

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
SPECIAL MEETING

Special Meeting of the Board of Directors of the Bethlehem Area School District was held on Monday, February 7, 2011, at 6:00 p.m. in the Dining Room at the Education Center, 1516 Sycamore Street, Bethlehem, PA 18017

SPECIAL
MEETING

President Cann called for the roll by the Board Secretary:

MEMBERS
PRESENT

Members present: Directors Amato, Burkhardt, Faccinetto, Follweiler, McKeon, Tenaglia, President Cann- 7

Members Absent – Director Leeson and Ortiz – 2

Note: Director Ortiz arrived at 6:10 p.m.

Others present: Dr. Joseph Roy, Superintendent of Schools; Stacy Gober, Board Secretary; administrators, members of the press and other interested citizens and staff members.

OTHERS
PRESENT

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

PLEDGE OF
ALLEGIANCE

President Cann requested a moment of silent meditation.

MOMENT OF
SILENCE

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

COURTESY
OF THE FLOOR
TO VISITORS

raised. Speakers will receive responses, in some form, by the administration.

The following individuals addressed the Board of School Directors:

Joseph Sexton
1820 Wilson Avenue
Bethlehem, PA

Mr. Sexton stated that he was here to make sure you got his letter.

President Cann asked if he received the board's response.

Mr. Sexton stated that he did get their response to his letter.

President Cann asked if there were any Regular Board Meeting Minutes to approve. Seeing none, President Cann moved to Approval of Committee Minutes. APPROVAL OF MINUTES

President Cann asked if there were any Committee Minutes to Approve. Seeing none, President Cann moved to President's Communication/Special Meetings. APPROVAL OF COMMITTEE MINUTES

President Cann said she had no President's Communication or Special Meetings to inform the board about. PRESIDENT'S COMMUNICATION/SPECIAL MEETINGS

President Cann asked Dr. Roy if he had any report for tonight's meeting. SUPERINTENDENT'S REPORT

Dr. Roy stated that he did not have anything to report.

President Cann asked if anyone had any unfinished business to discuss. Seeing none, President Cann moved to Recommendations of the Administration. UNFINISHED BUSINESS

President Cann asked for a motion to accept the Recommendations of the Administration, Items 1, 2, and 3. RECOMMENDATIONS OF THE ADMINISTRATION

Director Burkhardt made a motion to accept the Recommendations of the Administration Items 1, 2, and 3. Director Faccinnetto seconded the motion.

President Cann asked if there was any discussion on the Recommendations of the Administration before they vote.

Director Follweiler stated that she wanted to clarify that the motion was to accept the items President Cann had mentioned instead of approving the items. She said that she believes that Director Burkhardt and Director Faccinotto motioned to accept the recommendations.

President Cann stated that the motion was made to accept the Recommendations of the Administration.

Director Follweiler asked if they weren't accepting the motions before approving the vote.

Mrs. Gober stated that this is the vote.

Director Follweiler asked if they don't normally accept the recommendations and then they vote on them and then see if there is anything they need to pull.

Mrs. Gober stated that typically they have a motion and a second to move the items for consideration, then if there is anyone who wants to pull out a separate item they do it at this time, but they are being moved for vote at that time they don't accept them and then move them the second time.

Director Follweiler stated then the first part they didn't move, they only moved and accept it once.

Mrs. Gober stated that that is typically the standard process.

President Cann stated that she agrees with Director Follweiler that then they typically say when they vote they can pull an item.

Mrs. Gober stated that they can say that during the discussion about having any items that they would like to have pulled.

Director Follweiler stated that what Mrs. Gober just described and what the board did were two different things.

Mrs. Gober stated that what she described was that normally they did exactly what Director Follweiler said which is what she believes Director Burkhardt's motion was about.

Director Follweiler stated that as long as they all understand, they are not voting yet. She stated they are getting the motions, then they say is there any discussion, and then they move to vote.

President Cann asked if anyone wanted to pull any items.

Director Burkhardt pulled Item #1.

ROLL CALL – ITEMS
2 and 3

President Cann called for a roll call vote on agenda items 2 and 3.

The question was called with roll call as follows: Yea, Directors, Tenaglia, Amato, Burkhardt, Faccinetto, McKeon, Follweiler, and President Cann.

Motion passes 7-0

The administration's recommendations 2 and 3 were considered together.

President Cann asked for a discussion on Item #1.

DISCUSSION ITEM #1

Director Burkhardt stated that he would like to thank the administration for coming back with a proposed budget, and they all understand that this is very preliminary at the 6.16 percent number. He said it is not 9 percent, not 13 percent and not at 20 percent or whatever is being bantered around the community at this time. He said he hoped that they certainly know that they have a lot of work to do between now and the middle of June when they do the final adoption. He continued saying that he appreciates the administrations efforts.

President Cann thanked Director Burkhardt for the clarification.

Director McKeon stated that based on the newspaper article over the weekend regarding Governor Corbett's suggestion and recommendation to keep the credible money at the state level, he wanted to know if they have that factored into the budget numbers from a revenue perspective, and if that's the case, he wanted to know if the numbers have been adjusted. He said that this article came out on Friday, and he got a call from somebody around 4:00 p.m. Friday afternoon. He asked if the approximate \$2,000,000 is in this revenue stream or not in the revenue stream.

Dr. Roy stated that he will make a general statement and then Mrs. Gober can answer that directly. He indicated that Governor Corbett's proposal needs to be approved by the General Assembly to use federal stimulus EduJobs money for this year's budget to supplant state subsidies for this year. Dr. Roy stated that this is a good example of how early they are in the process and how things are tentative because that originally a week ago it was anticipated that that money would be coming to the districts for next school year. He continued saying that they did have to make some budget adjustments as a result of that now that this is Governor Corbett's proposal, however, that it still needs to be approved by the General Assembly, and therefore, it is still questionable. Dr. Roy stated again that this is still a good example of how things are fluid at this point.

Mrs. Gober stated that they did incorporate some of the early information that they received early Friday and that was included. She said it caused them to essentially reduce the EduJobs portion by a little over \$900,000 because at that point they still did not have clear understanding that Governor Corbett planned to supplant the current year in 2010-2011 with those revenues. She continued saying that this morning they received yet further clarification that the proposal is in fact removing the EduJobs money to fill and meet the deficit within the 2010-2011 school year. She said that again this would be subject to appropriation by the legislature that needs to have it's approval and it would be incumbent upon them then to have a plan in place to be able to spend those dollars between the point of approval and June 30–August 1. Mrs. Gober stated that depending on how this all plays out, she said they are just trying to sit tight and anticipate additional information as they move through the spring and they hear the entire budget address and they begin to understand the commentary that is being addressed by various legislators and again trying to get a handle on what in fact is going to be coming to schools for July 1.

President Cann asked if there was any further discussion on the Proposed Preliminary Budget.

President Cann asked Director Ortiz if there was anything she wanted to discuss regarding the budget as she had just arrived.

FEBRUARY 7, 2011

Director Ortiz responded that she didn't have anything to discuss.

ROLL CALL – ITEM 1

President Cann called for a roll call vote on agenda item 1.

The question was called with roll call as follows: Yea, Directors, Tenaglia, Burkhardt, Faccinetto, McKeon, Ortiz, and President Cann.

Nay, Directors Amato and Follweiler

Motion passes 6-2

Item	TABLE OF CONTENTS Recommendation of the Administration	February 7, 2011 Page
1.	Adoption of the 2011-2012 Preliminary Bethlehem Area School District Budget	1
2.	Nominations for Appointment	2
3.	Request for Approvals (RFP) for Operations Review	3

1. *Adoption of the 2011-2012 Preliminary Bethlehem Area School District Budget*

RECOMMENDATION:

The administration recommends the adoption of the Preliminary General Fund Budget for the 2011-2012 fiscal year of the Bethlehem Area School District and authorize filing of referendum exceptions in accordance with Act 1 of 2006, be granted and, that the Board of School Directors:

- a. Approves the Preliminary 2011-2012 Preliminary General Fund Budget in the amount of \$212,540,516;
- b. Authorizes the advertising and regulatory filing of Act 1 Referendum exceptions included in the Preliminary Budget;
- c. Authorizes the posting and advertising of the General Fund Budget with final adoption scheduled for June 13, 2011;
- d. Authorizes the Superintendent, Assistant to the Superintendent for Finance and Administration, and Solicitor to take any and all actions necessary to ensure legal compliance with preliminary budget approval and filing of referendum exceptions.

DISCUSSION ITEM #1

Director Burkhardt stated that he would like to thank the administration for coming back with a proposed budget, and they all understand that this is very preliminary at the 6.16 percent number. He said it is not 9 percent, not 13 percent and not at 20 percent or whatever is being bantered around the community at this time. He said he hoped that they certainly know that they have a lot of work to do between now and the middle of June when they do the final adoption. He continued saying that he appreciates the administrations efforts.

President Cann thanked Director Burkhardt for the clarification.

Director McKeon stated that based on the newspaper article over the weekend regarding Governor Corbett's suggestion and recommendation to keep the credible money at the state level, he wanted to know if they have that factored into the budget numbers from a revenue perspective, and if that's the case, he wanted to know if the numbers have been adjusted. He said that this article came out on Friday, and he got a call from somebody around 4:00 p.m. Friday afternoon. He asked if the approximate \$2,000,000 is in this revenue stream or not in the revenue stream.

Dr. Roy stated that he will make a general statement and then Mrs. Gober can answer that directly. He indicated that Governor Corbett's proposal needs to be approved by the

General Assembly to use federal stimulus EduJobs money for this year's budget to supplant state subsidies for this year. Dr. Roy stated that this is a good example of how early they are in the process and how things are tentative because that originally a week ago it was anticipated that that money would be coming to the districts for next school year. He continued saying that they did have to make some budget adjustments as a result of that now that this is Governor Corbett's proposal, however, that it still needs to be approved by the General Assembly, and therefore, it is still questionable. Dr. Roy stated again that this is still a good example of how things are fluid at this point.

Mrs. Gober stated that they did incorporate some of the early information that they received early Friday and that was included. She said it caused them to essentially reduce the EduJobs portion by a little over \$900,000 because at that point they still did not have clear understanding that Governor Corbett planned to supplant the current year in 2010-2011 with those revenues. She continued saying that this morning they received yet further clarification that the proposal is in fact removing the EduJobs money to fill and meet the deficit within the 2010-2011 school year. She said that again this would be subject to appropriation by the legislature that needs to have its approval and it would be incumbent upon them then to have a plan in place to be able to spend those dollars between the point of approval and June 30–August 1. Mrs. Gober stated that depending on how this all plays out, she said they are just trying to sit tight and anticipate additional information as they move through the spring and they hear the entire budget address and they begin to understand the commentary that is being addressed by various legislators and again trying to get a handle on what in fact is going to be coming to schools for July 1.

President Cann asked if there was any further discussion on the Proposed Preliminary Budget.

President Cann asked Director Ortiz if there was anything she wanted to discuss regarding the budget as she had just arrived.

Director Ortiz responded that she didn't have anything to discuss.

President Cann called for a roll call vote on agenda item 1.

The question was called with roll call as follows: Yea, Directors, Tenaglia, Burkhardt, Faccinnetto, McKeon, Ortiz, and President Cann.
Nay, Directors Amato and Follweiler

Motion passes 6-2

BETHLEHEM AREA SCHOOL DISTRICT

PRELIMINARY 2011-2012 BUDGET

January 20, 2011

	2009-10 <u>Actual</u>	2010-11 <u>Budget</u>	2011-12 <u>Budget</u>	Dollar <u>Change</u>	Percentage <u>Change</u>
Beginning Fund Balance	(\$1,119,232)	\$8,912,723	\$8,912,723	\$0	0.00%
Revenues:					
Local	\$140,115,549	\$145,402,109	\$147,114,937	\$1,712,828	1.18%
State	\$46,196,591	\$52,464,025	\$51,400,088	(\$1,063,937)	-2.03%
Federal	\$11,061,619	\$9,263,695	\$6,308,000	(\$2,955,695)	-31.91%
Other	\$208,780	\$117,000	\$40,000	(\$77,000)	
Total Revenue	\$197,582,538	\$207,246,829	\$204,863,025	(\$2,383,804)	-1.15%
Total Revenue Available If Consider Full 1.7% Index			\$206,981,877		

Expenditures:					
Instruction	\$115,597,887	\$126,591,382	\$129,096,180	\$2,504,798	1.98%
Support Services	\$49,975,154	\$53,523,339	\$55,168,150	\$1,644,811	3.07%
Non-Instr Svcs	\$303,243	\$284,989	\$311,272	\$26,283	9.22%
Debt Svc/Transfers	\$21,674,300	\$26,847,119	\$27,964,914	\$1,117,795	4.16%
Total Expenditures	\$187,550,583	\$207,246,829	\$212,540,516	\$5,293,687	2.55%

Balance to be Funded (R/E-GAP)		\$7,677,491
Millage Needed	2.7205	1.9697 over index
Act 1 Index	0.7508	1.70% \$ 2,118,851

Balance to be Funded over Index	\$5,558,640	2.7205
Balance to be Funded over Index + Exceptions	(\$0)	1.9697
Allowable Exceptions	\$5,558,640	1.9697
Exceptions (EST)	4.46%	\$ 5,558,640 1.9697
PSERS	\$	2,545,505 0.9020
Debt	\$	290,928 0.1031
Maint of Local Rev per ADM	\$	1,501,547 0.5321
Special Education	\$	1,220,660 0.4325

Maximum Tax Increase (Draft Estimate)	\$7,677,491	2.7205	6.16%
--	--------------------	---------------	--------------

Deficit to be Funded 1/26/2011	2.7205	\$ 7,677,490.96	46.8905	6.16%
Allowable Index 1.7%	0.7508	\$ 2,118,851.45	46.1397	4.46%
Allowable Exceptions 4.46%	1.9697	\$ 5,558,640.00	44.1700	0.00%
Budget Increase Remaining Above Index	(0.0000)	\$ (0.49)	44.1700	0.00%

Value of One Mill	\$	2,822,125
2011-12 Millage Rate	46.8905	46.8905 max
2010-11 Millage Rate	44.1700	
Percentage Increase	6.16%	

\$	204.12	Annually	Impact on Avg Taxpayer (Nov10 Assessment \$75,032)
\$	(178.00)	Homestead 09-10	
\$	26.12	Net annually	
\$	2.18	monthly	
\$	0.50	weekly	

2. *Nomination for Appointment*

RECOMMENDATION:

A. Instructional

	NAME	ASSIGNMENT/STATUS	SALARY	EFFECTIVE
1.	Kreidler, Camille	Freedom (.5) Mathematics Teacher Long-term Substitute	\$21,300, prorated Bachelor's +15, Step 1	February 8, 2011, until the end of the 2010-2011 school year, or upon the return of M. Bullard

B. Noninstructional

	NAME	ASSIGNMENT/STATUS	SALARY	EFFECTIVE
1.	Mahoney, Tara	Maintenance, REMS 0-3 Secretary/Clerk	\$14.01 per hour	January 31, 2011, until the end of the day on March 31, 2011 (Grant extension)

B. Miscellaneous

	NAME	ASSIGNMENT/STATUS	SALARY	EFFECTIVE
1.	Kreidler, Camille	Freedom (.5) Permanent Day-to-day Building Substitute	\$50.00 per day	February 8, 2011

The administration’s recommendations 2 and 3 were considered together.

President Cann called for a roll call vote on agenda items 2 and 3.

The question was called with roll call as follows: Yea, Directors, Tenaglia, Amato, Burkhardt, Faccinetto, McKeon, Follweiler, and President Cann.

Motion passes 7-0

3. *Requests for Proposals (RFP) for Operations Review*

INFORMATION:

Over the past several years, numerous operational issues have been identified through our annual audit and as a result of the related experiences of the administration. Efficiency of task completion, clarity of job roles, and with the implementation of new financial software, continue to present systemic challenges. The District has a mix of old procedures, partially implemented new systems, and job roles that have not changed as processes have been revised. It is recommended that the District prepare and solicit RFPs to conduct an operations review to include job roles, procedures, evaluation of the current implementation status, and use of the new IT system, identification of more efficient work processes and any potential cost savings to the District. This review would include the Business Office, Human Resources Office, and the Grants Office (a total of 25 employees). Savings identified from improved operational efficiencies are expected pay for the cost of the review and will yield District wide returns including increased productivity and efficiency to the District for subsequent years.

RECOMMENDATION:

That the Board of School Directors authorizes the administration to prepare and solicit Requests for Proposal (RFPs) to conduct an operational review of the Business Office, Human Resources Office, and Grants Office.

The administration's recommendations 2 and 3 were considered together.

President Cann called for a roll call vote on agenda items 2 and 3.

The question was called with roll call as follows: Yea, Directors, Tenaglia, Amato, Burkhardt, Faccinnetto, McKeon, Follweiler, and President Cann.

Motion passes 7-0

President Cann asked if anyone had any new or miscellaneous business to discuss. Seeing none, they moved on to Courtesy of the Floor

Joseph Sexton
1820 Wilson Avenue
Bethlehem, PA

NEW/MISCELLANEOUS
BUSINESS

COURTESY OF THE
FLOOR TO VISITORS

Mr. Sexton stated that he wanted to more than just comment on why they've gone eight years, and he persistently gets denied varsity status for this sport. He asked why it has taken eight years, and he received an answer from his letter, but all it was budget information and there was no yes or no, there was no vote.

President Cann stated that it is not the board's practice to reply to any person in the forum. She went on say that the answer he got would be the answer that he would get tonight. She said they are not at that point in the budget process where they would know the status of that request. She said they have posted the dates for their budget workshops and it would be great if he wanted to come and listen to what is happening, but she continued to say that it is in process right now and they are not at that point yet.

Mr. Sexton asked when will he know.

President Cann stated that Mr. Sexton will know when they know. She went on to say that the administration will make recommendations to the board on what their cuts are and what are additions and they are just not there yet. She said they are still in progress and they are not at that point yet where they know the answer to his question.

Mr. Sexton asked if it would benefit him at all to come to these workshops or was he just wasting his time. He said to the board, to be frank here, because he wasn't doing this again. He said that this is the fourth time he's done this.

Director Amato stated that he is asking to add programs when we are cutting programs.

President Cann stated again that they are not at that point right now and really she didn't know the answer. She said they will know as they go along and visit each portion of the budget that needs to be made more efficient, where they can add, where they can cut, and she didn't know which subjects will be addressed at which workshops because of his email and the email of others, they are very well aware of the issue, and to that extent, he doesn't necessarily need to come to the workshops. She said they are aware of the issue and she will make sure that she personally brings it up when they discuss that section of the budget.

Director Burkhardt stated that he was going to make a general comment not just to that particular issue. He said that the board acts upon the recommendations of the administration. He said it doesn't start with them, it ends with them, and so the place that any group that wishes to see something new added to the district, the place they need to put their energies first and foremost is with the administration to see whether the administration, when they look at the big picture of this budget whether they are going to support it or not. Again, he said it doesn't start with the board and that is really critical to anybody who is looking at something that they would like to lobby for or like to see added.

Director Follweiler stated that she thought in her response she had explained exactly what Director Burkhardt was explaining that it starts with the department itself making the recommendations to the administration for the budget.

Director Tenaglia stated that he was told to come to these meetings since he was denied the general meetings, and he was told to come to these smaller meetings, however, he said he is not getting very good direction.

President Cann stated that it was good direction for him to come here and let them all know what it is that he desires to see happening in the budget. She said it makes the administration aware, it makes the board aware, and therefore, that it was definitely worth his while and they appreciate it very much.

Director Follweiler stated the agenda for this special board meeting is missing the open forum that they had added to the regular board meeting and she had thought they had

added it to this meeting just for discussions like this they should typically have the open forum. She said she is just pointing it out that it is missing from the agenda so they may have to rewrite the agenda policy. She again said she thought they had done that and it might just be a mistyping. She continued saying that for this particular subject or any other subject that comes up during Courtesy of the Floor, typically they would have that open forum time to respond.

Dana Grubb
2420 Henderson Place
Bethlehem, PA

Mr. Grubb stated that there were three recent headlines concerning the Bethlehem Area School District finance he would like to comment about. He said that one, which is very bothersome to him, is the Governor's freezing of revenue that could be directed to the school districts across the Commonwealth and this one in particular. He said he understands that there will be some federal funding substituted for that, whether it will equal it or not time will tell. He said he thinks it is a message in the long term that they probably are going to be facing some reductions to local school district and the second one obviously is they took their first vote tonight on the preliminary budget and once again the tax payers in the Bethlehem Area School district are going to be facing potentially another tax increase. He said the third headline which he found very disturbing when he read it just the other day is that they are going to be rethinking and looking back at the tax incremental finance in the District on Martin Towers. He said he finds it almost incredulous that they would do that particularly in light of the first two points that he has made. He went on to say they maybe in a position of asking the taxpayers once again to fork over more money to support their operations. He said they may suffer a reduction in the long term from the Commonwealth to support the Bethlehem Area School District and yet they are beginning to consider a direct subsidy to a developer and writing off millions of dollars over a period of twenty years that the tax payers in the Bethlehem Area School District are essentially going to be asked to subsidize and help fund so that they can continue to maintain programs, etc., with the Bethlehem Area School District. He went on to say that it is just beyond him that this board would even revisit that topic given the other two circumstances. He said that the other

Joseph Sexton
1820 Wilson Avenue
Bethlehem, PA

COURTESY OF THE
FLOOR TO VISITORS

Mr. Sexton stated that he wanted to more than just comment on why they've gone eight years, and he persistently gets denied varsity status for this sport. He asked why it has taken eight years, and he received an answer from his letter, but all it was budget information and there was no yes or no, there was no vote.

President Cann stated that it is not the board's practice to reply to any person in the forum. She went on say that the answer he got would be the answer that he would get tonight. She said they are not at that point in the budget process where they would know the status of that request. She said they have posted the dates for their budget workshops and it would be great if he wanted to come and listen to what is happening, but she continued to say that it is in process right now and they are not at that point yet.

Mr. Sexton asked when will he know.

President Cann stated that Mr. Sexton will know when they know. She went on to say that the administration will make recommendations to the board on what their cuts are and what are additions and they are just not there yet. She said they are still in progress and they are not at that point yet where they know the answer to his question.

Mr. Sexton asked if it would benefit him at all to come to these workshops or was he just wasting his time. He said to the board, to be frank here, because he wasn't doing this again. He said that this is the fourth time he's done this.

Director Amato stated that he is asking to add programs when we are cutting programs.

President Cann stated again that they are not at that point right now and really she didn't know the answer. She said they will know as they go along and visit each portion of the budget that needs to be made more efficient, where they can

FEBRUARY 7, 2011

President Cann asked for a motion for adjournment.
Motion - Director Follweiler moved to adjourn the meeting,
seconded by Director McKeon. The meeting was adjourned
at 6:25 p.m.

ADJOURNMENT

Attest,

Stacy M. Gober
Board Secretary