

**BOARD FINANCE COMMITTEE MEETING MINUTES  
MONDAY, APRIL 6, 2009**

Members of the Board Finance Committee met on Monday, April 6, 2009, in the Dining Room of the Education Center, at 1516 Sycamore Street, Bethlehem, PA. Mr. McKeon, Chairperson, called the meeting to order at 9:35 p.m. The following school board members were present: Mr. Rosario Amato, Mrs. Michele Cann, Mrs. Judith Dexter, Mrs. Irene Follweiler, Dr. Craig Haytmanek, Mrs. Charlene Koch, Mrs. Loretta Leeson and Mr. Benjamin Tenaglia. Also in attendance were Dr. Joseph A. Lewis, superintendent of schools; Mr. Thomas Washington, assistant superintendent for human resources; Mrs. Anne Morton, assistant director of business affairs; Joseph Hogan, John Lushis and Dwayne Wagner, members of the TIF Martin Towers Project; Scott Shearer of PFM; members of the press and other interested citizens.

**COURTESY OF THE FLOOR**

Dana Grube of 2420 Henderson Place, Bethlehem said that he is probably one of three people who know TIF in the city of Bethlehem. We negotiated the TIF agreement for the Beth Works sight. I will have a number of comments to make at the conclusion of their presentation. A lot of my discussion is going to center around the philosophical issues of a TIF. I'm not here to question on the legality of it or the necessity that they feel for this project but I will offer a number of insights based on my experience with the one and only other TIF we have ever done in the City of Bethlehem.

Stephen Antalics of 737 Ridge Street Bethlehem said that TIF is designed to alleviate blight. Beth Works did get a TIF based upon the problem where a municipality will use a TIF as a carrot to induce a developer to come forth to develop on undesirable lands. Prior to Lowe's, Eighth Avenue was a blighted area. If you drive on Eight Avenue today, based upon the principal of TIF, it would be hard to find blight in that area. Martin Towers does not appear to be blighted but it is considered blight by the planning commission. TIF was granted primarily not because it is a blighted area but because they would rather see money from federal or state funds come to Bethlehem than elsewhere in the state. Some of you heard Mr. Vector from Ashley come forth as ask for TIF based upon financial hardship. It turns out Mr. Vector is only twenty five percent owner. The majority owner was SWB Company. SWB turns out to be Mr. Harrick of Harrick Company in Boca Raton, Florida. Mr. Harrick is a billionaire. Long-term loss of funds to the City would be a detriment to the City. It is up to the developer to develop the building on his own since the blight is not there. The blight is within the building. Other areas in the City where sprinkler systems were deficient, the City has cited them and the owners of the buildings are required to pay for the sprinkler systems. It is not in the best interest of the City to lose the tax financing money for practically 20 years and give a free ride to a developer.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Louise Malariano of 3114 East Boulevard Bethlehem commented that under the TIF program, the school district would not be getting school taxes. She addressed the board with the following questions. How many children do you anticipate will be living in this huge development? Where are they going to school? How are you going to pay for transporting them? Are you going to have to build another school? Where is all that money coming from?

Mr. McKeon commented that he appreciated the presentation the TIF Martin Towers group was giving to them, but he hoped that they were not looking for a decision from them tonight. We would not have enough of information tonight. We will also be soliciting public comment.

Dr. Lewis stated that Mr. Wagner and Mr. Ronka contacted him and Mr. Majewski. He explained that Mrs. Cann and Mr. Majewski served on the TIF committee representing the county, district and municipality. There is no decision request tonight. They wanted you to have an understanding of what the project was. They are not here to speak on terms and conditions. They are here to answer your questions. They are not looking for a consensus or for any direction

**TIF MARTIN TOWERS REQUEST**

Mr. Wagner introduced himself to the board. He also introduced John Lushis Jr., solicitor of Lehigh County Industrial Development Authority, and Joe Hogan as TIF Consultant. He explained that they would be making a brief presentation before the board.

Mr. Lushis said that he stood before them as solicitor of Lehigh County Industrial Development Authority. He does not represent the developer. He represents the Lehigh County Industrial Development Authority. Mr. Lushis explained that he was here to refresh our memories on the TIF process. The IDA is by law the financing conduit by which the TIF tax increment financing can be accomplished if in fact it is approved by this body along with City Council. The county as a financing conduit would issue bonds that would be purchased by investors. All or a portion of the bonds would be used to pay your project costs. The base tax assessment of Martin Towers would not change. The increment above that base that will be used to fund project costs. My roll as solicitor and you in the roll of authority in this process is to work with the TIF committee. When we were here in the Fall of 2007, our request was to have this body designate a representative to the TIF committee. We also have a representative from the City of Bethlehem, and a representative from Lehigh County. We have met once and we intend to meet more times to develop a TIF plan. Once that plan is developed we will return to this body as well as to City Council and to the County Commissioners to present the plan in details. Once the TIF financing is paid in full, 100% of the taxes generated of the TIF district will be paid to the three taxing entities. In December of 2008, the City of Bethlehem Planning Commission did designate the Martin Towers area as a blight redevelopment area and we are deferring to the judgment of that body in connection to whether or not that area is in fact blight.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mr. Wagner gave an interim presentation of the TIF Martin Towers project to inform the board of where they are at with the project. He stated that the property was acquired in May of 2006. In 2006 we received a zoning overlay approval. The prior use permitted on the site was office research. The zoning overlay that was approved by City Council and presented provides for the ability to develop the property in addition to the office research for both residential and commercial uses. One of the caveats of the zoning overlay is that the tower must remain and be part of the overall redevelopment of the property. If the tower comes down the zoning overlay benefits go away. In February of 2007 the tower was fully vacated. We could not come to terms with the current tenant based on various existing conditions within the building. The building is set up for a single tenant building. When you try to operate only portions of the building, five floors out of the twenty you have to keep the entire building operational. If only 25% is occupied you are wasting 75% of your money to heat, cool and electrify the building. Those difficulties and the economic challenges and physical challenges of the structure resulted in the tenants vacating the property in 2007. When the building was occupied the operational costs annually exceeded approximately \$5.4 million to run the facility. As it sits to day as a vacant structure that property is about \$1,950,000. Part of that cost is keeping the air circulation going through the building. In May 2007 an initial master plan was approved by the City of Bethlehem. That was a plan that consisted of 100% residential use, all condominium. Based on the changes since May of 2007 we are revising our master plan to reflect more of a mixed-use property. It will end up incorporating single-family town home properties, apartments, office space, retail and some structured parking.

Mr. Wagner presented a chart that reflected the historic tax revenue that the school district had received from 1986 through the present. In 1986 the property generated approximately \$938,000 in school tax revenue. As it sits today in 2008 the school tax bill is \$237,000 representing about a 75% decrease. The property is under utilized. It is not living up to what it could do and what it has produced in the past. The goal is to maximize the revenue that can come from this site. The property generates \$383,000 currently in tax revenue. That results in \$61,000 to the county and \$84,500 to the city. These tax revenues are based on the current assessment of \$6.1 million. That assessment has been in place since the property was occupied. Some of the reasons behind the blight designation were the challenges that the property faces, based on the re-use of the property and the existing conditions. He made reference to a part of his presentation where he displayed a summary of costs. The asbestos removal, the addition of fire sprinkler systems, fireproofing the building after the asbestos removal, and modernizing the 11 elevators will cost about \$12.4 million. That is just an example of some of the costs in the tower alone. There are also some demolition costs throughout the site. There are four thousand feet of pipe that need to be removed that services the heating and cooling for the building. That is a summary since the property was acquired up to now. We will be presenting more information as the TIF committee continues to meet.

Mr. Hogan stated that it becomes complicated to deal with four public bodies. Our first meeting of the TIF committee was on March 19, 2009. We are trying to schedule a second meeting in April to go through more information. I see public meetings with the County, the City Council, and the school district within the next three months just to

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

explain where we are, where we are going and how we are going to get there. I don't see a TIF plan which is a legal document, until sometime in June. It takes a couple of weeks to put it together. We will not do anything until June. If, by July, we come back with a plan, it would go to City Council in July. They would have to make a decision to participate in the financing plan. We would come to the school district sometime in August for you to vote on the tax increment-financing plan. It also has to go to the County government and they have to advertise for thirty days. Three weeks after, they'll consider the approval of the TIF ordinance. If everything goes on target it looks like October before we have a TIF plan approved. Once those steps are completed, we have cooperation agreements between the three public bodies and the Industrial Development Authority. The cooperation agreement is attached to a copy of the TIF plan and all the other residencies. It is one big bible of how this project is going to work. It takes a couple of months to have it done. It will take us into 2010 before the Authority would be in a position to issue the bonds to start the project. It's a long process. We're dealing with four public bodies. We have to work out a program that suits all four public bodies to see how they want to run the program and how they want to fund it etc.

Mrs. Leeson asked if they need support from all three bodies in order to move forward?

Mr. Hogan responded yes. He added that legally, we could have less than three. Practically, the project is dead if you don't.

Mrs. Leeson said we are the largest recipients of your taxes. She also asked who is the representative on City Council on the TIF planning committee.

Mr. Hogan responded Dennis Reiker.

Mrs. Leeson responded that Dennis Reiker is not a member of City Council.

Mr. Hogan said he did not have to be a member of City Council he was the designee by City Council.

Mrs. Leeson asked who is the county council representative?

Mr. Hogan responded Glenn Eckerd. He's the commissioner who represents the area of Martin Towers.

Mr. Tenaglia asked a question with reference to the resolution. Which of the three conditions do you feel the property qualifies under?

Mr. Wagner responded all three apply.

Mr. Tenaglia asked are we sixty percent of your taxing entities?

Mr. Hogan responded yes, you are correct.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mr. Tenaglia commented that if you look at the plan we are going to be more significantly impacted than either of those other two, as it relates to the services we will have to provide, without any incremental offset of revenue. Why would this district, which is projected to have a two-year deficit in excess of 8.5 million dollars, have the tax payers of this district agree to this plan?

Mr. Wagner replied we have not put together a plan yet.

Mr. Hogan said if the plan is approved in March there will be no tax whether it is TIF or not for two years after because it will take that much time for it to be built, assessed and taxed. This is something that is going to happen two years down the road, before there is any impact on you.

Dr. Lewis asked what is the mix of housing? One of the questions on the podium was what is the student yield? This administration is not ready to make a recommendation until we see those numbers. If the growth and tax revenue does not far exceed what we need to expend we are not recommending or supporting it. There has to be a benefit to the taxing entities. The projected tax revenue generated by the revenue left undeveloped, left vacant is there a realized increase in tax revenue as the ratable growth and does it not get offset by a yield of students that would cause us to have to build a new school or add teachers. We told them we're not going to support unless you give us the property to a school and the infrastructure.

Mr. Tenaglia asked you acquired this property in May 2006 and you came with a list of things that have to be corrected but were those not known in 2006?

Mr. Wagner responded they were there.

Mr. Tenaglia stated there has been no communication with the rest of the board. There does not seem to be any consistent consensus on any one issue.

Mr. Wagner commented that this is why he wanted to be able to come tonight to speak to the board, introduce us, and update you. Two weeks ago we met with the TIF committee. We intend to be back in front of you after the TIF committee meetings and as frequently as you'd like us to be here. To update you and communicate with you on a regular basis.

Mrs. Koch asked do you foresee this building as being a place where families with young children would want to live?

Mr. Wagner responded the tower itself, no. It's going to be a mixed-use building with five floors of office use in it. One or two floors of public/retail space the balance being one or two bedroom rental units. Typically the people that rent these types of units are not of the traditional family environment.

Dr. Lewis stated that there are additional residential portions of the development.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mr. Wagner displayed a summary on the use of the property. The tower will have about 200 apartments, 125,000 feet or five floors of office space, 288 garden type one and two bedroom apartments, 295 town homes, and 12,000 feet of retail and structured parking.

Mrs. Koch stated that should impact our schools.

Mr. Lushis stated that what Mr. Wagner was outlining is expected in about an eight to ten year timeline.

Mrs. Koch commented that we are all praying that our economy has improved. You come to us at a very bad time. I've been involved in these TIF discussions before but they were in good times.

Mr. Lushis stated that you are getting into a lot of detail that we are not prepared to address at this point.

Mrs. Leeson said you do anticipate that this TIF project will encompass all of the land?

Mr. Lushis replied yes.

Mrs. Leeson asked the tower has been considered blighted by the planning commission but the remainder of the land is not at this time?

Mr. Lushis replied no, the planning commission certified the entire area as blighted.

Mrs. Leeson explained that our finances within our district are very difficult right now and to give up tax revenue would be very difficult. I understand we are not giving up our current tax rate. As the development progressed, and as the assessment went up, we would be giving up the additional from the base line.

Mr. Wagner stated that we understand that and that is hopefully what the TIF committee will review with good brainstorming and come up with some good alternatives for your approval.

Mrs. Follweiler asked if she could go back to an earlier comment about all three support or don't support. The answer was legally all three do not have to support or practically. What is the scenario if one of the three disagrees? Legally the other two can move forward. Is the third then forced into participation?

Mr. Lushis replied no.

Some discussion followed.

Mrs. Follweiler stated you are putting a whole TIF plan together before you know that all three entities are going to entertain it. Does it not make sense to get a feel for where all the three entities fall?

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mr. Lushis replied this is why we are going to come back to you and have additional meetings.

Mrs. Wagner added that we have not begun to put the formal plan together. We wanted to introduce the project to the TIF committee. Begin introducing the ideas and trying to brainstorm a couple of scenarios where by each of the representatives of the bodies could get comfortable to say now let's seek approval to do the TIF plan. There is an interim step to do a TIF plan and where we are today.

Mrs. Follweiler stated this is a very difficult time to convince me or other board members of the community that it is a blighted area. The land was purchased with the full intention of developing it. As I understand TIF, most of the time it happens that the area is designated as part of the purchase.

Mr. Lushis stated that we are already down the TIF road under the TIF act. I am obligated by law to come back here and present the TIF plan. You will be the ultimate markers of whether we have a TIF plan or not. You may not be aware of it but Cabela's was TIF plan. The Palmer Town Center at 25<sup>th</sup> street that was a TIF. The Wachovia Center in Wilkes-Barre that was a TIF.

Mrs. Follweiler indicated that the difference in Palmer Township was that it was a visibly blighted area. It was a hard sell.

Mrs. Dexter commented that she is concerned about the community. She asked if a community member could join the committee.

Mr. Lushis replied the law does not allow a community member on the committee and that it must be made up of the governing bodies.

**CAPITAL RESERVE UPDATE**

Mr. Tenaglia asked why some of the items listed here did not show dollar amounts. I thought all these projects were complete?

Mrs. Morton replied that is correct.

Mr. Tenaglia asked then why are we showing them?

Mrs. Morton replied that those were projects paid for out of the capital reserve fund.

Mr. Tenaglia commented that there were no dollar amounts listed.

Mrs. Morton explained that there were not expenditures incurred during that time period.

Dr. Lewis suggested to Mrs. Morton to remove those items listed to avoid any confusion.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mr. Tenaglia stated that he was also concerned about items on page two. Where there is a reimbursement that goes back and forth. The monthly bills do not agree with the bond fund balance.

Mrs. Morton explained that they are charged expenses in the bond fund, which create a payable from the bond fund to the general fund.

Mr. Tenaglia asked why couldn't we just pay it from the bond fund?

Mrs. Morton stated that all of our checks and all accounts payable hit the general fund bank account. That's why you reimburse from the bond account to the general fund to cover the expenses.

Mr. Tenaglia stated that he did not see that last month. When you look at the monthly bills that are designated as coming from the bond fund they do not agree with the change in bonds.

Dr. Lewis stated that most of those expenditures might have been applied later in that billing cycle. You may not see it if it were in the back end of the quarter.

Mr. Tenaglia suggested a soft close at month's end to make those adjustments on a monthly basis so that we would see a true representation of what the month end balances are or at least an acknowledgement that we have a pending transaction of \$3.3 million on \$12 million account.

Mrs. Morton explained that at the end of February the individual who generally handles the transfer was out on a sick leave.

Mr. Tenaglia commented that the district goes on. We had a very scathing report about things that were not done by an independent auditor. I appreciate the fact that people get sick. Things happen, but this seems to be on going and somewhere we need to have a contingency plan in place so that we can continue to function with accurate information.

Mrs. Morton replied, "with all due respect, it was accurate". The money was sitting in the bond fund as opposed to being in the general fund.

Some discussion followed.

Mrs. Morton asked if you would like the same report that you get today to be in the treasurer's report that you get at the board meeting?

Mr. Tenaglia commented that he would like to see a footnote on a treasurer's report that would indicate what you know is going to happen that will significantly affect the fund balance that is presented to us at month's end.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mrs. Follweiler asked on the original capital reserve fund are all those items in the past?

Mrs. Morton replied yes.

**FISCAL YEAR UPDATE/FINANCIAL UPDATE**

Mrs. Morton explained that Mr. Majewski will have a narrative for you. It is forthcoming and it is not prepared for tonight.

Mrs. Leeson asked if we are anticipating a deficit of \$5.6 million this year adding it to last year's carrying a negative balance of \$3.17 million coming to a total of \$8.784 million as a projected deficit for next year. Is that a little lower than anticipated?

Dr. Lewis replied that it is a little below the anticipated.

Mr. Tenaglia reviewed some projections from February and indicated that he believed it was going in the other direction. He also asked if Mrs. Morton participated in the preparation of item three.

Mrs. Morton replied no

Mr. McKeon commented that he wanted to know what was causing the projected deficit of \$115,000 in the Career Academy.

Mrs. Morton replied that she could get those answers for him.

Dr. Lewis indicated that we are still waiting for some alternative education grant money to come in.

**FOOD SERVICE RFP UPDATE**

Mrs. Morton stated that the food service RFP went out and there were three companies that attended the meeting on Thursday and the bids are due on April 23, 2009.

**Agenda Items for April 27, 2009, Regular Board Meeting**

- I. Authorization to accept offer on property M7SW4 17 5 0204C/Ondine Street, City of Bethlehem – Northampton County Repository Sale**
- J. Bethlehem Area Vocational-Technical School Budget Approval**

**COURTESY OF THE FLOOR**

John Hafer of 5465 Jaclyn Lane, Bethlehem expressed his concern with the TIF project. He said he was really concerned with the ability of people buying those homes. Mr. Hafer said that people in his area are not necessarily buying there any longer. No one is buying these homes. I don't see this project happening and I believe everyone is going to get stuck. This is a tough economy and I appreciate you thinking about me the taxpayer.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Dana Grube of 2420 Henderson Place, Bethlehem said that Mr. Hogan who was here earlier worked on the Bethlehem Works stats in criminal findings in the district in 1999. I was acting director of community and economic development for the city and was very involved in those transactions. I have the up most respect for Joe Hogan. He knows tax incremental financing. He taught a few of us and that's why I am here. There are some things you want to keep in your minds. Blight certification is a tool that is used to give designation to an area so that you can access public financing. Your vote is the critical vote for a TIF to move forward. Without the school district it really does not work. In my opinion, the Bethlehem Area School District cannot afford this project. Diverting the potential revenue stream that will evolve, if the development takes place, is going to divert some significant revenue through a period of time. The one TIF area they did not compare to was the Beth Works site and I think that is the one area you should compare it to because that is a 20-year TIF and you are about 10 years into it now. Unlike LURTA, where you begin to recover the increased revenue after the initial year, that does not happen with a TIF. You basically give up the incremental in tax revenue. The Beth Works site includes the Casino. It basically runs East of the Minsi Trail Bridge just about down to the Fahy Bridge. It was about 160 acres of the overall 1,800 acres that are the former Bethlehem Steel Site. The entire Bethlehem Steel site was not put under tax incremental financing. LURTA applied to most of the bounds of the Bethlehem Steel property but it cannot apply to the tax incremental financing district. They are two separate entities. That is the largest brown field in the United States of America. The second selling point on that was the job creation. The tax incremental financing district was created at that site to repay the federal financing that the city borrowed and pledged as community development block grants as collateral to implement the entire public infrastructure. The Citizens of Bethlehem and taxpayers elsewhere are funding the roads and the utility construction. The TIF at Beth Works is being used to secure the community development block grant funding so that we would never have to take that money which was designated to benefit low and moderate-income residents in the city area to meet the obligation of paying back the HUD section. The TIF financing provided for that. The second thing it provided for, if it would have worked the way Bethlehem Steel was proposing it at that time, was to provide structured parking. The other thing you need to keep in mind is that this is essential an upscale residential development with no provision for affordable housing. You are looking at subsidizing, if you move forward with this TIF. This will become the densest section of the city. We will have anywhere from 2,000-3,000 people. As many people as the Borough of Bath will be squashed into that one tenth of a square mile. The impact could be tremendous. It's a residential development. It's not a job producing development like Beth Works was. There is minimal job development at the Martin Towers site. This project philosophically I disagree with. My experience with developer is that they will try to force your hand but I am further convinced that this is prime real estate. At the time that it was rezoned another developer stepped up who basically said I don't need the rezoning. I'm willing to acquire this property and develop it under the existing zoning. The issue for taxpayers in this area is tax incremental financing, the diversion of very limited resources where people have very localized needs and at the end of the day this whole thing is going to hang on your vote more than any body else. It's a tough project with some tough issues.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Stephen Antalics of 737 Ridge Street Bethlehem stated that Eighth Avenue did have a problem with Lowe's coming in and they paid for a lot of roads in the area just to get their building there without a TIF. Mr. Harrick is a very shrupe, successful, billionaire developer who in these bad times of real estate is doing well. I seriously doubt that if TIF is refused that he will back out. He is going to develop that building. I suggest that the school district and the board hang tight and say no don't develop it and when he develops it you'll get the reassessed value, which is incrementally much higher.

**OPEN FORUM**

Mrs. Follweiler asked to confirm the upcoming meetings and scheduled budget hearing.

Mrs. Dexter indicated she had a conflict with the night of the budget hearing.

Mrs. Follweiler asked to have the budget hearing moved to the 20<sup>th</sup>.

Mrs. Leeson said that for the number of things that are unsettled moving the budget hearing is not good.

Mr. Tenaglia said it was highly probable that we would not have a resolution from Harrisburg before our June meeting.

Dr. Lewis said I would not argue with your assessments.

Mr. Tenaglia asked if for the budget presentations in April and May do you intend not to include the stimulus?

Dr. Lewis replied no. We are looking at categories one, two and three tomorrow morning. They include Title I and Special Education. The one that we can't figure out is the stabilization piece, which is state stimulus. That is the one that legislators can't agree on.

Some discussion followed

Mrs. Leeson said that she had received the listed days of instruction with the closing of the school year. We are falling short. I believe the lowest is 175 days and the highest being 177 days. Does this have a financial impact on our district?

Dr. Lewis said no, it will not.

Mrs. Leeson commented that she sent a set of questions to Dr. Lewis and Mr. Majewski regarding right to know requests. I believe the press had asked for financial emails.

Dr. Lewis commented that he had a meeting with Mr. Esack and Mr. Daraugh. We gave them an extensive spreadsheet. They agreed to review it and if they had any questions or needed supporting documentation we would provide that. I also provided my emails to Mr. Esack Friday afternoon and Mr. Majewski also gave him some emails at that Friday meeting. I think we are pretty much up to date.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Mr. Tenaglia asked who is the open records officer?

Dr. Lewis replied that would be Mr. Majewski.

Mrs. Dexter asked could we stay on the right to know issue. I had sent Dr. Lewis a request asking for the new right to know request.

Dr. Lewis replied that he did not recall a new right to know request.

Mr. Tenaglia said Mr. Majewski had sent out a memo dated March 27, 2009 on another right to know request from Kim Green in which he says that Don was going to be available to discuss responding on behalf of the district. Has the district responded?

Dr. Lewis responded that he plans to have that discussion with the board on the 14<sup>th</sup>. He needs direction from you. My position on this is that we should give them what they want.

Mrs. Leeson asked about the swap termination of July 2007 that we understand did not occur. We were supposed to have an answer to that as well.

Dr. Lewis stated that Mr. Majewski researched that and we answered that question for Mr. Esack at a successor committee meeting and I don't have the date for you tonight. He has the date memorized. Mr. McKeon asked a question about status and they are in the minutes. Mr. Majewski replied that the market had escaped us and that it was not prudent.

Mr. McKeon asked was that at a board meeting?

Mrs. Leeson asked to substantiate the ongoing losses or profits from the swaps and the underline bond financing. I assume that is an unfair question to ask you or Mrs. Morton so if you can get an answer on that as well.

Mr. Tenaglia asked if the memo of April 3<sup>rd</sup> was to present to the booster clubs?

Dr. Lewis replied no. The meeting with the cheerleading group was to have a discussion. If you support it from a budget perspective we would go through with it as an administrative guideline.

Mr. Tenaglia asked Dr. Lewis what is your intention on future meetings on this TIF matter.

Dr. Lewis replied that his intention was for you to get as much information as you need.

Mr. Tenaglia stated that we spent an extended period of time here tonight with a lot of paper and they say they don't have a plan.

**BOARD FINANCE COMMITTEE MINUTES  
MONDAY, APRIL 6, 2009**

Dr. Lewis responded that the committee develops a plan. Mrs. Cann, Mr. Majewski, the representative from the city, the representative from Lehigh County.

Mr. Tenaglia asked does Mrs. Cann know she's developing a plan?

Dr. Lewis replied that we would not recommend 100% of withdrawal of tax revenue. That's Mr. Majewski and Mrs. Cann's job to voice the district's opinion. If you don't want to reduce the percentage of the tax increment then the district is not going to entertain. It could stop right there. They want an opportunity to give you a brief overview of what the project looked like. My personal opinion is that this is not going to bring us revenue. It is not going to get my recommendation to you to support it. They know they have an issue on density. They know they have an issue on student yield. I think it has changed dramatically, as Dana said. I'm not so sure that change was for the better on that circumference housing. It looks to me like it's going to be more single-family affordable housing, which talks to me about high yield. They are not going to be in the tower or in the penthouses. That is an issue for us and they know it.

Mr. Tenaglia commented that Dr. Lewis has not allowed other special interest groups to come here and consume the amount of time that this is going to require of this board.

Dr. Lewis stated that he was not sure that this could not be beneficial to us. They would need to prove that we wouldn't see an immediate impact on the district and that the tax revenue would exceed significantly.

Mr. Tenaglia asked if we could just get a plan from them rather than these multiple informational meetings.

Mrs. Leeson said we have allowed that in the past.

Dr. Lewis commented that you the board make the decision, we don't. It's not our right to cut them from coming here. I believe this TIF on the other side of the river was a smart thing to do. If this gets to a point where Mr. Majewski and myself look at the dollars and cents of this thing and makes no sense we are going to come to you and say it does not add up. 1,500 students in ten years is not the way we should be developing. That is denser than the original plan.

Mrs. Leeson asked when is competitive cheerleading being brought to us for discussion?

Dr. Lewis stated that it is an administrative guideline. If you agree with what Dr. Donaher has developed that's fine, if not, let us know and we will bring it up as a discussion.

The meeting adjourned at 11:10 p.m.

Minutes prepared by \_\_\_\_\_  
Arlene Vargas, Confidential Secretary to the Assistant to the Superintendent for Finance and Administration