of the Monthly Bills (Item 26). He noted that last month they had an almost \$2,000 expenditure on the same item. He asked for an explanation regarding the \$2,000 and \$12,000 items.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

25. *Treasurer's Report (continued)*

Mr. Majewski replied that the \$12,000 item for the LOC was for the renewal required by the developer's agreement for Liberty High School. He provided copies of both developers' agreements to the solicitor for review to ensure they were in compliance with their administrative duties. He added that he did not have the information on the amount of \$2,000.

Director Tenaglia stated that Mr. Majewski was absent from a Finance Committee Meeting and at that time they had discussion about the capital reserve fund. They were to receive footnoted information as to what the board had approved but was not showing on the report. He asked that administration provide the information going forward. Director Tenaglia said that he asked for documentation in his email to the superintendent with regard to the standby letter of credit agreement that was charged against the bond fund and requested it be added to the agenda for the June Finance Committee Meeting.

Dr. Lewis inquired if he wanted the development agreement.

Director Tenaglia replied that he wanted to talk about the process of how the letter of credit was executed and whether it was put out for bid, solicited, or did they merely go back to the bank. He also requested a detailed explanation regarding the \$2,000 expenditure from last month and the \$12,500 commission paid for the present month. He commented that the solicitor had responded to the appropriateness as to whether or not board approval was required for the extension of the letter of credit and told the board that he would provide the information. He questioned the process as to how the district extended the letter of credit and the expenses for requested approval.

Mr. Majewski responded that the letter of credit was required by the developer's agreement.

Director Tenaglia inquired about the specific charges.

Mr. Majewski thought he questioned the appropriateness, which was what he was attempting to address with regard to the developer's agreement. He explained that he would discuss the process at the Finance Committee Meeting with regard to it being appropriate, which was under the solicitor's review.

President Leeson inquired with Director McKeon, Chairman of the Finance Committee, if the discussion could be deferred to the Finance Committee Meeting.

Director McKeon agreed.

Director Tenaglia noted there was an approximate \$1,000,000 change in the projections from last month as it pertained to the forecasted deficit. He noted that he received the mathematical explanation in a response, but requested an elaboration as to the cause behind the estimated changes made by Mr. Majewski.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

25. *Treasurer's Report (continued)*

Mr. Majewski stated they looked at the revenue areas as one area of improvement as far as the current real estate tax collections based upon actuals. The current real estate taxes were due and payable by the end of December and as they went through the reconciliation process, they had a higher number than originally projected. In order to reflect it, they increased their projections. He referred to the mercantile tax regarding the trending of present receipts as compared to last year; it appeared that the receipts were higher than what was earlier projected. Mr. Majewski noted a significant increase in delinquent real estate taxes received this year as compared to last year, which increased the revenue projection by approximately \$500,000. He said there was not a specific area that caused any type of reduction regarding expenditures. In the net area, they were down approximately \$400,000, but every area was evaluated and updated therefore some areas went up and others were down. In the end, there was not one cause other than the thought that they were trying very hard to cut back on expenditures wherever possible. In conclusion he thought the \$1,000,000 swing was due to lower expenditure and higher revenue projections.

Director Dexter stated she noticed on the prepaid invoices that the \$12,000 charge was listed as a prepaid charge made on April 23. She recalled that the board had a meeting on April 21 and the board was not advised of the upcoming bill, the charge, or even the letter of credit process.

Mr. Majewski replied that in reference to the process, he was not asked to provide the information on the process; however, he welcomed the opportunity for discussion. Since the board had not requested discussion on the process and it was not requested in the past, it was not known to discuss the process. He referred to the renewal billing and noted there was an expiration date for the letter of credit and with the developer's agreement, it had to be renewed in order to be compliant. Because of the timing of the notification received from the city, it was not able to be part of the bill listing so it was then required to be part of the prepayment and was reflected in that area. If there was recognition that a letter of credit was due and discussion ensued about the possible reduction in the amount of the fee; the only way they could renew the letter of credit was if the city established the dollar amount, which in this case was not in time for the meeting.

Director Dexter questioned the authority that authorized the payment of that type of bill without the approval of the board.

Mr. Majewski replied that it was what the solicitor was reviewing. The assumed authority, since they had developer's agreements, was that once it was approved, the responsibilities bound by the approval of the agreement were to be maintained. At some point, the board could take action to rescind the agreement, but he thought there would be a legal issue with the City of Bethlehem.

Director Dexter commented that she was not sure if it was an item that could have been negotiated or bid as suggested by Director Tenaglia, but expressed her own opinion that it was cautionary whenever the administration paid bills in advance.

RECOMMENDATIONS OF THE ADMINISTRATION – May 18, 2009

25. *Treasurer's Report (continued)*

Director Dexter said she knew that many members of the board wanted to make sure that it was done because of necessity and not just because it was convenient. The board ultimately had the right to ask about the process in advance, and in some cases, challenge the amount of the bill or the appropriateness of the charge.

Mr. Majewski said he was willing to have the discussion, noting that they had a number of developer's agreements for over a decade and the processes remained the same.

Director Dexter stated that she was agreeable to have further discussion at the committee meeting but wanted to state, for the record, on the issue of the Payment of Bills, that the prepayment of bills was an area of concern. She recalled a previous bill of which became an issue. She thought they should only pay the bills in advance when it was really necessary and when there was not an opportunity to have board discussion.

Director Follweiler reminded everyone that when an issue was discussed via email, they should "reply to all" because it was difficult to follow without the previous responses, especially the mathematics.

President Leeson requested a roll call on Items 25 and 26. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch, McKeon, Tenaglia, Amato, Cann and Leeson – 8. (Director Haytmanek temporarily departed from the meeting and was not present for roll call.)

The motion passed 8 – 0.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

REPORT OF THE TREASURER
April 1 through April 30, 2009

BEGINNING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	2,818,729.26
Bank of America - General Account	1,001,175.51
Pennsylvania School District Liquid Asset Fund	2,745,882.39
Wachovia - Worker's Comp Trust Fund	642,167.55
Pennsylvania Local Government Investment Trust	77,755.55
Pennsylvania State Treasurer Invest Program	934,211.09
Wachovia Money Market	54,763.01
Bank of America Money Market	44,620.30
TD Bank Money Market	1,129.57
Sovereign Bank Money Market	29,002.34
PSDLAF - Term Investments	19,000,000.00
KNBT Bank - Scholarship Fund	45,971.98
KNBT Bank - Scholarship Fund	112,000.00
M&T Investment Group - 2007A Bond Fund	8,683,729.31

<u>TOTAL CASH AND INVESTMENT BALANCE</u>	\$	36,191,137.86
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MONTHLY RECEIPTS

Local Sources	2,930,764.57
State Sources	4,722,335.91
Federal Sources	1,063,121.57
Other Financing Sources	0.00

\$	<u>8,716,222.05</u>
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MONTHLY DISBURSEMENTS

Monthly Bills Paid	8,729,284.28
Payroll	7,618,880.87
Debt Service	960,108.74

\$	<u>17,308,273.89</u>
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TOTAL FUNDS AVAILABLE

\$	<u><u>27,599,086.02</u></u>
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ENDING CASH AND INVESTMENT BALANCE

		<u>Interest Rate</u>
Wachovia Bank - Cash Management	4,151,578.95	0.750%
Bank of America - General Account	1,000,426.46	0.350%
Pennsylvania School District Liquid Asset Fund	2,100,208.13	varies .525 to .897%
Wachovia - Worker's Comp Trust Fund	642,186.04	0.030%
Pennsylvania Local Government Investment Trust	77,799.05	0.680%
Pennsylvania State Treasurer Invest Program	40,886.86	0.706%
Wachovia Money Market	54,767.51	0.100%
Bank of America Money Market	44,631.38	0.380%
TD Bank Money Market	1,129.98	0.550%
Sovereign Bank Money Market	29,014.51	0.510%
PSDLAF - Term Investments	13,000,000.00	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	6,298,485.17	3.030%

<u>TOTAL CASH AND INVESTMENT BALANCE</u>	\$	<u><u>27,599,086.02</u></u>
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Interest Received for April; to be posted in May	\$	64,361.70
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Respectfully Submitted,

Anne M. Morton
Treasurer

**BETHLEHEM AREA SCHOOL DISTRICT
CD INVESTMENTS**

Date Purchased	Amount Purchased	Interest Rate	Anticipated Interest	Maturity Date	Account
September 18, 2008	\$ 10,000,000.00	3.10%	\$218,273.97	June 1, 2009	PSDLAF TERM
December 8, 2008	\$ 1,000,000.00	2.28%	\$ 12,680.55	June 29, 2009	PSDLAF CD
December 8, 2008	\$ 1,000,000.00	2.28%	\$ 12,743.01	June 30, 2009	PSDLAF CD
February 3, 2009	\$ 1,000,000.00	1.46%	\$ 7,280.00	August 3, 2009	PSDLAF CD
June 27, 2008	\$ 112,000.00	4.30%		June 27, 2009	KNBT Scholarship
August 28, 2008	\$ 45,971.98	3.75%		May 28, 2009	KNBT Scholarship

**Bethlehem Area School District
Capital Reserve Fund
For the Period of April 1, 2009 thru April 29, 2009**

Fund Balance at March 31, 2009		\$	1,332,422.49
2008-2009 Revenue Received-Interest Income		\$	-
2008-2009 Expenditures			
Financial Management System	\$	11,601.00	
(software, hardware, support services)			
Advertising			
Roof Repairs			
Library Equipment	\$	22,333.11	
		\$	<u>33,934.11</u>
Fund Balance at April 29, 2009		\$	1,298,488.38

Bethlehem Area School District
2007A Bond Fund
For the Period of April 1, 2009 thru April 29, 2009

Beginning Balance-March 31, 2009	\$ 8,683,729.31
Change in Market Value	
Reimbursement to the General Fund	\$ 2,513,000.00
Ending Balance-April 29, 2009	\$ 6,170,729.31

26. 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 Follweiler and McKeon to approve the acceptance of the financial report and payment of the bills, which included Items 25 and 26 of the Recommendations of the Administration. The motion was carried by voice vote.

Director Tenaglia stated that he sent an email to the superintendent and received a response but had several questions. He noted that he questioned Item 25 and was told that reports were updated and would be provided at the meeting.

Mr. Majewski stated they were printed, and he checked with his assistant but she did not see them. He said they would need to provide the updated reports to the board. He added that the Treasurer's Report was not changed, however, the Capital Reserve Report would include the following encumbrances of which the board would receive documented copies:

o Financial Management System -	\$156,337
o Freedom Emergency Power -	15,165
o Asa Packer Roof Repair -	262,300
o Farmersville Roof Repair -	340,130
o Freemansburg Roof Repair -	92,450
o Asa Packer Fire Alarm System -	<u>58,385</u>
Total Encumbrances -	\$924,767

Mr. Majewski noted the relief of the unencumbered balance in the capital reserve account as of April 30 was \$373,721.38. He also noted a report on the 2008 Bond Fund, which was included in their packet; however, it did not include an entry found on the Treasurer's Report, which was accurate with a balance of \$6,298,485.17. He stated that he would ensure that everyone received an updated copy of the information.

Director Tenaglia also questioned the LOC (letter of credit) standby commissions paid on the letter of credit regarding the bond financing, which was listed on page 16 of the Monthly Bills (Item 26). He noted that last month they had an almost \$2,000 expenditure on the same item. He asked for an explanation regarding the \$2,000 and \$12,000 items.

RECOMMENDATIONS OF THE ADMINISTRATION - May 18, 2009

26. *Monthly Bills (continued)*

Mr. Majewski replied that the \$12,000 item for the LOC was for the renewal required by the developer's agreement for Liberty High School. He provided copies of both developers' agreements to the solicitor for review to ensure they were in compliance with their administrative duties. He added that he did not have the information on the amount of \$2,000.

Director Tenaglia stated that Mr. Majewski was absent from a Finance Committee Meeting and at that time they had discussion about the capital reserve fund. They were to receive footnoted information as to what the board had approved but was not showing on the report. He asked that administration provide the information going forward. Director Tenaglia said that he asked for documentation in his email to the superintendent with regard to the standby letter of credit agreement that was charged against the bond fund and requested it be added to the agenda for the June Finance Committee Meeting.

Dr. Lewis inquired if he wanted the development agreement.

Director Tenaglia replied that he wanted to talk about the process of how the letter of credit was executed and whether it was put out for bid, solicited, or did they merely go back to the bank. He also requested a detailed explanation regarding the \$2,000 expenditure from last month and the \$12,500 commission paid for the present month. He commented that the solicitor had responded to the appropriateness as to whether or not board approval was required for the extension of the letter of credit and told the board that he would provide the information. He questioned the process as to how the district extended the letter of credit and the expenses for requested approval.

Mr. Majewski responded that the letter of credit was required by the developer's agreement.

Director Tenaglia inquired about the specific charges.

Mr. Majewski thought he questioned the appropriateness, which was what he was attempting to address with regard to the developer's agreement. He explained that he would discuss the process at the Finance Committee Meeting with regard to it being appropriate, which was under the solicitor's review.

President Leeson inquired with Director McKeon, Chairman of the Finance Committee, if the discussion could be deferred to the Finance Committee Meeting.

Director McKeon agreed.

Director Tenaglia noted there was an approximate \$1,000,000 change in the projections from last month as it pertained to the forecasted deficit. He noted that he received the mathematical explanation in a response, but requested an elaboration as to the cause behind the estimated changes made by Mr. Majewski.

RECOMMENDATIONS OF THE ADMINISTRATION - May 18, 2009

26. *Monthly Bills (continued)*

Mr. Majewski stated they looked at the revenue areas as one area of improvement as far as the current real estate tax collections based upon actuals. The current real estate taxes were due and payable by the end of December and as they went through the reconciliation process, they had a higher number than originally projected. In order to reflect it, they increased their projections. He referred to the mercantile tax regarding the trending of present receipts as compared to last year; it appeared that the receipts were higher than what was earlier projected. Mr. Majewski noted a significant increase in delinquent real estate taxes received this year as compared to last year, which increased the revenue projection by approximately \$500,000. He said there was not a specific area that caused any type of reduction regarding expenditures. In the net area, they were down approximately \$400,000, but every area was evaluated and updated therefore some areas went up and others were down. In the end, there was not one cause other than the thought that they were trying very hard to cut back on expenditures wherever possible. In conclusion he thought the \$1,000,000 swing was due to lower expenditure and higher revenue projections.

Director Dexter stated she noticed on the prepaid invoices that the \$12,000 charge was listed as a prepaid charge made on April 23. She recalled that the board had a meeting on April 21 and the board was not advised of the upcoming bill, the charge, or even the letter of credit process.

Mr. Majewski replied that in reference to the process, he was not asked to provide the information on the process; however, he welcomed the opportunity for discussion. Since the board had not requested discussion on the process and it was not requested in the past, it was not known to discuss the process. He referred to the renewal billing and noted there was an expiration date for the letter of credit and with the developer's agreement, it had to be renewed in order to be compliant. Because of the timing of the notification received from the city, it was not able to be part of the bill listing so it was then required to be part of the prepayment and was reflected in that area. If there was recognition that a letter of credit was due and discussion ensued about the possible reduction in the amount of the fee; the only way they could renew the letter of credit was if the city established the dollar amount, which in this case was not in time for the meeting.

Director Dexter questioned the authority that authorized the payment of that type of bill without the approval of the board.

Mr. Majewski replied that it was what the solicitor was reviewing. The assumed authority, since they had developer's agreements, was that once it was approved, the responsibilities bound by the approval of the agreement were to be maintained. At some point, the board could take action to rescind the agreement, but he thought there would be a legal issue with the City of Bethlehem.

RECOMMENDATIONS OF THE ADMINISTRATION - May 18, 2009

26. *Monthly Bills (continued)*

Director Dexter commented that she was not sure if it was an item that could have been negotiated or bid as suggested by Director Tenaglia, but expressed her own opinion that it was cautionary whenever the administration paid bills in advance.

Director Dexter said she knew that many members of the board wanted to make sure that it was done because of necessity and not just because it was convenient. The board ultimately had the right to ask about the process in advance, and in some cases, challenge the amount of the bill or the appropriateness of the charge.

Mr. Majewski said he was willing to have the discussion, noting that they had a number of developer's agreements for over a decade and the processes remained the same.

Director Dexter stated that she was agreeable to have further discussion at the committee meeting but wanted to state, for the record, on the issue of the Payment of Bills, that the prepayment of bills was an area of concern. She recalled a previous bill of which became an issue. She thought they should only pay the bills in advance when it was really necessary and when there was not an opportunity to have board discussion.

Director Follweiler reminded everyone that when an issue was discussed via email, they should "reply to all" because it was difficult to follow without the previous responses, especially the mathematics.

President Leeson requested a roll call on Items 25 and 26. The question was called with roll call as follows: Yea, Directors Dexter, Follweiler, Koch, McKeon, Tenaglia, Amato, Cann and Leeson – 8. (Director Haytmanek temporarily departed from the meeting and was not present for roll call.)

The motion passed 8 – 0.

27. *Budget Information*

INFORMATION:

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

BETHLEHEM AREA SCHOOL DISTRICT

2008-2009 REVENUES

	A	B	C	D	E	F	G
	2008-2009					2007-2008	
Description	Budget	Realized 28-Apr-09	Unrealized \$ (B-A = C)	Unrealized % (C/ A = D)	Projected June 30, 2009	Realized June, 2008	Realized April, 2008
CURRENT REAL ESTATE	101,612,861	99,201,735	(2,411,126)	-2.37%	99,201,735	97,165,864	98,260,801
INTERIM REAL ESTATE	1,300,000	944,457	(355,543)	-27.35%	1,250,000	1,566,283	531,333
PUBLIC UTILITY REALTY	172,000	153,055	(18,945)	-11.01%	153,055	162,642	162,642
PAYMENTS IN LIEU OF TAX	121,000	145,266	24,266	20.05%	145,266	120,798	120,798
UNDISTRIBUTED TAXES		(6,554)	(6,554)	-	0	0	225,509
PER CAPITA TAX SECT 679	240,000	232,865	(7,135)	-2.97%	245,000	242,396	231,095
PER CAPITA TAX ACT 511	240,000	232,865	(7,135)	-2.97%	245,000	242,396	231,095
LOCAL SERVICES TAX	485,000	219,027	(265,973)	-54.84%	250,000	136,722	97,171
EARNED INCOME TAX	11,200,000	8,486,706	(2,713,294)	-24.23%	11,100,000	10,400,810	7,952,878
REAL ESTATE TRANSFER TAX	2,800,000	1,602,120	(1,197,880)	-42.78%	2,150,000	2,508,341	1,864,997
MERCANTILE TAX	2,200,000	1,334,462	(865,538)	-39.34%	2,038,000	2,414,521	1,580,571
DEL. REAL ESTATE	2,800,000	3,070,695	270,695	9.67%	3,700,000	3,393,910	2,529,335
DEL. PER CAPITA SECT 679	70,000	43,805	(26,195)	-37.42%	43,805	58,890	53,768
DEL. LOCAL SERVICES TAX		0	-	-			
DEL. MERCANTILE TAX	380,000	622,921	242,921	63.93%	625,000	323,786	313,006
TOTAL LOCAL TAX SOURCES	\$ 123,620,861	\$ 116,283,426	\$ (7,337,435)	-5.94%	\$ 121,146,861	\$ 118,737,357	\$ 114,154,998
INTEREST ON INVESTMENTS	2,400,000	612,891	(1,787,109)	-74.46%	732,000	1,685,398	1,410,761
DRIVER ED LAB FEES	13,250	12,350	(900)	-6.79%	14,500	12,500	10,350
RENTALS	10,000	21,750	11,750	117.50%	25,000	10,148	8,698
CONTRIBUTIONS		7,291	7,291		7,291		
TUITION FROM PATRONS	320,000	294,388	(25,612)	-8.00%	375,000	377,893	298,912
SRVCS. / OTH LOC GOV UNITS	15,000	2,000	(13,000)	-86.67%	2,000	22,020	21,610
MISCELLANEOUS REVENUE	100,000	23,644	(76,356)	-76.36%	35,000	185,312	46,736
REFUNDS FROM PRIOR YEAR EXP		3,956			3,956	12,913	12,913
TOTAL OTHER LOCAL SOURCES	\$ 2,858,250	\$ 978,269	\$ (1,883,937)	-65.91%	\$ 1,194,747	\$ 2,306,185	\$ 1,809,980
TOTAL LOCAL SOURCES	\$ 126,479,111	\$ 117,261,695	\$ (9,221,372)	-7.29%	\$ 122,341,608	\$ 121,043,542	\$ 115,964,978
BASIC INSTRUCTIONAL SUBSIDY	22,955,949	17,316,835	(5,639,114)	-24.56%	22,955,949	21,980,025	15,520,584
CHARTER SCHOOLS	1,268,300	1,116,580	(151,720)	-11.96%	1,472,000	1,286,786	976,100
TUITION : ORPHANS/CHILDREN	315,000		(315,000)	-100.00%	350,000	349,693	164

BETHLEHEM AREA SCHOOL DISTRICT

HOMEBOUND INSTRUCTION			-				
VOCATIONAL EDUCATION	200,000	85,253	(114,747)	-57.37%	113,000	182,650	137,822
DRIVER EDUCATION	10,745	9,765	(980)	-9.12%	9,765	10,605	10,605
MIGRATORY CHILDREN	2,200		(2,200)	-100.00%	3,500	3,520	
SPECIAL EDUCATION	6,570,240	4,903,828	(1,666,412)	-25.36%	6,555,283	6,453,560	4,827,732
TRANSPORTATION	2,088,000	1,590,570	(497,430)	-23.82%	1,869,280	2,180,482	1,433,103
RENTALS AND SINKING FUND	1,550,000	179,546	(1,370,454)	-88.42%	1,300,000	1,307,669	600,069
HEALTH SERVICES	394,420	372,677	(21,743)	-5.51%	372,677	390,767	390,767
PROPERTY TAX RED. ALLOCATION	4,720,061	4,720,061	(0)	0.00%	4,720,061		
SOCIAL SECURITY	3,237,479	2,813,219	(424,260)	-13.10%	3,400,000	3,744,087	2,665,239
PSERS - PENSION CONTRIBUTION	2,107,793	1,981,707	(126,086)	-5.98%	3,187,000	3,172,473	2,424,401
IMPACT AID	50,000	55,628	5,628	11.26%	55,628	62,930	36,615
TOTAL STATE & FEDERAL SOURCES	\$ 45,470,187	\$ 35,145,669	\$ (10,324,518)	-22.71%	\$ 46,364,143	\$ 41,125,247	\$ 29,023,201
PROCEEDS FROM EXTENDED TERM FINANCING						1,707,344	
INTERFUND TRANSFERS	250,000	125,000	(125,000)	-50.00%	250,000	2,800,000	2,850,000
SALE OF FIXED ASSETS	7,000	10,470	3,470	49.57%	15,000	13,642	13,642
INDIRECT COSTS			-		0	66,750	
TOTAL OTHER SOURCES	\$ 257,000	\$ 135,470	\$ (121,530)	-47.29%	\$ 265,000	\$ 4,587,736	\$ 2,863,642
TOTAL REVENUE	\$ 172,206,298	\$ 152,542,833	\$ (19,667,421)	-11.42%	\$ 168,970,751	\$ 166,756,525	\$ 147,851,821
UNRESERVED FUND BALANCE			-		(\$4,613,015)		
TOTAL FUND APPROPRIATED BALANCE	\$ -	\$ -	\$ -		\$ (4,613,015)	\$ -	\$ -
TOTAL DISTRICT REVENUE	\$ 172,206,298	\$ 152,542,833	\$ (19,667,421)	-11.42%	\$ 173,583,766	\$ 166,756,525	\$ 147,851,821

June 30, 2008 Fund Balance

(\$3,169,965)

Projected June 30, 2009 Fund Balance

(\$7,782,980)

2008-2009 EXPENDITURES BY PROGRAM

Includes Year-To-Date April Information

			2008-2009					2007-2008	2007-2008	
PROGRAM	PROGRAM CODE	Responsible Office	A	B	C	D	E	F	G	H
			2008-2009 APPROVED BUDGET	2008-2009 AMENDED BUDGET	2008-2009 PROJECTED EXPENDITURES JUNE 30, 2009	2008-2009 UNEXPENDED BUDGET \$ (B - C = D)	2008-2009 UNEXPENDED BUDGET % (D / B = E)	2008-2009 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of April 28, 2009	2007-2008 EXPENDED BUDGET INCLUDING ENCUMBRANCES as of April, 2008	2007-2008 EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2008
BUILDING ALLOCATION	100	PRIN	1,428,603	1,428,603	1,256,009	172,594	12.08%	1,119,502	1,263,164	1,417,189
BOARD	AA	SUPT	347,150	347,150	555,000	(207,850)	-59.87%	461,630	210,690	274,834
CABINET	AB	SUPT	1,174,552	1,025,282	1,078,849	(53,567)	-5.22%	842,378	998,606	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	45,100	133,200	74.71%	39,935	126,372	154,803
BUILDING STAFF	AF	SUPT	6,201,461	6,238,461	6,274,270	(35,809)	-0.57%	4,809,182	4,939,731	6,240,994
PUBLIC RELATIONS	AN	SUPT	21,143	21,143	21,433	(290)	-1.37%	21,433	91,415	124,907
STAFFING-TEACHERS	CA	HR	58,379,392	58,351,041	57,779,327	571,714	0.98%	35,717,717	37,708,333	57,420,979
CHILD ACCOUNTING DEPARTMENT	CD	HR	242,013	242,013	231,073	10,940	4.52%	169,867	167,282	227,557
STAFFING-TEACHER ASSISTANTS	CE	HR	2,481,187	2,481,187	2,515,000	(33,813)	-1.36%	1,915,910	1,939,710	2,532,971
STAFFING-SUBSTITUTES	CG	HR	1,273,000	1,273,000	1,255,382	17,618	1.38%	912,140	944,312	1,299,660
HUMAN RESOURCES DEPARTMENT	CK	HR	399,575	399,575	343,000	56,575	14.16%	279,901	295,724	331,381
STUDENT ACTIVITIES	D1	C&I	244,236	244,236	275,000	(30,764)	-12.60%	156,204	147,795	283,999
CREDIT ACQUISITION PROGRAM	D2	C&I	27,785	27,785	69,150	(41,365)	-148.88%	44,560	35,404	54,940
CURRICULUM ENRICHMENT ACTIVITIES	D3	C&I	130,000	130,000	60,000	70,000	53.85%	52,158	135,750	191,261
CAREER ACADEMY/RASA/ALTERNATIVE EDUCATION	D4	C&I	512,761	541,112	715,000	(173,888)	-32.14%	448,457	648,571	953,738
TESTING - K-12	D5	C&I	30,000	30,000	-	30,000	100.00%	0	13,209	14,196
ACADEMIC INTERVENTIONS	DA	C&I	100,000	100,000	140,000	(40,000)	-40.00%	101,165	99,565	137,457
MUSICAL INSTRUMENT REPAIR	DD	C&I	37,000	37,000	35,000	2,000	5.41%	29,858	27,087	34,016
DEPARTMENT OF INSTRUCTION	DE	C&I	286,600	286,600	194,600	92,000	32.10%	137,657	159,495	303,431
READING RECOVERY/PROJECT READ	DF	C&I	28,212	28,212	15,000	13,212	46.83%	8,817	25,128	26,526
INSTRUCTIONAL MTLs RESERVE	DG	C&I	500,000	500,000	409,474	90,526	18.11%	409,474	732,455	683,771
EQUIPMENT REPAIR	DM	C&I	13,000	13,000	13,000	0	0.00%	12,514	19,856	11,116
PLANETARIUM	DO	C&I	2,444	2,444	-	2,444	100.00%	0	2,575	2,578
SUMMER SCHOOL - SECONDARY	DQ	C&I	50,000	50,000	56,604	(6,604)	-13.21%	56,604	143,051	143,062
DRIVER EDUCATION	DS	C&I	90,125	90,125	52,000	38,125	42.30%	40,290	62,018	98,483
ASST SUPERINTENDENT FOR CURR & INSTRUCT	DT	C&I	630,006	593,006	419,825	173,181	29.20%	325,087	463,840	598,443
INTERSCHOLASTIC ATHLETICS	DU	C&I	1,532,629	1,532,629	1,450,000	82,629	5.39%	1,087,443	1,188,625	1,418,521
INTRAMURALS	DV	C&I	74,000	74,000	53,500	20,500	27.70%	29,554	54,271	87,824
ATTENDANCE SERVICES	E4	STD SVCS	86,160	86,160	77,870	8,290	9.62%	62,335	79,776	99,655

MINORITY AFFAIRS/GOV. PROGRAMS/GRANTS	EB	STD SVCS	29,939	29,939	25,000	4,939	16.50%	19,133	21,756	26,131
SPARK - EARLY CHILDHOOD/SUMMER	EC	STD SVCS	629,992	629,992	594,750	35,242	5.59%	425,096	481,619	648,246
SCHOOL RESOURCE OFFICERS	EF	STD SVCS	281,000	281,000	281,000	0	0.00%	218,624	328,053	311,097
HOMEBOUND INSTRUCT/REGULAR ED.	EG	STD SVCS	155,000	155,000	165,000	(10,000)	-6.45%	110,621	142,862	211,633
HEALTH SERVICES - MEDICAL	EH	STD SVCS	51,822	51,822	42,000	9,822	18.95%	27,433	19,998	39,261
HEALTH SERVICES - DENTAL	EJ	STD SVCS	10,364	10,364	3,500	6,864	66.23%	1,848	4,909	8,781
STUDENT SERVICES	EK	STD SVCS	2,500	151,770	48,500	103,270	68.04%	37,896	4,944	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	240,000	20,963	8.03%	176,188	201,303	257,651
BUSINESS DEPT-ACCOUNTS PAYABLE	GA	F&A	1,006,527	1,006,527	875,000	131,527	13.07%	809,910	910,529	934,866
BUSINESS DEPT-ACCOUNTS RECEIVABLE	GB	F&A	1,024,077	1,024,077	802,000	222,077	21.69%	541,717	549,579	1,658,911
DEBT SERVICE	GC	F&A	19,298,602	19,298,602	23,250,000	(3,951,398)	-20.48%	19,711,962	15,561,757	17,755,157
EMPLOYEE BENEFITS	GD	F&A	29,826,642	29,826,642	29,800,100	26,542	0.09%	21,066,461	23,208,030	31,450,643
INSURANCE	GE	F&A	643,658	643,658	508,150	135,508	21.05%	468,727	566,044	613,658
INTERSYSTEM PAYMENTS	GF	F&A	20,746,441	20,746,441	21,100,000	(353,559)	-1.70%	18,259,343	16,041,120	18,775,592
PHOTOCOPIERS	GP	F&A	607,692	607,692	550,000	57,692	9.49%	441,126	504,506	618,810
SPECIAL EDUCATION	LF	SPEC ED	545,959	545,959	541,000	4,959	0.91%	508,075	588,193	737,837
HOMEBOUND INSTRUCTION / SPECIAL ED.	LG	SPEC ED	30,000	30,000	40,000	(10,000)	-33.33%	31,437	19,027	36,862
MAINTENANCE / CUSTODIAL DEPARTMENT	NA	B&G	11,002,051	11,002,051	9,700,000	1,302,051	11.83%	7,579,122	7,557,623	9,677,581
MAINTENANCE DEPT - SUPPLIES	NE	B&G	459,600	459,600	492,100	(32,500)	-7.07%	411,596	402,951	481,757
MAINTENANCE DEPT - CONTRACTED SERVICES	NF	B&G	966,500	966,500	895,000	71,500	7.40%	775,958	972,149	1,120,546
TRANSPORTATION DEPARTMENT	NT	B&G	4,521,504	4,521,504	4,500,000	21,504	0.48%	3,519,437	3,494,664	4,482,223
TECHNICAL SERVICES	TK	TECH	650,186	650,186	911,000	(260,814)	-40.11%	819,289	694,936	772,720
INFO & COMMUNICATIONS TECHNOLOGY DEPT.	TL	TECH	2,078,389	2,078,389	1,940,000	138,389	6.66%	1,779,619	1,721,994	3,577,237
DATA PROCESSING DEPARTMENT	TN	TECH	733,556	733,556	849,200	(115,644)	-15.76%	681,771	670,687	840,709
TOTALS			\$172,206,298	\$172,206,298	173,583,766	(\$1,377,468)	-0.80%	\$127,747,389	\$127,420,870	\$171,482,567

MAY 18, 2009

PSBA – Director Koch noted that there was not a meeting for the present month in consideration that the PSBA had cut back on their meetings to only four per year.

COMMITTEE
REPORTS

NORTHAMPTON COMMUNITY COLLEGE BOARD OF TRUSTEES – Director Koch stated that the majority of their discussion was related to employment issues. They also had a report from one of the student representatives.

BETHLEHEM AREA VOCATIONAL-TECHNICAL SCHOOL – Director Tenaglia stated that he was present at the meeting but did not have a report, noting they addressed ordinary business matters.

Director Follweiler inquired about the Colonial Intermediate Unit Ballot. She asked why there were not any people listed from Bethlehem.

NEW AND
MISCELLANEOUS
BUSINESS

Mr. Majewski replied there was nobody in the rotation at the present time.

Director Dexter addressed the next budget hearing scheduled for May 27 and requested a list of cuts by specific groups, clubs, or teacher units that would be impacted.

Director Tenaglia requested that administration provide the remainder of the board with official statements of the 2009 Bond Issue at the June Finance Committee Meeting, as there were several supplemental financial statements that did not seem to “jive” with their previous discussions.

President Leeson asked Director McKeon if he had an objection to including it on the Finance Meeting agenda.

Director McKeon was in agreement.

No one wished to address the Board of School Directors.

COURTESY OF THE
FLOOR TO VISITORS

President Leeson announced that an executive session would be held following adjournment to address a personnel issue.

EXECUTIVE SESSION

Directors Tenaglia and Follweiler moved to adjourn the meeting, which carried by voice vote. The meeting adjourned at 9:25 p.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.
Board Secretary