

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
REGULAR MEETING

OCTOBER 26, 2009

A Regular Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, October 26, 2009, at 7:16 p.m. in the Auditorium of the East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania.

REGULAR MEETING

The Board Secretary called the roll:

Members present: Directors Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, Leeson, McKeon, and Tenaglia – 9

Members absent: – 0

Student Representatives: Lindsey Anderson – FHS
Hannah Schwarzbach - LHS

MEMBERS PRESENT

Others present: Dr. Thomas Persing, Interim Superintendent of Schools; Donald F. Spry II, Solicitor; Thomas K. Washington, Assistant Board Secretary; administrators, members of the press, and other interested citizens and staff members.

OTHERS PRESENT

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

PLEDGE OF ALLEGIANCE

President Leeson requested a moment of silent meditation and asked those in attendance to remember the loss of two former mayors, Mr. Delgrosso and Mr. Marcincin and former teachers of the District.

MOMENT OF SILENCE

Principal Leigh Kuenne Rusnak addressed the board. She noted that at Freemansburg they have been working hard this year to implement a positive behavior intervention and support program for their students. PBIS is a mindset. She stated that they believe that all students can learn. They believe that all students can learn positive behavior through a consistent set of rules taught explicitly and recognized when followed. She explained that they have four basic rules at Freemansburg.

INSTRUCTIONAL REPORT – FREEMANSBURG ELEMENTARY SCHOOL

1. I will be respectful.
2. I will be responsible.
3. I will be safe.
4. I will do my best.

She continued that students are taught how these rules will help them be successful in all aspects of school. They also teach how these rules can help them in life as they go onto middle school, high school, college, and jobs. She explained that when their students do a good job following the rules they are ready to learn the literacy and math skills necessary to become proficient in the Standards. She noted that they reward their students in their progress toward the goals of good behavior and academic success. She stated that they Green Team, a representative group of teachers and school community members, designs instruction and interventions to help students learn the rules. She noted that she is joined by some of the members of this team at this meeting. She continued that key people of PBIS at in attendance to share their thoughts and feelings about how PBIS is affecting Freemansburg. She stated that speaking at the meeting will be Ashley Mease a 5th grade student Keilyn Perez a parent

Ashley Mease stated that the Eagle Eye rules make their school day better because they remind everyone that if they are respectful, responsible, safe and do your best it will make life easier. She continued that the Eagle Eye rules give everyone a better life. She noted that if someone follows the rules they will be praised. If someone does something extra-ordinary, they will be given an Eagle Eye pride ticket. She explained that one part of the ticket goes into a raffle and the other part goes to get popcorn on Popcorn Day. She told the Board that in 5th grade they have an Eagle Eye merit system. She explained that if they follow the rules, they get a smiley face and if they don't follow the rules, they get a check. If they are awesome, they get a bonus point. She continued that at the end of the week, if they have at least 25 points out of 30 they get a Friday surprise. At the end of each month, if they have at least 100 points out of 120 points, they get a grade level reward. She noted that people want to get rewards and praises so they behave. She feels that this is why they have a better school day.

Keilyn Perez commented that her son is Eagle of the Month, Marcello A Soler. She believes that he was probably chosen as an Eagle Eye for repeatedly following four simple rules. Be respectful. Be responsible. Be safe. Do your best. She noted that while only a few rules, these are the core principles our children need for their proper upbringing and so a greater future. She explained that there are many parents that do not enforce these rules and in turn their children miss out on learning on how to be respectful, responsible, safe and doing their best. She believes that it is a great effort on the teacher's part to step and do what needs to be done so that all of our children can be in a controlled environment where rewards are given for following these simple rules. She stated that PBIS, Positive Behavior Intervention and Support, is one if not the most impressive program introduced to herself and her son. She noted that rewarding kids for doing well improves their self esteem as well as gives them reason to continue to do what is right which are the rules and lead them further away from their negative issues dealt with growing up. She believes that these rules can and should apply to anyone and at any place. She stated that grown-ups look for reasons to do things they do. She continued that when they go into work, they strive to do their best so that in turn they can receive recognition and/or be rewarded with incentives, bonuses or a pay raise. She explained that growing up is just the same. She believes that being a child is hard enough with the countless amounts of changes they go through and they need "picker-upers" as well. She stated that with PBIS kids have goals to strive for such as getting prizes, popcorn, Eagle of the Month, etc.

Urayoan Youan, 5th grader at Freemansburg Elementary stated that his excellent teacher, Mr. Farnham, has Eagle Eye rules at Freemansburg Elementary. He explained that the rules are: I will be respectful. I will be responsible. I will be safe. I will do my best. He stated that these Eagle Eye rules are helping him to learn reading, math and how to become a 6th grader. Being respectful is being considerate to your teacher and your friends in class. He believes that a person should be respectful to everyone and that when you are respectful in school you are paying attention and following directions and that is helping you learn. He continued that being in a group like Cub Scouts teaches him to be a responsible person. He believes that a responsible person practices their school work and gets better at it. He continued that a responsible person writes their

being safe helps him learn because he can do his work without getting hurt and you don't have to worry about anyone else getting hurt either. He stated that being safe feels good. He explained that doing your best means trying your hardest in school and when you try harder in school you get good grades. He continued that you then like school because you feel successful. He stated that when you follow the Eagle Eye rules you can earn privileges like tickets and prizes. You can earn to eat with the principal and have popcorn and this is exciting. He believes that prizes make you want to work harder and when you work harder you learn things and that makes him feel joyful.

Mr. Farnham stated that there is a lot of documented research about PBIS but the best research is the stuff you see going on in the classroom very successfully. He stated that the foundation of his classroom is PBIS. He is an emotional support teacher at Freemansburg. He believes that it is a wonderful classroom and that he and his boys have a great time. He invited the board to visit his classroom at Freemansburg at any time to observe PBIS work successfully.

President Leeson offered courtesy of the floor to visitors. Speakers are asked to come to the podium, stating their name and address. Public comment in the first session is limited to 30 minutes. Speakers are limited to three minutes each. The board requests that, when possible, all individuals supporting a like position on a topic select a speaker to present their views to avoid repetition. If that is not possible, all are welcome to speak. As per school board policy, generally, speakers are limited to taxpayers, residents, or employees of this school district. At the conclusion of the regular school board meeting, another block of time will be allocated for public comment. At that time, the same rules will apply. It is asked that speakers observe proper decorum, without personal attacks towards a specific individual or individuals. It is not the custom for the board to enter into a dialogue at these meetings about concerns. However, the board does listen with care to issues raised. Speakers will receive responses, in some form, by the administration.

COURTESY OF THE
FLOOR TO
VISITORS

The following individuals addressed the Board of School Directors:

1. Stephen Antalics – 737 Ridge Road, Bethlehem

Mr. Antalics stated that he attended the Requiem that morning for the passing of an old and revered member of the family. He noted that it was not of his immediate family but of the collective family of Bethlehem south side. He continued that this member was immortalized as the crown jewel in the souvenir history of the semi-centennial celebration of the borough of south Bethlehem, 1865-1915. He stated that its demise was not from the ravages of time but rather at the hands of a transient. He noted that this transient has finally been found out for the old adage, "You can't fool all of the people all the time", remains credible. He commented that justice has been done, albeit quite hollow, for now due to recent transgressions this transient is now viewed as infamous in the eyes of the community at large. He stated that the spirit of the architect of that crown jewel has now been exiled to forever wander the expanses of space for he can no longer hover as guardian angel of that which he created for his spirit is dispersed as much as the physical remains of his child are dispersed over the face of the earth.

2. Natalie Ortiz – School counselor at Liberty High School

Ms. Ortiz stated that she along with the members of the Teen Summit program at Liberty High School are present to speak on behalf of the organization. She claimed that when she was hired at Liberty High School Mr. Burkhardt asked her to identify ways that she could proactively address the issues affecting the underrepresented population at Liberty. She noted that after much thought and research she planned an incentive assembly whose purpose was to promote higher education and academic and personal success. She continued that for this assembly they invited Liberty High School alumni who paved the way to their own success and whose stories could impact the current students. She explained that the panel featured Dr. Graciani Martinez, a podiatrist, Mr. Jose Maldonado, a former Liberty High School counselor, Miss Eileen Isa, a hairstylist, and Miss Cindy Sanchez, an executive at Johnson & Johnson, just to name a few. She noted that the assembly was such a success that from there the afterschool program known as Teen Summit was born. She continued that today Teen Summit is an after school club that seeks to actively engage students in the coordination of programs that enables them to interact with the school and the local community. She explained that Teen Summit meets twice a month and has high attendance. She noted that the members are of diverse ethnic, cultural and religious backgrounds. She continued that approximately 80% of the students that have been with Teen Summit graduate from high school and most if all have attended a post secondary education institution. She stated that through Teen Summit they have exposed students to opportunities in post secondary education by taking them on college tours. She continued that they worked on building effective leadership by having them participate in events such as the Pennsylvania Governor's Conference for Women and the Pennsylvania State-wide Latino Coalition Conference. She further explained that they have exposed them to the arts by taking them to the Zoellner Art's Center to see a variety of different shows and to New York City for the Urban Word poetry competition. She claims that they have worked diligently to address important issues on diversity by hosting the annual Diversity Celebration and she noted that this year will mark its 8th year. She added the Mix It Up day program. She stated that although the Bethlehem Area School District funds the advisors stipend to accomplish their goals they are going to need a variety of supporters from the community. She noted that Teen Summit has been financially supported by community partners and businesses such as Just Born, Air Products, PPL, Teen Works of the Greater Lehigh Valley and BBraun. She continued that they have also received the financial support of Mrs. Linny Fowler who was very instrumental in seeing that they met their budget for last year's programs. She continued that each year Teen Summit has been fortunate to generate approximately \$4,000 to meet their goals. She noted that the community at large has shown its overwhelming support of Teen Summit and they are grateful. She remarked that at the beginning of the school year she learned that Teen Summit was not recommended to be funded as an afterschool club. She noted that she is unclear as to what happened and why that occurred considering they do so much. She thanked the interim superintendent for taking a personal interest in their organization.

Teen Summit at Liberty active for this year. She stated that they are present at the meeting because they do not know what will happen next year. She continued that they hope that after hearing from a few of the students that the board will consider advocating for them and keeping them as an active club at Liberty High School.

3. Dominique Donaldson – a 10th grader at Liberty High School

Ms. Donaldson stated that she is present to speak on behalf of the Teen Summit program. She noted that at the beginning of the school year their club was not recommended to be funded and they lost their status as an official club. She continued that Dr. Persing met with their advisor and agreed to personally fund the club this year but the club status for next year is still unknown. She explained that Teen Summit is an afterschool club that to her expresses what she is about in life. She continued that this club brings together teens from all over no matter the race, religion or economic group. She claimed that it is amazing to see a diverse group of students working together towards a common cause promoting unity and tolerance throughout the school and community. She stated that society portrays teens in a negative way as if they don't have a future yet teens aren't the future they are our today. She stated that he is glad that Teen Summit has been born to give them an outlet to get involved in their schools. She continued that they as teens need to rise up and let the world know that they are here and that their voices matter. She further stated that they aren't going anywhere and they are standing in unity to support their club. She stated that Liberty students love Teen Summit and keeping this club at Liberty High School is of great importance to them.

4. Kathy Latorre – Former Liberty High School student

Ms. Latorre stated that this is not a case of another club begging for money but that Teen Summit is one of the most well-run, most efficient clubs at Liberty High School. She stated that she was a part of the club for three years while she was at Liberty High School. She claimed that it has definitely given her the tools necessary to as successful as she is today. She stated that she does not want to call herself a success story because she believes that she has not fulfilled her total potential as of yet but with the progress that she has made she can say that she has been successful. She continued that being president of that club has taught her so many things and has put her in such position of leadership as to hold an organization liable, to know how budgets are run, to know how everything in an organization needs to go to be able to be run efficiently. She stated that not only has Natalie Ortiz put her heart and soul into this organization for the past years there is still much more to be taken from this than just another club at American University. She stated that there is the Anime Club and the Knitting Club and not to say that those are not good clubs but that Teen Summit definitely gives you the tools necessary to be successful in the future whether it is while you are at Liberty High School, whether you do secondary education or you just go into the workforce. She claims that without Natalie Ortiz's guidance and Teen Summit as her support she

President Leeson noted that under President's Comments she will be addressing the board's role in this issue but she would also like to invite anyone else who has any other comments to email them or give hard copies to the board.

5. Jim Laverty – 5015 Long Drive, Bethlehem – Concerned Citizens of Bethlehem Area School District

Mr. Laverty began with a follow-up to the letter that they had submitted with specific recommendations back in June to which they provided some clarification in August. He asked for a status update on the written reply that they have requested. He continued to commend the board about some of the things he has seen in the meeting agenda. He noted specifically the board policies that are being looked at closely and providing some revisions. He stated that they think there are some very significant and substantial steps that the board is taking that have been very well received by the community. On behalf of the group he commended the board and commented that they are moving in the right direction. He continued that besides the board policies but that in the specific authorizations concerning the activity on the swaps which include specific termination values they think is a very positive step for the public and the community as a whole. He stated that his group recommends that as these steps are taken it would benefit the public if the board would put them on the website and notify the public that these things have been done. He believes that it would help the community feel that there is progress being made because clearly there is.

6. Philip Lauer, Esq. – 701 Washington Street, Easton

Mr. Lauer observed that he believes that everyone in his profession and the rest of the community should attend some of these meetings because it is important stuff that the board does. He noted that it has been a long time since he has been at a board meeting and that he honors and respects what they do. He stated that he is present because they have been asked to represent a former employee of the district, Dr. Lewis. He stated that Dr. Lewis has asked them to look at number of things relating to his previous employment, his current employment and a number of other issues. He continued that in the course of conducting some interviews with him and some evaluation on their part as to what if anything could or should be done on his behalf. He noted that they learned of a proposed resolution of reprimand of Dr. Lewis. He continued that in that regard he is present to encourage the board in advance to consider carefully that action. He stated that they should consider it carefully for a number of reasons. He suggested to the board that the issues that are addressed in the resolution have been known, have been discussed, have been the subject of considerable debate and concern by this body and they have taken action in the past. He noted that some of them have commissioned an evaluation by the auditor general whose report has recently been made public. He suggested that the basis for any reprimand if that is to occur has been something that has been known to the board for a considerable period of time and has been considered. He

reprimand to has served this school and this community well for a considerable period of time. He went on to state that during that period of time he is confident that there have been many disagreements. He noted that just from reading the newspaper that there have been times when many of the board members have disagreed with what Dr. Lewis did or did not do. He suggested that the subjects of the auditor general's report and the subjects of their proposed reprimand were not items for which he was found personally responsible in any way. He noted that he was found, however, to be the head of an administration that made some errors in the opinion of the auditor general. He stated that it is not his purpose to address the details of that. He noted that he and many of the board members could argue these points at length about what is right and what isn't right. He suggested that Dr. Lewis is no longer their employee and that Dr. Lewis is beyond the board's control at this point. He continued by suggesting that action by this body to reprimand somebody of that caliber after that period of service over issues about which there are a number of viable sides can only be considered to be punitive. He respectfully suggested to the board that such an action by them at this time would not be appropriate. He noted that it is their hope to avoid any kind of issues, any kind of litigation about these matters. He noted that the board most likely has heard about issues of immunity and that sort of thing. He suggested that those principles are fine so long as everyone is acting within the scope of their responsibilities as a school director and not outside of those responsibilities or not maliciously. He asked the board to just carefully consider what is proposed in that regard. He noted that he does not know the background of the proposal but that he does know that it is a proposal that he suggests is inappropriate and beyond the duties of their employment. He urged the board to carefully consider it.

7. Joe Santoro – Principal, Broughal Middle School

Mr. Santoro thanked the board for seeing to completion of a brand new school on the south side, the new Broughal Middle School. He noted that he had not had the opportunity to say that to the entire board at one time. He commented that he has been there a long time and it means a lot to not just the community as a whole but the kids and him personally. He invited those in attendance to the dedication on Sunday at 4:00. He noted that they are looking forward to the formal opening of the school and they have a lot of things planned. He continued that as of right now he changed the plans. He stated that late Friday afternoon, Steve Gardner who is the D'Huy engineer representative on site for the Broughal project and a Skepton employee named Vinnie who is the general contractor came to him and gave him an unknown artifact. He noted that none of the records indicated that there was a time capsule behind the 1950 date stone of the original south side high school. He noted that it is copper sealed and will be open on Sunday. He stated that he does not know what is in it but he is excited about it and hopes that the community is excited as well to see our past come to life in front of us.

8. MaryLou Hatcher –

Ms. Hatcher noted that she has graduated students from the school district but that she wanted to say that she was so glad to see the Teen Summit young people at the meeting. She continued to say that she had a chance to be a guest at the conference that they gave last spring. She noted that the theme of the conference was “Be the Change” and it is an abbreviated form of Ghandi’s statement “Be the change you want to see in the world.” She believes that they are really living that out tonight by taking ownership and saying that they desire to be full participants in this community and that they are willing to step up with the leadership for that. Ms. Hatcher conceded the remainder of her time so that the students could stand and be recognized. The students stated their names off microphone.

President Leeson called on Hannah Schwarzbach for the report from Liberty High School.

STUDENT
REPRESENTATIVE
REPORTS

Hannah reported that a lot has been going on at Liberty throughout the past few weeks both in the school and throughout the community. She noted that their homecoming weekend went by flawlessly. On Friday the 9th, the current senior class celebrated their 2009 PSSA test scores at a PSSA proficiency lunch in the gym during third block. She noted that the cookout was complete with hot dogs, chips, soda, jousting matches, music, and a moon bounce. She thanked the board members who were so kind to cook for them as well as Liberty teacher, Ms. Leeson, who organized the cookout and Mr. Makary for all of his hard work. She continued that the senior cookout was followed by a successful pep rally and a victorious home coming game against Bethlehem Catholic High School. She continued that on Saturday, Liberty students gathered in the cafeteria for the homecoming dance. She congratulated Liberty’s homecoming king and queen, Nick Lule and Maggie Serratelli.

Hannah noted that the tutoring program has begun for 10th and 11th grade students working hard for the upcoming PSSA tests. She continued that two distinguished educators visited Liberty this month to talk with the class of 2010’s PSSA task force commending them for their work last year and this year’s task force of the class of 2011 is beginning to come together. She stated that they know that their hard work on this task force will bring about more positive results.

Hannah continued by noting that many of the fall sports are coming to an end and she would like to congratulate their teams for a great season especially the girls tennis team which was the Lehigh Valley Conference champion.

She stated that Liberty also has had some great accomplishments in the area of academics. She continued that the scholastic scrimmage team is doing exceptionally well this year. She recognized Katie Dobias, Danielle Firestone, Rachel Guarriello, Chase Miller, Zach Daniels and Kate Wilsterman for being chosen as commended students in the 2010 National Merit Scholarship Program. She also recognized junior Ben Kraft partnering with a friend from Hazelton was chosen as a regional finalist in the Siemens completion, an original research competition in math, science, and technology for high school

problem, the $3X + 1$ conjecture. She noted that they will be going to the regional completion on November 6th at MIT to present their project. She also recognized senior Jordan Roman who won first place for an essay he entered in the Latino Coalition state essay competition and senior Laura Kauer who won second place in the same competition for her essay.

Hannah noted that they will be inducting their new members into the National Honor Society on November 4th in the auditorium. She continued and recognized the Grenadier Band for its performance in the Bethlehem Halloween Parade and the band director, Mr. MacGill, who was nominated for the position of band director of the United States Army All American Band.

She stated that the theatre program at Liberty is also hard at work in preparation for the fall play. She continued that Liberty has been actively participating in the worldwide initiative of “Pink” for October in which the color pink is promoted to show support of breast cancer awareness. She commented that Liberty has done so much this month for the cause especially supportive after discovering one of our own staff members has breast cancer. She continued that some of the pink activities they have held include volleyball and field hockey games dedicated to the cure, the football team wearing pink tape on their cleats at the games, and the “Pink-Out” they held this past Friday night at the Nazareth game. She noted that the participation of over 20 Liberty staff members and the girls volleyball team in the race for a cure in Allentown on October 17th and a fundraiser at Loopers on the south side where guests could have their heads shaved to raise money. She noted that even Freedom’s assistant principal shaved her head raising over \$1,000 for the cure.

Hannah continued that Liberty’s spirit is at its peak and will continue to be so for the next two weeks. She noted that students are excited for Spirit Week, the Liberty bonfire, senior breakfast and pep rally next Friday all leading up to the Liberty-Freedom game on November 7th. Hannah commented that while swine flu is on the rise she thinks the Patriots should be a bit more worried about Hurricane season.

President Leeson called on Lindsey Anderson for the report from Freedom High School.

Lindsey reported that the month of October started off with Homecoming weekend on October 2nd with Freedom football’s big win over Parkland. She noted that even bigger was Darius Webb’s school record breaking rushing of 367 yards which awarded him the Morning Call Varsity Player of the Week. She noted that the halftime event included the procession of the homecoming court including Corey Kelley, Luming Hao, Tyler Giovarelli, John Bonavita, Todd Persinko, Keith Ward, Jeremy Cohen, Jill Avaradi, Erica Roth, Emily Connors, Demi Kostishion, Latoya Strickland, Sabrina Gonzalez, Lauren Bone, Lee Gadalario, Danielle Derrico. She noted that on Saturday the FHS gymnasium was transformed into a black and gold masquerade evening which culminated in the crowning of Emily Connors as queen and Luming Hao as king.

Lindsey reported that Freedom will be hosting the NCAA clearinghouse presentation on Wednesday at 7pm in the auditorium. She noted that Lehigh

representative from Kutztown will speak on Division II requirements.

Lindsey reported that the FHS cheerleaders recently hosted a successful Tricky Tray to raise money for their winter competition season. She also reported that boys soccer and girls volleyball have qualified for the upcoming fall districts and the cross country team will be racing the new district's course at Illick's Mill on Thursday.

She noted that it is not too early to begin thinking about the big Freedom vs. Liberty game on Saturday, November 7th. She reported that the classes are already thinking about spirit week and decorating their designate areas throughout the school. She commented that the special addition to the battle of the classes which always accompanies the Freedom vs. Liberty is the Penny Wars where students of each class will deposit pieces of silver money coins into the other classes' penny jars to deduct points from that class. She continued that all the money from the Penny Wars will be donated to Via and the class that has the most points will win a tailgating party prior to Freedom vs. Liberty. She commented that to get excited for the big game, the annual Freedom bonfire will take place on November 6th at 6pm.

Lindsey reported that many students recently took the SAT's, PSAT's and ACT's while others will be taking the SAT's and ACT's throughout November and December. She continued that the FHSPTO is also sponsoring an ACT/SAT combo practice test on Saturday at Freedom High School. She stated that parents and students will then be invited to go over the test results in November.

Lindsey noted that various colleges including Temple University, Kutztown University and Wagner College will visit Freedom this week to help students learn more information about their potential colleges.

She continued that FHS Theatre Company will be performing their fall show, "But Why Bump Off Barnaby?" a murder mystery comedy, on Friday, November 20 through Sunday, November 22. She reported that the FHS German students hosted Oktoberfest at Freedom last Friday with lots of singing and food.

Lindsey stated that after two or three years of hard work juniors and seniors will be notified shortly if they will be inducted into the National Honor Society which will take place in December.

She reported that picture make-ups will be in November. She concluded to note that the band participated in the Halloween Parade yesterday in downtown Bethlehem.

President Leeson called for the approval of the minutes from the April 27, 2009 – Regular Board Meeting and the May 6, 2009 – Public Budget Hearing Meeting.

APPROVAL OF
REGULAR/
COMMITTEE
MINUTES

President Leeson asked for a motion to accept. She acknowledged Director Tenaglia's motion and Director Koch's second. She called for all in favor to signify by saying "aye". Directors complied. She called for all opposed. Hearing none, the motion passed 9 to 0.

President Leeson called for the approval of the minutes from the July 20, 2009 – Board Finance Committee Meeting and the October 12, 2009 – Board Curriculum Committee Meeting and the October 19, 2009 – Board Human Resource Committee Meeting.

President Leeson asked for a motion to accept. She acknowledged Director Follweiler's motion and Director McKeon's second. She called for all in favor to signify by saying "aye". Directors complied. She called for all opposed. Hearing none, the motion passed 9 to 0.

President Leeson noted that the items are numbered 30, 31 and 32 on the agenda. She called for a motion to accept the financial report and payment of the bills. Director McKeon made the motion and it was seconded by Director Follweiler. President Leeson called for discussion.

APPROVAL OF
FINANCIAL REPORT/
PAYMENT OF BILLS/
BUDGET
TRANSFERS
ROLL CALL –
ITEMS 30, 31 & 32

President Leeson requested a roll call vote on the Items 30, 31 and 32. The question was called with roll call as follows: Yea, Directors Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia, and Leeson – 9.

The motion passed 9 – 0.

President Leeson reported that Dr. Gary DeLeo had communicated with her by phone and she believed that he sent an email to everyone in support of the SciDome. She noted that he also committed to continuing his relationship with Broughal and working with their science department in the development of their astronomy program.

PRESIDENT'S
COMMUNICATION

She continued that PSBA sent an email that they would like us to know that they not only search within the bounds of Pennsylvania but that they do regional and national searches as well.

She commented that it was recommended to the board that basically the district could operate with fewer funds within the extracurricular arena. She noted that they did not approve or pick and choose which one of the clubs would be funded or would not be funded and to date they have not discussed those choices. She continued that they recognize the value of Teen Summit and that they appreciate the number of students that came forward to share with the board. She commented that she attended the Teen Summit conference a couple of years ago and her husband is an example of why middle-aged men can't dance. She stated that they recognize the value of the program and that they will need to look at some of these as they look at the budget cycle coming up for next year.

President Leeson noted that this is Dr. Persing's first board meeting and she welcomed him to the meeting. She noted that the transition has been so smooth that it hardly seems new. She thanked him for such a smooth transition and the cabinet for making the transition so smooth. She also thanked Debbie Lynn Mickolay and to Barbara Clymer for picking up the missing little pieces that would not have made this transition work.

She continued to comment that the auditor general released a report on October

improper payment of a bill from the summer of 2007. She stated that it should be noted that these incidents occurred under a different acting administration and board. She stated that this board does not condone the processed used by the individuals in this report. She addressed the issue raised by Attorney Laur by saying that the auditor general is not commissioned by the district or by any individual within the district but that the auditor general chooses for themselves to come into a district. She noted that the Bethlehem Area School board thanks the auditor general and his staff for providing the board and our public with a clearer picture of these incidents. She stated that they take this report very seriously and are prepared to address the findings and recommendations. She continued that they worked cooperatively with the auditor general's staff and began remediation promptly therefore many of the recommendations have already been addressed. She noted that the director of technology, Frank Arbushites, will review their progress to date under unfinished business. She reported that they are developing an ongoing website to show the progress of the remediation of the auditor general's findings. She also stated that they will be addressing the policy language and making procedures clearer. She continued that this board also understands their responsibility to the public to hold accountable Dr. Lewis for his role in these incidents and they will be addressing that accountability. She further noted that Dr. Lewis is still their superintendent of record in their district. She stated that they are ready to learn from these unfortunate incidents and move forward.

Dr. Persing stated that he would like to echo what President Leeson said and thank everyone for the warm and cordial welcome he has been given. He noted that the cabinet has been outstanding. He expressed his thanks to the principals, the teachers, secretarial staff, the custodians, and all who work for the Bethlehem Area School District.

SUPERINTENDENT'S
REPORT/FEDERAL
PROGRAMS UPDATE

He restated that there will be the Broughal Middle School dedication on Sunday, November 1st at 4pm. He noted that there has been a lot of information coming out on the flu shots and continued that they have been moving forward on that with the able help of Scott Gilliland and Kathy Hawkins who have done an outstanding job. He also recognized Dean Donaher for his hard work in this area. He stated that the following information has been sent out on ParentLink this afternoon and it also appears on the website.

“The Bethlehem Health Bureau will be offering a seasonal flu vaccine for healthy Bethlehem Area School District students only in kindergarten through grade 12 at three clinics to be held at Bethlehem City Hall at 10 E. Church Street next to the Bethlehem Public Library on the following days.

Tuesday, October 27th from 4 – 7 pm

Wednesday, October 28th from 4 – 7 pm

Saturday, October 31st from 10 am – 1 pm

Your child must attend a public or private school in the Bethlehem Area School District. If you cannot make any of these clinics, more will be scheduled in the next few weeks. Call the Bethlehem Health Bureau at 610-865-7087 for

Dr. Persing continued with the Federal Programs Update from Iris Cintrón. He reported that the Learn and Serve America grant – Bethlehem Area School District was notified by the Pennsylvania Department of Education received a new Learn and Serve America grant for intermediate curriculum integration in the amount of \$20,000. He noted that the purpose of the grant is to assist youth in meeting State standards by providing them with an authentic services opportunities that reinforce and expand what students learn in the classroom. The second grant Dr. Persing noted is an EAP that is tutoring in Pennsylvania. He stated that the District was notified by PED Tutoring in Pennsylvania grant was funded in the amount of \$932,152. He further noted that this amount represents a 9.2% reduction from the 2009-10 funds. He continued that these funds will be used to provide tutoring at all levels for those students who have scored basic or below basic on the PED-approved assessments.

President Leeson called on Mr. Frank Arbushites.

UNFINISHED
BUSINESS

Mr. Arbushites thanked the board for the opportunity to provide an update on the steps that the IT Department is taking to address the auditor general's recommendation. He continued that as they had indicated in their response to the report their department has developed a master inventory database that will hold all of the technology asset records that they have and they are in the process of updating that database. He explained that the technology asset records will include information on the type of equipment, the serial number, the assigned Bethlehem Area School District number, and the technical specifications of the equipment. He also noted that they will continue to work with the business office to make sure all of the assets are matched with a purchase order number. He stated that they are working on a procedures manual and it has been developed to some extent already. They are in the process of compiling it and making sure it is correct and complete so that all of the members of their department are familiar with the procedures for collecting the inventory data and managing the equipment as it moves around the district which it does on a very frequent basis.

Mr. Arbushites went on to note that they also plan to tie the technology work order database with the inventory database so that they have a history of where a computer or when a piece of equipment has been and it will also allow them to track movement to and from their Technical Services Department. He stated that he thinks that since the report has come out, he has met with groups of people in his department and they understand that inventory is going to be an area of increased focus and they understand that they as a department need to be accountable for the records that are entered into the database. He continued that they are treating the auditor general's report as a learning experience and over time they intend to implement the recommendations as they were described in the report.

President Leeson recalled that from an independent audit last year they specifically asked how the district is doing in inventory control of the computers. She further recalled the auditor sharing how difficult it is in every district to control the inventory of computers. She continued that the auditor felt that the IT Department was doing a much better job than any of the other districts that he had seen.

Director Koch stated that she is very happy that these things are being put into place too because she has been one of those people over the years who has been asking about it and being assured that everything was fine and then found out that it was not. She continued that there is another component that she has not heard mentioned in a long time. She recalled being shown handheld devices that were going out to either middle schools or elementary schools. She continued that they were shown them and then they just seemed to disappear and they never heard anything more about them or whether there was a problem. She asked Mr. Arbushites if he had a chance to look at those as well.

Mr. Arbushites responded that they have looked at those devices and that they were initially allocated for Spring Garden Elementary School and Governor Wolf Elementary School. He stated that he believes that they are all over at Spring Garden Elementary School. He noted that the teachers there wanted to do some projects at the 5th grade level and they are making much greater use of them. He continued that they are still in use and students are using them as tools to write information and take notes as they are working on projects. He stated that he believes that Science is an area of focus that he has seen.

Director Koch asked if they are keeping track of those as well, how many they got and how many they still have. Mr. Arbushites responded that they were and that there was not a large number of them. He recalled that there were 30 in each school and since then all 60 of them are over at Spring Garden.

President Leeson asked Director Follweiler to address Mr. Laverty's request for a response.

Director Follweiler stated that at the finance meeting of July she had brought up the letter and that she told the board that she would to compile some answers. She commented that she did start to do that and that most of the questions have been addressed within their meetings and she is attempting to sort through the meeting minutes to reference back to the group where the answers can be found. She indicated that it has been more labor intensive than she had thought but she does intend to complete the task. She stated that she will give a status report at the next committee meeting in public so that everyone will have the answers that she has found thus far.

President Leeson asked Mr. Scherer if he would be able to share about the recommendations to authorize the termination of the CMS swaps. She noted that one has a termination value and two have blanks.

Mr. Scherer stated that at the last finance committee meeting they did set the net benefit threshold to the School District of the \$40 million Constant Maturity Swap that is labeled as the 2007-1 CMS at a net benefit of \$700,000. He noted that would allow them the green light to move forward with the termination. He continued that after all terminations, spreads, and fees are paid the District will receive \$700,000.

He continued that the other two are the same dollar amount and they are both for \$55 million. He noted that the one is labeled as the 2005 CMS and the other is labeled as the 2007-2 CMS. He indicated as their name alleges they relate to the 2005 variable rate bonds and the 2007 variable rate bonds. He noted that

a threshold at the committee meeting last week of \$700,000 for those as well. He stated that they left those two blank because at that meeting and several other long discussions they came to a consensus on the one that does have a number filled in because that is the one right now is at the threshold that they were setting as to one that is producing a better market value to date. He noted that all three are producing substantial cash flows. He continued that the other two markets values are a little bit lower and not quite at the target that they wanted to proceed with at that time. He stated that it seemed that the \$700,000 seemed like a good calculation to move forward with if the board wished. He continued that if they did approve one or all three of them they could probably act as quickly as tomorrow to terminating the one that relates to the \$40 million Constant Maturity Swap because they have most of everything ready for that and have had preliminary discussions with the swap counterparty. He noted that if they would act on the other two resolutions at that target, they would watch them very closely because the market is changing on a daily basis if not an hourly basis and they would be ready to terminate those two if they exceeded the target that is set forth.

President Leeson questioned to confirm that it is Mr. Scherer's recommendation at this point to fill in the two that are not filled in with the term \$700,000 as the trigger to pull when they reach that point. Mr. Scherer responded that it correct. Director Follweiler stated that she had previously stated that there was some concern that that level might be too high and he had talked about a factor. She continued that the factor on the one he has filled in was at a 1.2 and the others he had felt would be more difficult to reach that level yet the \$700,000 would be the same. She stated that her concern is that they need to get out when they have a positive number and if his advice is that they will meet that \$700,000 she is ok with that but if he does not think they will get there she is concerned.

Mr. Scherer responded that the \$700,000 for the two \$55 million dollars ones are the ones that are currently blank. He continued that last week they had the benefit factors that they discussed at somewhere around 3 or 5. He stated that at a \$700,000 number those benefit factors would be about 1.65. He recalled that as he mentioned he does not believe that those two are ever going to be quite as positive as the one which has to do with the timing of when they were put on several years ago. He noted that he did feel that those numbers are attainable even though they are realizing substantial positive cash flows right now, the target is reachable especially with the news that they received this afternoon about the sudden jump in these market values. He again stated that he feels they are attainable.

President Leeson noted that they can always change those parameters and Mr. Scherer agreed. She questioned for example they were to see six months down the road that they were not getting anywhere close that they could change this authorization and make it a lower number. Mr. Scherer indicated that was correct. President Leeson confirmed that Mr. Scherer would still be available to frequently bring the board updates on where they are with the Constant Maturity Swaps. Mr. Scherer indicated he would be there to update the board on all of their swaps. She further confirmed that they should be well aware of where they are with the swaps so they would not have to wait six months if that would be the will of the board. Mr. Scherer replied affirmatively.

Director McKeon indicated that they have had these discussions before and asked if there were any provisions for a shelf life for this. Mr. Scherer indicated that he did review briefly the resolutions that their buying council prepared and he did not specifically see a shelf life in there but it can easily be added to the resolution. It can be amended with a sentence indicating that it would be good up to a date chosen by the board.

President Leeson asked Director McKeon if he was recommending an amendment to the resolution. He responded that if the board is willing to discuss it he would like add something like 60 or 90 days as a first attempt and then as it gets near expiration they would have to extend it.

Director Amato confirmed that the District will receive \$700,000 once everything is paid off. Mr. Scherer confirmed affirmatively. Director Amato asked if the District can use that money for anything they want. Mr. Scherer again answered affirmative. Director Amato suggested that since the fund balance is at zero the funds could be put in the fund balance or something of that nature.

President Leeson commented that Director Amato possibly had missed some of the previous discussions. She continued to explain that currently they are anticipating that they could make up to \$1 million on each of them for a total of \$2 million this year. She noted that the Constant Maturity Swaps are in a positive position so \$700,000 would be a little bit less but within reason assuming everything stays the same.

Director Cann asked if there was an advantage to indicating an expiration date is there also a possibility to adjust the amount at any time or amend it. Mr. Scherer indicated that they could always amend it. He commented that he personally likes the shelf life because it allows him to come and have the discussions like they have had over the last several months. He continued that just having those dates ensures these items being put on the agenda for them to talk about at length.

President Leeson asked if Mr. Scherer has a shelf life that he would recommend. He responded that they could start with January 1 and see how they get through this calendar year.

Director Dexter recommended that they make the shelf life associated with a meeting date so they don't expire between meetings. She also asked if it makes sense to add one additional, potential authorized person. She indicated that right now the way the resolution reads it is only the president or vice-president who can pull the trigger. She thought that they should add the chair of the finance or some other board member that they would like designate. She suggested that the additional person be the chair of the finance committee.

Mr. Scherer asked then if it would be that one of the three or all three named parties would be needed. Director Dexter indicated that it is her understanding that since the parameters have been set by the board that all that is needed is a verbal over the phone. Mr. Scherer confirmed that it would be a couple minute phone call where they would have the swap counterparty, the representatives of the school, and the bond counsel or the solicitor if available. He explained that

would indicate where they see the number. They would then advise the district to accept or note accept and the representative would then basically say to accept. He indicated that now it is either the president or the vice-president and asked if the amendment would make it and/or. President Leeson would like to see them try to reach all but that they could pull with one. Director Dexter asked how it is normally done. Mr. Scherer indicated that every school is different and it depends on the availability of the respective board members. He indicated that he is fine with trying for all three. He further indicated that sometimes these things come on very, very quickly with very short notice. He reiterated that they will first try for all three but can still proceed with just one.

Director Dexter asked if there would be a problem to have any additional board members on the phone if they knew someone would like to participate. She gave the example of Director Tenaglia who has a lot of financial expertise. Mr. Scherer indicated that he would see no problem. Director Dexter also asked if the other party needed to be a board member and again used Director Tenaglia as an example since his service with the board will shortly conclude. So if the designated district representative approved to have him participate, she asked if that would be a problem. Mr. Scherer indicated that he might have to defer that answer to district's solicitor. He stated that he is not totally sure.

President Leeson commented that she felt it unwise for someone from outside the board to commit the board although she respects Director Tenaglia's expertise and she would welcome his advice at any time. She thought it might be putting him in a very difficult position. Director Dexter clarified her point that she was not suggesting that he be the person authorized to pull the trigger but that he might be able to listen in on the phone call conversation and if there were questions to be asked he would assist with that.

President Leeson suggested that they get the parameters of the individuals authorized to pull the trigger and then go into additional discussion of advisors. She stated that they know what they will be doing with the one that they are hopefully going to pull tomorrow and the board has set the direction for that one.

Director Follweiler stated that they are to vote tonight to set the parameters as the board. She further stated that once the parameters are set that the phone call is just to pull the trigger that has already preset. Mr. Scherer confirmed her statement. She then stated that she would be in favor of a motion that would add the finance chair and one of those three people required on the phone call and no additional people. She commented that if PFM is trying to contact multiple people the board may lose an opportunity and since the board has spoken on their vote on the parameters it is just merely a witness in a small thing.

Director Dexter asked for a list of clubs that exist this year at Freedom and Liberty. She also would like to know if those clubs that are going to be funded this year existed last year. She explained that she wants to see what was cut. She continued that she heard from several clubs that funding was either in question or not going to be available. She listed Model UN, the Debate Club and the Moot Court is questionable but she is unsure if that has been resolved.

finance meeting for November 2nd. Director Dexter replied any time that it is convenient for the administration. President Leeson indicated it will be available at that meeting.

Director Amato commented that they did not tell the administration to cut any clubs. He continued that they were told that they could have all the clubs they had last year but they had a certain amount of money to run them. President Leeson confirmed that the choosing did not take place at the board.

Dr. Persing stated that there are no additions to the recommendations.

RECOMMENDATIONS
OF THE
ADMINISTRATION

President Leeson asked for a motion to accept the Recommendations of the Administration. Director Follweiler made the motion and Director McKeon seconded the motion.

President Leeson asked if anyone would like to pull any of the items. Items #26 & #28 were pulled. She noted that Items #20, 21, 22, and 23 are first reads of changes in board policy. Director Tenaglia noted that in item #25 there is a slight typographical change. He indicated that the solicitor has a corrected form and would like it noted that they are substituting the revision from King, Spry from what was included in the packet.

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° Information Item Only

1. *Authorization to Expend 2007 Bond Funds – New Broughal Middle School – Incidental Fees and Charges – Change Order*

INFORMATION:

The Broughal Middle School project is pursuing LEED Certification as directed by the Board of School Directors. An initial design phase submission fee of \$6,743.49 is required to be submitted to the United States Green Building Council. A subsequent invoice for construction phase will be required in the future. In order to pay the associated costs for the LEED Certification, the appropriation for incidental fees and charges need to be increased.

RECOMMENDATION:

That the administration be authorized to pay the fees associated with the LEED Certification for Broughal Middle School, at an additional cost not to exceed \$10,000.

Account Code: 30-4500599-240-825-00-0000

Bond fund account, no General Operating Fund appropriation

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

2. *Authorization to Expend 2007 Bond Funds – PPL Right-of-Way Agreement and Payment – Martel Street – Broughal Middle School Project Site*

INFORMATION:

1. The existing electrical service for the old Broughal Middle School is being removed. The existing pole along Martel Street needs to remain in order to continue to serve Saint Peter's Lutheran Church. PPL has requested a Right-of-Way be provided for placement of one vertical guy anchor to support the existing power transmission pole.
2. PPL Electric Utilities, Inc.'s cost for disconnecting the electrical service to the old Broughal Middle School and terminating the existing service to remain is \$9,081. This cost is part of the overall project budget.

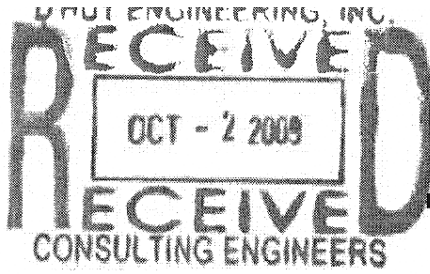
RECOMMENDATION:

1. That the Board of School Directors approves the attached Right-of-Way Agreement for installation of one pole support guy anchor along Martel Street.
2. That the Board of School Directors authorizes payment of \$9,081 to PPL Electric Utilities, Inc., for the Broughal Middle School Project.

Account Code: 30-4500450-240-822-00-0000

Bond fund account, no General Operating Fund appropriation

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.



David T. Bobb, P.E.
Senior Engineer

PPL Electric Utilities Corporation
1047 N. Plymouth Street (BETSC)
Allentown, PA 18109-1539
Tel. 610.782.5841 Fax 610.782.5812
dtbobb@pplweb.com



September 30, 2009

Bethlehem Area School District
Attn: Stanley Majewski
1516 Sycamore St
Bethlehem, PA 18017

RELOCATION OF PPL ELECTRIC UTILITIES FACILITIES
Broughal Middle School, Bethlehem, PA
PPL WR# 529386

In response to your request that PPL Electric Utilities Corporation (PPL Electric) relocate its facilities at the above location, we agree to make the necessary changes provided:

1. **You pay PPL Electric prior to the start of construction the estimated net cost of relocating its facilities in the amount of \$ 9,081.00**
2. **Satisfactory right-of-way, required for the installation of the new electric facilities, is granted at no cost to PPL Electric before the work is started.**

Please be advised that PPL Electric will NOT assign your project to a foreman or schedule the work until each of the requirements listed above has been satisfied. The minimum time required for a foreman to review and schedule your project is 15 working days.

If this is satisfactory to you, please sign and date the original and copy of the acceptance provided below and return the copy in the enclosed self-addressed stamped envelope. Please send your payment, along with a copy of the invoice, to PPL Electric in the enclosed envelope marked "PPL WMS" to ensure prompt processing of your job.

Should you plan to go forward with the work, please contact all other utilities that may be involved.

This estimated cost is valid for six months from the date of this letter after which PPL Electric reserves the right to review the proposal and re-estimate the costs. If you wish to discuss the project further, please call Randy Messenlehner at 610-782-5813.

Sincerely,

David T. Bobb

ACCEPTED _____

DATE _____

Work Request Charges Invoice
PPL Electric Utilities

To: Bethlehem Area School District
Attn: Stanley Majewski
1516 Sycamore St
Bethlehem, PA 18017

Invoice Number: 04605293862
WR Number: 529386
Description: Excess Costs for the removal and relocation of PPL Facilities serving Old Broughal School Building.

Contact Name: STEVE GARNER
Contact Phone: 484-357-4971

Invoice Date: 10/5/2009
Preferred Option: Yes
Project:

Invoice Details

Description	Unit Cost	Quantity	Total	Due Before Work	Paid
RELOCATION CHARGES FULLY ALLOCATED	9,081.00	1	9,081.00	Y	

Charges Due Before Work Starts: 9,081.00

Tax: 0.00

Subtotal: 9,081.00

Charges Due On Completion: 0.00

Tax: 0.00

Subtotal: 0.00

Total Charges: 9,081.00

Total Tax: 0.00

Total Including Tax: 9,081.00

Please remit your payment and the stub on the following page of this invoice to the Remit To address:

Overnight payments must be mailed to the following address:

PPL WMS
2 N. Ninth St.
Cash Processing Ctr. GENN1
Allentown, PA 18101

This stub must be included with your payment.

Please remember to put your PPL work request number 529386 on your check.

Make checks payable to PPL Electric Utilities

Remit To:

PPL WMS
P.O. Box 25238
Lehigh Valley, PA 18002-5238

Amount: \$ 9,081.00

This quote is valid for six months from the date prepared, after which the Company reserves the right to review the proposal and re-estimate the cost.

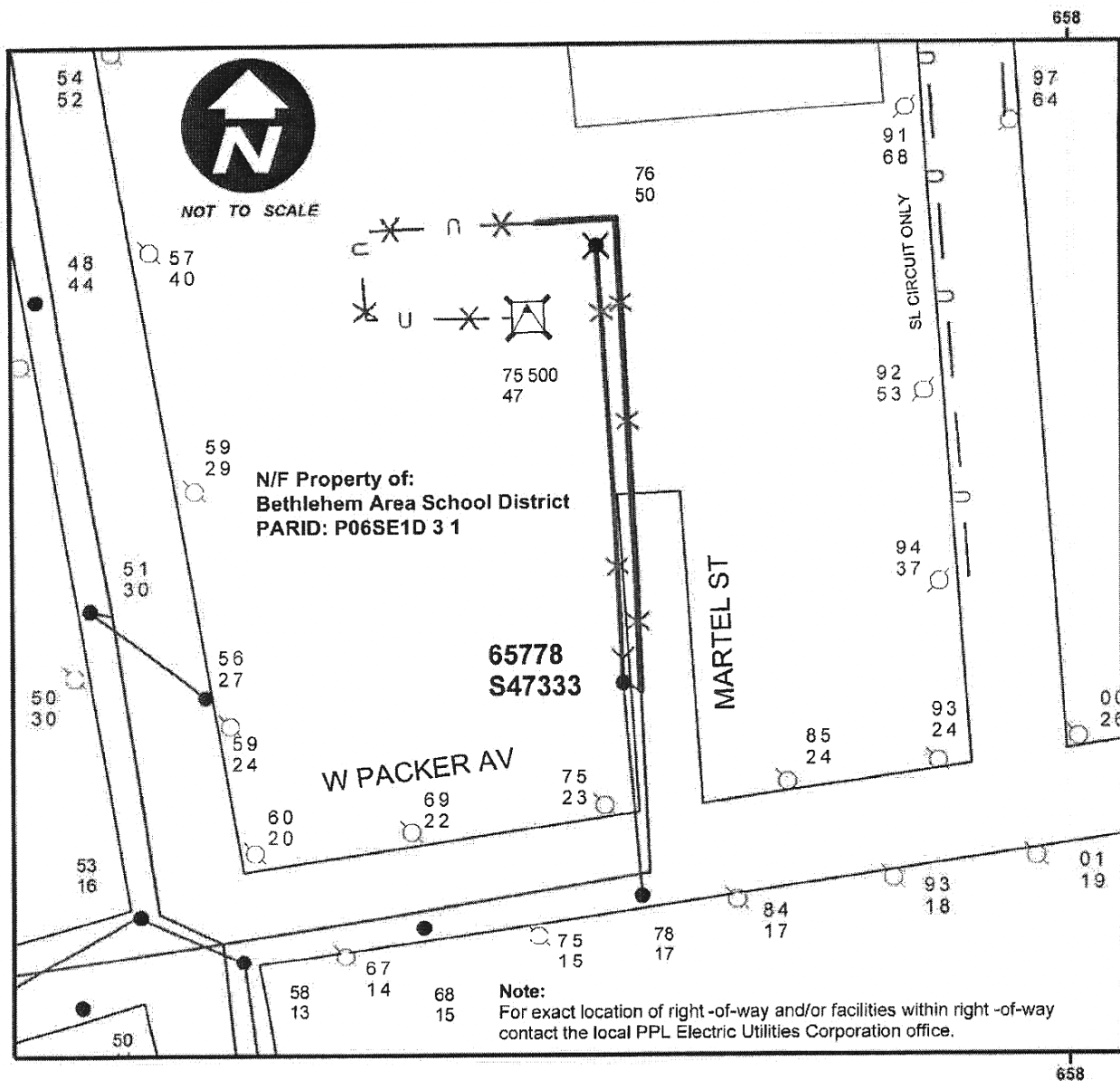
To: Bethlehem Area School District

1516 Sycamore St
Bethlehem, PA 18017

Service Address:

0 W PACKER AVE
BETHLEHEM, PA 18015
NORTHAMPTON Co.

Account:	Code:	BI:	CA:	Subtotals:	WR:	Quote:	Prepared By:	Date:
45610	000	90	0460 \$	1,591.00	529386	04605293862	004518	10/05/2009
289121	099	90	0460 \$	7,380.00	529386	04605293862	004518	10/05/2009
289121	005	90	0460 \$	110.00	529386	04605293862	004518	10/05/2009



Legend

- U- Underground Cables, Existing
- Overhead Wires, Existing
- X Overhead Wires, Remove
- X-U Underground Cables, Remove
- PM Transformer-3 Ph, Remove
- Customer Owned Pole, Existing
- ✕ Pole, Remove
- Pole, Existing
- Y Anchor Guy, Proposed

Not for Construction

PLAN SHOWING FACILITIES ON PROPERTY OF:	
W.O.: 289121	Bethlehem Area School District
W.R.: 529386	
S.R.: NA	
SCALE: None	BETHLEHEM NORTHAMPTON COUNTY
DATE: 9/30/2009	PPL Electric Utilities Corporation ALLENTOWN, PENNA.
ENGR. Messenlehner, Randy	APPROVAL: DATE: SIGNATURE: DWG. NO.: 65778S47333RW-0

W.O. Number:					
5	2	9	3	8	6



RIGHT-OF-WAY AGREEMENT
Corporations

KNOW ALL MEN BY THESE PRESENTS, That Bethlehem Area School District, a corporation of Pennsylvania hereinafter called "GRANTOR", intending to be legally bound, does hereby for itself and its successors and assigns grant unto **PPL ELECTRIC UTILITIES CORPORATION**, hereinafter referred to as "PPL", its successors, assigns, and lessees, the right, privilege and authority to construct, reconstruct, operate and maintain its electric and communication lines consisting of one (1) anchor guy and overhead facilities on PPL pole #65778S47333 as shown on the plan hereto attached and made a part hereof including wires, cables, fixtures and apparatus upon, across, over, under and along the property which said Grantor owns or in which it has any interest located along West Packer Avenue, situate in the City of Bethlehem, County of Northampton, Commonwealth of Pennsylvania; and along the public highways adjoining the said property, including the right of ingress and egress to and from the said lines for any of the aforesaid purposes; also the right to cut down any and all trees within five (5) feet each side of centerline of the electric/communication line and the right to trim any and all trees within five (5) feet each side of centerline of the electric/communication line and to remove brush along said lines which in the judgment of said PPL menace the said lines; and also the right to permit the attachment of wires and cables of any other person or company to said poles. The said PPL, its successors, assigns and lessees shall not be limited in its or their enjoyment of the rights hereby granted as may be first constructed, but shall have at all times in the future the right to construct, operate and maintain and from time to time to reconstruct additional electric/communication wires, cables, fixtures and apparatus upon, across, over, under and along subject property. Any poles or facilities erected hereunder along a highway, whether within or outside the highway limits, may be relocated to conform to new or relocated highway limits.

IN WITNESS WHEREOF, Grantor has caused this agreement to be executed in its corporate name by its proper officers, this _____ day of _____, 2009.

1516 Sycamore Street, Bethlehem, PA 18017

P.O. Address

ATTEST:

Bethlehem Area School District

By:

Secretary

School Board President

(SEAL)

(SEAL)

3. *Private Transportation Contracts*

RECOMMENDATION:

That the Bethlehem Area School District's transportation contracts for carrier service for the 2009-2010 school year be approved as presented in the amount of approximately \$217,836.

a. Lehigh and Northampton Transportation Authority:

There are 194 students that have been scheduled for transportation to and from Liberty High School on four routes. The fare per student is one dollar per trip. The maximum cost is \$69,840. The district is required to pay for only those students using the service.

b. Jennings Transportation, Inc.

Approximately \$60,950 to transport special needs students outside of the district.

c. Levy School Bus Company

Approximately \$37,566 to transport a special needs student to the New Hope Academy, Doylestown, PA.

d. Northampton Area School District

Approximately \$37,500 to transport a special needs student to the Vanguard School, Malvern, PA.

e. Mr. and Mrs. Antonio Rosario

Approximately \$1,980 to transport a special needs student to Lehigh Centennial School.

f. Colonial Intermediate Unit 20

Approximately \$10,000 to transport alternative or regular education students to IU 20 programs.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

**4. *Refunding General Obligation Bonds, Series A and AA of 2009 –
PlanCon K Approval***

INFORMATION

On March 16, 2009, the Board of School Directors adopted a Resolution authorizing the refinancing of the West Cornwall Township Municipal Authority Variable Rate Bonds and terminates the related Fixed Payer Swap. The PlanCon process requires the preparation and submission of PlanCon K when debt used to finance approved PlanCon projects is refinanced.

RECOMMENDATION:

That the Board of School Directors authorizes the submission of the PlanCon K containing the 2003 West Cornwall Township Municipal Authority Bonds and related Fixed Payer Swap information to the Pennsylvania Department of Education for review and approval. The Plancon K Project Refinancing document is attached. A copy of the full transmittal is available in the Business Office located at 1516 Sycamore Street, Bethlehem, PA, for review.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

**PART K: PROJECT REFINANCING
BOARD TRANSMITTAL**

DISTRICT/CTC: Bethlehem Area School District COUNTY: Northampton and Lehigh
FINANCING NAME: General Obligation Bonds, Series A & AA of 2009

<u>ALL REF</u>	<u>PAGE #</u>	
<u>X</u>	K02	Refinancing Transaction Explanation
<u>X</u>	K03	Summary of Sources and Uses of Funds
<u>X</u>		Signed Board Resolution Authorizing Financing Transaction (including the form of the Bond/Note)
<u>X</u>		Signed Bond/Note Purchase Contract <u>or</u> Completed and Signed Bid Form from Successful Bidder
<u>NA</u>		Signed Lease Agreement <u>or</u> Loan Agreement
<u>NA</u>		Unallocated Funds
<u>X</u>		Signed Verification Report for Advance Refunding/ Certification for Current Refunding from Paying Agent/Trustee
<u>NA</u>		Cash Flow Statement for Current Refunding Call Requirement (if call requirement <u>not</u> gross funded at settlement)
<u>X</u>		Payment Schedule for New Issue/Note
<u>X</u>		Payment Schedule for Original Issue/Note Refinanced
<u>NA</u>		Payment Schedule for Issue/Note Not Refinanced

The financial consultant for this refinancing is: Public Financial Management, Inc.
Name of Firm/Company

The person to be contacted if there are any questions about Series of 2009A&A is:

<u>Jamie L. Doyle, Senior Managing Consultant</u>	<u>717-232-2723</u>	<u>717-232-8610</u>
Financial Consultant's Name and Position	Phone Number	Fax Number

The financial consultant's address is: 1 Keystone Plaza, Suite 300, N. Front & Market, Harrisburg, PA 17101

The financial consultant's e-mail address is: doylej@pfm.com

The school administrator to be contacted if there are any questions about Part K is:

<u>Stan Majewski, Asst. to the Superintendent for Financial Admin</u>	<u>(610) 861-0500</u>	<u>(610) 807-5599</u>
District/CTC Administrator's Name and Position	Phone Number	Fax Number

The school administrator's e-mail address is: smajewski@beth.k12.pa.us

This certifies that the attached materials were approved for submission to the Pennsylvania Department of Education by board action.

BOARD ACTION DATE: _____

VOTING: AYE _____ NAY _____ ABSTENTIONS _____ ABSENT _____

_____ Signature, Board Secretary	_____ Board Secretary's Name Printed or Typed
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<u>1516 Sycamore Street, Bethlehem, PA 18017-6099</u> District/CTC Address	_____ Date
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REFINANCING TRANSACTION EXPLANATION						
District/CDC: Bathlehem Area School District		Financing Name: General Obligation Bonds, Series A & AA of 2009				
<p>Complete a separate information block for each bond series included in this PlanCon Part K submission. Enter "Not Applicable" or "N/A" if the information doesn't apply.</p>						
Refunding Issues/Notes/Loans (ex. GOB, Refunding Series of 2005)	Issues/Notes Refunded, Refinanced or Restructured (ex. GOB, Series A of 2000)	PDE Lease Number	Partial or Full Refunding	Current or Advance Refunding	New Money > \$10,000 (Indicate Yes or No)	PDE Project Number and Building Name Funded by New Money
G.O. Bonds Series A & AA of 2009	GON, Series of 2003		Full	Current		
NOTES:						

SUMMARY OF SOURCES AND USES OF FUNDS			
District/CTC: Bethlehem Area School District	Financing Name: General Obligation Bonds, Series A & AA of 2009		Closing Date: 5/1/09
REPORT TO THE PENNY - DO NOT ROUND			
	SERIES 2009A	SERIES 2009AA	TOTAL
SOURCES:			
Bond Issue (Par)	\$69,710,000.00	\$14,410,000.00	\$84,120,000.00
Original Issue Discount/Premium	2,126,077.70	(294,639.20)	1,831,438.50
Accrued Interest			
Cash Contribution by District			
Unallocated Funds from Bond Issues Being Refunded			
Other Sources of Funds (Specify)			
1. _____			
2. _____			
3. _____			
4. _____			
TOTAL - Sources of Available Funds	\$71,836,077.70	\$14,115,360.80	\$85,951,438.50
USES:			
Purchase of Investments / Escrow			
Cash for Current Refunding	60,462,714.22	11,805,096.18	72,267,810.40
Issuance Costs:			
1. Underwriter Fees	348,550.00	72,050.00	420,600.00
2. Bond Insurance	445,128.29	92,584.82	537,713.11
3. Bond Counsel	45,074.25	9,317.45	54,391.70
4. School Solicitor	18,785.37	3,883.19	22,668.56
5. Financial Advisor	59,265.84	12,251.05	71,516.89
6. Paying Agent/ Trustee Fees and Expenses	933.02	787.84	1,720.86
7. Printing	2,919.59	603.52	3,523.11
8. Rating Fee	12,811.64	2,648.34	15,459.98
9. Verification Report			
10. Computer Fees			
11. CUSIP	534.00	136.00	670.00
12. Internet Auction Fee			
13. Escrow Agent	414.35	85.65	500.00
14. Swap Termination	10,344,315.05	2,019,684.95	12,364,000.00
15. Authority Solicitor	737.54	152.46	890.00
Total - Issuance Costs	\$11,279,468.94	\$2,214,185.27	\$13,493,654.21
Accrued Interest			
Capitalized Interest			
Surplus Monies or Cash to District			
Other Uses of Funds (Specify)			
1. Sinking Fund Deposit	93,894.54	96,079.35	189,973.89
2. _____			
TOTAL - USES OF AVAILABLE FUNDS	\$71,836,077.70	\$14,115,360.80	\$85,951,438.50

BETHLEHEM AREA SCHOOL DISTRICT
\$95,220,000 GENERAL OBLIGATION BONDS
\$69,710,000 GENERAL OBLIGATION BONDS, SERIES A OF 2009
\$14,410,000 GENERAL OBLIGATION BONDS, SERIES AA OF 2009
\$11,100,000 GENERAL OBLIGATION BONDS, SERIES B OF 2009

DISPOSITION OF FUNDS 5/01/09

	<u>G.O. BONDS - 2009A</u>	<u>G.O. Bonds - 2009AA</u>	<u>G.O. Bonds - 2009 B</u>	<u>Total</u>	
RECEIPTS AT CLOSING					
Bonds	69,710,000.00	14,410,000.00	11,100,000.00	95,220,000.00	
Underwriters Discount	(348,550.00)	(72,050.00)	(55,500.00)	(476,100.00)	
Original Issue Premium/(Discount)	2,126,077.70	(294,639.20)	(130,579.85)	1,700,858.85	
Wire from RBC Capital Markets	71,487,527.70	14,043,310.80	10,913,920.35	96,444,758.85	
TOTAL RECEIPTS	\$71,487,527.70	\$14,043,310.80	\$10,913,920.35	96,444,758.85	☒
DISBURSEMENTS AT CLOSING					
Rhoads & Simon					
Bond Counsel Fee	29,283.76	6,053.35	4,662.89	40,000.00	
Expenses	3,554.98	734.86	566.06	4,855.90	
Swap Termination	12,235.51	2,529.24	0.00	14,764.75	59,620.65 ☒
King, Spry, Herman, Freund & Fraul LLC					
Solicitor	14,641.88	3,026.68	2,331.44	20,000.00	
Swap Termination	4,143.49	856.51	0.00	5,000.00	25,000.00 ☐
Public Financial Management, Inc.					
Financial Advisory Fee	36,604.70	7,566.69	5,828.61	50,000.00	
Expenses	1,943.71	401.79	309.50	2,655.00	62,655.00 ☒
PFM Asset Management					
Swap Termination	20,717.43	4,282.57	0.00	25,000.00	25,000.00 ☒
Henry & Beaver LLP					
Solicitor for West Cornwall Twp. MA	737.54	152.46	0.00	890.00	890.00 ☒
Mountaintop Studios					
Official Statement Printing	2,919.58	603.52	464.89	3,988.00	3,988.00 ☒
S&P					
Rating Fee	12,811.64	2,648.34	2,040.02	17,500.00	17,500.00 ☒
Assured Guaranty					
Bond Insurance	445,128.29	92,584.62	74,130.88	611,843.97	611,843.97
M&T					
Paying Agent	933.02	787.84	779.14	2,500.00	2,500.00 ☒
US Bank					
Redemption Agent	414.35	85.65	0.00	500.00	500.00 ok
Fixed Payor Swap Termination Fee	10,344,315.05	2,019,684.95	0.00	12,364,000.00	12,364,000.00 ok
Standard & Poor's Corporation					
Standard & Poor's - CUSIP	534.00	136.00	467.00	1,137.00	1,137.00 ☒
TOTAL EXPENSES PAID AT CLOSING	10,930,918.94	2,142,135.27	81,580.41	13,164,634.62	13,164,634.62
Deposit to Construction Fund	0.00	0.00	10,822,339.94	10,822,339.94	10,822,339.94
Amount to Prepay 2003 WCTMA Notes ***	60,462,714.22	11,805,096.18	0.00	72,267,810.40	72,267,810.40
Sinking Fund	93,894.54	96,079.35	0.00	189,973.89	189,973.89
TOTAL DISBURSEMENTS AT CLOSING	71,487,527.70	14,043,310.80	10,913,920.35	96,444,758.85	96,444,758.85 ☒

client #: 00624.004, 00624.005

*** Includes both principal and interest due through 5/1/09

District/AVTS Bethlehem Area School District							PDE LEASE # (PDE Use Only)	
Financing General Obligation Bonds, Series A of 2009							Total Bond Issue:	69,710,000
Name:							Original Issue	
Dated Date: 1-May-2009							Premium:	
Settlement Date: 1-May-2009							2,126,077.70	
Bond Discount: 348,550.00								
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	69,710,000.00							
10/15/2009	68,180,000.00	1,530,000.00	2.000			1,392,784.24	2,922,784.24	
4/15/2010	68,180,000.00					1,513,365.63	1,513,365.63	4,436,149.86
10/15/2010	66,765,000.00	1,415,000.00	4.000			1,513,365.63	2,928,365.63	
4/15/2011	66,765,000.00					1,485,065.63	1,485,065.63	4,413,431.25
10/15/2011	64,980,000.00	1,785,000.00	4.000			1,485,065.63	3,270,065.63	
4/15/2012	64,980,000.00					1,449,365.63	1,449,365.63	4,719,431.25
10/15/2012	63,135,000.00	805,000.00	4.000	1,040,000.00	2.000	1,449,365.63	3,294,365.63	
4/15/2013	63,135,000.00					1,422,865.63	1,422,865.63	4,717,231.25
10/15/2013	61,775,000.00	500,000.00	4.000	860,000.00	2.375	1,422,865.63	2,782,865.63	
4/15/2014	61,775,000.00					1,402,653.13	1,402,653.13	4,185,518.75
10/15/2014	60,365,000.00	1,410,000.00	4.000			1,402,653.13	2,812,653.13	
4/15/2015	60,365,000.00					1,374,453.13	1,374,453.13	4,187,106.25
10/15/2015	58,900,000.00	200,000.00	5.000	1,265,000.00	3.000	1,374,453.13	2,839,453.13	
4/15/2016	58,900,000.00					1,350,478.13	1,350,478.13	4,189,931.25
10/15/2016	49,915,000.00	4,985,000.00	5.000	4,000,000.00	3.300	1,350,478.13	10,335,478.13	
4/15/2017	49,915,000.00					1,159,853.13	1,159,853.13	11,495,331.25
10/15/2017	39,500,000.00	6,665,000.00	5.000	3,750,000.00	3.500	1,159,853.13	11,574,853.13	
4/15/2018	39,500,000.00					927,603.13	927,603.13	12,502,456.25
10/15/2018	31,595,000.00	7,905,000.00	5.000			927,603.13	8,832,603.13	
4/15/2019	31,595,000.00					729,978.13	729,978.13	9,562,581.25
10/15/2019	25,595,000.00	6,000,000.00	5.000			729,978.13	6,729,978.13	
4/15/2020	25,595,000.00					579,978.13	579,978.13	7,309,956.25
10/15/2020	17,600,000.00	7,995,000.00	5.000			579,978.13	8,574,978.13	
4/15/2021	17,600,000.00					380,103.13	380,103.13	8,955,081.25
10/15/2021	4,015,000.00	13,585,000.00	4.250			380,103.13	13,965,103.13	
4/15/2022	4,015,000.00					91,421.88	91,421.88	14,056,525.00
10/15/2022	1,735,000.00	2,280,000.00	4.500			91,421.88	2,371,421.88	
4/15/2023	1,735,000.00					40,121.88	40,121.88	2,411,543.75
10/15/2023	0.00	1,735,000.00	4.625			40,121.88	1,775,121.88	
4/15/2024	0.00					0.00	0.00	1,775,121.88
TOTAL		58,795,000.00		10,915,000.00		29,207,396.74	98,917,396.74	98,917,396.74

District/AVTS Bethlehem Area School District					PDE LEASE # (PDE Use Only)	
Financing General Obligation Bonds, Series AA of 2009					Total Bond Issue:	14,410,000
Name:						
Dated Date:						
Settlement Date:						
Bond Discount: 72,050.00					Original Issue Discount:	-294,639.20
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	14,410,000.00					
10/15/2009	14,410,000.00			264,404.44	264,404.44	
4/15/2010	14,410,000.00			290,200.00	290,200.00	554,604.44
10/15/2010	14,410,000.00			290,200.00	290,200.00	
4/15/2011	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2011	14,410,000.00			290,200.00	290,200.00	
4/15/2012	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2012	14,410,000.00			290,200.00	290,200.00	
4/15/2013	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2013	14,410,000.00			290,200.00	290,200.00	
4/15/2014	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2014	14,410,000.00			290,200.00	290,200.00	
4/15/2015	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2015	14,410,000.00			290,200.00	290,200.00	
4/15/2016	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2016	14,410,000.00			290,200.00	290,200.00	
4/15/2017	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2017	14,410,000.00			290,200.00	290,200.00	
4/15/2018	14,410,000.00			290,200.00	290,200.00	580,400.00
10/15/2018	11,410,000.00	3,000,000.00	3.800	290,200.00	3,290,200.00	
4/15/2019	11,410,000.00			233,200.00	233,200.00	3,523,400.00
10/15/2019	5,000,000.00	6,410,000.00	4.000	233,200.00	6,643,200.00	
4/15/2020	5,000,000.00			105,000.00	105,000.00	6,748,200.00
10/15/2020	0.00	5,000,000.00	4.200	105,000.00	5,105,000.00	
4/15/2021	0.00			0.00	0.00	5,105,000.00
TOTAL		14,410,000.00		6,164,404.44	20,574,404.44	20,574,404.44

District/AVTS Bethlehem Area School District					PDE LEASE # (PDE Use Only)	
Financing Name: General Obligation Notes, Series of 2003 (Refunded by 2009A)					Total Bond Issue:	60,376,698
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	60,376,698.11					
6/30/2009	60,376,698.11			86,016.11	86,016.11	86,016.11
12/31/2009	59,523,317.22	853,380.89		0.00	853,380.89	
6/30/2010	59,523,317.22			0.00	0.00	853,380.89
12/31/2010	58,632,287.17	891,030.05		0.00	891,030.05	
6/30/2011	58,632,287.17			0.00	0.00	891,030.05
12/31/2011	57,703,607.96	928,679.21		0.00	928,679.21	
6/30/2012	57,703,607.96			0.00	0.00	928,679.21
12/31/2012	56,733,096.36	970,511.60		0.00	970,511.60	
6/30/2013	56,733,096.36			0.00	0.00	970,511.60
12/31/2013	56,189,275.20	543,821.16		0.00	543,821.16	
6/30/2014	56,189,275.20			0.00	0.00	543,821.16
12/31/2014	55,624,537.84	564,737.36		0.00	564,737.36	
6/30/2015	55,624,537.84			0.00	0.00	564,737.36
12/31/2015	55,034,701.05	589,836.79		0.00	589,836.79	
6/30/2016	55,034,701.05			0.00	0.00	589,836.79
12/31/2016	48,040,324.33	6,994,376.72		0.00	6,994,376.72	
6/30/2017	48,040,324.33			0.00	0.00	6,994,376.72
12/31/2017	39,870,457.26	8,169,867.07		0.00	8,169,867.07	
6/30/2018	39,870,457.26			0.00	0.00	8,169,867.07
12/31/2018	31,345,014.82	8,525,442.44		0.00	8,525,442.44	
6/30/2019	31,345,014.82			0.00	0.00	8,525,442.44
12/31/2019	21,204,841.87	10,140,172.95		0.00	10,140,172.95	
6/30/2020	21,204,841.87			0.00	0.00	10,140,172.95
12/31/2020	10,625,428.75	10,579,413.12		0.00	10,579,413.12	
6/30/2021	10,625,428.75			0.00	0.00	10,579,413.12
12/31/2021	0.00	10,625,428.75		0.00	10,625,428.75	
6/30/2022	0.00			0.00	0.00	10,625,428.75
TOTAL		60,376,698.11		86,016.11	60,462,714.22	60,462,714.22

**West Cornwall Township Muni Authority
Bethlehem School District Series 2003**

June 17, 2009

VARIABLE RATE CALCULATION

FOR VERIFICATION PURPOSES ONLY

RELATIONSHIP MANAGER:	Jerry Arleth - (215) 761-9319	PAYMENT DATE:	May 1, 2009
TRUST ADMINISTRATOR:	Kathryn Carille - (215)-761-9320	LAST PAYMENT DATE:	April 15, 2009
PRINCIPAL OUTSTANDING:	\$72,165,000.00	CALCULATION METHOD:	Act/Act
SOURCE OF FUNDS:	N/A	BOND ISSUE NUMBER:	7527
REMARKETING AGENT:	RBC Capital Markets	CUSIP:	952354BK3
REMARKETING AGENT CONTACT:	Marlar Co (212) 618-2023	PAYMENT DATE RULE:	15th or next Bus. Day
INTEREST ACCOUNT #:	1576034213	PRINCIPAL ACCOUNT #:	1576034213

PRINCIPAL OUTSTANDING	BEGINNING DATE	ENDING DATE	DAYS	RATE	INTEREST AMOUNT
\$72,165,000.00	15-Apr-09	15-Apr-09	1	3.2500%	\$6,425.65
\$72,165,000.00	16-Apr-09	22-Apr-09	7	3.2500%	\$44,979.55
\$72,165,000.00	23-Apr-09	29-Apr-09	7	3.2500%	\$44,979.55
\$72,165,000.00	30-Apr-09	30-Apr-09	1	3.2500%	\$6,425.65
			16		
INTEREST					\$102,810.40
PRINCIPAL					\$72,165,000.00
TOTAL PAYMENT					<u><u>\$72,267,810.40</u></u>
PAYMENT FACTOR (Per \$1,000)					1.4246574
Blended Rate					\$3.249999653572

Special Instructions (Issue Specific Details)

Debt Service Due	\$72,267,810.40
SWAP Interest Due	<u>\$12,364,000.00</u>
Total Due	<u>\$84,631,810.40</u>

Notification Parties	Contact Name	Firm	Phone	Fax	Email
Bondholder	Amy Su	DTC	813-470-1555	813-470-1579	asu@dtcc.com
	Cherry Stewart-Harp	DTC	813-470-1575	813-470-1579	cstewart@dtcc.com
	Angela Maniscalco	DTC	212 855-4574	212 855-4555	amaniscalco@dtcc.com
			813-470-1555	813-470-1579	divdvrd@dtcc.com
Obligor			813-470-1555	813-470-1579	divdam@dtcc.com
	Stan Majewski	Bethlehem S/D	610-861-0500 X-60201	610-861-8107	smajewski@beth.k12.pa.us

WESCORTOWN03

7527

Interest Rate on BM \$ 102,529.50

District/AVTS Bethlehem Area School District					PDE LEASE # (PDE Use Only)	
Financing Name: General Obligation Notes, Series of 2003 (Refunded by 2009 AA)					Total Bond Issue:	11,788,302
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	11,788,301.89					
6/30/2009	11,788,301.89			16,794.29	16,794.29	16,794.29
12/31/2009	11,621,682.78	166,619.11		0.00	166,619.11	
6/30/2010	11,621,682.78			0.00	0.00	166,619.11
12/31/2010	11,447,712.83	173,969.95		0.00	173,969.95	
6/30/2011	11,447,712.83			0.00	0.00	173,969.95
12/31/2011	11,266,392.04	181,320.79		0.00	181,320.79	
6/30/2012	11,266,392.04			0.00	0.00	181,320.79
12/31/2012	11,076,903.64	189,488.40		0.00	189,488.40	
6/30/2013	11,076,903.64			0.00	0.00	189,488.40
12/31/2013	10,970,724.80	106,178.84		0.00	106,178.84	
6/30/2014	10,970,724.80			0.00	0.00	106,178.84
12/31/2014	10,860,462.16	110,262.64		0.00	110,262.64	
6/30/2015	10,860,462.16			0.00	0.00	110,262.64
12/31/2015	10,745,298.95	115,163.21		0.00	115,163.21	
6/30/2016	10,745,298.95			0.00	0.00	115,163.21
12/31/2016	9,379,675.67	1,365,623.28		0.00	1,365,623.28	
6/30/2017	9,379,675.67			0.00	0.00	1,365,623.28
12/31/2017	7,784,542.74	1,595,132.93		0.00	1,595,132.93	
6/30/2018	7,784,542.74			0.00	0.00	1,595,132.93
12/31/2018	6,119,985.18	1,664,557.56		0.00	1,664,557.56	
6/30/2019	6,119,985.18			0.00	0.00	1,664,557.56
12/31/2019	4,140,158.13	1,979,827.05		0.00	1,979,827.05	
6/30/2020	4,140,158.13			0.00	0.00	1,979,827.05
12/31/2020	2,074,571.25	2,065,586.88		0.00	2,065,586.88	
6/30/2021	2,074,571.25			0.00	0.00	2,065,586.88
12/31/2021	0.00	2,074,571.25		0.00	2,074,571.25	
6/30/2022	0.00			0.00	0.00	2,074,571.25
TOTAL		11,788,301.89		16,794.29	11,805,096.18	11,805,096.18

5. *Illick's Mill Project Curriculum Adoption*

INFORMATION:

The Illick's Mill Project curriculum was written in 2001 to meet the New Standards anchors and was presented to the appropriate district administrators at that time. During the 2006-2007 school year, the high school English curriculum was revisited to ensure the scope and sequence was aligned with PDE standards. Work then began on developing updated curriculum; however, the curriculum from the Illick's Mill Project was not included in those updates. Recently, Mrs. Dolan, who teaches the Illick's Mill Project courses, aligned this course's curriculum with that of our high schools' 11th grade and 12th grade Academic English curriculum so that students enrolled in the course may continue to receive a full credit for English.

RECOMMENDATION:

That the Board of School Directors approves the updated 11th and 12th grade English curriculum for the Illick's Mill Project course.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

6. *Establishing Additional Reading Supports*

INFORMATION:

The Bethlehem Area School District will be receiving federal IDEA ARRA Stimulus money for the two school years of 2009-2010 and 2010-2011. Allowable expenditures include monies targeted for special education costs, including a maximum of 50 percent for Maintenance of Effort (MOE). The funds provided for MOE will offset existing special education expenditures already budgeted in the General Operating Fund; allowing for these budgeted funds to be used for the additional reading support positions.

This information was reviewed with the board at the Board Curriculum Committee Meeting held on October 12, 2009, and at the Board Finance Committee Meeting on October 19, 2009.

RECOMMENDATION:

That the Board of School Directors approves 3.5 reading support positions to be layered into the elementary schools that have a high eligible number of students in need of reading intervention and those with high numbers of No Child Left Behind transfers.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

7. *Approval of Planetarium Equipment and Software for Broughal Middle School*

INFORMATION:

When the newly constructed Broughal Middle School science, math, and technology signature school opened in August 2009, a planetarium was to be part of the school's science education program. A schedule had been developed to enable all sixth, seventh, and eight grade students to benefit from this resource. However, although the Astronomy courses are currently being taught, the planetarium is not available.

At the April 6, 2009, Board Facilities Committee Meeting, the board reviewed a list of building equipment for the new Broughal Middle School. Prior to the April 27, 2009, Regular Board Meeting vote, the planetarium equipment and software was removed for additional discussion at a future date due to the financial situation of the district. Later, the district had an opportunity to include the purchase of the planetarium equipment with the one-time Stimulus grant under the science lab category. These funds were only available to Title I School-wide Project Schools for science lab equipment and supplies.

The company, Spitz Incorporated, produces a state-of-the-art planetarium astronomy simulation and original programs by utilizing a single projector full dome video system. SciDome is a digital planetarium powered by Starry Night Dome, a full dome version of the Starry Night™ astronomy software. The SciDome projector offers high resolution graphics projected through a hemispheric fisheye lens. The SciDome theater system includes the digital projector, full dome multimedia player, planetarium software, console, panel monitor, keyboard, graphics from the Spitz Space Library, "Oasis in Space" license, and a one-year system warranty. In addition to the planetarium equipment, SciDome provides course curriculum, lesson guides, and other materials related to teaching astronomy. All are correlated to state and national standards. Computer compatibility also enables teachers to create lessons and activities on their own laptop computers.

RECOMMENDATION:

That the Board of School Directors authorizes the administration to proceed with the purchase of planetarium equipment and software, SciDome theater system, at Broughal Middle School, for a cost not to exceed \$155,000 through the one-time Title I Stimulus grant under the science lab category.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

8. *Student Discipline - #0943566, #1000361, and #1000996 - Petitions*

INFORMATION:

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

RECOMMENDATION:

That the Board of School Directors adopts the petitions relating to Student Numbers 0943566, 1000361, and 1000996.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

That the following conferences for staff be approved:

October 28-30, 2009

Eastern Pennsylvania Special Education Administrator's Conference

Hershey, Pennsylvania

\$1,834.60

Federal/I.D.E.I.A./A.R.R.A. Grant

November 17-20, 2009

FY 2009 Readiness and Emergency Management for Schools

Irving, Texas

1,944.30

Federal/REMS Grant

December 7, 2009

Make Magic Happen in Your First Grade Classroom

Harrisburg, Pennsylvania

942.97

Federal/School Improvement Grant

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

10. *Field Trip Attendance***RECOMMENDATION:**

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

October 22-24, 2009
(12 Freedom High School/Liberty High School Students)
Pennsylvania Statewide Latino Coalition
Philadelphia, Pennsylvania \$3,645.00
\$1,580.00/Grant-Leaders of Tomorrow (LOTS)
\$2,065.00/Pennsylvania Statewide Latino Coalition

December 19-20, 2009
(20 Liberty High School Students)
17th Annual Delaware Wrestling Tournament
Newark, Delaware 0.00
All expenses paid by Booster Club.

January 8-9, 2010
(20 Liberty High School Students)
Virginia Duals Wrestling Tournament
Hampton, Virginia 0.00
All expenses paid by Booster Club.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

11. *Approval of Settlement Agreement*

INFORMATION:

The attached settlement agreement has been accepted by employee XXX-XX-3636. Whereas, certain differences have arisen between the District and the employee, the parties have reached an understanding in order to settle the dispute.

RECOMMENDATION:

That the Board of School Directors accepts the settlement agreement.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

12. *Resignations*

RECOMMENDATION:

Administrative

- | | | |
|----|-------------|---------------------------------|
| 1. | NAME: | Rosado, José |
| | ASSIGNMENT: | East Hills, Assistant Principal |
| | REASON: | Personal |
| | EFFECTIVE: | October 27, 2009 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

12. *Resignations*

RECOMMENDATION:

Instructional

1. NAME: **Abbott, Megan**
ASSIGNMENT: Liberty, Social Studies Teacher
REASON: Retirement
EFFECTIVE: January 22, 2010
2. NAME: **Galle, Robert Terrance**
ASSIGNMENT: Home and School Visitor
REASON: Change in retirement date
EFFECTIVE: September 29, 2009
3. NAME: **Kindred, Deborah**
ASSIGNMENT: Farmersville, School Nurse
REASON: Retirement
EFFECTIVE: January 16, 2010
4. NAME: **Mentesana, Rosemarie**
ASSIGNMENT: District-wide, Speech Therapist
REASON: Retirement
EFFECTIVE: November 16, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

12. Resignations**RECOMMENDATION:*****Noninstructional***

1. NAME: **Apgar, Revelle**
ASSIGNMENT: Maintenance, M-2, Skilled Maintenance
REASON: Personal
EFFECTIVE: November 8, 2007
2. NAME: **Courtellis, Patricia**
ASSIGNMENT: Freedom, Health Assistant
REASON: Retirement
EFFECTIVE: October 23, 2009
3. NAME: **Favinger, Robert**
ASSIGNMENT: Fountain Hill, C-1 Custodian
REASON: Retirement
EFFECTIVE: August 24, 2009
4. NAME: **Leist, Judith**
ASSIGNMENT: Freedom, General Kitchen Help
REASON: Retirement
EFFECTIVE: June 3, 2009
5. NAME: **Mackenzie, Mary Jane**
ASSIGNMENT: Education Center, Business Office, 0-3
Secretary/Clerk, 12 months
REASON: Retirement
EFFECTIVE: March 2, 2010
6. NAME: **Majer-Davis, Linda**
ASSIGNMENT: District-wide, Support Technologist
REASON: Personal
EFFECTIVE: October 20, 2009
7. NAME: **Pecuch, Michael**
ASSIGNMENT: Hanover, C-2 Custodian
REASON: Retirement
EFFECTIVE: December 5, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

12. Resignations**RECOMMENDATION:***Noninstructional (continued)*

- | | | |
|-----|-------------|--|
| 8. | NAME: | Rawlings, Sherrill |
| | ASSIGNMENT: | Lincoln, Teacher Assistant |
| | REASON: | Retirement |
| | EFFECTIVE: | January 25, 2010 |
| 9. | NAME: | Shagina, Beverly |
| | ASSIGNMENT: | Fountain Hill, Teacher Assistant |
| | REASON: | Personal |
| | EFFECTIVE: | October 14, 2009 |
| 10. | NAME: | Sullivan, Barbara |
| | ASSIGNMENT: | Education Center, Child Accounting Office, 0-3
Secretary/Clerk, 12 months |
| | REASON: | Retirement |
| | EFFECTIVE: | February 27, 2010 |
| 11. | NAME: | Wenz, Donna |
| | ASSIGNMENT: | Education Center, Business Office, 0-3
Secretary/Clerk, 12 months |
| | REASON: | Personal |
| | EFFECTIVE: | October 27, 2009 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

12. *Resignations*

RECOMMENDATION:

Miscellaneous

1. NAME: **Amato, Kristin**
ASSIGNMENT: East Hills, Assistant Cheerleading Coach
REASON: Personal
EFFECTIVE: October 30, 2009
2. NAME: **Beahm, Joan**
ASSIGNMENT: Bus Monitor
REASON: Retirement
EFFECTIVE: January 5, 2010
3. NAME: **Crandall, Mika**
ASSIGNMENT: Liberty, Assistant Cheerleading Coach
REASON: Personal
EFFECTIVE: September 29, 2009
4. NAME: **Diefenderfer, Willard**
ASSIGNMENT: Bus Monitor
REASON: Retirement
EFFECTIVE: December 2, 2009
5. NAME: **Gaugler, Barbara**
ASSIGNMENT: Bus Monitor
REASON: Retirement
EFFECTIVE: January 5, 2010
6. NAME: **Gaugler, Robert**
ASSIGNMENT: Bus Driver
REASON: Retirement
EFFECTIVE: January 5, 2010
7. NAME: **McKeown, John**
ASSIGNMENT: Bus Driver
REASON: Personal
EFFECTIVE: June 10, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

12. Resignations**RECOMMENDATION:*****Miscellaneous (continued)***

- | | | |
|-----|-------------|------------------------------|
| 8. | NAME: | Oplinger, George |
| | ASSIGNMENT: | Bus Driver |
| | REASON: | Retirement |
| | EFFECTIVE: | January 5, 2010 |
| 9. | NAME: | Schnettler, Constance |
| | ASSIGNMENT: | Bus Driver |
| | REASON: | Personal |
| | EFFECTIVE: | September 4, 2009 |
| 10. | NAME: | Sodl, George |
| | ASSIGNMENT: | Bus Driver |
| | REASON: | Retirement |
| | EFFECTIVE: | January 5, 2010 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

13. *Termination*

RECOMMENDATION:

Miscellaneous

- | | | |
|----|-------------|---------------------------|
| 1. | NAME: | Andrews, George |
| | ASSIGNMENT: | Bus Driver |
| | REASON: | Failure to report to work |
| | EFFECTIVE: | September 29, 2009 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

1. NAME: **Deshler, Marisa**
ADDRESS: Northampton
ASSIGNMENT: Farmersville, Grade 5 Teacher
REASON: Family Medical Leave of Absence
EFFECTIVE: November 4, 2009, until the end of the day on December 23, 2009
2. NAME: **Gomez, Norma**
ADDRESS: Allentown
ASSIGNMENT: Nitschmann, Grade 7 Reading Teacher
REASON: Family Medical Leave of Absence
EFFECTIVE: September 15, 2009, until the end of the day on September 18, 2009
3. NAME: **LaRose, Nancy**
ADDRESS: Bethlehem
ASSIGNMENT: Marvine, Reading Specialist
REASON: Family Medical Leave of Absence
EFFECTIVE: September 15, 2009, until the end of the day on October 9, 2009
4. NAME: **Manzo, Julie**
ADDRESS: Coopersburg
ASSIGNMENT: Clearview, School Psychologist
REASON: Family Medical/Childrearing Leave of Absence
EFFECTIVE: Family Medical Leave of Absence to begin on November 16, 2009, until the end of the day on February 23, 2010
Childrearing Leave of Absence to begin on February 24, 2010, until the end of the 2009-2010 school year

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

- | | | |
|----|-------------|--|
| 5. | NAME: | Stewart, Bryce |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Nitschmann, Grade 6 Teacher |
| | REASON: | Family Medical Leave of Absence |
| | EFFECTIVE: | September 29, 2009, until the end of the day on
October 2, 2009 |
| | | |
| 6. | NAME: | Torres, Aileen |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Broughal, Special Education Teacher |
| | REASON: | Family Medical Leave of Absence |
| | EFFECTIVE: | November 16, 2009, until the end of the day on
December 2, 2009 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

1. NAME: **Cooke, Jennifer**
 ADDRESS: Bethlehem
 ASSIGNMENT: Governor Wolf, Teacher Assistant
 REASON: General Leave of Absence
 EFFECTIVE: October 13, 2009, until the end of the 2009-2010
 school year

2. NAME: **Lewis, Debra**
 ADDRESS: Bethlehem
 ASSIGNMENT: Thomas Jefferson, Teacher Assistant
 REASON: Family Medical Leave of Absence
 EFFECTIVE: October 13, 2009, intermittently, until the end of the
 day on October 13, 2010

3. NAME: **Oquendo, Ozalis**
 ADDRESS: Bethlehem
 ASSIGNMENT: Broughal, General Kitchen Help
 REASON: General Leave of Absence
 EFFECTIVE: September 18, 2009, until the end of the day on
 September 24, 2009

4. NAME: **Transue, Jacqueline**
 ADDRESS: Bethlehem
 ASSIGNMENT: Thomas Jefferson, General Kitchen Help
 REASON: General Leave of Absence
 EFFECTIVE: October 5, 2009, until the end of the day on
 October 30, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

1. NAME: **Pagano, Michael A.**
 ADDRESS: Bethlehem
 COLLEGE, DEGREE: Kutztown University, B.S.
 ASSIGNMENT: Freedom, Mathematics Teacher
 EXPERIENCE: 36 years, Bethlehem
 STATUS: Long-term Substitute
 SALARY: \$68,602, prorated (Bachelor's +15, Step 16)
 EFFECTIVE: October 27, 2009, until the end of the first semester
 of the 2009-2010 school year, or upon the return of
 M. Bullard

2. NAME: **Randall, Lynn**
 ADDRESS: Bethlehem
 COLLEGE, DEGREE: Trenton State College, B.S.N.
 Cedar Crest College, Certification
 ASSIGNMENT: District-wide, (.3)/Governor Wolf, (.3) School Nurse
 STATUS: Temporary Professional Employee
 SALARY: \$25,140, prorated (Bachelor's +15, Step 1)
 EFFECTIVE: October 27, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

1. NAME: **Banuelos, Raquel**
 ADDRESS: Allentown
 ASSIGNMENT: Nitschmann, General Kitchen Help, 3.5 hours daily
 SALARY: \$11.60 per hour
 EFFECTIVE: October 27, 2009

2. NAME: **DeJesus, Maria**
 ADDRESS: Freemansburg
 ASSIGNMENT: Liberty, General Kitchen Help, 3.5 hours daily
 SALARY: \$11.60 per hour
 EFFECTIVE: October 27, 2009

3. NAME: **DeLuca, Maria**
 ADDRESS: Bethlehem
 ASSIGNMENT: Liberty, General Kitchen Help, 3.5 hours daily
 SALARY: \$11.60 per hour
 EFFECTIVE: October 27, 2009

4. NAME: **Erazo, Glenda**
 ADDRESS: Bethlehem
 ASSIGNMENT: Child Care, Assistant Center Supervisor, 5.5 hours,
 split shift, 12 months
 SALARY: \$11.21 per hour
 EFFECTIVE: October 27, 2009

5. NAME: **Kozelnicky, Christine**
 ADDRESS: Bethlehem
 ASSIGNMENT: Child Care, Assistant Center Supervisor, 2.5 hours,
 straight shift, 10 months (this is in addition to her
 permanent position)
 SALARY: \$11.26 per hour
 EFFECTIVE: October 27, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

15. *Nominations for Appointment***RECOMMENDATION:*****Noninstructional (continued)***

- | | | |
|-----|-------------|--|
| 6. | NAME: | Linder, Lisa |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Early Childhood, (.5) 0-3 Secretary/Clerk, 12 months |
| | SALARY: | \$14.01 per hour |
| | EFFECTIVE: | October 27, 2009 |
| 7. | NAME: | Pastir, Timothy |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Freedom, General Kitchen Help, 3.5 hours daily |
| | SALARY: | \$11.60 per hour |
| | EFFECTIVE: | October 27, 2009 |
| 8. | NAME: | Silvoy, Michael |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Liberty, Monitor |
| | SALARY: | \$14,950, prorated (Noninstructional Meet and Discuss, Category N, Step 1) |
| | EFFECTIVE: | August 19, 2009 |
| 9. | NAME: | Soto, Xinia |
| | ADDRESS: | Bethlehem |
| | ASSIGNMENT: | Freedom, General Kitchen Help, 3.5 hours daily |
| | SALARY: | \$11.60 per hour |
| | EFFECTIVE: | October 27, 2009 |
| 10. | NAME: | Wenz, Donna |
| | ADDRESS: | Nazareth |
| | ASSIGNMENT: | Confidential Secretary, Assistant Superintendent for Curriculum and Instruction Office |
| | SALARY: | \$37,690, prorated (Noninstructional Meet and Discuss, Category I, Step 7) |
| | EFFECTIVE: | October 27, 2009 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

1. **ASPIRE Program**
(After School Programs for Instruction, Recreation, and Enrichment)
Helper
Northeast Middle School
Labukas, Rosemarie
SALARY: \$7.25 per hour

2. **Coaches**
Broughal Middle School
Football
Assistant Coach **Lyons, Matthew (.5)** New \$1,012.50

Volleyball
Assistant Coach **Schomaker, Timothy** New 1,266.00

Northeast Middle School
Cross Country
Head Coach **Preletz, Jayne (.5)** Continuing 1,146.50

Freedom High School
Girls Soccer
Assistant Coach **Peters, Karl** Continuing 3,876.00

Wrestling
Assistant Coach **Steiner, John** New 4,050.00

Swimming
Head Coach **Bugby, Eric (.5)** New 3,018.00
Assistant Coach **Bugby, Eric (.5)** New 1,962.00

Liberty High School
Cheerleading
Assistant Coach **Scala, Francesca** New 2,329.00
(salary to be prorated to start date of September 29, 2009)

Wrestling
Assistant Coach **Kleckner, Brad** Continuing 4,770.00
Assistant Coach **McIntyre, Daniel** Continuing 4,770.00

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

3. **Consultant for the Search for the Assistant to the Superintendent for Finance and Administration**
Padden, Thomas
 SALARY: \$100.00 per hour
 EFFECTIVE: October 27, 2009
4. **Extracurricular Activity Advisors**
- Asa Packer Elementary School***
- | | | |
|-----------------|----------------------------|-----------|
| APTV Club | Rogers, Kyle (.5) | \$ 178.50 |
| | Sydowski, Gale (.5) | 178.50 |
| Drama Club | Sydowski, Gale | 357.00 |
| Student Council | Lyons, Tammy | 357.00 |
| Yearbook | Lyons, Tammy (.5) | 178.50 |
| | Peters, Diane (.5) | 178.50 |
- Calypso Elementary School***
- | | | |
|-----------------|--------------------------|--------|
| Garden Club | Christine, Martha | 357.00 |
| Safety Patrol | Shellaway, Mark | 322.00 |
| Student Council | Shaud, Carol | 357.00 |
- Clearview Elementary School***
- | | | |
|--------------------|------------------------------|--------|
| Computer Club | Christiansen, Robert | 322.00 |
| Safety Patrol | Sosa, Lynn | 335.00 |
| Student Government | Dunne-Porter, Melissa | 322.00 |
- Farmersville Elementary School***
- | | | |
|-------------------|---------------------|--------|
| Band | Morrow, Ryan | 357.00 |
| Chorus | Borst, Wendy | 357.00 |
| Community Service | Brad, Shanna | 335.00 |
| Student Council | Ottey, Megan | 322.00 |
- Fountain Hill Elementary School***
- | | | |
|-----------------|-----------------------------|--------|
| Cheerleading | Moutafis, Maria | 357.00 |
| Safety Patrol | Galligani, Dennis | 357.00 |
| Student Council | Moutafis, Maria (.5) | 178.50 |
| | Spirk, Nicole (.5) | 178.50 |
| School Store | Moutafis, Maria (.5) | 178.50 |
| | Spirk, Nicole (.5) | 178.50 |

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

15. Nominations for Appointment**RECOMMENDATION:*****Miscellaneous (continued)*****4. Extracurricular Activity Advisors (continued)*****Freemansburg Elementary School***

Leadership	Korves, Anne	\$ 335.00
School Store	Weaver, Heather	322.00

Governor Wolf Elementary School

Safety Patrol	Delluva, Michael	357.00
Student Council	Druckenmiller, Chad (.5)	178.50
	Meila, Jeffrey (.5)	167.50

Hanover Elementary School

Safety Patrol	Bethel, Earl	357.00
Student Council	Sergeant, Nishida	357.00
Yearbook	Bethel, Earl	357.00

James Buchanan Elementary School

Safety Patrol	Bellucci, Eric	335.00
Student Council	Butt, Julie (.5)	167.50
	Ziegler, Jenna (.5)	178.50

Lincoln Elementary School

Chorus	Hazekamp, Sharlyn	357.00
Economics Club	Anderko, Reana	357.00
Safety Patrol	Anderson, Michele	322.00
Student Council	Anderko, Reana	357.00

Miller Heights Elementary School

Literacy Club	White, Kimberly	335.00
Science Fair	Shimer, Melanie	357.00
Morning	Voth, Karen	357.00
Announcements		
Student Council	Gleghorn, Laurie	357.00

Spring Garden Elementary School

Safety Patrol	Danyi, Kelly	357.00
Student Council	Brennan, Lauren	357.00
Yearbook	Cassidy, Jane (.5)	179.50
	McCann, Julie (.5)	179.50

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

4. **Extracurricular Activity Advisors (continued)**
Thomas Jefferson Elementary School
- | | | |
|----------------------|-------------------------------|-----------|
| Choral Club | Morrow, Ryan | \$ 322.00 |
| Marketing/Sales Club | Stein-Miller, Michelle | 357.00 |
| Safety Club | McIntyre, Lisa | 357.00 |
| School Store | Nabavian, Lucinda | 357.00 |
- Nitschmann Middle School***
- | | | |
|------------|------------------------|--------|
| Stage Crew | Lintner, Ronald | 357.00 |
| | Mitchell, Renee | 266.00 |
- Freedom High School***
- | | | |
|--------------------------------------|-------------------------|----------|
| Assistant Band Director | Lynn, Andrew | 3,505.00 |
| Band Director/Color Guard/Majorettes | Moran, Michael | 6,743.00 |
| Junior Class Advisor | Marmaros, Anna | 788.00 |
| Latino Leadership Club | Bryant, Julianne | 357.00 |
| Student Council | Harakal, Charles | 1,007.00 |
- Liberty High School***
- | | | |
|--------------------------------------|-------------------------|----------|
| Assistant Band Director | Long, Kevin | 4,384.00 |
| Band Director/Color Guard/Majorettes | MacGill, Gregory | 6,743.00 |
5. **Game Director**
Freedom High School
Pfeiffer, Charisse
 SALARY: \$25.96 per hour
6. **Job Training/Work Experience**
 Code: 10-1200-151-000-3517-00001
 That the exceptional student listed on the confidential page be approved for the work experience program.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

15. *Nominations for Appointment***RECOMMENDATION:*****Miscellaneous (continued)*****7. Permanent Day-to-Day Substitutes*****Donegan Elementary School*****Beiner, Danielle**

EFFECTIVE: October 27, 2009

Marvine Elementary School**Kukuvka, Luke**

EFFECTIVE: October 27, 2009

Spring Garden Elementary School**Weaver, Tammy**

EFFECTIVE: October 27, 2009

Broughal Middle School**Mahon, Sean**

EFFECTIVE: September 28, 2009

East Hills Middle School**Borger, Matthew****Litsch, Erik**

EFFECTIVE: October 27, 2009

Nitschmann Middle School**Graham, Scott****Hocking, Jordan**

EFFECTIVE: October 27, 2009

Freedom High School**Ackerman, Colin**

EFFECTIVE: October 27, 2009

Liberty High School**Bakun, Rachel**

EFFECTIVE: October 27, 2009

SALARY: \$100.00 per day

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

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

8. **Second Language Guides**
Dupre, Welby
Ramin, Shaima
 SALARY: \$10.40 per hour
9. **Support Teacher Induction Program**

<u>Inductee</u>	<u>School</u>	<u>Support Teacher</u>
Ruhf, Thomas	Freedom	Evans, Michael

 SUPPORT TEACHER SALARY: \$604.00
10. **Transportation**
Part-time Bus Drivers

Fox, John	McIlvaine, Karen
Holder, Catherine	Nuno, Erica
Howland, Damian	Pena, Sherri Ann

 SALARY: \$16.18 per hour
- Part-time Bus Monitors***

Ferencin, Brian	Novak, Brenda
Fox, John	Nuno, Erica
Holder, Catherine	Pena, Sherri Ann
McIlvaine, Karen	

 SALARY: \$11.00 per hour

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

15. *Nominations for Appointment***RECOMMENDATION:*****Substitutes******Instructional***

Ballek, Beth Ann
Bethlehem

Howell, Albert
Bath

Banks, Scott
Bethlehem

Rice, Lindsey
Bethlehem

Bellis, Sean
Mount Bethel

Schlegel, Donna
Bath

Clennon, Sheila
Bethlehem

Spohn, Lorie
Bethlehem

Galle, Robert Terrance
Bethlehem

Stofanak, Susan
Bethlehem

Gallop, Jennifer
Easton

Walker, Susan
Bethlehem

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

15. *Nominations for Appointment*

RECOMMENDATION:

Substitutes

Noninstructional

Blasini, Mark

Bethlehem

Rawlings, Sherrill

Bethlehem

Shegina, Beverly

Bethlehem

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

16. Reassignments**RECOMMENDATION:*****Noninstructional***

1. NAME: **Berrios, Evelyn**
FROM: Governor Wolf, General Kitchen Help, 3 hours daily
TO: Broughal, General Kitchen Help, 3.5 hours daily
SALARY: \$12.10 per hour
REASON: Successful Candidate
EFFECTIVE: October 27, 2009
2. NAME: **Ford, Kathy**
FROM: Liberty, General Kitchen Help, 3.5 hours daily
TO: Liberty, General Kitchen Help, 4.5 hours daily
SALARY: \$12.60 per hour
REASON: Successful Candidate
EFFECTIVE: October 27, 2009
3. NAME: **Garcia, Rosalia**
FROM: Fountain Hill, General Kitchen Help, 3.25 hours daily
TO: Calypso, General Kitchen Help, 3.5 hours daily
SALARY: \$12.28 per hour
REASON: Successful Candidate
EFFECTIVE: October 27, 2009
4. NAME: **Zavala, Kathryn**
FROM: Donegan, General Kitchen Help, 3.25 hours daily
TO: Lincoln, General Kitchen Help, 3.75 hours daily
SALARY: \$12.60 per hour
REASON: Successful Candidate
EFFECTIVE: October 27, 2009

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

17. Professional Employee Status for Teachers**RECOMMENDATION:**

That the following teachers, who have completed the probationary period as defined by the Commonwealth of Pennsylvania and are properly certified, be granted a Professional Employee Contract in accordance with the State Laws of Pennsylvania:

EFFECTIVE: January 16, 2009

Schmittel, Julie Liberty, Science Teacher

EFFECTIVE: February 28, 2009

Simpson, Kelly Broughal, Guidance Counselor

Stuby, Kristin Broughal, Mathematics Teacher

EFFECTIVE: August 23, 2009

Baret, Rebecca Liberty, Spanish Teacher

Bush, Kevin Liberty, Social Studies Teacher

Chisnall, Janet Donegan, Grade 4 Teacher

D'Angelo, Hayley Broughal, Special Education Teacher

Gilrain, Jane Freemansburg, Grade 4 Teacher

Hernandez, Arilys Fountain Hill, Grade 1 Teacher

Jacoby, Kristin Liberty, English Teacher

Keding, Laura Broughal, Science Teacher

Leon, Ronald East Hills, Guidance Counselor

Lesser, Lori Northeast, Family and Consumer Science Teacher

Quartuch, Matthew Liberty, Social Studies Teacher

Reiss, Thomas Broughal, Social Studies Teacher/District-wide Academic Integration Specialist

Schomaker, Timothy Broughal, Grade 6 Teacher

Snyder, Tracy Liberty, Special Education Teacher

Stewart, Bryce Nitschmann, Grade 6 Teacher

Wallaesa, Lynann Liberty, Health and Physical Education Teacher

Wertman, Courtney Nitschmann, Grade 6 Teacher

Varju, Kelly Liberty, Health and Physical Education Teacher

EFFECTIVE: September 20, 2009

Herbst, Christine Liberty, Science Teacher

EFFECTIVE: September 23, 2009

Wieand, Lindsey Freedom, English Teacher

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

17. *Professional Employee Status for Teachers*

RECOMMENDATION:

EFFECTIVE: September 26, 2009

Heller, Natalie Freemansburg/Thomas Jefferson, Academic Integration
Specialist

Negron-Garcia, Jeanne Broughal, Guidance Counselor

EFFECTIVE: October 24, 2009

Findon, Abby Fountain Hill, Special Education Teacher

Musella, Amy Freemansburg/Spring Garden, Speech
Therapist

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

18. *Salary Allowances for Additional Credits Under the Incentive Program***INFORMATION:**

In accordance with Article XV, “Advancement to Higher Classification,” of the Collective Bargaining Agreement between the Board of School Directors and the Bethlehem Education Association, the following teachers are certified by the superintendent of schools as having met all requirements for incentive increments as listed.

Salary adjustments will be in accordance with the Base Step Salary Schedule of the Collective Bargaining Agreement for all categories listed as approved by the Board of School Directors for the 2009-2010 school year.

RECOMMENDATION:

That the administration be authorized to place the following employees on the appropriate salary lane in accordance with the Collective Bargaining Agreement effective September 1, 2009:

BACHELOR’S +15

Achenzie, Jeffrey – Liberty High School
Atiyeh, Nancy – Northeast Middle School
Ayre, Courtney – Northeast Middle School
Barlok, Sarah – District-Wide Literacy Coach
Calario, Serena – Broughal Middle School
D’Angelo, Hayley – Broughal Middle School
Dalton, Susan – Liberty High School
DePalmo, Thania – Clearview Elementary School
Derr, Julie – Lincoln Elementary School
Erdman, Karla – Freedom High School
Fehr, Jennifer – Nitschmann Middle School
Flad, Stephen – Thomas Jefferson Elementary School
Fontanez, Eric – Clearview Elementary School
Graner, Lauren – East Hills Middle School
Hahn, Amanda – Fountain Hill Elementary School
Hess, Jeremy – Nitschmann Middle School
Hriniak, Sarah – Nitschmann Middle School
Kirias, Michelle – Broughal Middle School
Knepp, Shaunna – Liberty High School
Lasso, Jennifer – Broughal Middle School
Layton, Jennifer – Freedom High School
Lesser, Jeremy – Hanover Elementary School

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

18. *Salary Allowances for Additional Credits Under the Incentive Program***RECOMMENDATION:****BACHELOR'S +15 (continued)**

Loeb, Karen – Clearview Elementary School
Maderas, Laura – Northeast Middle School
Maioriello, Melissa – Liberty High School
Marmaros, Anna – Freedom High School
McDermott, Rachel – Freemansburg Elementary School
Peters, Diane – Asa Packer Elementary School
Porrata, Omar – Freedom High School
Rowe, Rebecca – Fountain Hill Elementary School
Schultz, Barry – Broughal Middle School
Stenson, Katrina – Freedom Elementary School
Stewart, Bryce – Nitschmann Middle School
Toonder, Scott – Marvine Elementary School
Wallaesa, Lynann – Liberty High School
Wastler, Amy – Calypso Elementary School
Wieand, Lindsay – Freedom High School
Young, Melissa – East Hills Middle School
Zook, Janelle – James Buchanan Elementary School

MASTER'S

Barney, Maria – Freemansburg Elementary School
Beisel, Toni – Northeast Middle School
Beleno, Carrie – Asa Packer Elementary School
Beller, Rebecca – William Penn Elementary School
Blocker, Evonne – Donegan Elementary School
Brad, Shanna – Farmersville Elementary School
Cleffi II, Michael Anthony – Liberty High School
Drager, Jessica – Governor Wolf Elementary School
Dunne-Porter, Melissa – District-Wide ESOL
Findon, Abby – Fountain Hill Elementary School
Flores, Rebecca – Farmersville Elementary School
Gavronski, John – Northeast Middle School
Giampapa, Tammy – Donegan Elementary School
Golden, Denise – James Buchanan Elementary School
Grube, Kimberly Burger – Thomas Jefferson Elementary School
Guerra, Nicolette Mitch – Freedom High School
Guerreiro, Amy – Fountain Hill Elementary School
Harding, Tina Marie – Donegan Elementary School
Henninger, Jennifer – Freemansburg Elementary School

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

18. *Salary Allowances for Additional Credits Under the Incentive Program***RECOMMENDATION:****MASTER’S (continued)**

Herbst, Christine – Liberty High School
Hernandez, Arilys – Fountain Hill Elementary School
Johnson, David – Liberty High School
Kirkpatrick, Joslyn – Donegan Elementary School
Kvacky, Natalie – Donegan Elementary School
Lausch, Jameson – Farmersville Elementary School
Madl, Lisa – Asa Packer Elementary School
Medina, Jose – East Hills Middle School
Miller, David – Broughal Middle School
Nawrocki, Matthew – East Hills Middle School
Phillips, Melissa – Spring Garden Elementary School
Samuelson, Elizabeth – Spring Garden Elementary School
Schmitt, Karen – Governor Wolf Elementary School
Whitehouse, Courtney – Nitschmann Middle School

MASTER’S +15

Arbogast, Kathy – District-wide
Birster, AnnMarie – Asa Packer Elementary School
Bleiler-Conrad, Suzanne – Miller Heights Elementary School
Braun, Regina – Farmersville Elementary School
Collazo-Navarro, Paulina – Freedom High School
Franzo, Laurie – Nitschmann Middle School
Gilrain, Jane – Freemansburg Elementary School
Hilton, Jana – Calypso Elementary School
Hludzik, Tami – Miller Heights Elementary School
Hrycyszyn, Marlice – Liberty High School
Ketter-Steger, Kathleen – East Hills Middle School
Korves, Anne – Freemansburg Elementary School
Kruk, Christine – East Hills Middle School
Michael, Erin – Liberty High School
Oyer, Jeff – East Hill Middle School
Papagni, Catherine – Northeast Middle School
Rodriguez, Elizabeth – Liberty High School
Sierra, Trinidad – Nitschmann Middle School
Soto, Damaris – East Hills Middle School
Stocker, Brianne – Miller Heights Elementary School
Stubby, Kristin – Broughal Middle School
Wagner, Michael – Liberty High School
Williams, Wanda – Freemanburg Elementary School

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

18. *Salary Allowances for Additional Credits Under the Incentive Program***RECOMMENDATION:****MASTER'S +30**

Bradley, Steven – Liberty High School
Brewster, Karen – Liberty High School
Dailey, Rosemary – Fountain Hill Elementary School
Dawley, Joyce – Governor Wolf Elementary School
Giannaras, Nikki – Hanover Elementary School
Gomez, Norma – Nitschmann Middle School
Martin, DeAnn – Liberty High School
McIntyre, Thomas – Fountain Hill Elementary School
Rhode, Melissa – Asa Packer Elementary School
Ronyack, Jane – Hanover Elementary School
Skelly, Anne – Asa Packer Elementary School
Sosa, Lynn – Clearview Elementary School
Strockyj, Sonia Collazo – Freedom High School
Weychert, Paula – Fountain Hill Elementary School
Zellner, Stacy – Broughal Middle School

MASTER'S +45

Carr, Jane – Broughal Middle School
Christine, Martha – Calypso Elementary School
Gillen, Sheila – Farmersville Elementary School
Kearns, Maryann – William Penn Elementary School
Peters, Karl – East Hills Middle School
Schaffer, Theodore – Liberty High School
Smith, Carol – Miller Heights Elementary School
Werkheiser, Patricia – James Buchanan Elementary School
Wetzel, Rebecca – Liberty High School

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

19. *Memorandums of Agreement Between the Board of School Directors of the Bethlehem Area School District and the Bethlehem Education Association*

INFORMATION:

The attached Memorandums of Agreement are contracted settlements reached between the Bethlehem Education Association and the district.

The purpose of the first Memorandum of Agreement is for permission for the addition of an early morning instructional period designated as “Block 0” being instituted for the 2009-2010 school year at Liberty High School.

The purpose of the second Memorandum of Agreement is to continue to implement the Teacher Performance Appraisal Plan Professional Rating Report as developed during the 2006-2007 school year and implemented during the 2007-2008 school year.

RECOMMENDATION:

That the Board of School Directors approves the following Memorandums of Agreement between the Board of School Directors of the Bethlehem Area School District and the Bethlehem Education Association:

- a. For an additional “Block 0” at Liberty High School.
- b. For continuation of the Teacher Performance Appraisal Professional Rating Report during the 2009-2010 school year.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

**MEMORANDUM OF AGREEMENT
BETWEEN
BETHLEHEM AREA SCHOOL DISTRICT BOARD OF DIRECTORS
AND
BETHLEHEM EDUCATION ASSOCIATION**

WHEREAS, The Board of Directors of the Bethlehem Area School District (Board) and the Bethlehem Education Association (Association) have entered into a Collective Bargaining Agreement and,

WHEREAS, The parties wish to clarify a matter relating to an alteration to the school work day at Liberty High School during the 2009-2010 school year.

THEREFORE, Be it resolved that the parties agree to the following:

1. Liberty High School, the addition of an early morning instructional period designated as "Block 0" .
2. Each bargaining unit member assigned to teach "Blocks 0-3" shall have volunteered to teach in that assignment.
3. Bargaining unit members selecting to begin the workday during "Block 0" will teach through "Block 3" only.
4. Bargaining unit members opting to teach "Blocks 0-3," agree to accept this assignment for the 2009-2010 school year only.
5. Except as listed above, all other Articles of the Collective Bargaining Agreement shall remain in full force and effect.

In WITNESS WHEREOF, The parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this 26th day of October 2009.

BETHLEHEM AREA SCHOOL
DISTRICT

BETHLEHEM EDUCATION
ASSOCIATION

WITNESS:

WITNESS:

**BETWEEN
BETHLEHEM AREA SCHOOL DISTRICT BOARD OF DIRECTORS
AND
BETHLEHEM EDUCATION ASSOCIATION**

WHEREAS, The Board of Directors of the Bethlehem Area School District (Board) and the Bethlehem Education Association (Association) have entered into a Collective Bargaining Agreement and,

WHEREAS, The parties wish to clarify a matter relating to implementation of the Teacher Performance Appraisal Plan Professional Rating Report,

THEREFORE, Be it resolved that the parties agree to the following:

1. For the 2009-2010 school year, the district will be permitted to utilize the Professional Employee Rating Report as detailed in the Teacher Performance Appraisal Plan developed during the 2006-2007 school year.
2. For the 2009-2010 school year, the Professional Rating Report will replace PDE 5501.
3. All other contractual language related to Article IX Personnel Files and Teachers' Competence, and Exhibit "D" Teacher Evaluation General Guidelines for Professional Improvement Plans for "Continuing" Performance Concerns, shall remain in full force.
4. The Bethlehem Education Association retains its contractual right to grieve any overall unsatisfactory rating on the Professional Rating Report as well as all other sections of Article IX, and Exhibit "D" of the Collective Bargaining Agreement.

IN WITNESS WHEREOF, The parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this day 26th of October 2009.

BETHLEHEM AREA SCHOOL
DISTRICT

BETHLEHEM EDUCATION
ASSOCIATION

WITNESS:

WITNESS:

20. *Revisions to Board Policy Number 006 – Meetings – First Reading*

INFORMATION:

At the October 19, 2009, Board Human Resources Committee Meeting, the board requested that Board Policy Number 006 – Meetings be revised. Attached is the revised Board Policy with the revisions in bold.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading, October 26, 2009

SECTION: LOCAL BOARD PROCEDURES

TITLE: MEETINGS

ADOPTED: November 15, 2004

REVISED: February 9, 2009

<p>SC 407 65 Pa. C.S.A. Sec. 701 et seq</p>	<p style="text-align: center;">006. MEETINGS</p> <p>Section 1. <u>Parliamentary Authority</u></p> <p>Cushing's Manual, Robert's Rules of Order or other approved manuals shall be the authority on all questions of parliamentary law not covered by the bylaws of the Board:</p> <ol style="list-style-type: none">a. The President may speak on all points of order in preference to other members of the Board and shall decide questions of order, subject to an appeal to the Board by any two (2) members.b. A motion must be seconded and, when required, repeated by the President or read aloud before it is debated; every motion must be reduced to writing if the President or any member of the Board shall so require.c. Any member who has made a motion shall have liberty to withdraw it with the consent of the seconder.d. The consideration of any question may be postponed to a fixed time or the question may be suppressed altogether by an indefinite postponement.e. A motion once voted down shall not be renewed at the same meeting without the consent of the number of members required for adoption.f. An amendment may be moved on any motion and shall be decided before the original motion; but not more than one (1) amendment to an amendment shall be entertained.g. If a motion under debate is composed of two (2) or more parts, which are so far independent of each other as to be susceptible of division into several questions, any two (2) members may have it divided and a vote taken on each part.
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<p>SC 508</p>	<ul style="list-style-type: none"> h. When any item for discussion is properly brought before the Board, consideration of the same shall not be interrupted except by motion for adjournment, for tabling, for the previous question, for postponement, for commitment or for amendment. i. A motion for adjournment shall always be in order and shall be decided without debate except that it cannot be entertained without unanimous consent when the Board is voting on another question. j. The question cannot be moved by less than a majority of the members present, and when thus called, all debates shall be precluded. The call for the previous questions shall not cut off any pending amendment, but the vote shall be taken without debate on the amendments in their order and finally on the question. k. A motion for postponement shall preclude commitment, and motion for commitment shall preclude amendment or decision on the original subject. l. A motion for reconsideration shall be entertained when made and seconded by members who were in the majority on the vote on the original question. m. If the previous question is decided in the negative, the effect shall be to arrest the discussion and produce indefinite postponement. n. No member shall be interrupted when speaking unless they are out of order, or for purposes of correcting mistakes and misrepresentations. o. No member in the course of debate shall be allowed to indulge in personal reflections. p. If any member acts in any respect in a disorderly manner, it shall be the privilege of any member and the duty of the President to call that member to order. q. If any member shall consider themselves aggrieved by a decision of the chair, it shall be their privilege to appeal to the Board and a vote on such appeal shall be taken without debate. r. When the taking of a vote has commenced, no further remarks or debates shall be permitted, unless some evident mistake has been made, in which case the mistake shall be rectified and the taking of the vote shall then be continued. A majority vote of those members present and voting shall prevail, except in those subjects enumerated in law requiring a majority of all members of the Board.
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	<p>s. Any two (2) members may require the recording of the yeas and nays on any subject or question, irrespective of whether the subject matter under discussion be such as shall require the recording of the yeas and nays under the provisions of the School Code.</p> <p>t. The first person recognized by the President as desiring to speak shall have the right to the floor.</p> <p>u. To allow ample time for full consideration before Board meetings, any new proposals by Board members at meetings shall be laid on the table or deferred until the next regular or special meeting unless it is clearly shown that immediate action on the proposal is essential.</p>
SC 422	<p>Section 2. <u>Quorum</u></p> <p>A quorum shall be five (5) Board members present at a meeting. No business shall be transacted at a meeting without a quorum, but the Board members present at such a meeting may adjourn to another time.</p>
SC 405, 426, 427, 428	<p>Section 3. <u>Presiding Officer</u></p> <p>The President shall preside at all Board meetings. In the absence, disability or disqualification of the President, the Vice-President shall act instead. If neither person is present, a Board member shall be elected President pro tempore by a plurality of those present to preside at that meeting only. The act of any person so designated shall be legal and binding.</p>
65 Pa. C.S.A. Sec. 703, 709	<p>Section 4. <u>Notice</u></p> <p>Notice of all open public Board meetings, including committee meetings and discussion sessions, shall be given by publication of the date, place, and time of such meetings in the newspaper(s) of general circulation designated by the Board and the posting of such notice at the administrative offices of the Board.</p>
65 Pa. C.S.A. Sec. 703, 709	<p>a. Notice of regular meetings shall be given by publication and posting of a schedule showing the date, place and time of all regular meetings for the fiscal year at least three (3) days prior to the time of the first regular meeting.</p>
65 Pa. C.S.A. Sec. 703, 709	<p>b. Notice of all special meetings shall be given by publication and posting of notice at least twenty-four (24) hours prior to the time of the meeting, except that such notice shall be waived when a special meeting is called to deal with an actual emergency involving a clear and present danger to life or property.</p>

006. MEETINGS - Pg. 4

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

<p>65 Pa. C.S.A. Sec. 701 et seq</p> <p>SC 426</p>	<p>The agenda for the regular meeting is hand-delivered to Board members, BEA officials (3), custodial/maintenance personnel (1), teacher aides (1), cafeteria personnel (1), and the press on the Friday preceding the Board meeting. Copies are also distributed to key administrative personnel and to each elementary and secondary school faculty room prior to the meeting.</p> <p>b. Order Of Business</p> <p>The order of business for regular meetings shall be as follows, unless altered by the President or a majority of those present and voting:</p> <p>Roll Call Pledge of Allegiance Silent Meditation Instructional Report or Student Recognition Courtesy of Floor to Visitors Reports of Student Representatives Approval of Minutes Approval of Committee Minutes Financial Report/Payment of Bills President's Communication/Special Meetings Superintendent's Report/Federal Program Update Unfinished Business Recommendations of Administration Reports of Committees New and Miscellaneous Business Courtesy of the Floor to Visitors Adjournment</p> <p>Section 6. <u>Special Meetings</u></p> <p>Special meetings shall be public and may be called for special or general purposes.</p> <p>The President may call a special meeting at any time. Upon the President's failure or refusal to call a special meeting, such meeting may be called at any time by a majority of the Board members.</p> <p>No business shall be transacted at any special meetings except that named in the call sent to the members for such special meetings; provided, that special meetings may be called for general purposes.</p>
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<p>65 Pa. C.S.A. Sec. 701 et seq Pol. 903</p> <p>SC 324</p>	<p>All special meetings of the Board shall be at a place to be determined and advertized.</p> <p>The following shall be the order of business:</p> <p>Roll Call Pledge of Allegiance Silent Meditation Courtesy of Floor to Visitors Approval of Minutes/Regular and Committee President's Communication/Special Meetings Superintendent's Report Unfinished Business Recommendations of Administration New and Miscellaneous Business Courtesy of the Floor to Visitors Adjournment</p> <p>Section 7. <u>Hearing Of The Public</u></p> <p>A member of the public present at a Board meeting may address the Board in accordance with law and Board policy and procedures.</p> <p>Section 8. <u>Voting</u></p> <p>All motions shall require for adoption a majority vote of those Board members present and voting, except as provided by statute or Board procedures.</p> <p>All votes on motions and resolutions shall be by voice vote unless an oral roll call vote is requested by the President or another Board member.</p> <p>a. The following actions require the unanimous consent of all the remaining members of the Board:</p> <ol style="list-style-type: none">1. Appoint as attorney or solicitor for the Board a school director who has served for two (2) consecutive terms of four (4) years each after resigning office.2. Appoint as Secretary to the Board of a district of the second class a school director who has resigned his/her office.
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006. MEETINGS - Pg. 7

	<p>b. The following actions require the recorded affirmative votes of two-thirds of the full number of Board members:</p> <ol style="list-style-type: none"> 1. Transfer of budgeted funds. 2. Transfer of any unencumbered balance, or portion thereof, from one appropriation to another, or from one spending agency to another. 3. Incur a temporary debt or borrow money upon such obligation. 4. Incur a temporary debt to meet an emergency or catastrophe. 5. Elect to a teaching position a person who has served as a Board member and who has resigned. 6. Convey land or buildings to the municipality co-terminus with the school district. 7. Adopt or change textbooks without the recommendation of the Superintendent. 8. Dismiss, after a hearing, a tenured professional employee. 9. Fix the fiscal year to begin on the first day of January. <p>c. The following actions require the recorded affirmative votes of a majority of the full number of Board members:</p> <ol style="list-style-type: none"> 1. Fixing the length of school term. 2. Adopting textbooks recommended by the Superintendent. 3. Appointing the district Superintendent and Assistant Superintendent(s). 4. Appointing teachers and principals. 5. Adopting the annual budget. 6. Appointing tax collectors and other appointees.
SC 609, 687	
SC 687	
SC 634	
SC 687	
SC 324	
SC 707	
SC 803	
SC 1129	
SC 671	
SC 508	
SC 508 Pol. 108	
SC 508, 1071, 1076	
Pol. 508	
SC 508 Pol. 604	
SC 508 Pol. 005, 606	

006. MEETINGS - Pg. 8

SC 508 Pol. 605	7. Levying and assessing taxes.
SC 508	8. Purchasing, selling, or condemning land.
SC 508	9. Locating new buildings or changing the location of old ones.
SC 508 Pol. 107	10. Adopting planned instruction.
SC 508	11. Establishing additional schools or departments.
SC 508, 621	12. Designating depositories for school funds.
	13. Expending district funds.
SC 508 Pol. 610	14. Entering into contracts of any kind, including contracts for the purchase of fuel or any supplies where the amount involved exceeds \$100 (including items subject to \$10,000 bid requirements).
SC 508	15. Fixing salaries or compensation of officers, teachers, or other appointees of the Board.
SC 224	16. Combining or reorganizing into a larger school district.
SC 508	17. Entering into contracts with and making appropriations to the intermediate unit for the district's proportionate share of the cost of services provided or to be provided by the intermediate unit.
SC 508, 514, 1080	18. Dismissing, after a hearing, a nontenured employee.
SC 212	19. Adopting a corporate seal for the district.
SC 702	20. Determining the location and amount of any real estate required by the school district for school purposes.
SC 708	21. Vacating and abandoning property to which the Board has title.
SC 1503	22. Determining the holidays, other than those provided by statute, to be observed by special exercises and those on which the schools shall be closed for the whole day.

Pol. 004	23. Removing a school director.
Pol. 004	24. Declaring that a vacancy exists on the Board by reason of the failure or neglect of a school director to qualify.
Pol. 005	25. Removing an officer of the Board.
Pol. 005	26. Removing an appointee of the Board.
Pol. 003	27. Adopting, amending or repealing Board policy or procedure.
	Section 9. <u>Minutes</u>
SC 518 65 Pa. C.S.A. Sec. 706	The Board shall cause to be made, and shall retain as a permanent record of the district, minutes of all open Board meetings and Board committee meetings. Said minutes shall be comprehensible and complete and shall show: <ul style="list-style-type: none"> a. The date, place, and time of the meeting. b. The names of Board members present. c. The presiding officer. d. The substance of all official actions. e. Actions taken.
65 Pa, C.S.A. Sec. 705	<ul style="list-style-type: none"> f. Recorded votes and a record by individual members of all roll call votes taken. g. The names of all citizens who appeared officially and the subject of their testimony.
SC 407	The Board Secretary shall provide each Board member with a copy of the minutes of the last meeting prior to the next regular meeting.
SC 433	The minutes of Board meetings shall be approved within two (2) months and signed by the Board Secretary.
Pol. 800, 801	All Board meetings are tape-recorded and the tapes are kept for two (2) years. The tapes are transcribed by the Board Secretary and reduced to minute form. Twenty (20) copies of the minutes are run and are distributed to Board members, the solicitor, the Superintendent, and other key administrative personnel. A copy of the permanent Minute Book is kept on file in the Office of the Board Secretary.

006. MEETINGS - Pg. 10

<p>65 Pa. C.S.A. Sec. 703, 709 Pol. 006</p>	<p>Section 10. <u>Adjournment</u></p> <p>The Board may at any time recess or adjourn to an adjourned meeting at a specified date and place, upon the majority vote of those present. The adjourned meeting shall take up its business at the point in the agenda where the motion to adjourn was acted upon. Notice of the rescheduled meeting shall be given as provided in Board policy.</p>
<p>65 Pa. C.S.A. Sec. 707, 708</p>	<p>Section 11. <u>Executive Session</u></p> <p>The Board may hold an executive session, which is not an open meeting, before, during, at the conclusion of an open meeting, or at some other time. The presiding officer shall announce the reason for holding the executive session; the announcement can be made at the open meeting prior to or after the executive session.</p> <p>The Board may discuss the following matters in executive session:</p> <ul style="list-style-type: none">a. Employment issues.b. Labor relations.c. Purchase or lease of real estate.d. Consultation with an attorney or other professional advisor regarding potential litigation or identifiable complaints that may lead to litigation.e. Matters that must be conducted in private to protect a lawful privilege or confidentiality. <p>Official actions based on discussions held in executive session shall be taken at a public meeting.</p>
<p>65 Pa. C.S.A. Sec. 701 et seq</p>	<p>Section 12. <u>Work Sessions</u></p> <p>The Board may meet as a Committee of the Whole in an open meeting to vote on or to discuss issues. Public notice of such meetings shall be made.</p> <p>A meeting of the Committee of the Whole, not regularly scheduled, may be called at any time by the President; the President shall call such a meeting when requested to do so by Board members. Public notice of the meeting shall be made in accordance with Pol. 006, 4.b.</p>

65 Pa. C.S.A. Sec. 703, 709	The Board Secretary shall provide notice of a meeting of the Committee of the Whole as per the notice provisions of Board procedures.
65 Pa. C.S.A. Sec. 703, 709	<p>Section 13. <u>Committee Meetings</u></p> <p>1. Each committee will meet a minimum of one evening a month to discuss specific issues and major initiatives in its respective area. The responsible cabinet member for each individual committee will serve as the district's liaison and will generate the agenda with dialogue with the Board chairperson prior to the meeting. The Board chairperson will facilitate the meeting.</p>
65 Pa. C.S.A. Sec. 701 et seq	<p>2. Committee meetings will contain a pre and post courtesy of the Floor of ten (10) minutes each pertaining to agenda items only.</p> <p>3. Minutes of each committee meeting will be prepared by the cabinet member working with the respective committee and distributed to the entire Board prior to the regular Board meeting. Board members who cannot attend the meeting can submit verbal or written questions to be answered and recorded on the committee minutes. A majority of the total membership of a committee shall constitute a quorum of two (2) out of four (4).</p> <p>4. The intent of these committee meetings is to fully discuss issues, formulate policy, and develop recommended proposals for action by the full Board. Committee meetings will be open to all Board members if they wish to participate in the discussions. Board members in attendance at committee meetings will, through consensus, place committee meeting agenda items on the regular Board meeting agenda.</p> <p>5. Unless held as an executive session, committee meetings shall be open to the public, other Board members, and the Superintendent. A majority of the committee or the chairperson may invite Board, employees, consultants, or other person who have special knowledge of the area under investigation.</p>
	<p>References:</p> <p>School Code – 24 P.S. Sec. 212, 224, 324, 405, 407, 408, 421, 422, 423, 426, 427, 428, 433, 508, 514, 518, 609, 621, 634, 665, 671, 687, 702, 707, 708, 803, 1071, 1075, 1076, 1077, 1080, 1111, 1129, 1503</p> <p>Sunshine Act – 65 Pa. C.S.A. Sec. 701 et seq.</p> <p>Board Policy – 003, 004, 005, 006, 107, 108, 604, 605, 606, 610, 612, 800, 801, 903</p>

21. *Revisions to Board Policy Number 601 – Fiscal Objectives – First Reading*

INFORMATION:

At the October 19, 2009, Board Human Resources Committee Meeting, the board requested that Board Policy Number 601 – Fiscal Objectives be revised. Attached is the revised Board Policy with the revisions in bold.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading, October 26, 2009

SECTION: FINANCES

TITLE: FISCAL OBJECTIVES

ADOPTED: November 15, 2004

REVISED:

	601. FISCAL OBJECTIVES
1. Purpose	The Board recognizes its responsibility to district taxpayers to ensure that public monies expended by the school district are utilized for delivery of the educational program in a manner that mandates full value to the taxpayers, and that adequate procedures and records are established to ensure that end.
2. Authority SC 439, 601, 602, 609, 610, 631, 634, 664, 687, 690, 751, 807.1, 1155	The Board has the authority and responsibility to prepare and adopt the budget, approve bids, levy taxes, and approve each expenditure of the district.
3. Delegation of Responsibility	<p>To meet the goals of this policy, the Board directs the Superintendent and Director of Business Affairs to establish sound accounting procedures based upon recommendations of the district auditor and state and federal government, and institute effective business practices.</p> <p>The Superintendent and the Assistant to the Superintendent for Finance and Administration shall review the financial operations, recommend improvements, and prepare administrative procedures for sound district and school fiscal operations, as needed. The Superintendent and the Assistant to the Superintendent for Finance and Administration will keep the Board continuously and accurately informed of the current fiscal status.</p>

22. *Revisions to Board Policy Number 616 – Payment of Bills – First Reading*

INFORMATION:

At the October 19, 2009, Board Human Resources Committee Meeting, the board requested that Board Policy Number 616 – Payment of Bills be revised. Attached is the revised Board Policy with a revision to the Authority section.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading, October 26, 2009

SECTION: FINANCES

TITLE: PAYMENT OF BILLS

ADOPTED: November 15, 2004

REVISED:

	616. PAYMENT OF BILLS
1. Purpose	It is the Board's intent to direct prompt payment of bills but at the same time to ensure that due care has been taken in the review of district bills.
2. Authority SC 439, 607, 1155 SC 427, 439	<p>Each bill or obligation of this district must be fully itemized, verified and approved by the Board before a check can be drawn for its payment, except that the Board Secretary is permitted to draw payment orders for:</p> <ol style="list-style-type: none"> 1. The prompt payment of items that will accrue to the district's advantage. 2. Progress payments to contractors specified in a contract approved by the Board. 3. Orders to cover approved payrolls and agency account deposits. 4. Utility bills in months the Board does not meet.
3. Delegation of Responsibility SC 607, 687 Pol. 612	<p>It shall be the responsibility of the Director of Business Affairs or designee upon receipt of an invoice to verify that the purchase invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the Board had budgeted for the item, and invoice is for the amount contracted.</p> <p>Should the invoice vary from the acknowledged purchase order, the Director of Business Affairs or designee shall document on the invoice the reason for such variance.</p> <p>Should funds not be available in the account to which a proposed purchase will be charged, the Director of Business Affairs or designee shall determine the overage and request the Board make a legal transfer to cover it.</p> <p>All claims for payment shall be submitted to the Board and recorded in the minutes of the Board meeting.</p>

616. PAYMENT OF BILLS - Pg. 2

	<p>The list of bills shall include for each:</p> <ol style="list-style-type: none"> 1. Check number. 2. Check date. 3. To whom paid. 4. Amount of remittance. 5. Reason for remittance. 6. Account charged. <p>Prior to the Board's consideration of the bills for payment, each invoice shall be reviewed by the Director of Business Affairs.</p>
SC 439	<p>Upon approval of an order, the Treasurer shall prepare a check for payment and cancel the commitment placed against the appropriate account.</p> <p>All checks written on the computer are compiled into a check register. This check register must have the accompanying order signed by the Board President and attested to by the Board Secretary/Director of Business Affairs before checks can be released. This includes all regular prepaid, bond, cafeteria, and general checks. These check registers will appear in the monthly tabulation of bills and must be presented for Board approval. From this approval, the Board President and Board Secretary/Director of Business Affairs will then sign the order authorizing the issuance of checks.</p>
SC 427, 433, 439	<p>All checks approved by the Board shall be signed by the President, Board Secretary and Treasurer.</p>
SC 428	<p>The Vice-President may sign for the President.</p>
4. Guidelines 65 P.S. 302	<p>Signatures of the President, Vice-President, Treasurer and Board Secretary may be engraved on a signature plate or stamp.</p> <p>The mechanical signature will be placed in the safeguard of the Board Secretary the same as the school district seal and will be used only upon signing of the proper order by the Board President.</p> <p>No check shall be made out to cash.</p>

616. PAYMENT OF BILLS - Pg. 3

<p>72 P.S. 7204 (12)</p> <p>School Code 427, 428, 433, 439, 607, 608, 610, 687, 1155</p> <p>65 P.S. 301 et seq</p> <p>72 P.S. 7204 (12)</p> <p>Board Policy 612</p>	<p><u>Sales Tax</u></p> <p>The district is exempt from sales tax on the purchase of tangible, personal property or services that are sold or used by the district. The district shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established regulations. The exemption number shall be used only when buying property or services for district use.</p> <p>The district shall obtain a sales tax license number for school organizations who purchase items to be resold.</p> <p>In order to monitor these activities, the Director of Business Affairs shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.</p>
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23. *Revisions to Board Policy Number 706 – Property Records – First Reading*

INFORMATION:

At the October 19, 2009, Board Human Resources Committee Meeting, the board requested that Board Policy Number 706 – Property Records be revised. Attached is the revised Board Policy with the revisions in bold.

BETHLEHEM AREA SCHOOL DISTRICT

First Reading, October 26, 2009

SECTION: PROPERTY

TITLE: PROPERTY RECORDS

ADOPTED: November 15, 2004

REVISED: April 27, 2009

	706. PROPERTY RECORDS
1. Purpose	The Board recognizes that adequate property and inventory records must be maintained on all buildings, equipment, and physical property under district control.
2. Authority	The Board directs that a complete inventory, by physical count, of all district-owned equipment and property records of all district buildings and grounds shall be maintained and updated at intervals that coincide with property insurance renewal.
3. Delegation of Responsibility	<p>It shall be the responsibility of the Assistant to the Superintendent for Finance and Administration to ensure that equipment inventories are systematically and accurately recorded, updated, and adjusted annually by reference to purchase orders and withdrawal reports. Property records of facilities shall be maintained on an ongoing basis.</p> <p>The Assistant to the Superintendent for Finance and Administration shall maintain a system of property records which shall show, as appropriate to the item recorded:</p> <ol style="list-style-type: none"> 1. Description and identification. 2. Year of purchase. 3. Initial cost. 4. Location. 5. Depreciation. 6. Current valuation, in conformity with insurance requirements.
4. Guidelines	Major items of equipment shall be subject to annual physical spot check inventory to determine loss, mislocation or depreciation; major losses shall be reported to the Board. Losses shall be promptly reported to the Board, law enforcement, insurance and/or any other relevant bodies.

<p>Pol. 708, 710</p>	<p>Records of consumable supplies shall be maintained on a continuous inventory basis.</p> <p>No equipment shall be removed for personal or nonschool use, except in accordance with Board policy.</p> <p>Equipment shall be identified with a permanent tag that provides appropriate school district identification.</p> <p><u>Disposal Of Obsolete/Surplus Materials</u></p> <p>As appropriate, the Superintendent shall recommend to the Board the sale of unused, unnecessary, surplus, or obsolete books, furniture, supplies, or equipment. The Board shall, by resolution, declare the same to be disposed of by any one or more of the following methods:</p> <ol style="list-style-type: none">1. Public auction after Board notice and approval.2. Solicitation of bids or quotations from companies or persons engaged in a business related to the nature of the items to be disposed of.3. Offer to the general public at prices set by the Board, by resolution, upon recommendation by the school administration.4. Offer to suppliers of similar books, furniture, supplies, or equipment, who shall be required to state their bid for the same as a dollar discount against items they may be proposed to sell to the school district.5. Other methods as the Board may adopt by resolution enacted at a regular or special Board meeting.6. When the technology administrator has identified a district-owned computer as obsolete equipment, the computer will be sold according to the following guidelines:<ol style="list-style-type: none">a. Staff members will be permitted to purchase their assigned computer at the fair market value as determined by usedprice.com or its successor site.b. Payments by check will be made payable to the Bethlehem Area School District prior to the release of the equipment.c. Staff members who purchase their own computers will also receive the charger/power cord.
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<p>Pol. 610</p>	<ul style="list-style-type: none">d. Purchases will be “as is” and the school district will have no responsibility for defects of any kind. No warranty or guarantee is offered. The school district Information Technology department will no longer support the equipment.e. Software that is licensed to the district will be removed prior to the completion of the sale.f. If a staff member chooses not to purchase his/her assigned computer, it will be offered for sale by lottery to other staff members. Any remaining computers not purchased through the lottery will be disposed of according to the methods identified via 1 through 5 above. <p>Notice of such disposal of property shall be advertised in accordance with bidding requirements. There shall be no disposal of personal property owned by the school district except by this policy.</p> <p>References:</p> <p>School Code – 24 P.S. Sec. 510</p> <p>Board Policy – 610, 708, 710</p>
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24. *Acceptance of Automated Payments Solution Proposal – Commerce Bank*

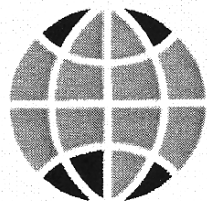
INFORMATION

Commerce Bank, Omaha Nebraska, proposed an electronic accounts payable program that will provide monthly revenue sharing on discounts, reduce costs associated with processing paper payments to vendors, and will integrate with our financial software for seamless accounting. The actual revenue sharing amounts may be difficult to estimate with any degree on accuracy. However, any receipts from this program will be funds not previously deposited into school district accounts and will be obtained from sources not related to taxation.

RECOMMENDATION:

That the Board of School Directors accepts the attached proposal and authorizes the administration to sign it, fully execute any related documents, and implement the automated payments solutions as soon as practical.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.



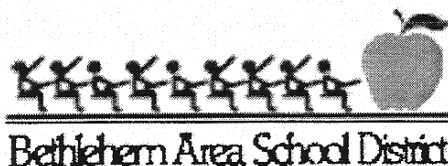
Commerce Bank

Member FDIC

Automated Payments Solution

Proposal

Prepared for



August 27, 2009
(Proprietary and Confidential)

Note: This proposal is not a binding contract for services. The Pricing outlined here is guaranteed for sixty (60) days. All information contained in this proposal, including any of the terms, conditions of or other facts concerning the program and any written or oral information provided by Commerce which is either nonpublic, confidential or proprietary in nature, will be kept confidential and will not be used for any purpose whatsoever other than as contemplated herein or for the purpose of the evaluation of the Programs presented.

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EXECUTIVE SUMMARY

On behalf of Commerce Bank, we sincerely appreciate the opportunity to propose an Accounts Payable Solution for Bethlehem Area School District (the District). An overview of our offering follows.

Commerce Bank traces its roots back to 1865. Today, Commerce Bank, with over \$18 billion in assets, provides comprehensive financial services for businesses and individuals. In overall bank-size, Commerce ranks in the top 35 in the country. Commerce Bank's credit rating is A+ with Standard & Poor's and B+ with Moody's. Commerce continues to have the highest rating among banks with assets between \$10 billion and \$100 billion. Of the 50 largest banks in the country, now only three have a higher bank financial strength rating than Commerce. Commerce was also ranked **7th out of the top 150 performing banks and thrifts** in the U.S. by Bank Director Magazine.

While this is a challenging economic environment for many banks, Commerce's disciplined lending philosophy and strong investment portfolio serve us well at a time when credit discipline and capital adequacy have become central issues in our industry. Our super community banking platform allows us to provide high service levels and competitive products while generating the type of financial returns that enabled Commerce to receive consistently high ratings from Moody's.

With over 40 years in the electronic payments industry, Commerce Bank is ranked in the top ten of Purchasing Card issuers. Our proven, best-in-class payment solutions provide optimum controls that have enabled numerous organizations to gain visibility and control required to manage budgets, reduce costs, satisfy audits, and receive an additional funding source for essential and required services.

Our proposal revolves around our A/P Solution. Based on feedback from our clients, we have successfully aligned our solution to:

- Supplement funding/revenue sources via our **monthly revenue share** program
- **Reduce costs** associated with processing paper payments without changing the A/P process
- Ensure **compliance** to prompt payment terms
- Provide pre-purchase and post-purchase **approvals with audit capabilities**
- Enhance your **vendor dispute** process
- Simplify accounting system **integration**

With our strong presence in the education industry, we believe Commerce Bank is the right choice for your program. We offer a wealth of experience in the Accounts Payable arena, the latest in technology, and a Service Organization that is second to none. In fact, this year we were, for the second year in a row, named #1 in Customer Service by J.D. Power and Associates.

Thank you, again, for your interest in Commerce Bank products and services and the opportunity to provide the District with a proposal. Any questions related to this proposal should be directed to:

Penny Kospiah
Vice President – National Account Executive
Commerce Bank
610-391-0247 (office)
484-951-0672 (mobile)
penny.kospiah@commercebank.com

BETHLEHEM AREA SCHOOL DISTRICT OFFER

Current Situation

Following is a list of District suppliers who have agreed to accept Visa as payment from the District. This list is not all-inclusive, just a sampling of your larger suppliers and those already accepting Visa payment from our existing customers.

Supplier Name	Amount (\$)
ALBARELL ELECTRIC CORP	3,434,139.48
WOOD COMPANY	3,009,723.75
APPLE COMPUTER INC	1,819,965.46
XEROX CORPORATION	766,741.43
SCHOLASTIC BOOK SERVICES INC	344,308.39
JOHNSON CONTROLS INC	251,045.87
OFFICE DEPOT BUSINESS SERVICE	187,611.75
RICOH AMERICAS CORPORATION	154,232.40
INTEGRA-ONE	135,129.00
RCN OF PENNSYLVANIA	133,852.10
RCN	120,593.24
POSTMASTER	102,007.89
LOWE AND MOYER GARAGE INC	99,224.69
FOLLETT LIBRARY RESOURCE	86,977.80
NAZARETH MUSIC CENTER	68,465.55
FARM & HOME OIL COMPANY	62,847.08
LAKESHORE LEARNING MATERIALS	57,728.03
STANBURY UNIFORMS	53,757.00
ALTRONICS INC	53,638.70
BETHLEHEM SPORTING GOODS CORP	53,099.32
SUNTEX INTERNATIONAL INC	48,391.47
HUNTER TRUCK SALES & SVC INC	47,611.46
GIANT FOOD STORES	39,023.72
CDW-G	36,826.76
HENISE TIRE SERVICE	32,889.28
XPEDX PAPER SHOP	31,483.85
PENTELEDATA	29,771.42
MORNING CALL INC	28,997.29
PITNEY BOWES INC	28,702.05
ALLEN SUPPLY	27,059.04
DELL COMPUTER CORPORATION	24,954.79

Supplier Name	Amount
OTIS ELEVATOR COMPANY	24,045.30
ROSS BODY & FRAME WORKS	23,014.02
JOSTENS	22,418.77
CROWDER JR CORP	22,173.20
PENN VALLEY CHEMICAL CO INC	21,444.59
SENICK	20,806.47
SCHOLASTIC BOOK SERVICES INC	20,578.94
SCHOOL HEALTH CORP	20,158.43
NEOPOST LEASING	8,626.47
VARSITY SPIRIT FASHIONS	8,101.74
JOHNSTONE SUPPLY	6,716.06
ULINE	6,532.35
GOPHER SPORT	5,825.74
DELTA EDUCATION INC	5,665.85
LEGO EDUCATION	5,239.41
HERFF JONES	5,216.60
WAL-MART	5,101.00
WARDS NATURAL SCIENCE EST LLC	5,021.60
TOTAL	\$11,607,486.60

Vendor Analysis Summary

Defined Potential Opportunity \$11,607,486.60

Best Case Visa Match \$21,411,738.15

Reality *Somewhere in Between!*

Accounts Payable Solution Costs:

Description	Amount
Annual fee per account	\$0
Implementation fees	\$0
Late payment fee	2.5% of the amount past due
Software fees	\$8,400 - Waived
Fees for custom reports	\$0
Customer Mapper Fee	\$2,500 - Waived
Training	\$0
Travel expenses – Implementation	\$0
Travel expenses – Account Review	\$0

Billing and Payment Terms

The District may choose any date between the 1st through the 26th as your cycle date for monthly billing. For the weekly option, you may choose Monday through Friday as your cycle date. Commerce will review these options with you and you so you can select the option that best fits your needs.

Commerce Bank is offering The District the following settlement terms.

- **A/P Account** → Weekly billing, 3-day grace period from the cycle date (payment via ACH)

Revenue Sharing Opportunity:

Based on the below billing and payment terms, Commerce Bank is offering The District the following Revenue Share opportunities:

ACCOUNTS PAYABLE SOLUTION

Weekly Cycle, 3 Day Grace

Annual Volume Range	Revenue Share (%)	Revenue Share (\$)
\$0 to \$4.99MM	1.08%	Up to \$54,000
\$5MM to \$9.99MM	1.12%	\$56,000 to \$112,000
\$10MM to \$19.99MM	1.16%	\$116,000 to \$232,000
\$20MM +	1.20%	\$240,000 +

Notes about these Revenue Sharing grids

- Average ticket size of \$750
- Volume qualifying at Large Ticket and Level III interchange rates will be paid on a flat rate of 30bps.
- Net Monthly volume based on non-large ticket and is calculated by gross purchases less cash advances, fraudulent activity, charge-offs and credits.
- Web-based Software: Commerce Bank will provide ControlPay Advanced™ at no charge for processing, reconciliation and reporting of transactions.
- Term of Agreement: "At Will"
- Additional fees are outlined in the Commercial Card Agreement that is attached to this proposal. These are typically avoidable like fees for late payment, overnight card delivery, international service assessments, etc.
- This proposal is not a binding contract for services. The Commercial Card Agreement between Commerce Bank and your organization represents the binding arrangement. The Pricing outlined herein is guaranteed for sixty (60) days.
- All information contained in this proposal, including any of the terms of, conditions of or other facts concerning the program and any written or oral information furnished by Commerce which is either nonpublic, confidential or proprietary in nature, will be kept confidential and will not be used for any purpose whatsoever other than as contemplated herein or for the purpose of the evaluation of the electronic Visa payment program presented.

COMMERCE BANK OVERVIEW

Who We Are

Commerce BancShares, Inc. operates as a super-community bank offering an array of sophisticated financial products delivered with high quality, personal customer service. The Bank's customer promise, **Ask Listen Solve**, is not just its brand, but also its corporate focus. With this platform, Commerce is continually building its long-term franchise while paying strict attention to asset quality and expense management. Commerce provides a full range of financial products to consumer and commercial customers.

Commerce Bank is a full service retail and commercial bank. We offer our A/P Solution as well as the following traditional card products: Visa Purchasing Cards, Corporate T&E Cards, One Cards, Declining Balance (Budget) Cards, Payroll Cards, and Gift Cards along with MasterCard Fleet Cards.

What Differentiates Us

Any financial institution or issuing institution that offers VISA or MasterCard purchasing card products can provide similar features with their card programs. Commerce Bank separates itself from other institutions by our expertise, personnel, technology, and the implementation strategies we provide. Commerce Bank's Commercial Card Department offers a dedicated department of sales representatives, relationship managers, implementation teams and IT teams whose sole responsibility is to manage commercial card programs and automated A/P solutions (utilizing the Visa payment network in place of check payment for invoices). We feel the following value additions truly differentiate us in the marketplace:

Experience in the Market- We have a strong presence in the healthcare market and, through the resources mentioned above, have helped our customers rapidly expand their programs to take advantage of cost savings and revenue generation. We understand your market and the challenges you face and have worked hard to develop relationships with your suppliers.

Health of the Bank – Commerce Bank maintains a very conservative approach to doing business. As such, we have not suffered the fate of many of our competitors who have been involved in the subprime lending market. We are the largest financial institution to **NOT** have taken any TARP, or bailout, monies. Commerce continues to grow our deposits and is on target to reach our expected growth rate for the year. Our rating remains strong as does the value of our stock.

Monthly Revenue Share – While most institutions offer "rebates" on an annual basis, Commerce offers monthly revenue share payments based on monthly charge volume, allowing the District to receive revenue quickly.

Dedicated Account Manager – the District will be assigned a dedicated Relationship Manager who will work with your Program Administrator(s) for the life of the account to ensure program goals are met. Our commitment to assigning appropriate resources to implementation and on-going support to ensure program success is also a best practice in the industry. Commerce Bank is a Top 10 Visa issuer. This is something we are very proud of, especially given the size of our bank. We believe this is directly attributed to the support we give our customers and is, in part, one of the reasons Commerce was, for the second year in a row, named #1 in Customer Service by J.D. Power and Associates.

Maintain Your Current Process and Controls – We can mirror the District's check run cycles in order to keep credit exposure low and to prevent having to change your A/P payment approval process.

Most Advanced Technology – Our ControlPay Advanced™ Technology provides you an array of administrative and reporting capabilities. This technology is the most advanced online automated A/P and card/account management and maintenance tool available.

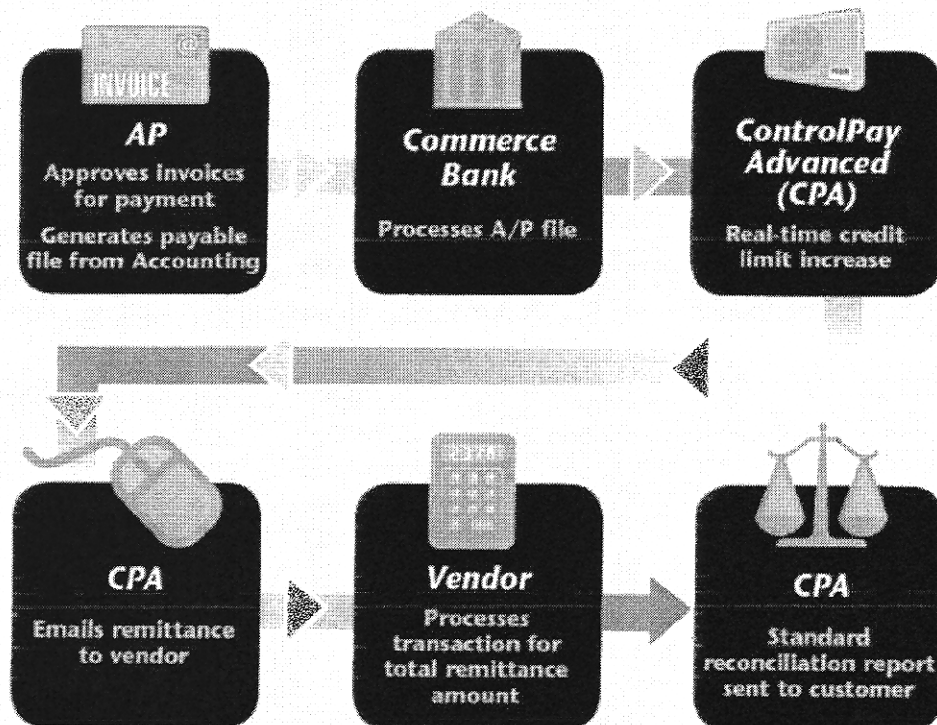
Buyer's Log – Buyer's Log offers the opportunity for single use, cardless, Visa accounts which eliminates the exposure associated with high limit AP plastic (card) accounts and replaces the need for paper purchase orders. All pertinent information contained on a purchase order can be captured electronically on a Buyer's Log. In addition, workflow capability allows the District to assign purchasing/payment limits to buyers, ensuring that requests are routed to the appropriate person for approval before a Buyer's Log is issued. Buyer's Log meets all audit requirements related to internal controls.

PRODUCT OVERVIEW

Commerce Bank takes a unique approach to supporting our Commercial customers. It starts with our willingness to identify your suppliers that accept Visa for payment. We then introduce the concept of moving large dollar invoices to the Visa payment system (A/P Account) in order to maximize revenue share. We work with our customers to offer tailored solutions to meet their reconciliation needs.

A/P Solution

Commerce's A/P Solution allows the District to pay more of your invoices using the Visa network. By identifying those invoices and suppliers accepting Visa for payment, the District is able to take advantage of operational efficiencies associated with electronic payments as well as receive monthly revenue share funds. This is accomplished while keeping all your current controls in place. The process below, typifies our A/P Solution:

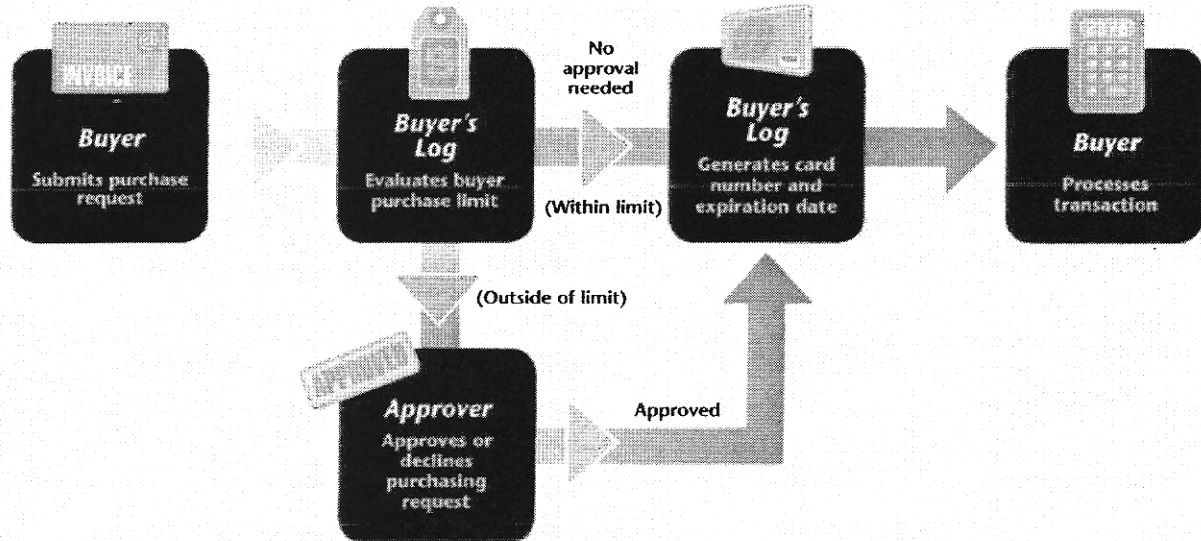


A/P Solution – Buyer's Log

Buyer's Log is an automated capability inside ControlPay Advanced™. It is typically used by buying entities for emergency or non-recurring type of buys. Buyer's Log:

- Provides up to six client-defined data elements plus dollar amount;
- Allows for pre-purchase dollar thresholds (limits) that can be set for "Buyers" and or "Approver" during implementation or at any time when an authorized user is to be added;
- Sets the credit limit on the account real time at time of approval (either when at or below buyer or approver threshold);
- Utilizes a rotating cardless account process (similar to a jukebox) that provides a different number each time a Buyer's Log is created; and,
- Prevents potential supplier fraud by creating single-use, preauthorized accounts.

Following is an overview of the Buyer's Log process:



A/P Solution Program Summary

Commerce Bank's A/P Account Solution allows the District to reduce costs by converting paper check payments to electronic Visa payments, maximize your float and earn a revenue stream based on monthly spending. More specifically,

Leverages Existing Process Controls

- Keeps your existing purchase process in place
- No physical plastic cards with high credit limits

Improve on Current Process Controls

- Eliminating checks reduces your risk of check fraud
- When suppliers are set up to accept payment via Visa, Commerce must validate the supplier, reducing the risk of internal fraud

Improves Purchasing Efficiency

- Reduce check volume and costs associated with them, including bank processing fees
- Buyer's Log allows for emergency or one-time purchases while retaining control, audit-ability and reporting

Maximize Float

- Various options for statement cycle available from daily to weekly to monthly
- Multiple options available for repayment terms

Cash Revenue Share on Purchases

- Accounts Payable transitions to a profit center
- Monthly revenue share based on volume

Supplier Matching Service

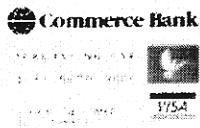
- Matches accounts payable listing to merchants accepting payment via a electronic Visa payment program
- Determine revenue share potential in advance
- Concentrate purchases with fewer suppliers to gain greater revenue share sooner.

Dispute Resolution Process

- Provides an electronic dispute resolution process
- Dispute process mirrors standard Visa credit card dispute process (90 days from statement date)

Traditional Card Products:

In addition to the A/P Solution, Commerce Bank can provide the District with traditional card products and services including:



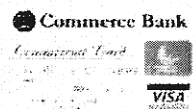
Purchasing Cards - The Commerce Bank Purchasing Card is designed to reduce the number of steps in the procurement process, plus the associated costs. Card controls are available to ensure that cardholders only purchase within the limits established by the company. These controls include: monthly spend limit, per transaction \$ limit, number of transactions per day, MCC limitations, etc.



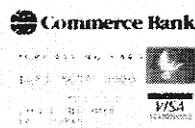
Corporate T&E Cards - Commerce Bank has been offering Corporate (T&E) Cards for over 18 years and is the industry's 7th largest Visa Corporate Card issuer. Our portfolio experienced 34% growth last year, due in large part to the consultative approach taken with each of our clients. The Corporate T&E Card offers business travelers a convenient way to pay for all of their business expenses, eliminating the need for personal funds, or company cash advances. Additionally, integration of T&E card data into internal systems offers streamlined expense report administration, along with improved travel data quality and accuracy. Commerce also offers flexible spending limits, fraud protection, and provides consolidated spending information for T&E expenses. Electronic reporting options and direct data file feeds allow you daily access to card transactions to analyze travel and entertainment expenditures more efficiently. Commerce is keenly aware that travel and entertainment expenses are the third largest controllable expense companies have, after personnel and data processing costs. Effective management of your travel and entertainment expenses can mean savings and a healthy bottom line.



Fleet Cards - Commerce Bank Fleet Cards help our customers track and manage fuel costs, maintenance costs and usage costs for their fleets. Fleet Cards provide Fleet Managers comprehensive driver, vehicle and exception reports.



Commercial Cards - Commerce Bank Commercial Cards provide the convenience of carrying one card for all types of purchases. Commercial Cards offer flexibility without loss of any control.



Declining Balance (Budget) Cards - The Commerce Bank Declining Balance Card provides an alternative to issuing checks against budgetary limits. These cards are also ideal for managing projects. Budget amounts can be placed on the cards and reporting through ControlPay Advanced™ provides visibility of actual to budget spending to better manage overspending on projects.



Payroll Cards - Commerce Bank's DirectCheck Cards were designed to reduce payroll costs, build employee loyalty and offer a lower cost means of paying your "unbanked" employees. DirectCheck Cards allow the District to meet 100% direct deposit of payroll.



Gift Cards - A Commerce Bank Visa Gift Card is the perfect way to motivate, retain and reward your employees or thank your customers. Gift Cards are quickly being adopted into many businesses as a preferred way to give bonuses, incentives, gifts and rewards. They're safer than cash since they come with lost and stolen replacement benefits. Commerce Bank Visa Gift Cards can be used anywhere Visa debit cards are accepted.

IMPLEMENTATION AND TRAINING

Implementation

Commerce Bank utilizes a multi-functional team to support you through your implementation. Our Implementation strategy follows a typical project management focus and involves the following four (4) phases:

Discovery

The Commerce Implementation Team will arrange a discovery meeting with all appropriate individuals from the District. A discovery meeting helps clarify the program goals, and determine the necessary resources to efficiently plan, schedule, and then execute each program goal.

Planning

The planning process begins by incorporating the vital information gathered during the Discovery phase into a customized project plan with each deliverable assigned to a specific owner, with a target date for completion, and follow up to the Team. Once the District and the Implementation Team have firmly established the goals of the program, together we will prioritize and assign those tasks.

Execution

Program execution emphasizes weekly communication and coordination between the District and the Commerce Implementation Team. Each week, all participants meet via regularly scheduled conference calls. Using the project plan as a guide, the participants discuss the activities listed to determine progress and assign next steps. It is also during the Execution phase that we begin scheduling and demonstrating software, and training participants to launch the beginning of the program. The last step undertaken is a survey of all participants. Any changes or modifications required as a result of the survey will be completed prior to Wrap-Up and transition to the designated Relationship Manager.

Implementation Wrap-Up

In the final stage of implementation, your assigned Relationship Manager will meet with you to ensure that all program parameters are properly functioning, all cards have been delivered, all A/P accounts have been set up and participants are ready to begin using their Purchasing Cards. The Relationship Manager will also facilitate and schedule follow up training sessions as needed or required for ControlPay Advanced™.

Training

Commerce Bank will provide hands on training for all Program Administrators and Accounting and Procurement staff as needed. Typically, initial training occurs in person and follow up training is conducted via web conference. These training sessions include hands on use of the application for commonly performed procedures. Commerce Bank will provide all training manuals needed for implementation, including Program Administrator and User manuals.

In addition to in-house training, Commerce Bank:

- Offers an annual client forum to share best practices
- Encourages our customers to attend regional and national conferences hosted by the NAPCP
- Distributes the NAPCP's quarterly newsletter to our customers
- Generates and distributes a Commerce newsletter for our customers on a quarterly basis
- Conducts weekly product demonstrations via webinars

CUSTOMER SERVICE AND ACCOUNT MANAGEMENT

Commerce Bank provides multiple levels of customer support:

Relationship Manager - A Relationship Manager will be assigned to the District upon contract award. This individual will be part of the Implementation Team and will continue with you through the life of your relationship with Commerce Bank. Your Relationship Manager is tasked with managing the expansion of your program, conducting on-site program reviews at a frequency that best suits you. He or she works directly with your Program Administrator and your Management team. The Relationship Manager will also facilitate and schedule follow up training sessions as needed or required for ControlPay Advanced™.

Commercial Card Services Customer Support – Our Commercial Card Services Customer Support Team is dedicated to handling the day-to-day issues that arise for our customers' Program Administrators. They are available between the hours of 8AM-7PM ET. They're familiar with our customers' programs and are trained to handle their specific needs. This includes researching a problem and following back up with the Program Administrator with a resolution via phone call or e-mail in a very timely manner.

Cardholder Customer Service – Cardholder Customer Service is located in Omaha, NE. Cardholders can call Customer Service and reach someone in Omaha 24 hours per day, 7 days per week, 363 days per year (closed Thanksgiving and Christmas). We understand local support is important to customers and we do not outsource our customer service. This group can also support Program Administrators between 7PM and 8AM ET. Our Customer Service Team is rated, not only on how quickly questions are resolved, but also on how quickly they respond to initial calls. **For the time period July through December 2008, Customer Service responded to each call within 21 seconds. This is generally within 3 rings of the telephone!**

Client Satisfaction Surveys

Client satisfaction is one of the keys to our success. Commerce Bank measures client satisfaction by our customer service surveys conducted semi-annually. Commerce Bank is rated from 1-6 on a variety of expectations. **For 2008, our rating was 5.5 and our rating for the first half of 2009 was 5.6!**

TECHNOLOGY

ControlPay Advanced™

Commerce Bank utilizes the latest in technology for managing your A/P Account and traditional card programs. ControlPay Advanced™ is an internet-based tool that provides far more than just a "standard" reporting module. ControlPay Advanced™ is a one stop shop solution that can accommodate all of Commerce Bank Commercial Card products. Its features include:

- Program Administrator tool (cardholder changes are made real-time)
- Daily review of transactions online
- Create expense envelopes and route for electronic approval
- Add out-of-pocket and personal mileage
- Repository of data for anytime reporting
- Supports an A/P Card solution that fully integrates with existing accounting system

By allowing virtually unlimited data feeds we provide users with the ability to go far beyond the offerings in the marketplace today. Starting with a true "pick and click" ad-hoc report wizard, users can easily create custom reports that provide meaningful data and not be limited to a "one size fits all" approach.

REPORTING

The Reports Module contains three primary segments. *My Reports* are templated, customized reports, saved and accessible to authorized users. *Company Reports* are broader, enterprise-specific outputs. You can also access *Standardized* report offerings that contain often-used data elements in predefined layouts.

ControlPay Advanced™ has the ability to drill down into transactions and reveal Level III details, summarization of transactions, card issuing and cancellation history as well as a complete and user audit that tracks all changes in the system. All reports are exportable in a variety of formats such as Excel, comma and tab delimited text. Scheduling allows authorized users to "order" reports that are provided in the format and frequency required, with the ability to edit and change delivery time and type as needed.

Reports support a large audience, including:

- Accounting Reports – automated feed to internal systems on a scheduled basis
- Managerial Reports –review and analyze data on demand
- User Reports – used internally to manage cardholders and used by cardholders to manage reconciliation, etc.
- Transaction Reports– real-time data used to manage fraud, etc.

Reports can be predefined at the following levels:

- Bank defined
- Company defined
- User defined
- Ad-hoc

Delivery methods include FTP, e-Mail or Web.

Reports can be scheduled or generated on-demand. They can be run Once, Daily, Weekly, Monthly, Quarterly or Annually, and can be run by cycle date or calendar date.

Security Features

The Security Manager module of ControlPay Advanced™ provides the ability to set up unique user roles and permissions, effectively controlling access and functional use by users within the system. Customer-defined settings allow clients to "mimic" their own internal security postures. ControlPay Advanced™ safeguards client file data using a secure information delivery system in conjunction with a compression and encryption software package. This allows the use of various data communication protocols that would otherwise be vulnerable to intrusion. Commerce Bank clients will be provided a software "key" which will enable them to open the data file and decrypt it.

Data contained in the ControlPay Advanced™ Internet-based reporting tools is further safeguarded through the use of SSL 128 bit encryption. In addition, ControlPay Advanced™ displays only the last four digits of card account numbers. This data element is stored encrypted in the database to provide clients maximum security.

ControlPay Advanced™ reporting module has its own data security privileges that are established by the client Program Administrator for each user. The login IDs control the accounts and data that each user can access. Users are provided passwords that must be changed periodically, based upon the privileges entrusted to the user.

ControlPay Advanced™ security features comply with Visa USA's industry best practices, the Cardholder Information Security Program (CISP), and the PCI (Payment Card Industry) data security standard. The system architecture on which the ControlPay Advanced™ application resides has received CISP certifications for 2004, 2005, 2006 and 2007. The initial certification was validated on February 24, 2004 and annual revalidations were completed in 2005, 2006 and 2007. The technology assets used to design, build and harden the PCI - certified architecture and payment application are the same assets used in enhancing and deploying the ControlPay Advanced™ application.

System Requirements

Minimum Hardware Requirements

- IBM compatible Pentium class computer, 133 MHz, with 64 MB Ram, 250 MB hard disk free space
- Macintosh Computer (I-Mac or above)
- 56k modem with connectivity to the Internet

Minimum Software Requirements

- Windows 95 or higher
- Microsoft Internet Explorer 5.01 or above or Netscape 4.73
- Acrobat Reader, version 4 or higher
- Word processing software, such as Microsoft Word, capable of reading *.rtf files for managed reports
- Text reader, spreadsheet or database software capable of reading/importing text files

NEXT STEPS

- ✓ Identify any additional requirements or issues
- ✓ Review sample Agreement (attached)
- ✓ Provide Commerce Bank with 2 years audited financial statements plus latest interim management-prepared statements for credit approval



Commerce Bank

Corporate Resolution To Obtain Credit Card Account

The undersigned, _____ the Secretary of
_____ ("Corporation")

A _____ corporation, does hereby certify that the following resolutions were duly and regularly passed and adopted by the Board of Directors of this Corporation, at a meeting duly called, on the _____ day of _____, 20____, and such resolutions are still in full force and effect and have not been amended or revoked.

RESOLVED, that any one of the following:

be and each hereby is authorized directed and empowered to establish credit card accounts "(Accounts") with the Commerce Bank, N.A. (Omaha, NE.) (herein called "Commerce") and to execute all documents to effectuate this purpose which he/she may deem necessary and proper, including without limitation any application and agreement to open the Accounts.

FURTHER RESOLVED, that any one of the foregoing named officers of this Corporation may from time to time request Commerce to issue bank cards to any person in connection with any of the Accounts.

FURTHER RESOLVED, that any one of the foregoing named officers of this Corporation may from time to time appoint an Administrator to assist Commerce in the administration of the credit card program as provided in the Commerce Bank Commercial Card Agreement.

FURTHER RESOLVED, Commerce is authorized to act upon these resolutions until written notice of revocation is delivered to Commerce, and that the authority hereby granted shall apply with equal force and effect to the successors in office of the officers named herein.

The undersigned further certifies that the specimen signatures appearing below are the signature of the officers authorized to sign for this corporation by authority of these resolutions.

SPECIMEN SIGNATURES:

NAME (typed)	TITLE (typed)	Signature

IN WITNESS WHEREOF, I have hereunto set my hand as

_____ Secretary

and affixed the corporate seal of this Corporation this _____ day of _____, 20____

(SEAL)

SECRETARY: _____

COMMERCE BANK ACCOUNTS PAYABLE AGREEMENT

THIS COMMERCE BANK ACCOUNTS PAYABLE AGREEMENT is made and entered into as of the effective date set forth below by and between Commerce Bank, N.A. (Omaha, NE.) ("Commerce") and **ANY COMPANY** ("Customer").

1. **DEFINITIONS.** The following terms shall have the following meanings:

- a. "Administrator" means, individually and collectively, one or more employees, officers, directors, or agents of the Customer who are designated by the Customer to assist Commerce in the administration of the Program.
- b. "Agreement" means this Commerce Bank Accounts Payable Agreement and all Addenda from time to time executed by the parties and attached hereto, and all amendments to the foregoing.
- c. "Account Holder Agreement" means that agreement delivered to each Employee Account Holder which governs the use of the Accounts Payables, as amended from time to time.
- d. "Accounts Payables" means the Visa Accounts Payables and the numbers associated with the Accounts Payables issued by Commerce to Employee Account Holder(s) and the account numbers assigned to Customer without an associated Accounts Payable under the Program.
- e. "Employee Account Holders" means, collectively, those designated officers, directors, agents and employees of the Customer.
- f. "Program" means the Accounts Payable Program administered by Commerce as set forth in this Agreement.
- g. "Public Record Law" means any state's law which provides that Customer's contracts are open and available to the public.
- h. "Unauthorized Charge" means a charge made by an Employee Account Holder to an Accounts Payable that (i) has not been authorized by Customer, and (ii) that has been accepted and processed by a merchant having the technology capable of determining and confirming that the charge did not meet the parameters established by Customer for authorized charges.

2. **PROGRAM; ACCOUNT ISSUANCE AND RENEWAL.**

- a. During the term hereof, and subject to the terms and conditions of this Agreement, Commerce agrees to provide the Customer with the Program and to issue Commercial Accounts to Employee Account Holders.
- b. Commerce shall issue Commercial Accounts to each Employee Account Holder designated by the Customer, provided that (i) each such designated Employee Account Holder has a business or commercial purpose for the Commercial Account, and (ii) an account issuance request has been made by an Administrator in the form required by Commerce.
- c. Each Commercial Account shall be valid for the term indicated thereon, unless such Commercial Accounts has been canceled by Commerce pursuant to the provisions of this Agreement or at the request of the Customer.
- d. Commerce acknowledges the ability of Customer to cancel the Commercial Account issued to any one or more Employee Account Holder(s), at Customer's discretion upon proper notice to Commerce; provided, however, Customer shall take all reasonable actions necessary to retrieve the Commercial Account issued to Employee Account Holder and shall immediately destroy the retrieved Commercial Account.

3. **BILLING PROCEDURES.** Central Billed Accounts: Customer shall be liable for all charges made to each Commercial Account requested by Customer. Charges shall be set forth on a billing statement and shall be paid by the Customer as agreed in Addendum A attached hereto and incorporated herein by this reference, and as set forth herein. Except for a proven Unauthorized Charge, Customer shall pay Commerce for all charges made to each Employee Account Holder's Commercial Account within the time period provided in Addendum A. Except as provided herein, Commerce shall have no duty or obligation to inquire into the nature of any transaction charged by any Employee Account Holder (e.g., whether such transaction was for a business or personal use.)

4. **PROGRAM ADMINISTRATOR.** Upon signing this Agreement, Customer shall designate one or more Administrator(s) to assist Commerce in the administration of the Program. In addition to any other duties listed elsewhere in this Agreement, as well as any other duties reasonably requested by Commerce, the Administrator shall undertake the following duties on behalf of the Customer:

- a. The Administrator shall have the responsibilities assigned in the Program Administrator Delegation document provided by Customer to Commerce, including, without limitation, the ability to request that

- Commerce issue Commercial Accounts to any person in connection with the Program, to increase or decrease credit limits, to suspend accounts, to order or block cash advances, wire transfers and convenience checks, and to perform any other maintenance activity.
- b. The Administrator shall be familiar with all aspects of the Program, including, but not limited to, Program procedures, number and status of Commercial Accounts, employment status of Employee Account Holders, notice requirements, any disputed transactions, Employee Account Holder credit limits, statement cycles, billing and payment procedures, general program parameters and status of delinquent charges.
 - c. The Administrator shall be responsible for notifying Commerce, in writing, about changes in authorization codes.
 - d. The Administrator shall advise Commerce of any Employee Account Holder's termination of employment.
 - e. The Administrator shall take all reasonable actions necessary to retrieve Accounts Payables issued to Employee Account Holders whose employment has terminated. Such Commercial Accounts shall be immediately destroyed.
5. **FEES.** Commerce shall be paid fees and charges set forth in Addendum A. Customer acknowledges that Commerce has based the fees and charges upon the projections given by Customer regarding transaction volume, average ticket amount, number of Accounts, monthly credit line requested, reporting product selected, and frequency of payment. Fees may be subject to change from time to time by Commerce upon ninety (90) days prior written notice unless otherwise specified in Addendum A. Customer shall have 90 days from statement date to notify Bank of any revenue sharing payment errors.
6. **LINE OF CREDIT.** Commerce will establish a maximum line of credit amount for Customer.
- a. All amounts charged to the Commercial Accounts together with any fees and charges owed to Commerce by Customer in connection with the Program, may not exceed, in the aggregate, the line of credit amount unless Commerce in its sole discretion authorizes such charges.
 - b. Commerce may, at any time in its sole discretion, modify the amount of Customer's line of credit upon thirty (30) days prior written notice to Customer; provided, however, that Customer may elect to terminate this Agreement by written notice to Commerce during such thirty (30) day notice period; provided, further, Customer agrees that if any amounts are outstanding on the Commercial Accounts which exceed the adjusted line of credit amount, Customer will immediately pay Commerce such excess amounts.
 - c. From time to time, Commerce may request, and Customer shall produce in a timely manner (not to exceed 30 days), financial records relating to the financial condition of Customer.
7. **TERM OF AGREEMENT AND RENEWAL.** This Agreement shall remain in full force and effect until terminated by either party as herein set forth. Either party may terminate this Agreement at any time, with or without cause, upon thirty (30) days' prior written notice.
- a. In the event Customer terminates this Agreement prior to the date that is three (3) years from the effective date set forth below, Commerce reserves the right to forego all future revenue sharing payments for the Program.
 - b. In the event Customer terminates this Agreement without cause prior to the date that is three (3) years from the effective date set forth below, Customer shall pay to Commerce all costs associated with establishing the Program as provided in Addendum A.
 - c. All Commercial Accounts and/or related accounts shall be deemed canceled effective upon termination of this Agreement or as otherwise provided herein, and all amounts outstanding under such Accounts Payables shall automatically become immediately due and payable in full by Customer without further notice.
 - d. Notwithstanding the foregoing, either party shall have the right to terminate this Agreement immediately, and without notice, upon the occurrence of any one or more of the following events, whereupon the obligations of Customer arising hereunder and/or under the Accounts Payables shall automatically become immediately due and payable in full (except as otherwise provided by law):
 - (i) Dissolution or liquidation of the other party; or
 - (ii) Insolvency of the other party; or the institution by or against the other party of any bankruptcy or insolvency proceeding; or the appointment of a receiver or trustee for the other party; or the other party enters into an arrangement with, or for the benefit of, its creditors; or
 - (iii) Any material adverse change in the financial condition of the other party; or

- (iv) Any default hereunder, or breach of the obligations undertaken herein, or in any other agreement by and between the parties hereto; or
- (v) Upon the occurrence of any event in any agreement which would allow Commerce or any other person to declare any indebtedness owing by Customer due and payable in full (and Customer shall give Commerce immediate notice of the occurrence of such event); or
- (vi) A change in the ownership of Customer, or a sale of all or substantially all of the Customer's assets.

8. **REPORTING.** Commerce will, either directly or indirectly through its third party vendors, receive data from the transactions made with the Commercial Accounts; such data will be delivered to Customer as specified in Addendum A and Addendum B. Commerce shall have no responsibility or liability for the capture, transmission, grouping, reporting, categorizing or any other act performed or required to be performed in connection with the foregoing data that Customer's vendors are transmitting at the point of sale.

9. **CUSTOMER LIABILITY.**

The Customer shall be solely liable for the payment of all charges incurred in the use of Commercial Accounts, including, without limitation, fraud charges relating to lost and stolen Accounts Payables, if such fraud charges relate to:

- 1. Duplicate Commercial Accounts or related account numbers issued in the same Employee Account Holder's name;
- 2. Employee Account Holder allows another person to utilize the Commercial Accounts whether for business or personal purposes;
- 3. Employee Account Holder mishandles the Commercial Accounts or related account number; or
- 4. Charges which benefit the Employee Account Holder and/or Customer directly or indirectly.

The Customer shall not be liable for the payment of charges incurred in the use of Commercial Accounts if such charges relate to:

- 1. Charges waived as set forth in Visa Waiver of Liability documentation, as amended from time to time;
- 2. Commercial Accounts transactions after the original closure request date for a Commercial Account where the request by the Customer was made in accordance within the terms of this Agreement during normal business hours; or
- 3. The use of a lost/stolen Commercial Account if the Commercial Account is reported lost or stolen via facsimile or telephone as provided in this Agreement within twenty-four (24) hours after the Customer, including the Employee Account Holder, learns of the loss or theft of the Commercial Account; provided that if the Accounts Payable is not reported lost or stolen within such time frame, the Customer shall be liable for all charges associated with the lost or stolen Accounts Payable until the date the Customer notifies Commerce of such loss or theft.

10. **ASSIGNMENT.** Neither party shall sell, assign or transfer this Agreement or any part thereof without the prior written consent of the other party; provided, however, Commerce may, without the consent of the Customer, assign any or all of its rights and obligations under this Agreement to its parent, any subsidiary (of Commerce or its parent), or any affiliate (of Commerce or its parent) or to any other party pursuant to a merger, acquisition, consolidation, or reorganization.

11. **NOTICES.** All notices hereunder shall be in writing and shall be deemed duly given when personally delivered, when delivered by recognized overnight courier, or, three (3) days after mailing if sent by certified or registered United States mail, return receipt requested, postage prepaid, to the appropriate party at the address set forth below, or at such other address as the applicable party may indicate from time to time in writing. Notice hereunder shall be sent:

If to Commerce:
Commerce Bank, N.A.
Attn: Commercial Card Services
825 Main Street
Kansas City, MO 64105

If to Customer:
COMPANY NAME
Attn: CONTACT TITLE
ADDRESS
CSZ

Communications with Commerce concerning disputed billings shall be made by mail to Commercial Account Services, 825 Main Street, Kansas City, Missouri 64105 or by phone at 800-892-7104.

12. **CONFIDENTIALITY.** Commerce and Customer will keep strictly confidential and will not use or disclose to any third party or to any employee, officer, director or agent (except on a need to know basis) for any purpose whatsoever (other than as contemplated herein or for a business evaluation of the Program performed by either party) all or any portion of the contents of the Program, including but not limited to, any of the terms of, conditions of or other facts concerning the Program and any written or oral information furnished by Commerce or by Customer which is either nonpublic, confidential or proprietary in nature unless such use or disclosure is mutually agreed upon in writing by Customer and Commerce; provided, however, Customer understands and acknowledges that affiliates of Commerce and vendors of Commerce will assist in implementation of, maintenance of, and provision of various services under the Program. In the event Customer is subject to a Public Record Law, Customer shall comply with the provisions of this Confidentiality paragraph only to the extent that such compliance is in accordance with the applicable Public Record Law.
13. **INDEMNITY.** Customer agrees to defend, indemnify and hold harmless Commerce, its officers, directors, agents and employees from and against any and all claims by third parties (including, without limitation, Employee Account Holders) and all costs (including reasonable attorneys' fees and costs), expenses and liabilities incurred by Commerce in connection with such claims, arising from or as a result of the establishment of the Program (including, without limitation, the issuance of Commercial Accounts and/or the cancellation thereof and actions arising in connection with its use of On-Line Services identified in Addendum B), provided that such claims are not the result of, or connected with, the gross negligence, or willful misconduct of Commerce or the violation by Commerce of any law or regulation relating to credit Accounts. Customer acknowledges that the pricing provided in Addendum A is based on including this Indemnification.

Commerce agrees to defend, indemnify and hold harmless the Customer, its officers, directors, agents and employees from and against any and all claims by third parties (including reasonable attorneys' fees), expenses and liabilities incurred by Customer in connection with such claims, arising from or as a result of the gross negligence or willful misconduct of Commerce.

14. **MISCELLANEOUS.**

- a. Relationship: Nothing contained in this Agreement shall be construed to create any relationship for brokerage, agency, joint venture, partnership or employment between Commerce and Customer.
- b. No Implied Waivers: The rights of any party under any provision of this Agreement shall not be affected by its prior failure to require the performance by the other party under such provision or any other provision of this Agreement, nor shall the waiver by any party of a breach of any provision hereof constitute a waiver of any succeeding breach of the same or any other provision or constitute a waiver of the provision itself. A waiver of any right or obligation hereunder must be in writing and signed by the parties to this Agreement.
- c. Remedies: In the event that either party breaches or violates any of the obligations contained in this Agreement, and in addition to the rights and remedies otherwise provided in this Agreement, the other party shall be entitled to exercise any right or remedy available to it either at law or in equity, including without limitation, termination of this Agreement, damages and injunctive relief. The exercise of any right or remedy shall be cumulative.
- d. Complete Agreement; Amendments: This Agreement constitutes the complete understanding between the parties hereto with respect to the subject matter hereof and all prior oral or written communications and agreements with respect thereto are superseded. In the event of any inconsistency between this Agreement and any other agreements or documents relating to the transactions contemplated herein, this Agreement shall control. No alteration, amendment or modification of any of the terms and provision in this Agreement shall be valid unless made pursuant to an instrument in writing signed by the parties hereto.
- e. Successors and Assigns: All the terms and provisions of this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.
- f. Severability: The invalidity or unenforceability of any one or more portions, sentences, clauses or paragraphs in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement or any part thereof.
- g. Force Majeure. Commerce shall not be in default of this Agreement to the extent that performance of its obligations is delayed or prevented by reason of any act of God, war, terrorism, fire, explosion, flood, act of government or any act or omission of a third party, including, but not limited to, telecommunications carriers and utilities or any other matter beyond its reasonable control.

- h. Governing Law: This Agreement shall be governed, construed, and enforced according to the laws of the State of Nebraska.
- i. Patriot Act/ OFAC: Commerce complies with the USA Patriot Act and laws administered by OFAC (The Office of Foreign Assets Control). These laws mandate that Commerce verify certain information about customers. Commerce reserves the right, at any time, to request information that may assist Commerce in compliance with these laws. Customer agrees to promptly provide such information as requested by Commerce, including, without limitation, information about Employee Account Holders.

15. **EFFECTIVE DATE.** Notwithstanding anything else contained herein to the contrary, this Agreement will be subject to Commerce performing due diligence and credit investigations and will be effective only upon execution by Commerce.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of the parties hereto.

Commerce Bank, N.A. (Omaha, NE)
(Commerce)

COMPANY
(Customer)

By: _____

By: _____

Title: _____

Title: _____

Effective Date: _____

ADDENDUM A
Pricing and Payment Schedule

Program Fees	
Pricing Term	The pricing outlined herein will expire in 60 days from August 27 th , 2008 unless a Accounts Payable Agreement is executed
Late Fee for Central Bill Accounts	For each payment not received by the payment due date shown on the billing statement, a late fee will be charged. The late fee for the respective Accounts Payable or account will be 2.5% of the amount past due.
International Service Fee	Visa and MasterCard purchases, cash withdrawals and cash advances made in currencies other than U.S. Dollars will be converted to U.S. Dollars under regulations established by Visa International and MasterCard International. Visa conversion will be at a rate selected by Visa from the range of rates available in wholesales currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. MasterCard conversion rate will be selected by MasterCard, typically either a government-mandated rate or a wholesale rate provided to MasterCard. Conversion to U.S. Dollars may occur on a date other than the date of the transaction. Therefore, the conversion rate may be different from the rate in effect at the time of the transaction. Customer agrees to pay the converted amount, plus an international service fee in the amount of 2% of the transaction amount on purchases and 1% on cash withdrawals and cash advances. For purchases, cash withdrawals and cash advances made in U.S. dollars outside of the United States and its territories, you agree to pay the transaction amount plus a 1% service assessment fee.
Other Fees	
Returned Check Fee	\$29 per occurrence
ACH Return	\$29 each after first occurrence
Payment by phone (emergency)	\$15 each after first occurrence
Statement Reprinting	\$2 per statement after three occurrences Free through Statement Centre
Other	For information, copies or other reports not specified in this Addendum, Commerce may charge Customer such fees as Customer and Commerce may agree from time to time.
Software Initial Training	Commerce Bank uses a 'train the trainer' model. General training occurs with either in-person or WebEx / Phone training with the Program Administrators. The Program Administrators, in turn, trains the Account Holders and system users on the chosen reporting and maintenance application. Additional Program Administrator training can be conducted via WebEx / Phone at no additional charge. Account Holder and system user training via WebEx / Phone will be charged at \$250 / hour. In-person training sessions (after initial Program Administrator software training) will be charged at \$250 / hour plus travel expenses and appropriate travel notice is requested for training.
Reporting and Maintenance Tool Options	
ControlPay Advanced	
Implementation Fee**	\$5,000 WAIVED
Annual Maintenance Fee**	\$500 WAIVED
Routine maintenance and upgrades	NO CHARGE
Initial web-based or phone training for Administrators*	NO CHARGE
Customized Programming	<p>AP File Layouts</p> <ul style="list-style-type: none"> ❖ Standard – No Charge ❖ Custom – in those instances where this effort will generate a cost over \$3,000, Commerce will obtain a price quote for Customer. <p>Reconciliation Reports</p> <ul style="list-style-type: none"> ❖ Standard – No Charge ❖ Custom – Commerce will obtain a price quote for Customer. <p>Other Custom Programming</p> <ul style="list-style-type: none"> ❖ Commerce will obtain a price quote for Customer unless development is mutually agreed upon by Customer and Commerce. <p>Development hours beyond the initial 10 hours is typically charged at a rate of \$150.00 per hour.</p>

Payment Schedule

Commerce will generate a billing statement on a periodic basis as outlined below. All amounts owing on the Commercial Accounts, including fees and charges, shall be due and payable in full on a grace period as outlined below, after the date of such statement. The statement will be transmitted to the Employee Account Holder or to Customer via U.S. Mail or made available by an alternative means as agreed upon by both parties.

Billing Frequency	Grace Period in Days	Payment Method
Weekly	3	AutoPay

REVENUE SHARING

- Commerce will pay Customer a monthly revenue (three months in arrears) share based on the matrix schedule below.

Annual Net Volume	Monthly Net Volume	3 Day Grace

- The revenue share is calculated on the net sales volume which is defined as gross purchases less credits, fraudulent transactions, and cash advances.
- Commerce reserves the right to withhold or alter revenue sharing during the Revenue Sharing Period, if any of the following instances occur:
 - If the average monthly transaction (the gross dollar amount of purchases divided by total number of transactions) is below \$XX.
 - If Customer's average Interchange Rate falls below 2.25%.
 - If Interchange Rates from Visa USA and MasterCard International are significantly altered.
 - If payments from Corporate or Employee Account Holders are received later than the agreed upon due dates.
 - Revenue sharing will be withheld for net sales volume qualifying for Large Ticket and Level III Interchange rates.
- Commerce may adjust the revenue sharing percentages in the published grids below at the end of each 12-month period, which begins on the Effective Date, without notice. A Prime Rate of 5.00% will be used as the floor in support of this revenue sharing program. Should the Prime Rate on the last publication day of the month immediately preceding the first day of the applicable billing cycle be above 5.00%, Commerce will reduce revenue sharing percentages by the Revenue Share Adjustment for each incremental rise in the Prime Rate as follows:

Billing Cycle	Grace Period	Change in Prime Rate	Revenue Share Adjustment
Weekly	3 Day	1.00%	0.020%

For example, if Prime Rate is 6.00% at the end of a 12-month period for a Customer with a Weekly Billing Cycle and a 3 -Day Grace Period, Commerce will reduce revenue sharing percentages in all tiers of the revenue share grid by four (4) basis points (0.04 %). Commerce will not increase revenue sharing percentages should the Prime Rate be lower than the established 5.00% floor.

****All line items noted with a "***" are the costs associated with establishing the Program as referenced in Paragraph 7 of the Agreement.**
IN WITNESS WHEREOF, this Addendum A has been executed by the duly authorized officers of the parties hereto, and this Addendum A supersedes any prior Addendum A.

Commerce Bank, N.A. (Omaha, NE)
(Commerce)

Company
(Customer)

By: _____

By: _____

Title: _____

Title: _____

Effective Date: _____

ADDENDUM B
Election of On-Line Services

Customer has elected certain On-Line Service(s) (each a "Service," collectively, the "Services.") The Services are Internet based customer service offerings that enable Customers to inquire about accounts and transaction information, submit account change requests and download information about accounts, among other capabilities. The terms and conditions of the Agreement, including, without limitation, the provisions regarding Indemnification and Liability, govern the use of each Service. Customer understands and accepts the risks inherent in the use of the Internet for each Service, including the potential for the risk of loss. Except as may otherwise be provided in paragraph 9 of the Agreement, Commerce is not responsible for any loss associated with the Customer's use of any Service. By electing a Service, Customer agrees to pay the fees associated with the Service as listed in Addendum A. In addition, Customer agrees to use each Service only as provided in the User Guide relating to the Service in effect from time to time (the "User Guide") and according to the provisions contained in the Service License Agreement, if any, between Customer and the Service provider.

Use of any Service will require a user name and password. Customer acknowledges that Commerce is entitled to rely on the use of the user name and password as authorization for any transaction initiated using each Service. Customer is responsible for all transactions initiated or authorized using any Service. The password Customer selects is for its use and protection. Customer agrees to: (a) not disclose the password or otherwise make it available to anyone else; (b) use the password as instructed in the User Guide; (c) be liable for the password and for its use as described in the Agreement and/or the User Guide.

If Customer permits any person other than the Administrator to make use of any Service to perform any duty or responsibility of the Administrator, Customer will have authorized that person to act as an Administrator. Customer will be responsible for all transactions initiated or authorized by that additional or new Administrator using any Service. In addition, Customer must execute and deliver proper documentation authorizing this additional or new Administrator to act for and on behalf of Customer, and Customer must provide such other documentation as may be requested by Commerce.

IN WITNESS WHEREOF, this Addendum B has been executed by the duly authorized officers of the parties hereto and this Addendum B supersedes any prior Addendum B.

Commerce Bank, N.A. (Omaha, NE)
(Commerce)

Company
(Customer)

By: _____

By: _____

Title: _____

Title: _____

Effective Date: _____

25. *Reappointment of District Solicitor*

INFORMATION:

The Board of School Directors approved the original services agreement with King Spry Herman Freund & Faul LLC (King Spry) in February 2008, with an expiration date of February 2009. The legal services agreement extension was discussed but no formal action was taken. King Spry proposes an agreement for the term July 1, 2009, through June 30, 2010, via correspondence dated October 9, 2009. The terms of the agreement was reviewed by the board on October 19, 2009, following the Board Human Resources Committee Meeting.

The new agreement remains the same in all matters with the exception of the cap on special education matters. The previous agreement capped special education related legal costs at \$70,000 annually; the new agreement does not include a cap on special education matters.

BOARD RECOMMENDATION:

That the Board of School Directors accepts the Proposal for Scope of Services and Compensation for Bethlehem Area School District Solicitor from King, Spry, Herman, Freund, and Faul, LLC, dated October 9, 2009, and agrees to the terms and conditions to June 30, 2010, or severance, whichever shall first occur.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together



KINGSPRY

October 26, 2009

JEROME B. FRANK
DONALD F. SPRY II
DOMENIC P. SBROCCHI
KIRBY G. UPRIGHT, LL.M., CPA
KENT H. HERMAN
TERENCE L. FAUL
JOHN E. FREUND, III
JEFFREY T. TUCKER
GLENN M. HAZELTINE
JAMES F. SWARTZ, III
KEVIN C. REID
PAUL S. FRANK
MICHAEL A. GAUL
ELLEN C. SCHURDAK
KRISTINE RODDICK
REBECCA A. YOUNG
DOROTA GASINICA-KOZAK
JESSICA FRISCH MOYER
LUCAS J. REPKA
ERIN D. GILSBACH
MICHAEL A. SANTANASTO

Ms. Loretta M. Leeson, President of Board of Directors
Bethlehem Area School District
c/o Dr. Thomas E. Persing, Substitute Superintendent
1516 Sycamore Street
Bethlehem, PA 18017

**RE: Proposal For Scope of Services and Compensation
For Bethlehem Area School District Solicitor**

Dear Ms. Leeson:

This will constitute our proposal for the scope of our legal services to Bethlehem Area School District and as solicitor to Bethlehem Area School District's Board of Directors. If accepted by the Board, this will constitute our agreement to June 30, 2010 or severance, whichever shall first occur.

SERVICES

OF COUNSEL:
E. DRUMMOND KING
JAMES J. RAVELLE, Ph.D., JD.
AFFILIATED WITH:
LAW OFFICES OF IRA WEISS
PITTSBURGH, PA 15219

* Certified Civil Trial
Advocate by National
Board of Trial Advocacy
(*A Pa. Supreme Court
Approved Agency*)

King, Spry, Herman, Freund & Faul, LLC (KSHFF) will provide comprehensive general counsel, legal consultation services, and representation on all legal matters affecting the Bethlehem Area School District (School District). It is anticipated that, from time to time, after consultation with KSHFF, the School District may engage special counsel as may be recommended by KSHFF, as required by the Attorney's Code of Professional Responsibility, or in the best interests of the School District.

COMPENSATION

1. **Annual Fee:** The School District shall pay to KSHFF the amount of \$16,000 Annual Fee. The services included under the Annual Fee are as follows:

- All telephone conferences between KSHFF and School District officials involving general legal advice as shall be designated by the Board of Directors;
- Attendance at one (1) public Board meeting monthly, together with any executive sessions which immediately precede or follow the public meeting.
- All services not otherwise chargeable.

KING, SPRY, HERMAN, FREUND & FAUL, LLC • ATTORNEYS & COUNSELORS AT LAW
ONE WEST BROAD STREET • SUITE 700 • BETHLEHEM, PA 18018 • TEL: 610-332-0390 • FAX: 610-332-0314

ALLENTOWN BETHLEHEM STROUDSBURG

www.kingspry.com

KING, SPRY, HERMAN, FREUND & FAUL LLC

*Ms. Loretta M. Leeson, President of Board of Directors
Bethlehem Area School District
October 26, 2009
Page Two*

2. **Services outside of Annual Fee - non litigation:** For all other services above the Annual Fee and not involved in litigation, the School District shall be billed at the blended rate of \$120 per hour for professional tasks and \$75 per hour for paraprofessional tasks.
3. **Services outside of Annual Fee - litigation:** For matters where KSHFF represents the School District in litigation, billing will be charged at litigation rates consistent with hourly rates which shall be a blended rate of \$145 per hour. This litigation shall include any circumstances where the School District is contacted by an attorney representing a client, litigation is threatened, actual litigation involving any matter before a court, administrative agency or hearings before the School Board or a hearing officer designated by the Board. This rate shall also apply to employee discipline matters, labor negotiations, and construction matters. Where King Spry is approved defense counsel rates shall be consistent with those rates approved by the carrier, where KSHFF represents the School District before courts, administrative agencies, or in arbitrations. Litigation shall not include student disciplinary cases before the School Board, which will be charged at the non-litigation rate.

KSHFF represents to the School District that it is approved and qualified as defense counsel for the Pennsylvania School Boards Association Insurance Trust endorsed school leaders errors and omissions insurance as well as other writers of educators liability and errors and omissions insurance including AIG. In the event of litigation, an administrative due process request, a claim, or suit within the coverage of the Board of Directors' errors and omissions policy, the School District agrees to submit such claims for coverage and defense, and to request the designation of KSHFF as defense counsel for the School District. In the event of such designation, the School District agrees to accept the hourly rate approved by the insurance carrier.
4. **Non-adversary or Instructional Service:** KSHFF will provide training and instruction in special education and other school law issues as requested to School District faculty and administration at \$125 per hour, which shall be billed separately.

KING, SPRY, HERMAN, FREUND & FAUL LLC

Ms. Loretta M. Leeson, President of Board of Directors
Bethlehem Area School District
October 26, 2009
Page Three

5. **Billing:** We will submit itemized invoices on a monthly basis. Litigation matters subject to the approved insurance rate will be invoiced separately from school solicitor services. Bond counsel fees will be paid at closing and will be contingent upon a successful closing.
6. **Reimbursable Expenses:** The School District agrees to reimburse KSHFF payment of out-of-pocket expenses advanced on behalf of the School District including, but not limited to, filing fees for legal documents, advertising, experts, exhibit preparation, extraordinary photocopying, and overnight delivery costs. Long distance telephone charges, ordinary photocopying, and postage will not be charged unless reimbursable by insurance.
7. **Student Discipline**

\$125/hour for preparation and attendance at all student discipline waiver conferences, hearings and preparation of adjudications not to exceed \$60,000.
8. **Special Education Matters**

\$145/hour for consultation, witness prep, representation at resolution sessions and due process hearings.

MUNICIPAL FINANCE AND BOND COUNSEL SERVICES

KSHFF represents and warrants that it is qualified and experienced in the handling of tax-exempt municipal bonds and other municipal finance matters. In the event the School District elects to use the services of KSHFF for purposes of bond counsel in a general obligation financing, KSHFF's fee will be calculated as follows:

	<u>Issue Amount</u>	<u>Fee Amount/ Multiplier</u>
	\$0-\$3.5 million	\$5,000.00
on the first	\$3.5 - 10 million	.0015
on the next	\$10 - 25 million	.0010
	Over \$25 million	.0005

KING, SPRY, HERMAN, FREUND & FAUL LLC

**Ms. Loretta M. Leeson, President of Board of Directors
Bethlehem Area School District
October 26, 2009
Page Four**

Should the financing transaction present unusual issues or complexity, KSHFF&F will advise the School District and arrive at a mutually agreed fee before undertaking the assignment.

All out-of-pocket expenses involving the transaction will be reimbursed to KSHFF.

Where KSHFF acts as bond counsel, School District will have the option to pay KSHFF a total counsel fee equal to 50% of the Bond Counsel fee or to forego such fee. In the event the School District elects to pay KSHFF's total counsel fee, KSHFF will credit such fee against its annual fee spread evenly over six (6) months billing. In the event KSHFF is not Bond Counsel, KSHFF will receive a fee equal to 50% of Bond Counsel's fee for local counsel fees.

PERSONNEL ASSIGNED

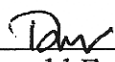
KSHFF represents that it has adequate personnel trained in school law and municipal finance to meet the School District's needs. Fees for counsel assigned or who could be assigned to School District's work will be provided in a separate schedule. The primary responsible attorney will be KSHFF partner Donald F. Spry, II, Esquire. Time charges are based upon the professional nature of the task and not personnel assigned. Task assignments shall be at the sole discretion of the primary responsible attorney.

KSHFF represents that it has secured and upon request will provide the District with evidence of Professional Liability Insurance.

KSHFF looks forward to serving the needs of the Bethlehem Area School District.

Very truly yours,

KING, SPRY, HERMAN, FREUND & FAUL, LLC

By: 
Donald F. Spry, II, Esq.

DFSII/bd

26. *Authorization to Terminate Constant Maturity Swap Attached to the 2005 Bonds at or Above Stated Net Market Value Parameter*

INFORMATION

The financial plan discussed by Public Financial Management at the October 19, 2009, Board Finance Committee Meeting included the termination of Constant Maturity Swaps once an established net market value threshold was attained.

RECOMMENDATION:

That the Board of School Directors approves the attached Resolution to authorize the termination of the identified Constant Maturity Swap to the 2005 bonds.

President Leeson directed the members that on the second page in the third paragraph in the blank they should write in \$700,000.

Director Dexter moved that in section one on number 26 on the third line that “or Finance Committee Chair” be added. Director Follweiler seconded the motion.

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

The motion to amend was passed with a vote of 9 – 0.

Director McKeon moved to amend Section 4 to read “This Resolution shall become effective immediately and terminate with the January regular board meeting.” It was stated that the date would be January 26, 2010. Director Follweiler seconded the motion.

Director Dexter stated that in the event that the January board meeting would be postponed because of snow or weather problems she would not want to be left hanging to find that three days after the board meeting they have no authority to do what they would like to do. She suggested that if they are going to have a shelf life they would indicate some other language. President Leeson responded that if the January board meeting is postponed to another date it is still the January regular board meeting no matter when it is held and the termination would follow the

postponement. Director Dexter offered that would be the case if the postponement is still in January. President Leeson restated that if it is still considered the January board meeting that the postponement would follow. Director Dexter suggested the wording “to terminate at the next January board meeting or in the event that such meeting is postponed, on the next scheduled date when the board regularly meets.” She continued that it is possible that if the January meeting is postponed it will not be held until February. She expressed concern about a problem with the authority.

President Leeson asked Director McKeon if he would like his motion changed to indicate “on or before January 31, 2010.” He responded that it is fine the way it is. He believes that the board is obligated to hold a January board meeting no matter when it is under law.

President Leeson reread the motion as “and terminate on or before January 31, 2010.” Director McKeon added “or the regular January board meeting.” She asked if he wanted to add that in or is “on or before January 31, 2010” still ok. He confirmed.

Director Follweiler withdrew her second to this motion. She indicated that she wanted it to read the “January board meeting” without a date.

President Leeson asked if anyone was willing to second the amended motion that includes the phrase “on or before January 31, 2010.” There was no second so the amended motion did not pass.

Director Follweiler made a motion that language is added to the resolution to have it extended until the January regular board meeting regardless of the date of that meeting. Director Amato seconded the motion.

President Leeson read the amended language as “This resolution shall become effective immediately and terminate with the January regular board meeting, 2010.”

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

Nay, Director Dexter

The motion to amend was passed with a vote of 8 – 1.

Items 26 and 28 were considered together.

**BETHLEHEM AREA SCHOOL DISTRICT,
Northampton and Lehigh Counties, Pennsylvania**

RESOLUTION

WHEREAS, The Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania (the “School District”) is a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”), is governed by its Board of School Directors (the “Board”); and

WHEREAS, This School District entered into an interest rate management agreement pursuant to an ISDA Master Agreement and Schedules, and a confirmation thereto dated May 16, 2005 (the “2005 CMS”), commonly known as a “constant maturity swap”, with Morgan Stanley Capital Services Inc. (“Morgan Stanley”), based on a notional amount of \$55,000,000, originally coinciding with principal payments due on the School District’s General Obligation Bonds (Weekly Mode), Series of 2005; and

WHEREAS, The Board wishes to authorize the termination of the 2005 CMS under its terms and the terms of this Resolution at such time as the termination amount payable to the School District by Morgan Stanley, net of all fees and expenses of the Financial Advisor and Bond Counsel (hereinafter defined) and the School District’s Solicitor, is greater than or equal to \$_____ (the “Termination Parameter”).

WHEREAS, The Board intends to retain, or ratify the retention of, Public Financial Management, Inc. (the “Financial Advisor”), to serve as its independent financial advisor in connection with the 2005 CMS termination, and requests the Financial Advisor to negotiate on its behalf with Morgan Stanley regarding the final payment amount for, and conditions to, the 2005 CMS termination, within the Termination Parameter; and

WHEREAS, The Board intends to retain, or ratify the retention of, Rhoads & Sinon LLP, as counsel to this School District (“Bond Counsel”) to implement and to render ongoing advice and assistance in structuring and documenting the 2005 CMS termination.

NOW, THEREFORE, BE IT RESOLVED, by the Board of this School District, as follows:

SECTION 1. The Board hereby authorizes the termination of the 2005 CMS at such time as the Termination Parameter can be satisfied, as confirmed by the Financial Advisor, and the President or Vice President of the Board shall sign appropriate documents associated with the 2005 CMS termination following such confirmation. Officers and agents of this School District, including the Financial Advisor and Bond Counsel, are authorized to prepare and file appropriate documents to reflect actions taken regarding the 2005 CMS termination.

SECTION 2. The Financial Advisor is hereby authorized to serve as the independent financial advisor, as contemplated by the Pennsylvania Local Government Unit Debt Act, to represent this School District in financial matters pertaining to the termination of the 2005 CMS. Bond Counsel is authorized to represent it in all legal matters pertaining to the 2005 CMS termination.

SECTION 3. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution, it being the intent of this School District that such remainder shall be and shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately.

DULY ADOPTED, by the School Board, in lawful session duly assembled, this
____ day of _____, 2009.

BETHLEHEM AREA SCHOOL DISTRICT,
Northampton and Lehigh Counties, Pennsylvania

By: _____
(Vice) President of the Board of
School Directors

ATTEST:

(Assistant) Secretary of the Board of
School Directors

(SEAL)

CERTIFICATE

I, the undersigned, (Assistant) Secretary of the Board of School Directors (the "Board") of the Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania (the "School District"), certify that: the foregoing is a true and correct copy of a Resolution which duly was adopted by affirmative vote of a majority of all members of the Board of the School District at a meeting duly held on the ____ day of _____, 2009; said Resolution duly has been recorded in the minute book of the School District; and said Resolution has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of the School District met the advance notice and public comment requirements of the Sunshine Debt Act, 65 Pa.C.S. Ch. 7, by advertising said meeting, by posting prominently a notice of said meeting at the principal office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Debt Act.

I further certify that: the total number of members of the Board of the School District is nine (9); the vote of members of the Board of the School District upon said Resolution was called and duly was recorded upon the minutes of said meeting; and members of the Board of the School District voted upon said Resolution in the following manner:

Loretta M. Leeson
Judith A. Dexter
Rosario S. Amato
Michele Cann
Irene Follweiler
Craig T. Haytmanek
Charlene A. Koch
Eugene C. McKeon
Benjamin M. Tenaglia, III

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Bethlehem Area School District, this ____ day of _____, 2009.

(SEAL)

(Assistant) Secretary

27. *Authorization to Terminate Constant Maturity Swap Attached to the 2007-1 Note at or Above Stated Net Market Value Parameter*

INFORMATION

The financial plan discussed by Public Financial Management at the October 19, 2009, Board Finance Committee Meeting included the termination of Constant Maturity Swaps once an established net market value threshold was attained.

RECOMMENDATION:

That the Board of School Directors approves the attached Resolution to authorize the termination of the identified Constant Maturity Swap to the 2007-1 Note.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27 were considered together.

**BETHLEHEM AREA SCHOOL DISTRICT,
Northampton and Lehigh Counties, Pennsylvania**

RESOLUTION

WHEREAS, The Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania (the “School District”) is a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”), is governed by its Board of School Directors (the “Board”); and

WHEREAS, This School District entered into an interest rate management agreement pursuant to an ISDA Master Agreement and Schedules, and a confirmation thereto entered into on June 27, 2006 (the “2007-1 CMS”), commonly known as a “constant maturity swap”, with JP Morgan Chase Bank, N.A. (“JP Morgan”), based on a notional amount of \$40,000,000, originally coinciding with principal payments due on the General Obligation Note, Series of 2007, of this School District, which secured the Shippensburg Borough Authority Variable Rate Demand Revenue Bonds (Bethlehem Area School District Project), Series of 2007, now coinciding with the General Obligation Note, Series of 2009 of this School District securing the School Revenue Bonds, Series of 2009 of the Bethlehem Area School District Authority; and

WHEREAS, The Board wishes to authorize the termination of the 2007-1 CMS under its terms and the terms of this Resolution at such time as the termination amount payable to the School District by JP Morgan, net of all fees and expenses of the Financial Advisor and Bond Counsel (hereinafter defined) and the School District’s Solicitor, is greater than or equal to \$700,000 (the “Termination Parameter”).

WHEREAS, The Board intends to retain, or ratify the retention of, Public Financial Management, Inc. (the “Financial Advisor”), to serve as its independent financial advisor in connection with the 2007-1 CMS termination, and requests the Financial Advisor to negotiate on its behalf with JP Morgan regarding the final payment amount for, and conditions to, the 2007-1 CMS termination, within the Termination Parameter; and

WHEREAS, The Board intends to retain, or ratify the retention of, Rhoads & Sinon LLP, as counsel to this School District (“Bond Counsel”) to implement and to render ongoing advice and assistance in structuring and documenting the 2007-1 CMS termination.

NOW, THEREFORE, BE IT RESOLVED, by the Board of this School District, as follows:

SECTION 1. The Board hereby authorizes the termination of the 2007-1 CMS at such time as the Termination Parameter can be satisfied, as confirmed by the Financial Advisor, and the President or Vice President of the Board shall sign appropriate documents associated with the 2007-1 CMS termination following such confirmation. Officers and agents of this School District, including the Financial Advisor and Bond Counsel, are authorized to prepare and file appropriate documents to reflect actions taken regarding the 2007-1 CMS termination.

SECTION 2. The Financial Advisor is hereby authorized to serve as the independent financial advisor, as contemplated by the Pennsylvania Local Government Unit Debt Act, to represent this School District in financial matters pertaining to the termination of the 2007- 1 CMS. Bond Counsel is authorized to represent it in all legal matters pertaining to the 2007-1 CMS termination.

SECTION 3. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution, it being the intent of this School District that such remainder shall be and shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately.

DULY ADOPTED, by the School Board, in lawful session duly assembled,
this ____ day of _____, 2009.

BETHLEHEM AREA SCHOOL DISTRICT,
Northampton and Lehigh Counties, Pennsylvania

By: _____

(Vice) President of the Board of
School Directors

ATTEST:

(Assistant) Secretary of the Board of
School Directors

(SEAL)

CERTIFICATE

I, the undersigned, (Assistant) Secretary of the Board of School Directors (the “Board”) of the Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania (the “School District”), certify that: the foregoing is a true and correct copy of a Resolution which duly was adopted by affirmative vote of a majority of all members of the Board of the School District at a meeting duly held on the ____ day of _____, 2009; said Resolution duly has been recorded in the minute book of the School District; and said Resolution has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of the School District met the advance notice and public comment requirements of the Sunshine Debt Act, 65 Pa.C.S. Ch. 7, by advertising said meeting, by posting prominently a notice of said meeting at the principal office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Debt Act.

I further certify that: the total number of members of the Board of the School District is nine (9); the vote of members of the Board of the School District upon said Resolution was called and duly was recorded upon the minutes of said meeting; and members of the Board of the School District voted upon said Resolution in the following manner:

Loretta M. Leeson
Judith A. Dexter
Rosario S. Amato
Michele Cann
Irene Follweiler
Craig T. Haytmanek
Charlene A. Koch
Eugene C. McKeon
Benjamin M. Tenaglia, III

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Bethlehem Area School District, this ____ day of _____, 2009.

(Assistant) Secretary

(SEAL)

28. *Authorization to Terminate Constant Maturity Swap Attached to the 2007-2 Bonds at or Above Stated Net Market Value Parameter*

INFORMATION

The financial plan discussed by Public Financial Management at the October 19, 2009, Board Finance Committee Meeting included the termination of Constant Maturity Swaps once an established net market value threshold was attained.

RECOMMENDATION:

That the Board of School Directors approves the attached Resolution to authorize the termination of the identified Constant Maturity Swap for the 2007-2 bonds.

Director McKeon made a motion to incorporate the changes that were made in item 26. President Leeson confirmed the motion to include the insertion of \$700,000 on to the Termination Parameter and in Section 1 to add the Finance Committee Chair and in Section 4 to add the language “and terminate with the January regular board meeting, 2010.” Director McKeon affirmed his motion. Director Follweiler seconded the motion.

Director Dexter stated that she will be voting no because she does not feel comfortable with the language on the termination of the authority of people who would be granted permission to pull the trigger on the motion.

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

Nay, Director Dexter

The motion to amend was passed with a vote of 8 – 1.

Items 26 and 28 were considered together.

**BETHLEHEM AREA SCHOOL DISTRICT,
Northampton and Lehigh Counties, Pennsylvania**

RESOLUTION

WHEREAS, The Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania (the “School District”) is a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”), is governed by its Board of School Directors (the “Board”); and

WHEREAS, This School District entered into an interest rate management agreement pursuant to an ISDA Master Agreement and Schedules, and a confirmation thereto entered into on June 27, 2006 (the “2007-2 CMS”), commonly known as a “constant maturity swap”, with JP Morgan Chase Bank, N.A. (“JP Morgan”), based on a notional amount of \$55,000,000, coinciding with principal payments due on the School District’s General Obligation Bonds (Weekly Rate Mode), Series of 2007; and

WHEREAS, The Board wishes to authorize the termination of the 2007-2 CMS under its terms and the terms of this Resolution at such time as the termination amount payable to the School District by JP Morgan, net of all fees and expenses of the Financial Advisor and Bond Counsel (hereinafter defined) and the School District’s Solicitor, is greater than or equal to \$_____ (the “Termination Parameter”).

WHEREAS, The Board intends to retain, or ratify the retention of, Public Financial Management, Inc. (the “Financial Advisor”), to serve as its independent financial advisor in connection with the 2007-2 CMS termination, and requests the Financial Advisor to negotiate on its behalf with JP Morgan regarding the final payment amount for, and conditions to, the 2007-2 CMS termination, within the Termination Parameter; and

WHEREAS, The Board intends to retain, or ratify the retention of, Rhoads & Sinon LLP, as counsel to this School District (“Bond Counsel”) to implement and to render ongoing advice and assistance in structuring and documenting the 2007-2 CMS termination.

NOW, THEREFORE, BE IT RESOLVED, by the Board of this School District, as follows:

SECTION 1. The Board hereby authorizes the termination of the 2007-2 CMS at such time as the Termination Parameter can be satisfied, as confirmed by the Financial Advisor, and the President or Vice President of the Board shall sign appropriate documents associated with the 2007-2 CMS termination following such confirmation. Officers and agents of this School District, including the Financial Advisor and Bond Counsel, are authorized to prepare and file appropriate documents to reflect actions taken regarding the 2007-2 CMS termination.

SECTION 2. The Financial Advisor is hereby authorized to serve as the independent financial advisor, as contemplated by the Pennsylvania Local Government Unit Debt Act, to represent this School District in financial matters pertaining to the termination of the 2007- 2 CMS. Bond Counsel is authorized to represent it in all legal matters pertaining to the 2007-2 CMS termination.

SECTION 3. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Resolution, it being the intent of this School District that such remainder shall be and shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately.

DULY ADOPTED, by the School Board, in lawful session duly assembled,
this ____ day of _____, 2009.

BETHLEHEM AREA SCHOOL DISTRICT,
Northampton and Lehigh Counties, Pennsylvania

By: _____
(Vice) President of the Board of
School Directors

ATTEST:

(Assistant) Secretary of the Board of
School Directors

(SEAL)

CERTIFICATE

I, the undersigned, (Assistant) Secretary of the Board of School Directors (the “Board”) of the Bethlehem Area School District, Northampton and Lehigh Counties, Pennsylvania (the “School District”), certify that: the foregoing is a true and correct copy of a Resolution which duly was adopted by affirmative vote of a majority of all members of the Board of the School District at a meeting duly held on the _____ day of _____, 2009; said Resolution duly has been recorded in the minute book of the School District; and said Resolution has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of the School District met the advance notice and public comment requirements of the Sunshine Debt Act, 65 Pa.C.S. Ch. 7, by advertising said meeting, by posting prominently a notice of said meeting at the principal office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Debt Act.

I further certify that: the total number of members of the Board of the School District is nine (9); the vote of members of the Board of the School District upon said Resolution was called and duly was recorded upon the minutes of said meeting; and members of the Board of the School District voted upon said Resolution in the following manner:

Loretta M. Leeson
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Rosario S. Amato
Michele Cann
Irene Follweiler
Craig T. Haytmanek
Charlene A. Koch
Eugene C. McKeon
Benjamin M. Tenaglia, III

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Bethlehem Area School District, this _____ day of _____, 2009.

(Assistant) Secretary

(SEAL)

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

Quotations were solicited for:

Heating Element – Circulation Unit for Freedom High School Pool

The lowest responsible quotation was Warren Electric Corporation, 36 Franklin Street, P. O. Box 86, Warren, Rhode Island 02885, at a cost not to exceed \$6,288.

The following vendors also were contacted:

If It's Water, Inc.	\$ 7,150
Main Line Commercial Pools, Inc.	7,483

Cabinet Code:	NA
Account Code:	10-2600760
Budgeted:	\$20,000.00
Expended:	\$5,145.08
Balance:	\$14,854.92 (As of September 29, 2009)

30. *Budgetary Transfers – 2009-2010*

RECOMMENDATION:

That the administration be authorized to make budgetary transfers in the 2009-2010 General Fund Budget as set forth in the attachment.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

BUDGET TRANSFERS
2009-2010 SCHOOL YEAR
OCTOBER 2009

<u>FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2200	Support Services - Instructional Services	\$ 3,250
TOTAL BUDGET TRANSFERS		<u><u>\$ 3,250</u></u>

<u>TO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
2300	Support Services - Administration	\$ 3,250
TOTAL BUDGET TRANSFERS		<u><u>\$ 3,250</u></u>

31. *Treasurer's Report*

RECOMMENDATION:

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

REPORT OF THE TREASURER
September 1 through September 30, 2009

BEGINNING CASH AND INVESTMENT BALANCE

Wachovia Bank - Cash Management	24,808,384.48
Bank of America - General Account	549,228.71
Pennsylvania School District Liquid Asset Fund	28,353,528.45
Wachovia - Worker's Comp Trust Fund	640,302.96
Pennsylvania Local Government Investment Trust	77,908.75
Pennsylvania State Treasurer Invest Program	314,309.24
Bank of America Money Market	1,636.66
PSDLAF - Term Investments	8,500,000.00
PSDLAF - 2009B Bond Fund	10,822,758.30
Scholarship Fund	46,068.15
KNBT Bank - Scholarship Fund	116,801.99
M&T Investment Group - 2007A Bond Fund	3,678,011.93

<u>TOTAL CASH AND INVESTMENT BALANCE</u>	\$ 77,908,939.62
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MONTHLY RECEIPTS

Local Sources	34,480,568.29
State Sources	72,533.69
Federal Sources	363,569.37
Other Financing Sources	4,000.00

\$	<u>34,920,671.35</u>
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MONTHLY DISBURSEMENTS

Monthly Bills Paid	7,326,866.71
Payroll	7,362,693.53
Debt Service	7,718,168.38

\$	<u>22,407,728.62</u>
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TOTAL FUNDS AVAILABLE

\$	<u><u>90,421,882.35</u></u>
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ENDING CASH AND INVESTMENT BALANCE

		<u>Interest Rate</u>
Wachovia Bank - Cash Management	35,494,784.47	0.750%
Bank of America - General Account	548,449.53	0.350%
Pennsylvania School District Liquid Asset Fund	27,127,492.61	varies .144 to .302%
Wachovia - Worker's Comp Trust Fund	640,308.58	0.010%
Pennsylvania Local Government Investment Trust	77,930.69	0.340%
Pennsylvania State Treasurer Invest Program	587,180.35	0.321%
Bank of America Money Market	1,636.79	0.100%
PSDLAF - Term Investments	13,500,000.00	see attachment
PSDLAF - 2009B Bond Fund	10,822,759.30	see attachment
Scholarship Fund	46,068.15	1.200%
KNBT Bank - Scholarship Fund	116,801.99	1.489%
M&T Investment Group - 2007A Bond Fund	1,458,469.89	3.910%

<u>TOTAL CASH AND INVESTMENT BALANCE</u>	\$ <u><u>90,421,882.35</u></u>
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Interest Received for September; to be posted in October accounting period	\$ 26,515.64
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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	Location
May 27, 2009	\$ 496,000.00	0.91%	\$ 1,879.64	October 26, 2009	PSDLAF CD	2009B
May 27, 2009	\$ 248,000.00	1.15%	\$ 1,679.95	December 28, 2009	PSDLAF CD	2009B
May 27, 2009	\$ 594,000.00	1.19%	\$ 4,705.94	January 25, 2010	PSDLAF CD	2009B
May 27, 2009	\$ 792,000.00	1.22%	\$ 7,174.00	February 22, 2010	PSDLAF CD	2009B
May 27, 2009	\$ 1,092,000.00	1.28%	\$ 11,526.73	March 24, 2010	PSDLAF CD	2009B
May 21, 2009	\$ 1,400,000.00	1.40%	\$ 17,881.64	April 19, 2010	PSDLAF CD	2009B
May 21, 2009	\$ 6,200,000.00	1.25%	\$ 82,595.90	June 14, 2010	PSDLAF CD	2009B
May 21, 2009	\$ 759.30	0.62%	\$ 1.17	September 30, 2009	PSDMAX	2009B
June 17, 2009	\$ 500,000.00	1.00%	\$ 2,698.63	December 31, 2009	PSDLAF CD	PSDMAX
July 1, 2009	\$ 7,000,000.00	1.00%	\$ 35,095.89	December 31, 2009	PSDLAF CD	PSDMAX
July 30, 2009	\$ 1,000,000.00	1.37%	\$ 10,246.85	April 29, 2009	PSDLAF CD	PSDMAX
September 1, 2009	\$ 5,000,000.00	1.00%	\$ 16,575.34	December 31, 2009	PSDLAF CD	PSDMAX
July 2, 2009	\$ 116,801.99	1.49%	\$ 1,444.49	April 27, 2010	KNBT Scholarship	
August 31, 2009	\$ 46,068.15	1.20%	\$ 496.00	May 24, 2009	BTFCU	

Bethlehem Area School District
Capital Reserve Fund
For the Period of August 31, 2009 thru September 30, 2009

Fund Balance at August 31, 2009	\$	576,441.04
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2008-2009 Revenue Received-Interest Income	\$	-
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Expenditures

Financial Management System (software, hardware, support services)	\$	9,674.53	
Roof Repairs-Farmersville			
Roof Repairs-Asa Packer			
Asa Packer Fire Alarm System			
Professional Services	\$	2,084.64	
			\$ 11,759.17

Fund Balance at September 30, 2009	\$	564,681.87
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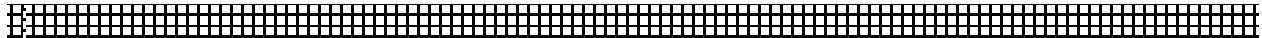
The following projects have been approved by the board but have not been completed:

Financial Management System	\$	94,225.59	
Pro. Svs. Roof Repairs	\$	2,084.64	
Pro. Svs. Alarm System	\$	2,379.97	
Asa Packer Roof Repair	\$	67,180.00	
Farmersville Roof Repair	\$	49,781.50	
Freemansburg Roof Repair	\$	92,450.00	
Asa Packer Fire Alarm System	\$	16,283.00	
			\$ 324,384.70
Estimated Unencumbered Fund Balance	\$		240,297.17

Bethlehem Area School District
2007A Bond Fund
For the Period of September 1, 2009 thru September 30, 2009

Beginning Balance-August 31, 2009	\$ 1,412,011.93
Change in Market Value	\$ 50,457.96
Reimbursement to the General Fund correct last month amt.	\$ 4,000.00
Ending Balance-September 30, 2009	\$ 1,458,469.89

Note: There has been \$469,261.71 in expenses that have not been reimbursed to the general fund. This leaves an approximate balance of \$989,208.18 in the account.



Bethlehem Area School District
2009B Bond Fund
For the Period of September 1, 2009 thru September 30, 2009

Beginning Balance-August 31, 2009	\$ 10,822,758.30
Change in Market Value (recorded quarterly)	\$ 10,282.64
Reimbursement to the General Fund	
Ending Balance-September 30, 2009	\$ 10,833,040.94

Note: There has been \$56,690 in expenses that have not been reimbursed to the general fund. This leaves an approximate balance of \$10,776,350.94 in the account.

32. *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.

33. *Budget Information*

INFORMATION:

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

2009-2010 REVENUES

Description	A	B	C	D	E	F	G
	2009-2010					2008-2009	
	Budget	Realized 30-Sep-09	Unrealized \$ (B-A = C)	Unrealized % (C/ A = D)	Projected June 30, 2010	Realized June, 2009	Realized September, 20
CURRENT REAL ESTATE	105,712,300	7,545,084	(98,167,216)	-92.86%			(29,43
INTERIM REAL ESTATE	1,000,000	11,743	(988,257)	-98.83%			
PUBLIC UTILITY REALTY	153,000	0	(153,000)	-100.00%			
PAYMENTS IN LIEU OF TAX	121,000	37,848	(83,152)	-68.72%			23,0
UNDISTRIBUTED TAXES	0	81,144,029	81,144,029	-			85,639,3
PER CAPITA TAX SECT 679	240,000	111,406	(128,594)	-53.58%			
PER CAPITA TAX ACT 511	240,000	111,406	(128,594)	-53.58%			
LOCAL SERVICES TAX	300,000	59,189	(240,811)	-80.27%			119,8
EARNED INCOME TAX	11,000,000	3,082,775	(7,917,225)	-71.97%			2,794,0
REAL ESTATE TRANSFER TAX	1,800,000	500,669	(1,299,331)	-72.19%			762,3
MERCANTILE TAX	2,100,000	205,118	(1,894,882)	-90.23%			1,373,6
EL. REAL ESTATE	2,900,000	1,505,434	(1,394,566)	-48.09%			1,963,8
EL. PER CAPITA SECT 679	60,000	35,252	(24,748)	-41.25%			9,2
EL. LOCAL SERVICES TAX			-	-			
EL. MERCANTILE TAX	350,000	165,789	(184,211)	-52.63%			115,9
TOTAL LOCAL TAX SOURCES	\$ 125,976,300	\$94,515,741	\$ (31,460,559)	-24.97%	\$ -	\$ -	\$ 92,772,0
INTEREST ON INVESTMENTS	850,000	13,583	(836,417)	-98.40%			66,4
RIVER ED LAB FEES	-	50	50				4,0
ENTALS	10,000	20,150	10,150	101.50%			3,2
CONTRIBUTIONS	92,000		(92,000)	-100.00%			
CONTRIBUTION FROM PATRONS	375,000	61,498	(313,502)	-83.60%			77,4
RVCS. / OTH LOC GOV UNITS	22,000		(22,000)	-100.00%			
ISCELLANEOUS REVENUE	150,000	7,114	(142,886)	-95.26%			13,1
REFUNDS FROM PRIOR YEAR EXP		575					51,9
TOTAL OTHER LOCAL SOURCES	\$ 1,499,000	\$ 102,970	\$ (1,396,606)	-93.17%	\$ -	\$ -	\$ 216,2
TOTAL LOCAL SOURCES	\$ 127,475,300	\$94,618,711	\$ (32,857,165)	-25.78%	\$ -	\$ -	\$ 92,988,2

2009-2010 REVENUES

	A	B	C	D	E	F	G
	2009-2010					2008-2009	
Description	Budget	Realized 30-Sep-09	Unrealized \$ (B-A = C)	Unrealized % (C/ A = D)	Projected June 30, 2010	Realized June, 2009	Realized September, 20
ASIC INSTRUCTIONAL SUBSIDY	28,075,451		(28,075,451)	-100.00%			3,463,3
HARTER SCHOOLS	1,378,200		(1,378,200)	-100.00%			223,3
JITION : ORPHANS/CHILDREN	350,000		(350,000)	-100.00%			
OMEBOUND INSTRUCTION			-				
OCATIONAL EDUCATION	185,000		(185,000)	-100.00%			28,4
RIVER EDUCATION	10,605		(10,605)	-100.00%			
IGRATORY CHILDREN	3,520		(3,520)	-100.00%			
PECIAL EDUCATION	6,536,961		(6,536,961)	-100.00%			1,961,5
RANSPORTATION	2,268,600		(2,268,600)	-100.00%			144,8
ENTALS AND SINKING FUND	1,550,000		(1,550,000)	-100.00%			119,3
EALTH SERVICES	400,000		(400,000)	-100.00%			
ROPERTY TAX RED. ALLOCATION	4,733,333	2,366,666	(2,366,667)	-50.00%			2,360,0
OCIAL SECURITY	3,249,078		(3,249,078)	-100.00%			1,083,4
SERS - PENSION CONTRIBUTION	2,030,142		(2,030,142)	-100.00%			1,038,0
IPACT AID	50,000		(50,000)	-100.00%			
TOTAL STATE & FEDERAL SOURCES	\$ 50,820,890	\$ 2,366,666	\$ (48,454,224)	-95.34%	\$ -	\$ -	\$ 10,422,3
ROCEEDS FROM EXTENDED TERM FINANCING							
ITERFUND TRANSFERS	275,000		(275,000)	-100.00%			
ALE OF FIXED ASSETS	92,000	16,847	(75,153)	-81.69%			10,4
ISURANCE RECOVERY		1,000	1,000				
TOTAL OTHER SOURCES	\$ 367,000	\$ 17,847	\$ (349,153)	-95.14%	\$ -	\$ -	\$ 10,4
TOTAL REVENUE	\$ 178,663,190	\$97,003,224	\$ (81,660,542)	-45.71%	\$ -	\$ -	\$ 103,421,1
UNRESERVED FUND BALANCE			-				
TOTAL FUND APPROPRIATED BALANCE	\$ -	\$ -	\$ -		\$ -	\$ -	\$
TOTAL DISTRICT REVENUE	\$ 178,663,190	\$97,003,224	\$ (81,660,542)	-45.71%	\$ -	\$ -	\$ 103,421,1

2009-2010 EXPENDITURES BY PROGRAM

			Includes Year-To-Date September 2009 Information				
			2009-2010			2008-2009	2008-2009
			A	B	F	G	H
			2009-2010	2009-2010	2009-2010	2008-2009	2008-2009
<u>PROGRAM</u>	<u>PROGRAM CODE</u>	Responsible Office	APPROVED BUDGET	AMENDED BUDGET	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2009	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2008	EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2009
DING ALLOCATION	100	PRIN	1,375,330	1,375,330	532,811	636,842	
RD	AA	SUPT	399,050	399,050	83,687	86,182	
INET	AB	SUPT	1,027,005	1,027,005	265,029	278,342	
GETARY RESERVE	AC	SUPT	2,075,377	2,075,377	0	0	
T OFFICE-EQUIPMENT REPLACEMENT RESERVE	AD	SUPT	0	0	0	0	
ERINTENDENT'S OFFICE	AE	SUPT	149,500	149,500	3,593	15,742	
DING STAFF	AF	SUPT	6,437,036	6,437,036	1,337,074	1,326,806	
LIC RELATIONS	AN	SUPT	29,500	29,500	20,199	24,029	
EFING-TEACHERS	CA	HR	58,279,215	58,279,215	4,740,969	4,634,591	
D ACCOUNTING DEPARTMENT	CD	HR	246,384	246,384	59,940	49,764	
EFING-TEACHER ASSISTANTS	CE	HR	2,877,483	2,877,483	179,570	198,734	
EFING-SUBSTITUTES	CG	HR	1,273,000	1,273,000	74,070	104,766	
IAN RESOURCES DEPARTMENT	CK	HR	365,239	365,239	64,375	105,190	
DENT ACTIVITIES	D1	C&I	127,198	127,198	21,666	37,448	
DIT ACQUISITION PROGRAM	D2	C&I	52,500	52,500	618	43,051	
RICULUM ENRICHMENT ACTIVITIES	D3	C&I	18,000	18,000	1,206	3,738	

2009-2010 EXPENDITURES BY PROGRAM

			Includes Year-To-Date September 2009 Information				
			2009-2010			2008-2009	2008-2009
			A	B	F	G	H
			2009-2010	2009-2010	2009-2010	2008-2009	2008-2009
<u>PROGRAM</u>	<u>PROGRAM CODE</u>	Responsible Office	APPROVED BUDGET	AMENDED BUDGET	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2009	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2008	EXPENDED BUDGET INCLUDING FINAL ACTUAL EXPENDITURES as of June, 2009
EER ACADEMY/RASA/ALTERNATIVE EDUCATION	D4	C&I	278,351	278,351	14,329	64,703	
TING - K-12	D5	C&I	30,000	30,000	0	0	
DEMIC INTERVENTIONS	DA	C&I	100,000	100,000	48	37,786	
ICAL INSTRUMENT REPAIR	DD	C&I	37,000	37,000	1,529	14,584	
ARTMENT OF INSTRUCTION	DE	C&I	224,000	224,000	22,950	79,243	
DING RECOVERY/PROJECT READ	DF	C&I	23,500	23,500	17,906	2,534	
RUCTIONAL MTLS RESERVE	DG	C&I	500,000	500,000	313,144	417,472	
IPMENT REPAIR	DM	C&I	13,000	13,000	7,565	15,492	
NETARIUM	DO	C&I	2,444	2,444	0	0	
MER SCHOOL - SECONDARY	DQ	C&I	25,000	25,000	59,112	18,480	
ER EDUCATION	DS	C&I	10,000	10,000	0	0	
T SUPERINTENDENT FOR CURR & INSTRUCT	DT	C&I	384,807	384,807	70,814	116,386	
RSCHOLASTIC ATHLETICS	DU	C&I	1,410,529	1,410,529	0	0	
AMURALS	DV	C&I	18,477	18,477	0	6,641	
ENDANCE SERVICES	E4	STD SVCS	71,191	71,191	9,719	8,022	

2009-2010 EXPENDITURES BY PROGRAM

			Includes Year-To-Date September 2009 Information				
			2009-2010			2008-2009	2008-2009
			A	B	F	G	H
			2009-2010	2009-2010	2009-2010	2008-2009	2008-2009
<u>PROGRAM</u>	<u>PROGRAM CODE</u>	Responsible Office	APPROVED BUDGET	AMENDED BUDGET	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2009	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2008	EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2009
ORITY AFFAIRS/GOV. PROGRAMS/GRANTS	EB	STD SVCS	29,799	29,799	5,106	3,611	
RK - EARLY CHILDHOOD/SUMMER	EC	STD SVCS	0	0	55,593	55,628	
OOB RESOURCE OFFICERS	EF	STD SVCS	262,000	262,000	0	0	
IEBOUND INSTRUCT/REGULAR ED.	EG	STD SVCS	155,000	155,000	5,405	0	
LTH SERVICES - MEDICAL	EH	STD SVCS	51,480	51,480	522	13,325	
LTH SERVICES - DENTAL	EJ	STD SVCS	10,364	10,364	0	665	
DENT SERVICES	EK	STD SVCS	160,631	160,631	48,330	207	
DANCE (SUMMER)	ET	STD SVCS	35,000	35,000	31,597	32,745	
LISH ACQUISITION	EY	STD SVCS	236,439	236,439	35,120	80,113	
INESS DEPT-ACCOUNTS PAYABLE	GA	F&A	939,073	939,073	180,030	362,013	
INESS DEPT-ACCOUNTS RECEIVABLE	GB	F&A	1,003,687	1,003,687	168,634	225,435	
T SERVICE	GC	F&A	22,791,340	22,791,340	7,710,546	8,665,624	
LOYEE BENEFITS	GD	F&A	30,646,020	30,646,020	1,760,935	1,394,980	
IRANCE	GE	F&A	583,500	583,500	568,486	53	
RSYSTEM PAYMENTS	GF	F&A	22,712,285	22,712,285	4,710,593	11,253,922	

2009-2010 EXPENDITURES BY PROGRAM

			Includes Year-To-Date September 2009 Information				
			2009-2010			2008-2009	2008-2009
			A	B	F	G	H
			2009-2010	2009-2010	2009-2010	2008-2009	2008-2009
<u>PROGRAM</u>	<u>PROGRAM CODE</u>	Responsible Office	APPROVED BUDGET	AMENDED BUDGET	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2009	EXPENDED BUDGET INCLUDING ENCUMBRANCES as of September, 2008	EXPENDED BUDGET FINAL ACTUAL EXPENDITURES as of June, 2009
PHOTOCOPIERS	GP	F&A	587,692	587,692	190,895	166,720	
SPECIAL EDUCATION	LF	SPECIAL ED	445,512	445,512	90,612	161,984	
UNBOUND INSTRUCTION / SPECIAL ED.	LG	SPECIAL ED	30,000	30,000	593	542	
MAINTENANCE / CUSTODIAL DEPARTMENT	NA	B&G	10,901,889	10,901,889	1,671,171	1,641,106	
MAINTENANCE DEPT - SUPPLIES	NE	B&G	490,000	490,000	202,022	203,503	
MAINTENANCE DEPT - CONTRACTED SERVICES	NF	B&G	1,023,118	1,023,118	573,233	595,439	
TRANSPORTATION DEPARTMENT	NT	B&G	4,730,292	4,730,292	421,817	853,171	
TECHNICAL SERVICES	TK	TECH	674,585	674,585	549,443	338,081	
TELEPHONE & COMMUNICATIONS TECHNOLOGY DEPT.	TL	TECH	1,436,858	1,436,858	919,093	1,243,892	
DATA PROCESSING DEPARTMENT	TN	TECH	866,510	866,510	322,303	283,441	
	TOTALS		\$178,663,190	\$178,663,190	\$28,124,001	\$35,902,767	

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Recommendation of the Board

October 26, 2009
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Item

-
1. Reprimand Resolution

1

1. *Reprimand Resolution*

RECOMMENDATION:

That the attached Reprimand Resolution be approved.

Director Amato stated that he thought that there were more professional and ethical people on the board and less people with hatred and destructive intentions. He noted that the superintendent had already been publicly reprimanded. He asked what is the purpose of this document. He stated that he can't believe that they are actually voting on the matter. He conjectured that he would be sitting at the table with a document to reprimand Dr. Lewis for the swaps which he had nothing to do with. He further noted that the ground work for those swaps was laid prior to him coming aboard. He stated that he cannot see this type of thing coming up again. He commented that the board did what they wanted to do by getting Dr. Lewis to resign, take early retirement. He stated that he thought they were moving forward but they can't move forward. He commented that they have to drag that poor guy up every time they can and hang him. He thinks that is really a disgrace. He noted that he is ashamed to be a part of the board to do something like that to an employee that they had and who served them well.

Director McKeon stated that the swaps were not part of this discussion. Director Amato responded that he knows that they were not part of the discussion. Director McKeon continued to note that if they had rolled back the auditor's report back to last fall, 12 months ago, they would be looking at potential reprimand then as opposed to someone who is still in their employ through January 2nd. He stated that he completely supports the reprimand. He further noted that he would have liked to have seen this come to light a year ago as opposed to now.

Director Haytmanek stated that he would have to echo some of Director Amato's comments. He continued that Dr. Lewis has already been subjected to a fair amount of negative press at this point and he obviously is interested in obtaining further employment. He noted that a public letter of reprimand is going to jeopardize Dr. Lewis' ability to obtain gainful employment even further. He agreed that it is time to move forward and get beyond this and move forward in a positive way rather than sending a reprimand that in some circles would be considered malicious, punitive and purposeless.

Director Dexter stated that she would like to hear from the solicitor as to whether issuing a reprimand to a person in Dr. Lewis' employment status is within the scope of their duties as elected board members.

Mr. Spry responded that it is an official action within the scope of their duties. He noted that it is not a legal recommendation that they do this but that it is the board's choice and is within their discretion as a board.

Director Follweiler stated that she believes that the auditor general's report covered a varied period of time when Dr. Lewis was within their employ. She also stated that she believes this reprimand could have come in years past when he very much more active an employee of theirs however he is still an employee of theirs. She continued that she believes that it is the due diligence of the board to take action as the recommendation of the auditor general's report. She noted that it is unfortunate that it has come after Dr. Lewis' retirement but he is a retired individual as of January 2, 2010.

Director Amato recalled that he thought that the board had publicly reprimanded Dr. Lewis previously. President Leeson asked if any of the other board members recalled a public reprimand of Dr. Lewis. No directors could remember any.

Director Dexter stated that Mr. Lauer had indicated that the board was aware of the facts that were addressed in the auditor general's report. She continued that the board was aware of several versions of the facts and there were a number of documents, a number of employees' versions, a number of characterizations of all of the scenarios of all that took place concerning both the laptop report and the payment of the White and Williams bill. She continued that the auditor general then came in and did a thorough investigation and interviewed many, many people and it was then that the facts were outlined for the board and characterized by an agency outside of themselves. She noted that up until that time there were competing versions including by Dr. Lewis about what had taken place. She stated that there were other people weighing in on it and she believes that by issuing the reprimand the board is accepting the findings of the auditor general's report and issuing a public statement that the board disapproves of those actions which were characterized as being somewhat deceptive and actually a lack of oversight in the district. She observed that the board has taken some steps to try to bring back some accountability into the district and that this has been done through a number of actions. She noted that this is one of them and that she believes this is a necessary step in order for them to state to the public that they want the board, the administration, and all of their employees to operate with the honesty and integrity that they try to convey to the children. She stated that she favors the reprimand not because she has any malicious intention or any other untoward thoughts about this but that it is a necessary part of their duty.

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

Nay, Directors Amato, Haytmanek, Koch.

The motion to amend was passed with a vote of 6 – 3.

REPRIMAND RESOLUTION

WHEREAS, the School Code charges Superintendents with the responsibility to supervise the public schools of this Commonwealth; and

WHEREAS, Bethlehem Area School District board policy makes the Superintendent responsible for administrative guidelines for the operation of the School District and to enforce the laws and policies of the Board; and

WHEREAS, Pennsylvania Department of the Auditor General conducted a special investigation of the District for missing computers and expenditures for an internal investigation; and

WHEREAS, Dr. Joseph A. Lewis served as Superintendent during the period 2002 through 2008 during which Ten Thousand Nine Hundred Seventy Eight (10,978) laptops were purchased at a total cost of Eleven Million Five Hundred Thousand Eighty One Seven Hundred Ninety (\$11,581,790) Dollars; and

WHEREAS, the investigation has determined a total of eighty (80) computers are missing which caused a significant loss; and

WHEREAS, the Auditor General concluded that the District failed to exercise reasonable control and oversight over its computer inventory and therefore it was responsible for the missing laptop computers because there was a total disregard for the implementation of policy and procedures and a lack of direction and oversight by its Administrators; and

WHEREAS, the Auditor General concluded that the failure to report missing computers and the delay in filing a police report made it difficult to determine who, if anyone, stole the missing computers; and

WHEREAS, the Auditor General concluded that \$52,726.18 paid to a law firm for an independent investigation failed to comply with the District's own policy and procedure for payment of bills and the Board was not adequately involved by the Administration; and

WHEREAS, the Auditor General's findings against the District were caused by the Superintendent's failure to properly supervise and manage the District's laptop computers and his unauthorized payment of a legal bill for an independent investigation in violation of his charge and duty to the Board.

NOW THEREFORE BE IT RESOLVED, because of the findings of the Pennsylvania Department of the Auditor General in its October 2009 special investigation, the Board issues a public reprimand to Dr. Joseph A. Lewis and directs the Secretary of the Board to spread this Resolution upon the minutes.

Thomas K. Washington,
Acting Board Secretary

Loretta M. Leeson, President

Director Burkhardt moved to accept the administration's recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27. Director Follweiler seconded the motion. The question was called with roll call as follows: Yea, Directors Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia, and Leeson.

ROLL CALL –
RECOMMENDATIONS
1, 2, 3, 4, 5, 6, 7, 8, 9,
10, 11, 12, 13, 14, 15,
16, 17, 18, 19, 24, 25,
and 27

The motion passed with a vote of 9 – 0 on items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 25, and 27.

President Leeson called for a vote on items 26 and 28. The question was called with roll call as follows: Yea, Directors Amato, Cann, Dexter, Follweiler, Haytmanek, Koch, McKeon, Tenaglia, and Leeson.

ROLL CALL –
RECOMMENDATIONS
26 and 28

The motion passed with a vote of 9 – 0.

Director Cann expressed concern about the \$700,000 threshold. She would like it that as long as they were in the positive she feels they should be able to terminate. But she does not want to vote no and not have any termination allowance so she chose to vote yes with that caveat.

President Leeson asked for a motion to approve the Recommendation of the Board. Director Cann made a motion to approve the Recommendation of the Board and Director Dexter seconded the motion.

RECOMMENDATION
OF THE BOARD

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

ROLL CALL –
RECOMMENDATION
OF THE BOARD

Nay, Directors Amato, Haytmanek, Koch.

The motion to amend was passed with a vote of 6 – 3.

TAX COMMISSION – Director McKeon stated that it is going to be a long and arduous process. He continued that the tax commission is looking at the centralization of EIT collection between the municipalities and the school districts. He noted that the first formal meeting was held last Thursday down at the courthouse. The executive board members were nominated and elected which included political speeches that were one minute in duration from competing candidates. He continued that the next board meeting is on Thursday, November 12th at a site that is yet to be determined. He noted that discussion about future meetings took the better part of 30 minutes. He explained that there is a total of 46 members including 8 school districts and the balance were the local municipalities from all of Northampton County. He stated that the next process will be to get start-up money from each of the school districts and the communities. He continued that he is in the process of contacting the current executive board and ask them for a better description than \$100,000 and what makes up that number which is just a preliminary number. He noted that the district's portion would be approximately \$18,000 based on a calculation of EIT revenue verses population revenue. He noted that there are multiple formulas involved the disbursement of expenses. He continued that Mr. Majewski or someone else will be getting an invoice from the TCC commission.

COMMITTEE
REPORTS

\$18,000 now. Director McKeon responded that is for one year. Director Leeson continued to clarify that they will be paying the invoice now but will not receive any services until 2012. Director McKeon stated that there will be work done before then. Director Leeson agreed that work will be done but they will not receive services from the commission and that they will continue using the current tax collection services. Director McKeon responded that the commission has not even determined yet how the taxes will be collected except that it will be done by one agency.

Director Follweiler asked if the district has a choice to participate or not. Director McKeon responded that there is no choice. Director Follweiler requested that they talk about it more in the finance committee meeting. She stated that she is the alternate but has not had to attend a meeting yet because he has been available. She questioned that if it is going to cost the district funds she would like to get into the whole background of how, why, when and if they are not receiving services then why are they required to pay.

PSBA - Director Koch stated that her meeting with PSBA was a whole week conference in Hershey paid for by PSBA and did not cost the district anything. She noted that the good news for the district is what PSBA has decided there will be no increase in dues for the next year. She stated that this was her last meeting or conference because she has served for six years as the regional director so she can't serve there any longer and because she won't be a school board member she can't even go to a conference. She did serve during that time as a facilitator. She noted that they have presenters that come in. She thought it was kind of humorous that she was lined up to do the charter school for performing arts with Dr. Lubin. She noted that she was able to say with all honesty that was the only charter school she ever voted for. She stated that it was a very interesting presentation and was quite good. She announced that they will be needing a board member to serve as liaison for PSBA when she is out. She noted that they call meetings twice a year. She also recommended that any of the new board members attend the PSBA classes for new board members which are very good. She noted that many of the current board members have already taken those classes. She continued that the legislative session is the main reason for the conference and it is to talk about all things that are on the PSBA platform. She explained that they are what PSBA stands for. She noted that the biggest argument that took the longest was the one that has to do with Keystone exams because the majority of the membership did not want PSBA to be locked into anything that is going to require school districts to do it and was going to cost school districts money. She stated this is another unfunded mandate so they gave a long and clear message about that. She stated that while she was there Mr. Templeton asked her how things were going in choosing an organization to help choose the superintendent. She said that she responded that as of that date she did not know where they stood on it. She noted that there will be a new Region 8 director named Don Raifsnider of the Muhlenberg School District.

President Leeson stated that she does have the dates for the new member orientations.

NORTHAMPTON COMMUNITY COLLEGE BOARD OF TRUSTEES – Director Koch stated that she thinks that Dr. Art Scott that since she won't have all these other jobs to do she needed something to spend her time on. She noted

asked to be their representative. She continued that one of the main jobs that they discussed had to do with lobbying with the legislators which is very similar to what she has done with PSBA. She noted that they need money and support from the legislators too so she just moved from one thing to the other.

President Leeson added that it is thanks to members of the Bethlehem contingent that the Northampton Community College went to a competitive bid process for their financial advisor instead of just taking the advice of the bank. She continued that they are using an independent financial advisor and they went to a competitive bid process thanks to the Bethlehem contingent.

COLONIAL INTERMEDIATE UNIT 20 – Director Dexter reported that she attended the IU meeting last month and one of the things they learned was the health of the healthcare trust that a number of IU members do participate in. She stated that an offer has been extended to the district to see if they would like to have their own healthcare costs evaluated to see if they might benefit as a member district at some point in the future. She continued that she did bring that back to the board at the finance committee meeting and subsequently received an email indicating that there would be an evaluation for Bethlehem at no charge. She believes that will happen sometime within the next few months. She continued that there was a report of some repairs that were completed which included roof replacement, parking lot was done and plans are underway for a great deal of summer professional development for teachers and support personnel. She added that they discussed a great number of different presentations that might be available next summer.

BETHLEHEM AREA VOCATIONAL-TECHNICAL SCHOOL – Direct Tenaglia reported that they met on Tuesday, October 6th. He stated that the American Welding Society authorized a student chapter at the Vo-Tech and provided some start-up funding for them. He continued that the students planned their long-going fund raising efforts via a recycling program. He stated that 60 students will be attending the SkillsUSA professional development conference this coming weekend. He also stated that 9 students will be attending the national technical honor society in November. He noted that Mr. Lazarchak presented the National Occupational Competency Testing Institute test scores for both the 07-08 and 08-09 school years. He observed that the Vo-tech continues to make progress with 55.9% of the tested students scoring at the advanced or competent level last year which is an 18% over the previous year with a large increase in the number of students tested.

DIVERSITY COMMITTEE – No report

DUAL ENROLLMENT COMMITTEE – No Report

BETHLEHEM PARKS AND RECREATION COMMISSION – President Leeson reported that they met last Thursday and the parade was held on Sunday. She noted that she will send the rest of the report to the board.

Director Follweiler commented that she appreciates all the work that Director Koch has done with the PSBA since she has been on the board. She noted particularly her efforts to send her the updates via the mail and the Keystone exams. She stated that there are a lot of people in the community who are

NEW AND
MISCELLANEOUS
BUSINESS

1. Jim Lavery – 5105 Long Drive – Bethlehem – Concerned Citizens of Bethlehem Area School District.

COURTESY OF THE
FLOOR TO VISITORS

Mr. Lavery stated that several members of their group noticed that during the public debate about the reprimand that there was a comment about which they would like some clarity and further explanation. He continued that Director Amato mentioned that the board had got Dr. Lewis to resign, take early retirement. He observed that it sounded contrary to what they have read in the public and in the newspaper which appeared to be all voluntary. He asked for clarification on that.

President Leeson stated that Director Amato would have to address that personally after the meeting.

2. David G. Evans – 3622 Ironstone Road – Bethlehem

Mr. Evans stated that he is an increasingly poor resident of the school district and he feels that Superintendent Lewis had a lot to do with it. He encouraged the board to present Mr. Lewis with a report card. He noted that many companies when a person retires or leaves simply confirms that they spent time there. He believes that he needs some educational success evaluation. He offered some topics the board might consider addressing that included his leadership characteristics, his effectiveness, and his financial responsibility to the school and to him and other citizens of the district. He continued to suggest they evaluate the educational progress that he made particularly at Liberty and Freedom high schools, the attitude he has taken towards his failures. He asked if he had any knowledge with regard to some of the higher personnel in this organization. He also suggested a management skills assessment. He believes that he would benefit personally and perhaps some future employer might not have to go through what they are going through.

3. Stephen Antalics – 737 Ridge Road – Bethlehem –

Mr. Antalics stated that he listened with great interest to the Teen Summit people speaking and it took him back quite a number of years to the days of small liberal arts colleges. He noted that their enrollments had no Latino or African American students so they did not have a minority problem. He noted that they did have a different minority which were Jews. He continued that the Jews on campuses knew that they were not welcome into the social fraternities which were very exclusive, very waspish. He stated that they were required to form their own Jewish fraternities, Sigma Alpha Mu, Lambda Chi Alpha and such. He continued that the Teen Summit says work toward a common cause promoting unity and tolerance. He opined that this is not the mission of the Teen Summit but that it is the mission of the school system. He observed that the children that came up to the board were minorities. He noted that one of the students shared with him that they did not feel welcome in the other clubs at the high school level so by default they formed their own group, Teen Summit. He stated that he did not see a single non-minority person who came up and spoke. He asked if the environment

time, no. So that this Teen Summit group is almost formed from a necessity from being excluded from the mainstream groups in the high schools. He recalled that Mr. Washington did say that non-teaching people make student welcome as they come into the school but he thinks that what the Jews felt then the Latinos and African Americans feel now. He thinks that the district has to really strongly emphasize a program of education of the majority to welcome the minority so that they do not have the need to form a Teen Summit but feel free or invited to join these other clubs on the high school campuses. He urged Dr. Persing to look into this situation very carefully.

4. Patricia Felix – 1721 Millard Street – Bethlehem –

Ms. Felix stated that on October 13th she emailed the board with three simple questions and she believed that it was on October 19th that Director Leeson responded and said that her questions had been turned over to the administration and that she could expect an answer. She further stated that she is present at the meeting to remind the board that she is looking for an answer to all three questions. She stated that since they were quite simple that she does not think it should take a great deal of time. She noted that the three questions were “Is the Bethlehem Area School District using or planning to use D3M technology?”, “Is the Bethlehem Area School District showing the video, “Story of Stuff” without parents’ knowledge or consent?”, “Is the Bethlehem Area School District teaching children the Obama anthem without parents’ knowledge or consent similar to the Burlington, NJ school?”

President Leeson stated that she needs to apologize and that her emails going out are not working right now and she believes but is not sure if the administration got that email. She further stated that she will make sure that they get it tomorrow. She thanked Ms. Felix for bringing this to her attention.

5. Randy Tolman – 359 10th Avenue – Bethlehem –

Mr. Tolman addressed President Leeson and stated that he believes that it has to be qualified that Director Amato used “we” not “I” when he said that you people got rid of or got Mr. Lewis to take his retirement. He believes that it is imperative to the public that you qualify that very carefully because if those present picked it up somebody else should know about that. He requested a qualification on that in writing.

President Leeson responded that the terms of Dr. Lewis’ separation with them was a voluntary retirement and anything else would be considered a personnel issue.

6. Dejour Scott – 1110 Merriman Court – Bethlehem –

Mr. Scott stated that he is a graduate of Liberty High School and a current student at Moravian College. He noted that at Liberty he was the class president of 2008 and secretary of Teen Summit. He continued that it is very unfortunate that he has to be there and speak under these circumstances. He

by Ms. Natalie Ortiz who is his mentor, a counselor, and a close friend that due to budget constraints extra-curricular activities are being cut. He continued that Teen Summit may be among those clubs that are cut from being a board-approved club at Liberty High School. He explained that Teen Summit has been a club for nine years which promotes diversity, white, black, Asian, Hispanic, etc. within the school and community. It helps students advance in their leadership skills, qualities and morals. It exposes them to colleges and opportunities that they will need for their lives in the future. He continued that Teen Summit has held so many events like touring colleges in Pennsylvania, going to the Urban Word NYC Poetry Slam, Diversity Day, the Teen Summit's first fashion show, Mix It Up Day, going to Muhlenberg College for the Holocaust Reducing Hatred Youth Prejudice conference and many more important aspects in life. He recalled one event that educated and inspired him the most was the Diversity Day celebration. He explained that Diversity Celebration is an annual event celebrating each other's unique lives and understanding them. He continued that it allows students to participate in many workshops and freely speak about issues on diversity that occurs in America, the world, the community and at Liberty. He continued that in 2008 Liberty and America had many issues dealing with the race. He recalled that he was able to express his feelings and on the issues that was going on personally. He stated that the Diversity Celebration helped him to understand how he could effectively handle his questions and problems. He stated that he was able to hear testaments from other students in situations that inspired him. He stated that although they guided him he helped guide them too. He noted that if Teen Summit was not part of his life he might not be the person he is today. He stated that he is a proud African American male who is a college student who loves and understands cultural differences and helps promote diversity. He believes that he can think clear on how to deal with racism and how to be able to work with people and on diverse backgrounds. He stated that he fears that if Teen Summit was no longer a club at Liberty that many students would lose the opportunity to be educated about diversity, colleges, and leadership skills. He continued that Teen Summit is a very unique club that helps mold people in so many positive ways that other clubs just can't do.

President Leeson responded to clarify that Teen Summit does remain a board-approved club and that it has never lost its board approval. She continued that it is the funding that has shifted but not the approval of the board.

Mr. Scott said that they were informed that it may be cut in the future. President Leeson assured Mr. Scott that it has not lost its board approval but cannot guarantee what is coming in the future.

President Leeson requested a motion for adjournment. Directors McKeon and Follweiler moved to adjourn the meeting. The meeting was adjourned at 9:25p.m.

ADJOURNMENT

Attest,

Thomas K. Washington