

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
SPECIAL BOARD MEETING

The Special Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, June 8, 2009, at 6:46 p.m. at the Education Center of the Bethlehem Area School District, 1516 Sycamore Street, Bethlehem, Pennsylvania.

The Board Secretary called the roll:

Members present: Directors Amato, Cann, Dexter, Haytmanek, Koch, McKeon, Tenaglia, and Leeson – 8

Members Absent: Follweiler - 1

President Leeson polled the Board as to if they were interested in delaying the vote on the nominations for appointment, no. 8, to June 22, 2009. She stated that it was on the advice of counsel to do so.

Members speaking to the issue:

Director Koch stated that she did not agree with fellow board members that this should be delayed and that it is important. She stated that the school needs a principal and the administration found the person whom they thought was to be the principal and feels no need to delay.

Director Amato stated it should be done tonight upon the recommendation from the administration. He does not agree with the way it was handled and what the majority of this board wants to do to some of the appointments that came through by the administration. He feels it is wrong to do something to the recommended appointments at this point after going through the interviewing process and winning through the process by the administration and the administrators making the recommendations and then to have a majority of the board shoot it down.

Director McKeon spoke regarding Director Amato's statements. He feels that for too long the administration has advised the board and that the board has rolled over for many years. He stated that the board has been asking for a report that would indicate potential candidates and it is received every year. He stated that this year it was asked for and it hasn't been received and that the board has due diligence to the employees and tax payers.

Director Follweiler spoke stating that there was a very short Executive Session and came nowhere near discussing all the issues on the table. Director Follweiler added, as Director McKeon stated, to do our proper due diligence for all the stakeholders involved, we need to discuss the entire breadth of recommendations that were being made to us. She doesn't feel prepared to vote on the recommendations made by the administration and that there was not ample time to review and discuss as a board. She state that it can only be discussed during Executive Session on personnel matters or in public on non-personnel matters. She stated that this was the first opportunity that there was such an assembly to do so and doesn't feel prepared and would agree that the discussion be delayed until the next meeting where there can be a longer Executive Session and have proper due diligence.

Director Dexter stated that she believes it is fair to say that the board has addressed the issue of the selection of administrative personnel with Dr. Lewis and some other staff members. She explained that the board has outlined a need for information ahead of time, including the qualifications, perceived strength and weaknesses of candidates presented to them for appointment and that it was not received with ample time to consider and discuss it. She stated that this has been discussed with Dr. Lewis on several occasions and that she is not prepared to vote on the issue tonight and she agrees with the comments of Directors Follweiler and McKeon.

President Leeson stated that she considers all of the candidates before them to be highly qualified individuals in the district and agrees with Director Follweiler that they have not had the opportunity to thoroughly examine and to discuss the issue. President Leeson spoke with Dr. Lewis a week ago sharing with him her concerns that they would be able to thoroughly go through the number of changes in the short period of time available. She stated that she wished that they had not appeared on a public agenda before the board had an opportunity to have a thorough discussion. President Leeson stated that it was not fair to the candidates and the public.

No further discussion.

Director Dexter made the motion to table the recommendations for appointment, no. 8 on the agenda which was seconded by Director McKeon.

President Leeson requested a roll call vote to table no. 8 – the nominations for appointment. The question was called with roll all as follows: Yea, Directors Cann, Dexter, Follweiler, McKeon, Tenaglia, Leeson – 6, Nay, Directors Amato and Koch – 2.

The motion passed 6-2.

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

President Leeson requested a moment of silent meditation.

President Leeson proceeded with Courtesy of the Floor.

The following persons addressed the Board of School Directors:

1. Edward Crawford – Kathi Drive, Hanover Township

Mr. Crawford stated that he wanted to address the board concerning tonight's recommendation of the administration for a new principal at East Hills Middle School. He has been a resident of the district for 37 years. His household includes 3 Freedom and 3 Liberty graduates. He has served for 18 years in administrative roles in the district middle schools. David Horvath has served capably as a teacher at East Hills and Fountain Hill and for the last four years as his Assistant Principal. Mr. Crawford always believed that you need to be able to do your boss's job. Mr. Crawford stated that David Horvath has worked diligently to assist him and to master the important aspects of the principal's job as a trusted colleague. He stated that Mr. Horvath has demonstrated character, integrity and concern in his position and he has a great lineage. Mr. Horvath's father is also a district administrator and his father served as a principal in the Parkland district for 30 years. Mr. Crawford stated that he sat on the sidelines during the interview process to select the new principal but has not sat in the dark. He is aware of the open, rigorous and inclusive process that led to the recommendations for Mr. Horvath and that those who interviewed him learned that he prepared thoroughly and has clear focus and understands how to lead. He stated that Mr. Horvath's direct experiences with Bethlehem's curriculum and initiatives and his understanding of students, staff and parents of East Hills are tangible assets that separated him from the other applicants. He stated that Mr. Horvath has been competent, compassionate and caring in his dealings with people and that he also knows how to say no. Mr. Crawford asked the Board to honor the process which involved district staff from many schools along with parents and teachers at East Hills and recognize with full support and trust their recommendation of Mr. Horvath. He stated that his sole motivation in addressing the board tonight is that East Hill Middle School will gain a new principal who will lead the individuals assembled here and others noted in an overwhelmingly supportive petition to focus on student learning and growth knowing that he has the well earned support of the entire board.

2. Joanne Jackson – 230 South Fulton Street, Allentown

Ms. Jackson stated that she was there as a fellow board member in the Allentown School District and wanted to address the board about teacher morale. She stated that it was evident to her with her four years of experience as an Allentown School Board member and past vice president that board solidarity is commensurate with teacher and community morale. She stated that when an administration and a board join together for the positive benefits of a district and its students the community benefits too. She stated that as a teacher at East Hills the staff looks forward to being led by Mr. David Horvath and that Mr. Horvath has demonstrated personal and professional qualities that demonstrate to the teachers that he is the correct and only applicant for this noteworthy and serious position. Mr. Horvath has been put through a rigorous interviewing process and has proven himself knowledgeable in a number of ways. For the teachers at East Hills he has always been the “go to” person. She supports him as the principal of her building. For her, Mr. Horvath, is synonymous with the word integrity and further state that the definition of the word is “the quality of being honest and having strong moral principles, the state of being whole and undivided.” She stated that their building needs a leader who can bring them into that fullness with a fair and firm style of leadership. She stated that as fellow board members we are mindful and thoughtful participants in the process of doing right by the district, our students, teachers and community. She hopes that in the future a consistent process for hiring would occur within the district and under the auspices of the board. She stated that as board members we hired our upper administration and gave them our trust in guiding us properly to further the district and move us out of corrective action. She stated that this is the time to pull together and create lasting and positive changes by placing the best possible candidate in their respective jobs. She concluded by stating that she knows the amount of volunteer time that being a conscientious board member requires. She knows the belief that we have, that we are making good decisions for the district. She knows that we have come from the best of intentions and knows that Mr. David Horvath is the best choice for their leader of East Hills Middle School.

3. Jean Yasso – 1413 West Market Street, Bethlehem

Ms. Yasso thanked the administrators and board members who attended the Career Academy celebration to honor the 2009 graduating seniors stating that they really appreciated their attendance.

Ms. Yasso stated that the Career Academy has proven its worth to the district with success and those graduating seniors along with the students from the Class of 2008 are living proof. She stated that despite the challenges the program has faced; changes in location, program structure and scheduling along with reduced staffing, our students and staff have shown resilience, perseverance and determination to succeed. She

requested to make a plea to the board; to keep in mind that the Career Academy students are worth the investment. She stated that yet again they are facing more challenges, a building move, the second in three years, and losing two teachers. She believes they are already understaffed and those moves and cuts will prove costly to the students. She stated that they are losing a staff member who has made an invaluable impact on the lives of their student population. With ten years of alternative education experience she has helped them get jobs and complete their community service hours, establish a rapport with the City of Bethlehem, the Mayor and City Counsel and instilling a sense of pride in their community through hard work and fund raising projects. She also stated that the program structure is also altered with a loss of a staff member who has helped the students have an appreciation of art in many forms and the position cut negates the successful co-teaching experience among the staff as well as the opportunity for students to learn elective credits built into their core curriculum. She stated that she knows that the staff is strong enough and flexible enough to work through the challenges and changes the district has in store for them in the 2009-2010 school year because they truly love and care about their students. She is hoping that the board will feel as they do and asked that the board please reconsider some of the major changes for the sake of their already overtaxed students.

Ms. Yasso also stated that on another note, with mixed feelings and no regret, she is also here to support Tracy Hirner who she feels is the best guidance counselor and is well deserving, well respected and well qualified for the candidate position that she is a candidate for. Any school would be lucky to get her.

4. Debbe Marek – 1530 Woodcock Lane, Kintnersville

Ms. Marek is an East Hills teacher. She was not going to speak and was just going to hand Mr. Crawford the petition that she had signed in one day by over 90 people that work at East Hills. She stated that those 90 people were there for only half of day. She stated that a lot of people were on vacation and told her that had they known about the petition they would have signed. She stated that that is an amazing amount of people to support one person and that it should tell this board overwhelmingly that the committee did their job thoroughly. She stated that if you come by East Hills at night Dave Horvath will be there and that he is there for the children, not because he needs to be there. She stated that the school might get a new student whose schedule doesn't work and Mr. Horvath wants the child to start. She has worked with administrators that would leave it on their desk and the child would sit in the office. She didn't understand the board questioning a committee who is highly qualified to decide what is appropriate. She concluded by stating that if the board is for the students and faculty at East Hills that they need Dave Horvath. She stated that Mr. Horvath will take them in his direction and that he

values every single student. She stated that Mr. Horvath has brought a lot of change and will continue to do so.

President Leeson questioned Ms. Yasso as to what inspired her to get the signatures. President Leeson stated that the board has not yet voted.

Mrs. Yasso replied that when something is tabled or you hear rumblings through the community that things will happen, she stated that she knew Mr. Horvath may need their support.

President Leeson stated that she would be incorrect because the board has not voted.

5. Judy Parr – Bierys Bridge Road, Bethlehem

She had the pleasure of working on a committee with Jan Hilton last year and she was great to work with, generous, efficient, thorough and imaginative.

She also stated that she was one of the parent representatives during the selection committee for the new principal at East Hills. She came away with two impressions. She has strong opinions about how the selection process should be run and was very impressed with the rigor, the objectivity, thoroughness and professionalism of the process that she joined. She was also grateful as an East Hills parent that there was somebody of Dave Horvath's caliber interested in the principalship of one of the schools. She stated that Mr. Horvath was thoughtful and thorough. She was very impressed with Mr. Horvath.

6. Margaret Moncavage – 386 Nolf Road, Nazareth

Her father was on school board and actions presented today remind her of lessons her father taught her. She stated that the board's role is to do what is best for the community and that her role tonight is to do the best job for the community but also wants to work in the best building in the Bethlehem school district. She loves her job and curriculum but no matter how much she puts into her job there is a weak link if there is not a good administrator. She was fortunate to see Mr. Horvath's resume. She stated that there was a window for anyone interested in the principalship to apply. She then stated that the best candidates were chosen and put through round one. She was one of the teachers involved in round two. She stated that on that evening they met great administrators from other districts, but when Mr. Horvath came in he stood way above everybody else. She stated that she doesn't know where the process fell apart. She was there and stated that the process does work.

President Leeson stated that the general time period for the courtesy of the floor was well exceeded. President Leeson called to for a vote as to all in favor of extending the courtesy of the floor at this time to raise their hand.

The hand vote to extend the courtesy of the floor passed 8-0.

7. John Coyle – 370 Garfield Street, Freemansburg

Mr. Coyle is a teacher at East Hills Middle School. He teaches the Spirit of Bethlehem, one of the thematic programs at East Hills. He believes Mr. Horvath is uniquely qualified to be the principal of such a school. He stated that East Hills thematic programs have won acclaim locally and nationally and stated that the teachers and students have received a lot of credit, but the administrators of East Hills, from the beginning of these programs 15 years ago, worked side by side with the teachers. He stated that the program takes an incredible amount of involvement including time and communication between administrator, teacher, parent and student. Mr. Coyle stated that years ago Mr. Horvath began to help him refine, and continues to help him, shape the Spirit of Bethlehem program. Mr. Coyle stated that he has worked with Mr. Horvath as the Assistant Principal and that Mr. Horvath is a uniquely qualified gentleman and is the right one.

8. Donald Sillivan –

Mr. Sillivan is a taxpayer that went to school through the Bethlehem system. He owns a family business that has constructed many things in the valley. He stated his business is going on 60 years and is based on integrity. He has known Dave Horvath for about 12 years and stated that Mr. Horvath is highly qualified and has honesty and integrity which is hard to find in today's world. He asked that Mr. Horvath be considered and voted for.

A motion was made by Director Koch and McKeon to approve the minutes from the February 23, 2009 Regular Board Meeting and the February 25, 2009 Public Budget Hearing. The motion was passed by unanimous voice vote.

President Leeson addressed issues presented during courtesy of the floor as to where has the process fallen apart. She stated that the process did not fall apart with the individual or with the interviews that went on. The process has fallen apart with the upper administration. She stated that the board has told the administration that it would like to have this brought to them with the supporting documentation and the opportunity to review with the administration all of the qualifications. She stated that the board does not question that this is a highly qualified individual and she stated that she apologized to Mr. Horvath for having to go through this. She stated that this should not have been a public session and noted that the board does not question, but values Mr. Horvath in our district. President

Leeson stated that the board did not have the time, in the short period of time they were upstairs, to review not only Mr. Horvath, but all of the other recommendations that were brought to them for the evening's consideration. She stated that this is no reflection on any individual or a reflection on the process that was used and that hopefully the board will be able to move forward in a positive way for all involved.

President Leeson stated that she had the opportunity to speak to Scott Shearer of Public Financial Management about the fees being charged for the TRAN (tax revenue anticipation note) and that Mr. Shearer will be taking no fees on that note and the bank will be taking no fees on that note.

President Leeson addressed the letter received from City Council asking the board to take into consideration the tax paying citizens around Liberty High School and their concerns. President Leeson stated that a lot of attention has been received recently in the press and that she would like to ask the administration to prepare a response and asked the support of the board to ask for a response from the administration to the issues that were brought out in the paper this past weekend.

Dr. Lewis went on record to state that the failing is in a lack of trust in our system. He stated that interviews have always been conducted along the 3-tiered method. He stated that recommendations were made to the board and the tabling of the recommendations tonight is at the discretion of the board. He stated that the board set the direction. He took issue with the statement such as "we are rolling over." He doesn't believe that to be the case, but believes that if you go through a process, involving community members, teachers and fellow administrators, in some cases if you make appointments based on people who have been tested in the field, who have been in positions of similar responsibility, as have some of the other candidates, that you do so with the best interest of the district at heart. He stated that for whatever reason, some people do not believe the system has delivered as is intended. He respectfully disagrees. He stated that the recommendations were made on the June 3, 2009 and on Friday, moved forward with those recommendations because we do believe in the integrity of the system. He restated that Mrs. Parr noted that she found the system to be very thorough, as did others. He apologized for those candidates if it was his mistake in putting them forward, that certain members did not feel they had adequate time to review it. He apologized to all those individuals listed on those recommendations. Dr. Lewis stated that he will make moves in a lateral assignment of people as he can under the school code and under his contract. He stated that where positions are lateral moves, we will move forward based on the cabinet's recommendations. People will be advised of those in the coming week. We will be available to discuss all of the candidates that have been

nominated with the board at their convenience. He also added that he believes there was something very interesting and convincing said, that this was a unanimous decision. He wanted to confirm that 22 professional educators on three levels unanimously selected a candidate for the East Hills principalship. Dr. Lewis stated that he has faith in the integrity of the system and believes it is the right process if you are going to test someone against the field. Dr. Lewis assured that those appointments will be the administrators' recommendation come June 22, 2009.

Dr. Lewis also stated that what appeared in the press over the weekend as far as he is concerned is a series of inaccuracies. He stated that audited statements were previously shared with the press. The press chose to ignore those, chose to write their own version and do their own math. He stated that Mr. Majewski has prepared that and has a public statement he will introduce later. He stated that the point is that we have shared that information and will provide documents to whomever requests it to show the facts surrounding the borrowing at this school district since 2003.

Lastly, Dr. Lewis stated that Mr. Majewski revealed to him late this evening that the borrowing was more beneficial than if the district had gone fixed rate with all of its issues throughout all of the series of bond issues and borrowings that occurred. No one chooses to look at that. He suggested that someone may want to look at what money would have cost had the district chosen to go exclusively fixed rate at the time that these issues were released for public sale.

Director Amato commented on what was said by President Leeson and Dr. Lewis. He agreed that it was not a failure of the process that was in place to choose the candidate that was best qualified for the positions that the administration recommended tonight. Teachers, parents and 22 administrators were involved and it was a unanimous decision. He stated that the failure was in the board micromanaging what comes from the administration.

Director Follweiler made a motion that the board ask the administration to bring in additional information back to the board concerning the series of articles that appeared in the Morning Call this week. Director Dexter seconded the motion.

Director Follweiler stated that one thing addressed in the article was the board and the need to have asked more question. She believes that that comes up many times and ways on many subjects. She discussed how words such as due diligence, micromanage, and question can be interpreted differently by individuals. In Director Follweiler's opinion, she believes that this board has been criticized for both not asking enough questions and micromanaging at the same time. She stated that she will

personally vow to do what she believes is correct for the community and the stakeholders and ask questions when she believes they need to be asked.

President Leeson requested a roll call vote for the board to ask the administration to bring additional information back to the board concerning the series of articles that appeared in the Morning Call this week. The question was called with roll call as follows: Yea, Directors Follweiler, Koch, Cann, Dexter, Leeson, and Tenaglia – 6, Nay, Directors Haytmanek, McKeon, and Amato – 3.

The motion passed 6-3.

Director Koch discussed the letter received from City Council. She stated that it is offensive that City Council feels they have the right to enter into school district business. She referred to the time when a site was being sought for Broughal and a suggestion was received from City Council that houses be condemned on the south side to build a school there. The board was asked to get involved with opposing the Sands and we stayed out of it. She stated that the board felt it was not their place but was an issue for City Council. She stated that City Council does not share that consideration and allow us to conduct our business.

Director Dexter addressed the issue of the administrative recommendations for moves within our school district. She referred to the comment of one member of the community asking that another look be taken of the resume. She stated that she wanted to point out that the board has not been provided any resumes. She stated that what was provided is the name of the person, the position that the administration recommends them to have and the salary. She added that the board doesn't know anything about their performance in the past, their qualifications, perceived strengths or weaknesses.

Director Dexter stated that policy places substantial responsibility and authority for effective management of the schools within the district administrators, ultimately retains the authority, responsibility, etc. for hiring administrators. She referred to Policy 303 which states that the board shall, by a majority vote of all members, approve the employment, set the compensation, and establish the general employment for each administrator employed by this district. She believes that each of the board members will perceive what that duty is a little differently, but doesn't believe that anyone would disagree that having a partial discussion on one of five people with no resumes or opportunity to discuss anything about strengths and weaknesses would be that due diligence. She stated that that is her perception as to why this has been tabled. She stated that there was a disagreement as to whether they had any duty at all to do that

or whether they should vote the best they could without information. She wanted the public to understand that this board takes its responsibility very seriously in all areas.

Director Dexter stated that she agrees with Director Follweiler in that one person's perception would be micromanaging and another would think enough questions weren't asked. She stated that this would vary from one meeting or issue, to another. She believes that the board has communicated what they need and want and it wasn't provided so they took the necessary steps. She stated that on the June 22, 2009 meeting they will vote on those recommendations.

Director Cann requested that Mr. Gilliland update the board on two topics. The first item being the Liberty plaque and second is the final costs for some items for Broughal Middle School.

Mr. Gilliland stated that the plaque at Liberty High School is being redone and as part of the package they have included taking the old plaque off and putting the new plaque on. He was told that the plaque is expected to be delivered at the end of this week or next week. He stated that arrangements will then be made to have the old one replaced.

Secondly, Mr. Gilliland stated that tonight the board would be asked to consider appliances for Broughal Middle School. He stated that originally the budget was about \$20,000 and the question came up as to what will they be used for. He stated that most of them will be used in the Family Consumer Science area. He stated that it is always to the district's advantage to purchase the items either under state contract or to get competitive quotes, which we did. He also stated that they did scale back some of the original requests for appliances and were able to get some very good prices.

President Leeson questioned Mr. Gilliland as to her belief that the money from Consumer Science was to be put more into the technology area at Broughal and that they were going to be replacing those courses with the digital photography and other courses and shifting some expenses.

Dr. Lewis stated that he thought the issue was that they are not doing as many family consumer science courses, the 3 years worth, or the 6th, 7th, and 8th grade experience. He stated that as a result, there isn't a lot there. He explained that some of the other appliances are in the nurse's area, health suite, and believes there is one in the faculty room and family center. He stated that they are continuing to solicit support from benefactors on the family center. He confirmed that the number of family consumer science rooms is not what is typically found in some of our other middle schools.

President Leeson restated that the number of consumer science rooms is not as many as in other schools and then questioned as to what we are actually saving.

Mr. Gilliland stated that there is one room with four stations and a teacher station as opposed to three or four family consumer rooms.

President Leeson asked Mr. Gilliland if the other middle schools have three to four family consumer science rooms.

Mr. Gilliland responded that he didn't know exactly but knew that they have multiple appliances in the rooms.

Director Follweiler asked Mr. Gilliland to confirm that this was an information only item.

President Leeson discussed the article in the newspaper about recess being withheld at one of the schools. She stated that the board brought that to the attention of Dr. Lewis in the fall and at that time Dr. Lewis told the board that it was the start of school and that it would be taken care of. President Leeson stated that she believed the board made it very clear that they did not want to see recess withheld from students.

Dr. Lewis responded that it was not. Dr. Lewis delivered to that principal a directive that each class was to receive 20 minutes of recess. He stated that if on a particular day a teacher does not conduct recess for a particular reason; he cannot say that didn't happen. Dr. Lewis stated that Mrs. Sponchiado assured him and she called the reporter to report that every teacher has a 20 minute recess during the day. Dr. Lewis said he would not tell teachers when that should occur. He stated that he did make that directive and did send it to the principal.

President Leeson requested clarification from the board as to what issues were tabled in the previous motion.

President Leeson asked if any board members voting on the tabling of number 8 on the agenda did not understand it to be just the administration on pages 9 and 10 and not the other pages.

Mr. Majewski read into the minutes that item number 8 will only include pages 11, 12 and 13.

President Leeson stated that there are 11 voting items. Number 10 is information only.

President Leeson requested a motion to accept the recommendations of the administration.

Director Koch made the motion which was seconded by Director McKeon.

President Leeson asked if there were any items the board would like to have pulled.

Director McKeon – item no. 2
Director Follweiler – item no. 12
Director Dexter – item nos. 3 and 4
Director Tenaglia - item no. 11.

President Leeson requested a roll call on Recommendation nos. 1, 5, 6, 7, 8 and 9. The question was called with roll call as follows: Yea, Directors Follweiler, Koch, McKeon, Tenaglia, Cann, Haytmanek and Dexter. President Leeson votes Yea to 5, 6, 7, 8 and 9. Nay, Director Amato to item no. 8, President Leeson – Nay to item no. 1.

Items nos. 5, 6, 7, and 9 - Yea – 9, Nay - 0
Item no. 1 - Yea – 8, Nay - 1
Item no 8, pages 11, 12 & 13 – Yea – 8, Nay - 1

Director McKeon questioned whether item no. 2 satisfied the state auditors.

Dr. Lewis replied that it does.

President Leeson thanked the city and the solicitor's department that it took a quick call and that it was ready in a short time.

Dr. Lewis stated that the district waited for two years for that document; and that Mr. Gilliland had hand delivered it to them two years ago.

Director Dexter stated her questions regarding item nos. 3 and 4. She referred to item no. 3 asking the reasons for the selection of the book and what alternative there is.

Julie Victory responded stating that they worked with 5 different books. She asked publishers for copies and had them at both high schools. She asked teachers in Algebra 2 and Precalculus to look at the books and that both departments ranked the same textbook as no. 1. She stated that had they not she would have pulled them together and had more of a discussion. She also had a 2 page evaluation that the teachers used when reviewing the textbook.

Director Dexter asked how she would describe the method of teaching that was illustrated through those books.

Julie Victory replied that even though it is from a different publisher than the Algebra 1 and 2 books, it fits in nicely. She stated that Pearson, who is the publisher for Algebra 1, 2 and Geometry books, does have a book that was considered but was too difficult; it was a huge book that she felt was wordy and cumbersome.

President Leeson stated that the board has not had an opportunity to review the curriculum for either of them. She stated that from a board perspective it feels as if they would be adopting these in a vacuum. She appreciated Julie Victory's discussion on the process used and what she is attempting to do with the Algebra 3/Trig textbook.

Julie Victory noted that she does have 2 books.

President Leeson said that she would like to see what the overall curriculum is and to know what we are attempting to learn in the Algebra 3/Trig.

Julie Victory said she could give everybody a copy of the curriculum and could provide two teacher editions that show the student book.

Director Haytmanek stated that he didn't understand why there was a problem with this. He stated that they were just told that the math teachers at Liberty and Freedom both selected these books as their number one choice and that it is their decision. He stated that they were choosing their textbook based on their training and education.

Director Dexter stated that she would like to review a book before it is voted on.

Dr. Lewis stated that he believed it was put in a memorandum to the board that the books were available for review.

President Leeson addressed Dr. Lewis stating that the board had asked for this to be in a curriculum meeting and have asked that before things appear on an agenda that they are reviewed in committee. She stated that this was not done in committee and that that makes it difficult for the board.

Mrs. Cann asked Julie Victory what happens now that that course is not available, do you go from Algebra 2 to precalc. She then asked if this course will now be a prerequisite to precalc or is it a skippable course.

Mrs. Victory replied that students would take it upon recommendation of the Algebra 2 teacher. She explained the typical succession of courses and stated that they are looking at one course at each school.

Director Follweiler addressed Mrs. Victory asking her if this was in her succession when she had presented to the board some time ago the different mathematics in succession for rigor.

Julie Victory said she didn't think so, that this idea arose earlier this year.

Director Follweiler stated that she recalled the discussion.

Regarding item no. 4, Director Dexter asked for more information regarding the selection of the textbook for high school biology, honors chemistry, and AP science courses.

Director Dexter wanted to know what the selection process was, was there controversy and were the textbooks selected chosen by high school departments in both schools.

Mr. Eric Smith responded stating that they had a series of books. For biology they looked at 4 different books. For honors courses they looked at anywhere from 4-6 different books that were shared with all of the teachers that it would appropriate for. He stated that they had the added benefit for the AP courses of having books that were on their suggested lists. He stated that they went through a similar process by reviewing all of the ancillary materials and had a checklist.

Director Dexter asked if there was an effort to make sure that the materials in these courses also correlate with the testing that we are going to be undergoing.

Eric Smith replied "yes."

Director Dexter then asked if we know of any other districts that had good results with these science texts.

Eric Smith responded that it turns out that for the honors courses, these are the three most popular books in the area, but stated that they wanted to look at everything on its own merits.

Director Dexter asked if those high schools preferred the same textbooks in all areas of science that we are purchasing and if there was any difference of opinion.

Eric Smith replied that there is always difference of opinion but we definitely had consensus. He stated he doesn't know if he ever had a textbook that was 100 percent but that the biology book was pretty much 100 percent.

Director Dexter stated that she hadn't seen the curriculum on this.

Eric Smith said curriculum was being written as we speak and that they are moving ahead with the purchasing of the book because there is grant money in this budget that needs to be spent before June 30, 2009. He stated that the honors book is on the list of approved books.

Director Dexter stated that she would hope that the curriculum would be written first and then the book purchased.

Eric Smith explained that they were delayed in getting the curriculum writing going with people's availabilities and that they are working on the two together. He explained that they chose the book as they were preparing their preliminary work on the units of the curriculum.

Dr. Lewis added that the books parallel the state's standards and that is the most important piece that that match occur.

Mrs. Katona stated that they would not promote getting the book and writing a curriculum, however, because they are books that are being used in many of the schools in the area she was okay with it. She also stated that because of all of the discussion going on about the book and Eric Smith and Julie Victory working at great lengths to get all of the costs aligned and so forth, with the timing of the curriculum meeting it didn't work out. She wasn't able to get to the curriculum meeting and that is why she wanted it on the special board agenda knowing that we are running up against the end of June and where the funds are coming from.

Director Tenaglia was asked to address item no. 11. He asked Dr. Lewis if he wished to speak.

Dr. Lewis stated that Mr. Tenaglia contacted Stanley Majewski and Dr. Lewis today. They had a conversation on the TRAN and Attorney Reid is here tonight. He explained that what they have done is prepared two documents so the board has an option. He stated that Mr. Majewski would explain the first document, the variable rate of financing, and that Mr. Majewski and Attorney Reid would explain the second document, a fixed rate, and then the estimated cost differences in interest expense.

Stanley Majewski stated that the document initially presented to the board reflects the resolution using the variable rate option that was given to us

by Wachovia Bank. He stated that there were quite a number of banks who received the request for proposal and only two submitted responses. He stated that besides Wachovia, the other response was from M&T Bank and that the fixed rate they quoted was considerably higher than Wachovia. He explained that if you look at the variable rate and the fixed rate, there are probably about 55 basis points that would be a difference between the two, however, the variable rate is based upon the one month libor. He further explained that the one month libor has been very stable but over the next 6 months one does not know exactly where that would go. He was asked if he was comfortable with a fixed rate option considering the potential volatility that you have in the future with the market and his response was "yes." He stated that he then asked Attorney Reid to prepare a resolution for the fixed rate option as well. He stated that whatever is the interest of the Board that there is a resolution to either go with the variable or fixed rate option. He stated that with the difference between the two, you gain more security with the fixed rate option and that the spread right now is not at a point where he believes the difference will be significant. He stated that it is less risky to go with the fixed rate option, whether it is a 3 month or 6 month period, depending on what happens with the state, when we could repay these funds.

President Leeson stated that she had an opportunity to speak with Scott Shearer. She stated that he was not present yet. She relayed that Mr. Shearer had said that there have been changes in the market and that at this point he would be comfortable recommending a fixed rate and would also be comfortable if we delayed this vote until his arrival, as well.

President Leeson stated that they can recess the meeting and come back to it when Mr. Shearer arrives and perhaps get additional information on this issue. President Leeson recommended that they do so

Director McKeon asked what would be the negative if they were to table this to next week or the regular board meeting.

President Leeson recommended that they recess until Mr. Shearer was present and then if they choose to table at that time they would have a better understanding of the issue.

Mr. Majewski responded to the general question of delaying until June 22, 2009. He stated that if the vote is delayed until June 22, it needs to be settled on July 1, 2009. He believes that it would likely delay the settlement date if they took action on June 22, 2009, which is one of the primary reasons of the special board meeting, to be able to get the action on the TRAN today in order to have settlement on July 1, 2009. He also noted that the quote from Wachovia would no longer be good after today.

Director Dexter stated that she was okay with voting on it. She believes last year they voted on June 21 and settled on July 3. She stated that it might still be doable.

Mr. Majewski stated that in order to be able to do that we would have had to structure the RFP. He stated that there was a discussion in May about the process and the timing and what we were proposing to do, it was timing the RFP so that the proposals would come due on the 2nd and scheduling the meeting for June 8, 2009. He stated that to not take action tonight would mean they would have to start the process all over again and that there is no guarantee that they would be in the position to be able to come on June 22, 2009 and be able to settle in time to obtain the funds. He stated that to now change what was discussed in May would create timing issues.

Director Follweiler mentioned that she is uncomfortable that this is the second year in a row that this needed to be done. She suggested discussing further what the total cost to the district was last year in interest payments and what would it be this year.

Mr. Majewski stated that it depends on the period of time you are looking at. He explained that the fixed rate option can be paid at the end of September which they plan on doing as long as they can get the state to approve their budget and get money flowing to us. He stated that if there is an extended delay in the state approving their budget and that the district can not get out subsidy, it may not be until the end of December that we can repay the funds. He stated that in that case the interest expense could be different based upon the delays at the state level.

Director Follweiler questioned if that was the same plan as last year, that we started in July and paid back by the end of September.

Mr. Majewski confirmed that it was paid back by the end of September.

Director Cann noted that you can prepay quarterly starting September 30 but questioned if there was an outside date.

Mr. Majewski replied that it had to be repaid within one year.

Mrs. Follweiler spoke regarding item no. 12. She stated that she had that item pulled because she will be voting "no" because she printed all of the pages of Senate Bill 850 and found seven sections in regard to education and is not finished reviewing it yet and would not be prepared to make a decision.

President Leeson stated that she would also be voting “no” on this issue because she does support the concept but does not support the format. She believes that the format states that, whereas, we will be forced to increase property taxes 1.79 to 4.87 percent, and she doesn’t feel that this is being considered at this point. She also referred to the section that says that we would have to layoff up to 87 district staff. She doesn’t believe we are looking at that. She understands that when it was written it was meant to say that if this takes place, in order to balance the revenue, we would either have to increase taxes by 4.87 percent or decrease staff. She believes that the resolution states that they are ready to do it.

Dr. Lewis asked if the board would feel better if it would mean either an increase of about 5 percent in property tax or a decrease in program of a comparable amount, if that would be acceptable. He stated that they want to send a message across the Commonwealth in support of the Governor’s proposal that boards are not interested in having subsidy cut by taking the stabilization and stimulus monies and putting it in the basic funding formula.

President Leeson stated that she supports that statement but doesn’t support the way it is written.

Dr. Lewis stated that it could be modified. He believes the point is to send a message that SB 850 is crippling to schools.

Director McKeon stated that he doesn’t disagree with the premise but he believes that even if that is passed tonight, when June 30th arrives, we can not consider raising taxes unless they settle the budget June 29.

Dr. Lewis stated that the message is to try to get them to come to resolution.

President Leeson suggested a revision to Dr. Lewis of removing paragraphs 5,6, and 7 from the resolution.

Dr. Lewis asked is they were willing to say that we would either have to do a 4.87 percent increase or reduce expenditures of a like amount.

President Leeson stated that they could not increase the taxes after June 30th.

Dr. Lewis stated that you could increase taxes up to that date. He stated hypothetically, if the budget came out June 18, those would be two options. He stated that he wouldn’t recommend it, but it is the message.

Director McKeon stated that he does not disagree with the message.

Director Follweiler stated that they would not give a 9-0 vote on this. She stated that on Section 212 which is the Department of Education, it outlines 3.3 billion dollars from federal money and 8.9 billion dollars in state money going to various areas. She doesn't understand how that would equate to increasing the tax or reducing expenditures.

Dr. Lewis replied that the increase would be about 5.1 million dollars, which would equate to 2 mills, or roughly 4.87 percent by Mr. Majewski's calculation. Dr. Lewis stated that that is how the calculation was drawn. He stated that it is based upon what our subsidy would have been and our stimulus monies would have been, versus what SB 850 calls for and that the shortfall to the district comes into the 5 million dollar range. He said that this was done for every district in the Commonwealth.

Director Koch stated that she would like to thank whoever prepared the report. She stated that it is a shame that those preparing our budget do not notice what the state is doing to us.

Director Koch referred to an item on the back that talks about "maintenance of effort requirements." She had never heard that expression before and does not understand its meaning.

Dr. Lewis replied to Director Koch stating that Mr. Majewski projects revenues based on market value, collection rate, and current income tax. He explained that maintaining that level of effort if what they are talking about and that it is the same language used in the exceptions. He further stated that if we were unable to maintain our revenue, Mr. Majewski applied for an exception, which allows you to go above the index.

Mr. Majewski explained that federal requirements are different. He further explained that when you apply for grants and they are looking for maintenance of effort, they are saying that if you employ 10 staff in order to provide services for this program, because you now get the federal monies, you can not now take these 10 staff and put them in the grant. He said locally you would not be maintaining your effort and that it could be an issue of planting and supplementing. He stated that with maintenance of effort, if it is a federal requirement, grant related, they are expecting you to maintain your local effort and the consideration of the use of monies.

Director Koch asks if they are saying that with SB 850 we would have difficulty doing that.

Mr. Majewski referred to the first paragraph referencing the federal maintenance effort requirements for both funds. He stated that you would

be expected to maintain our local effort and that you could not replace local effort with these funds.

A motion was made by Director Tenaglia and seconded by Director Dexter to pull item no. 11 until later in the meeting.

The question was called with roll call as follows: Yea, Directors Follweiler, Haytmanek, Koch, McKeon, Tenaglia, Cann, Dexter, Leeson – 8, Nay, Director Amato – 1.

The motion passed 8-1.

President Leeson addressed Dr. Lewis regarding the modification to item no. 12.

Dr. Lewis read the modification to item no. 12. The modification is to paragraph 5. Paragraphs 6 and 7 are deleted.

Revision to paragraph 5 reads as follows:

“WHEREAS, the district is now forced to consider either increasing the local property tax between 1.79 and 4.87 percent to compensate for the loss of state funding should Senate Bill 850 become law or reduce the budget or expenditures by the same amount.”

President Leeson confirmed that item no. 12 is amended as stated above.

Director Dexter stated that she did a quick review of the Algebra textbook and appreciated the source. She believes it is a good choice and definitely has rigor and she has no doubt that anyone that would take this course and pass it, would know algebra and trigonometry as well. In her review she noted that there are real world problems but the applications are traditional. She stated that there is direct instruction and definitions of mathematics terms that are repeated throughout the book along with SAT and ACT practice problems in different units pertaining to the subject.

President Leeson called to vote on items 2, 3, 4 and revised no. 12.

The question was called with roll call as follows: Yea, Directors Follweiler to items 2, 3, 4, Nay, to no. 12, Haytmanek, Koch, McKeon, Tenaglia, Amato, Cann, Dexter, Leeson.

Items no. 2, 3, 4 – the motion passed 9-0.

Item no. 12 – the motion passed 8-1.

President Leeson proceeded with Courtesy of the Floor.

The following persons addressed the Board of School Directors:

1. Stephen Antalics – 737 Ridge Street, Bethlehem

Mr. Antalics responded to the board regarding Bethlehem city council imposing their will on the district regarding Broughal Middle School. He stated that the school district is concerned with the educational welfare of the community and that city council of Bethlehem is concerned with the civic welfare of the community. He stated that they both fall under the umbrella of the welfare of the community at large so that neither the school district nor the council operates in a vacuum and should be interrelated because they both share the missions of the welfare of the community. He stated that the historic officer of Bethlehem, state of Pennsylvania and many citizens of the city of Bethlehem are concerned about the loss of a very historic building in Bethlehem. He expects the school district and its directors to get into open dialogue to address the interest of the welfare of their citizens as to a clearly outlined destination of historic area of the south side. He urged the district and the directors to respond to the council who has responded to the needs of the community by understanding that the state of Pennsylvania, historic officer and many citizens have expressed outrage that an important historic building will be demolished. He would expect cooperation rather than outrage based upon what is best for the citizens.

2. William Burkhardt – 428 Second Avenue

Mr. Burkhardt questioned a discussion between Director Cann and the director of buildings and grounds. He questioned if they were going to take the original plaque dedicating Liberty High.

President Leeson responded “no” and that this is a rededication plaque and not the original plaque.

A motion to recess from the special board meeting was made by Director Tenaglia and seconded by Director Dexter at 8:30 p.m.

The Special Board meeting was reconvened at 9:25 p.m. by President Leeson to go back to item no. 11 of the recommendations of the administration.

President Leeson welcomed Scott Shearer and explained that she had shared with the board their earlier discussions and that Director Tenaglia also shared with the board his discussions with Mr. Shearer. President Leeson stated that she had also conveyed the generosity of waiving the fees for this issue and that Mr. Majewski had discussed the movement of either the fixed rate or variable rate.

Mr. Shearer referred to the summary of the bid results received in the board packet. He stated that the bid for the 15 million plus TRAN had been sent out to about 18 different banks and that two responses were received, M&T Bank and Wachovia. He stated that Wachovia had the better response. He further explained that the two options were as follows: the first was a fixed rate option for the full term of the fiscal year at 2.5%, prepayable on a quarterly basis beginning on September 30, then each quarter thereafter. He stated that it is only prepayable at the end of each quarter without any penalty. He explained that the variable option rate fluctuates daily and is based on the one month libor plus 195 basis points. He explained that in the summary page he did before, it is equivalent to about 2.25 but that today that is equivalent to about 2.3%. He stated that the one month libor is fluctuating on a daily basis and is hovering around .3, .32%. He stated that basically we are looking at a fixed rate of 2.5% or that variable rate option that will change daily. He stated that based on discussions internally and with the business office, as of right now with the variable rate option you are about 25 basis points better than with the fixed rate option. He stated that there is also more flexibility in prepayment if you were able to prepay the TRAN early. He further stated that when Mr. Majewski and Mr. Shearer had conversations last week, one of the indicators they looked at was the fed funds future trade which is what the federal reserve controls. He stated that right now it is in a range between 0 percent and .25 percent and that is a good proxy for the one month libor. He further stated that when they reviewed the fed funds futures, at that point in time there was very little likelihood of that fed funds jumping up at that time. He stated that then with the news of the economy improving and the fed wanting to monitor rates more closely to curb inflation they may be adjusted sooner.

Mr. Shearer stated that based on where they see the fed funds futures today, it is looking to be about .5 percent or maybe a little more. He stated that if the TRAN is outstanding for the full fiscal year, there may be a likelihood that it will go up more than that. He stated that based on that new news, from a mathematical standpoint, it now looks like the fixed rate option may be the better option. He stated that there is no clear answer in this case.

Mr. Shearer stated that the documents provided to the board reflect the 2.50 fixed rate option. He stated that in voice mail communications with Wachovia today, he received confirmation that if the district proceeds this evening with the fixed rate option Wachovia will honor that 2.50. He also stated that this was being timed for very early in July.

Mr. Shearer stated that between the two institutions that responded, Wachovia had the best proposals.

Mrs. Follweiler questioned Mr. Majewski if last year's loan and this loan were comparable in the quarterly prepayment terms.

Mr. Majewski responded that this can be prepaid at the end of a quarter.

Mr. Shearer stated that the first prepayment date is September 30th, then December 31st, March 31, then June 30th and that those are the 4 prepayment dates available.

Mr. Tenaglia stated for clarification that the quarterly prepayment option is on the fixed rate, not the variable. Based on what we saw last week, it is approximately \$9,000.00 on a quarterly basis. Mr. Tenaglia's recommendation to the board is that they proceed with the 2.5 percent fixed rate under the terms that Wachovia provided with the prepayment at the end of each calendar quarter.

Mrs. Follweiler ask if based on the proposed budget, would we not have to do this loan again next summer.

Mr. Majewski stated that looking at the present proposed budget, last year started with a TRAN. There is potential for a \$7,000,000 to \$8,000,000 deficit at the end of this year. He stated that if they were able to take everything that is in the contingency and reduce the deficit, it would get back down to around the \$3,000,000 deficit of last year, and they still needed the TRAN. He stated that we are moving closer but the likelihood that we will need a TRAN next year is high.

Director Cann asked to have the fees explained.

Mr. Shearer stated that the fees are based on their hourly rate and is approximately \$5,000.00-\$10,000.00. His firm is waiving all of those fees. He stated that the bank is not charging a commitment fee for this transaction. He stated that there is a bank counsel fee of \$3,000.00.

President Leeson asked if it was decided not to go forward with the TRAN this evening, would this change the rates.

Mr. Shearer responded that Wachovia did agree to honor the 2.5 percent fixed rate if it was accepted this evening. He stated that if it is delayed a week or two, they will not be able to hold it for that long and there would be the risk that the rate could go up or down. He stated that the likelihood of it going down is not good.

President Leeson stated that the current TRAN presented at the recommendation of the administration is the variable rate TRAN. She asked if someone wanted to amend that, to take the recommendation of

our financial counsel and administration and move that to a fixed rate issue.

Director Koch made a motion which was seconded by Director Tenaglia to amend the recommendation to the fixed rate TRAN.

President Leeson requested a roll call vote to amend the TRAN to a fixed rate. The question was called with roll all as follows: Yea, Directors Follweiler, Haytmanek, Koch, McKeon, Tenaglia, Cann, Dexter, Leeson – 8, Nay - 0.

The motion passed 8-0.

Director Follweiler asked what the repercussions are if they don't take the TRAN loan.

Mr. Majewski replied that if we do not take the loan we will not have the cash to meet the liquidity needs from the early part of July through the month of July.

President Leeson requested a roll call vote on the amended item no. 11 – amended to the fixed rate from Wachovia Bank and recommended by the administration. The question was called with roll call as follows: Yea, Directors Follweiler, Haytmanek, Koch, McKeon, Tenaglia, Cann, Dexter, Leeson – 8, Nay - 0.

The motion passed 8-0.

Directors McKeon and Follweiler moved to adjourn the meeting, which carried by voice vote. The meeting adjourned at 9:47 p.m.

Attest,

