

BETHLEHEM AREA SCHOOL DISTRICT  
 BOARD OF SCHOOL DIRECTORS  
 SPECIAL BOARD MEETING

<p>A Special Board Meeting of the Board of Directors of the Bethlehem Area School District was held on Monday, June 18, 2012, at 6:04 p.m. in the Auditorium of East Hills Middle School, 2005 Chester Road, Bethlehem, PA 18017.</p>	<p>SPECIAL BOARD MEETING</p>
<p>President Faccinetto called for the roll:</p>	<p>ROLL CALL</p>
<p>Members present: Director Bonilla, Director Burkhardt, Director Cann, Director McKeon, Director Ortiz, Director Patrick, Director Vidanage, and President Faccinetto. Eight members were present.</p>	<p>MEMBERS PRESENT</p>
<p>Absent: Director Follweiler (arrived at 6:07 p.m.)</p>	
<p>Others present: Dr. Joseph Roy, Superintendent of Schools; Stacy Gober, Board Secretary; Attorney Donald Spry, District Solicitor; administrators; members of the press; and other interested citizens and staff members.</p>	<p>OTHERS PRESENT</p>
<p>The Pledge of Allegiance was recited.</p>	<p>PLEDGE OF ALLEGIANCE</p>
<p>President Faccinetto requested a moment of Silent Meditation and asked everyone to remember Allison Perno, a sixth grade East Hills Middle School student who passed away unexpectedly last week.</p>	<p>SILENT MEDITATION</p>
<p>President Faccinetto 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 raised. Speakers will receive responses, in some form, by the administration.</p>	<p>COURTESY OF THE FLOOR TO VISITORS</p>

No one came forward to speak at this time.

President Faccinnetto asked for a motion to approve the May 21, 2012, Regular Board Meeting Minutes and the May 7, 2012, Board Facilities Committee Meeting Minutes.

APPROVAL OF  
MINUTES/REGULAR  
OR COMMITTEE

Director McKeon made a motion and seconded by Director Bonilla. President Faccinnetto called for a voice vote to approve the minutes. The motion passed by a unanimous voice vote (9-0).

President Faccinnetto stated that the Board had an executive session on Monday, June 11, 2012, regarding personnel, and following the Board Human Resources Committee Meeting this evening, an executive session will be held.

PRESIDENT'S  
COMMUNICATIONS

Dr. Roy indicated that he had nothing to report this evening.

SUPERINTENDENTS  
REPORT

President Faccinnetto asked the Board if there was any Unfinished Business.

UNFINISHED  
BUSINESS

Director Cann asked Director Bonilla if the Board is to presume that he has abandoned his position at the Bethlehem Area Vocational-Technical School? Director Bonilla responded that this was not correct.

Director Cann indicated that Director Bonilla has missed the last three months of meetings at the Bethlehem Area Vocational-Technical School. He has been on this Vo-Tech Joint Committee since January and has only attended three (3) meetings. She would like Director Bonilla to consider whether it is something he wants to be on and then you need to attend, or if you do not want to be on it and have to in fact abandon it, then you need to tell the Board, and we will replace you.

Director Cann also indicated that there is another person that she needs to address as having an attendance crisis, and that is Director Vidanage. She brings it up because a member of the public also brought it up, as it is noticeable. In the past six months, Director Vidanage has been absent for seven (7) meetings, which include one (1) Regular Board Meeting, one (1) Special Board Meeting, two (2) Budget Workshops, and the remainder were Committee Meetings. While this is not a paid job, it is a job nonetheless, and the taxpayers counted on you. You cannot abandon that position. The main thing you need to do is show up. There are a lot of other things you need to do, but that is primary. You cannot do the rest without showing up.

Director Cann is asking both of these Board members (Director Bonilla and Director Vidanage) who are having this attendance crisis to reexamine their priorities.

Director Vidanage responded that he was away the last week of April and the first week of June to attend his daughter's presentation because she really worked hard and had to go to show appreciation because I believe in education, and that has taken me and my family a long way. I was never going to let go of that or her college graduation. I also informed President Faccinnetto about this. Last May, for the last semester, I did walk away from a Monday assignment at the Community College. I was offered two or three classes, and I only took what I could do and gave up the Monday class. However, I need to do this for the summer session, and I told President Faccinnetto before this happened. This is not something I did without giving anybody information. So if you are so worried about this, you should then see what had happened at previous Board meetings in the previous years. So, for this particular situation, I spoke to President Faccinnetto and explained to him what was going on, and he said it was okay.

Director Bonilla also responded that he has done more than some of the members of this Board by attending events at different schools, and that is why he missed Vo-Tech meetings to attend events that were going on at our elementary schools. Last week or two weeks ago, the Vo-Tech meeting was to be on a Thursday. I was contacted by the Vo-Tech, and I told them I could be there. However, they did not have a quorum, and they changed the meeting to Tuesday. I told them that I could not be there on Tuesday. Other members of this Board that sit on the Vo-Tech Board have also missed several meetings. I will not bring up names, nor do I think it is time to discuss it, but this could have been discussed privately and not publicly, and if it was a problem with the Vo-Tech, I should have received a message from the Director of Vo-Tech or his assistant, and I have not.

Director Cann responded that your attendance at meetings is already public knowledge because they are public meetings. So, it is not a private issue.

Director Ortiz indicated that she also missed some meetings at the Vo-Tech, and this is unprecedented because on other Boards there were people who actually missed the entire year out, and we have never said anything about those people. What type of ridiculous pointing out is this because when people have business they specifically speak to the President. We are elected officials, and we are here because we were elected. We do not need people hitting our hands. These two Board members are here. They went and specifically told the President what the problem was. So, if you are going to call anyone else and this is going to be a policy, then it has to be everybody on the same terms because then it will be really ridiculous to call two new Board members and not call the other people that have been there for a long time. Director Cann asked Director Ortiz what other people are you concerned about?

Director Ortiz asked Director Cann if she wanted her to name names?

Director Cann responded yes.

Director Ortiz indicated that each Board member has their own private matters, that is why they go to the President, and I do not see the President saying anything about this at this time. So, I think if a Board member has something that he needs to do, he will notify the President and go through the right channels. If we are going to be targeting some Board members and not others, then we are going to start a witch hunt, and that is not good.

Director Cann responded that she was very careful to make sure she knew everyone's attendance records, which she has for this year. These are the two people that I have found had excessive absences.

Director Ortiz responded that they have absences, but they are excused absences. They went and told the President. If the President has any problems with these Board members, he should address this issue.

Director Cann responded to Director Ortiz indicating that is her opinion. She feels it is very important and the public has noticed it. I wanted to address it, and all that I ask is that these Board members reexamine their priorities.

Director Ortiz responded that she believes that the members here all have their priorities straight. If they have an issue, you call and it is an excused absence. If a person just goes and does not say anything and does not call, then its unexcused.

Director Cann wanted to say that in a six-month period, the absences have been quite numerous.

Director McKeon responded specifically to Vo-Tech. In the case of what appears to be significant absences, we can only deal with our five (5) representatives. We have representatives from two (2) other school districts, and I believe they have been addressing it internally as well, but it is not for me to babysit them. As far as BASD, even though President Faccinnetto is also the President of the Vo-Tech Board, I think we all have a vote and say in items they discuss at Vo-Tech. So since this was brought out in the open, I am concerned that the Budget last month may not have passed which would have meant we would have had to have additional workshops.

Director Ortiz is very worried about this coming out front, because this has never been done before. So I wonder why?

President Faccinnetto refocused the Board. I want everyone to have an opportunity to speak, but my recommendation would be that we put this on a future Board Human Resources Committee Meeting agenda to review our

Board policy on Board attendance. Some of the absences in the past have been excused as people have given me a heads up, but some I had to call to see what was going on, and I was told the reason. I did not know every absence, and not every time did I know who was going to be here or who was not. It is more important for a voting meeting as motions pass or fail, but also the committee meetings are where the business is done. As far as Vo-Tech, they reach out to the individual districts regarding attendance, and in the past when there was a member who never showed up, Mr. Williams had asked the BASD President at that time that he needs a member. So, it is not unprecedented. However, Director Bonilla while I appreciate you are going to school events and missing Vo-Tech, but I believe the first priority needs to be Vo-Tech. I understand that you want to go to as much as you can and that is good, but I believe the Vo-Tech meeting has to come first, and tonight is the first that I knew you missed a meeting to go to an event. There are five of us that are assigned to Vo-Tech. It is our job to go Vo-Tech, and its the first Tuesday of the month, except for this month due to graduation and other conflicts. I would like to end this discussion at this time, place this on a future Board Human Resources Committee agenda, and to review the current Board policy. It is rumored that there is a policy which indicates that when a Board member misses two meetings that the Board can vote to remove them from the Board, although I am not sure that ever happened or can be upheld, but I believe the Board needs to review the policy. We all have to remember that this is our commitment, and we all have busy lives, but first and foremost, our commitment has to be this Board and to not show up at these meetings is a disservice to BASD and a disservice to the other Board members if we are not here. The public has put us here, and we owe it to them to show up and to do our jobs as Board members. I recommend that we bring this back to a future Board Human Resources Committee Meeting which would be in August, and we can discuss further what is in policy, and if we want to change anything.

President Faccinetto asked if there was any other Unfinished Business. Seeing none, he moved on to the Recommendations of the Administration.

President Faccinetto asked for a motion to approve agenda Items 1, 2, and 3 this evening which are Item 1 – Final Adoption of the 2012-2013 Bethlehem Area School District Budget; Item 2 – 2012 Homestead and Farmstead Exclusion Resolution, and Item 3 – Allentown Neighborhood Improvement (NIZ) Resolution. Director McKeon made a motion and seconded by Director Burkhardt.

RECOMMENDATIONS  
OF THE  
ADMINISTRATION

MOTION TO  
APPROVE

President Faccinetto asked if there was any discussion regarding the items.

Director McKeon indicated that he will be voting no on Item 1 for the budget and it should be no surprise. My concerns are that we started this process with a 3.8% or 3.9% tax increase, and my vision was that we get it down closer to

the Act 1 index. Obviously, it did not work that way, and we are looking at a 20 percent increase over what we started the year with. My concern is with fellow Board members and even myself. We have to start looking long range. We have this impending pension rock hitting us every year, and it is doubling as we go forward for the next four to five years. We cannot afford to continue to increase regular spending and think that we are going to be able to recover and continue to spend outside of the pension that we have to deal with. As for next year, I know that the administration would like to put teaming back in fully or at least for sixth and seventh grade. I would recommend that the administration get it within the existing expense constraints that we have. In addition for next year, unless we commit relatively close to index, I will vote no on the very first budget opportunity.

Director Bonilla stated that regarding Item 1, this budget process has both been extensive and thorough and for that I thank Dr. Roy and his administration. While I understand the concerns of members of the community due to the proposed 4.8% tax increase, it is unfortunate that our Governor refuses to fund at appropriate levels. By doing so, he makes local school districts across the Commonwealth out to be the “bad guy” while he promotes himself to be the “good guy.” It has placed each one of us in a precarious position to keep the students best interests in mind while maintaining public dollars responsibly. With that said, I believe that we must take a good look at the benefits of this year’s budget, both for our students and our district employees. I am truly pleased to see that our elementary school certified furloughed teachers from 2011-2012 will all be in front of students in August. With the passing of tonight’s budget, it is also good to know that our middle and high school furloughed individuals are almost all back to work. Thank you!

Director Follweiler stated that as she has said since the beginning of the budget process, she will be voting no as long as we continue to have raises that are above the norm in our community and in our country at this time as we stand in our current economic status. I believe that we need to do a zero based budget. We need to start with the basics, and then we have to decide what to add on. I have been in the minority in that feeling since I have been on the Board, but I will continue to push for that. I am frankly confused and appalled that anyone can raise taxes at 4.84 percent in the economy that we have today. Frankly, I have to defend our Governor because the previous administration chose to use stimulus money to cover education funds while the stimulus was enacted to have one-time expenditures, and across the state they were used for reasons other than that; and therefore, when the stimulus went away and the state and this district decided not to put that money back in the general operating budget, we had cuts. However, we cannot say that the Governor has cut the education spending – look at the statistics. It is a minimal percentage that has been cut. This district cut last year, and we are

now putting back what was very difficult to remove. If you look at our debt service, it has gone down. What happened to this district with the swaps over the last four years and what this Board and prior Boards did to work our way out of that hole was absolutely incredible, and we are headed right back into it. I feel sorry for the children of this school district because they will be paying for these actions for the rest of their lives.

President Faccinnetto asked for a roll call for Items 1, 2, and 3.

ROLL CALL VOTE  
ITEM 1, 2 AND 3

The question was called with roll call as follows:

Item 1 – Yes – Directors Bonilla, Burkhardt, Ortiz, Patrick, Vidanage  
and President Faccinnetto

No – Directors Cann, Follweiler, and McKeon

Item 2 – Yes – Directors Bonilla, Burkhardt, Cann, Follweiler, McKeon,  
Ortiz, Patrick, Vidanage, and President Faccinnetto

Item 3 – Yes – Directors Bonilla, Burkhardt, Cann, Follweiler, McKeon,  
Ortiz, Patrick, Vidanage, and President Faccinnetto

Item 1 passes 6-3.

Item 2 passes 9-0.

Item 3 passes 9-0.

President Faccinnetto asked if there was any New or Miscellaneous Business.

NEW/  
MISCELLANEOUS  
BUSINESS

Director Follweiler did not think to pull the Resolution on the NIZ, but she thinks we are all in very strong agreement on that, and if there is anything in the future that this Board can do to help right the wrong that this policy has set at the governmental level, she feels very strongly with that.

Director Cann emphasized what Director Follweiler said, and thanked her for saying that. She agrees whole-heartedly that this needs to be changed legislatively.

Director Bonilla stated that he has always been a supporter of unions. During this budget season, I fought to ensure that no teachers were released. To do so, I supported a very unpopular 4.8% tax increase. I also supported the Bethlehem Fire Department in their effort to keep the fire station open. I also supported Verizon Wireless employees under contract. I am proud to stand with unions and fight for union workers whenever I can. While I know that my vote tonight supports the Resolution against the NIZ and may make me unpopular with members of the union, I am a member of the Bethlehem Area School District Board of School Directors, and it is my responsibility to fight for the citizens of our district. With the NIZ project, the BASD is set to lose a large amount of revenue resources, which can only be replaced by future tax increases. Therefore, it is with the citizens of this district in mind, as well as

the children and workers of the BASD in mind, that I must stand firmly in my position to the NIZ project.

Director Vidanage stated that all along, we have been accused of giving raises and so forth, which is not in line with the situation of the whole country. You have to understand that as the Board comes to the negotiating table, they do not have a crystal ball on what will be happening two to three years down the road with inflation. So, the Boards have tried their best in these situations to come to an agreement, and it is not correct for people to accuse us of giving raises. That does not go along with the national rate because the federal government has statisticians working on these numbers. So, they have their numbers on a yearly or monthly basis, but we do not have the luxury of hiring statisticians to figure out what the inflation will be. So, we as a Board have done our best to gauge what it is. It is not fair to us to say that we are giving raises. If we start with a zero budget, does that mean we have to go and renegotiate the raises that were approved for the staff members?

President Faccinnetto followed up on the NIZ Resolution. It was in no way written to oppose the arena project, any of the construction or Allentown itself. That is not our intent. Our intent is the constitutionality of the law as Director Follweiler and Director Cann indicated. We invested a lot of money in the Southside TIF that came before this Board with the intent to develop office space and retail projects. We have 1,600 acres of brown field that are not part of the TIF that will not be redeveloped if the NIZ stands the way it is. So, it is not in any way against the project, against the arena or against revitalizing Downtown Allentown, it is simply that we cannot afford to reroute the money, not be able to rent office spaces and have assessments go down over the course of 30 years with a blank check. So, that is our basis for this Resolution.

President Faccinnetto asked if anyone would like to speak at Courtesy of the Floor.

COURTESY OF THE FLOOR

Jim Follweiler, 2222 Main Street, Bethlehem, PA

Mr. Follweiler stated that he did not have a copy of the Special Board agenda, was not sure the order of the three items or what was voted on since they ran out of copies of the agenda. However, he wants to touch on a few points in reference to the budget and its process. He came back from Afghanistan in 2008 to an entirely different world, a different country, a different state, a different city, and it is getting out of control the way our government at all levels do not understand or spend the time to truly think what is going on financially in our communities which all roll up to whatever level of government you want to look at. In the previous ten years, from 2002 through 2008, my school board taxes went up each year in average of 2.3 percent, relatively reasonable during that time period. From 2008 to the present, the

taxes have gone up 4.6 percent. We had a good strong economy up until 2008, and we were controlling expenses at 2.3. When I ran for mayor in 2003, I would run into senior citizens that indicated that they were being taxed out of their homes, and you do not think that you are taxing more and more people out of their homes? The federal government has had zero percent federal employee pay raises and virtually zero percent social security adjustments in recent years. So to sit here in 2012 and say that 4.84 is just too bad for you, is just not right. I am well educated, and I am unemployed trying to figure out how we are going to get through our near term future, and granted I am in a much better shape than a lot of people, especially senior citizens who continue to have to write these checks every year. It is simple to go into a budget process and say what is the state tax limit that we can do, and we will go in and start at that base point. That is simply mindlessness and an easy excuse not to do hard work. We elect you. You work for us, and my understanding is you through the superintendent employ the employees of the school district. It is not the other way around. If this was a business, you would be bankrupt. The customers would go elsewhere, but we basically have no choice. The only choice comes on election day. So hopefully through the future, trends will change and we just do not assume that we can continue to spend this money. There has been a shift in the world. We cannot continue to do business the way we have thinking everything is all right, and the taxpayers are just going to keep sucking it up. I hope all of you think about this moving forward whatever your career enhancements are, your goals in life moving forward, and certainly I commend those who voted against the budget and for those who tried to fight the fight. Thank you!

Raymond Berger, Jr., 801 Yorkshire Avenue, Hanover Township

Mr. Berger stated that he finds it very frustrating to talk to all of you because point blank you do not listen. You have a situation that is very difficult for most people. He has expressed time and time again, and you continue to think in terms of what type of increase you can have in the budget. I want a 10 percent decrease in the budget. You figure out how to do it. There is a way. If we decided we were going to do it, the people would not be affected in their school. Now you are talking about building a new school over at Nitschmann, which is ridiculous. They are putting a hockey arena in Allentown and you may not have had anything to do with that, but it is still ridiculous to be doing that during a time when people are starving to death out here, and you are talking about just adding a few percent onto our school board budget. Get rid of it. I have come here time and again to talk to you about this and it seems like it is useless. I just want to let you know how I feel about this, and I personally might be in a little better position than a lot of other people but that is no excuse at all. Thank you!

Ed Boksan, 2846 Ivanhoe Road, Bethlehem, PA

Mr. Boksan stated that he would like to thank the Board for passing this budget. I have a student here at East Hills, and for the past three or four years, she has seen the effect of cuts in this district. I wish people would put as much concern into looking into the changes of some of the state employee pension plans, because I work in a private sector and most of us have lost benefits and pension plans. We cannot as a district and as a state let the local government continue to fund such rich pension plans and have such high longevity costs, and maintain a flat budget. So I do commend the district because there are kids that are being affected by cuts, and you might look at some of the increases, and they seem excessive at these times, but these kids are going to pay for the spending at the national level for years and years to come, and we owe it to them to give them the best education we can locally. That is very hard to do when you keep reducing staff and putting some of our best and brightest students in classes of 35 students. So, I appreciate your vote tonight.

Randy Toman, 359 10<sup>th</sup> Avenue, Bethlehem, PA

Mr. Toman stated that he was sitting back there and was not going to say anything until that gentleman got up. Do you have any idea what the scorecard is for the teachers and how well the school districts are doing throughout the country? Your budgeting is going up and the scores are going down. Do you have any idea where we stand on a global position? The whole educational structure is failing, and are you aware of that? On page 229 of Glenn Beck's book, you know what the statistics are because I emailed you. The kids are failing in history. They are down in single digits with the lowest one being 17 or 12 percent. They have no clue what is in history. Now you are sitting there raising taxes 4.85, and you are flunking in teaching the kids, and this gentleman back here said you did well. That is not true. The educational system in the United States is failing on a global status. Does anyone on the Board acknowledge that? So if you are going to continue to increase the taxes at 4.85, I have the projection of what you are going to go for in the next five years, and you are going to up the bill 30 percent more. That is intolerable and you will bankrupt the citizens, and the whole operation is going to come to a halt. You people projected the next five years that you are going to raise the budgeting 30 percent, and this gentleman back here asked for a zero budget. How did you project a budget of six percent for the next two or three years? You have a PSERS pension that is coming into effect, and you haven't even started to address that. You are failing in educating the students, and you keep raising the taxes. It is an intolerable situation. You are going to bankrupt the senior citizens and then the entire community. In addition, you are also going to build a school in 2014, and you haven't even looked at all of the possibilities. I am disappointed with the entire Board. Thank you!

Stephen Antalics, 737 Ridge, Bethlehem, PA

Mr. Antalics stated that he had not intended to speak, but then he became provoked to speak. Some time ago I did a study as to priorities going back to the Broughal issue because there were demands made for the new building, and to keep it short, what is the mission of the school district. In the administrative building it reads "One child at a time." That should be the mission and do not take away from that of ALL the children. The PA Department of Education guidelines, by which the district should be operating, states clearly that anything that happens in the school building after school hours is extra curricular, not educational. So, extra curricular is at the discretion of the Board or the public. In these dire financial times, consider biting a very difficult bullet to eliminate all extra curricular activities including sports. What monies would be saved and how would that help to educate your children? The caveat in the public is that this is necessary to educate our children, but the district is not here to develop jocks to get into the NFL or NBA. They are here to educate the children. Years ago this would have not happened. So consider this, extra curricular activities and how much is spent? Tell the public because of the financial times that they will be cut temporarily until we are back on better financial footing, and then see what that does for the education of the children. Get a handle of what is the cost of extra curricular activities. Thank you!

Lisa Chemdline, 3949 Washington St., Bethlehem, PA

Mrs. Chemdline stated that tax increases are not easy for everybody, but they are necessary for our children. I have children in the school district that really took a hit this year with the cuts. I appreciate you approving the budget. Yes, I am going to have to dig deeper, but I will make it work. Thank you for approving this budget. I appreciate it and my children appreciate it.

Judith Dexter, 1866 Homestead Avenue, Bethlehem, PA

Mrs. Dexter stated that she would like to address the Board on three issues. First, I want to thank the Board for considering the Nitschmann Middle School project at this point. I was on the Board in 2008 when we toured the building as a Board and also with the community. The biggest surprise from that tour was that there were a number of people who showed up expecting to find reasons why Nitschmann should either be rehabbed, or why there should be no need to pour additional tax dollars into that building. As we left the building, it is my belief that 100 percent of the people that were on that tour were of like mind, and that a new building is needed. The building certainly has not gotten any better, and I am always watchful of my tax dollars. Even though I am not on the Board, I am watching what the Board does and how you spend my

money and the money of other people in the district. I do get concerned when I read about repairs that have to be done to Nitschmann because it certainly does need repairs, but more importantly it needs to be replaced, and that project really has to get on the front burner and stay there until it is completed.

The second issue is on the budget, and I was not going to speak about this, but I do believe that the tax increase is excessive. I believe that there were ways to make cuts. Personally, I would have not restored the teaming. I have researched the issue of teaming and the effectiveness on school academic performance, and I am not convinced that teaming is a wise expenditure of the cost it will be. It is my assumption that the Board might be looking towards the future of restoring teaming next year and the year after, but I do not believe there is any persuasive data that tells us that absolutely teaming is important. My understanding of this is that much of the evidence in this district is anecdotal coming from teachers, not so much from parents, although I do feel that there are some parents that believe that teaming is important. If you do not have concrete, hard data to support the restoration of that kind of expense, you should not be doing that. The other issue on the budget that I heard mentioned this evening was extra curricular activities. There is no way that this district or any other public school district should be considering any budget proposals that would eliminate or even severely cut extra curricular activities. Those activities are an important part of any educational opportunity, and there is a lot of research out there that does link participation in extra curricular activities with positive academic performance. There is a great deal of research that links to student performance and the ability to get into schools is absolutely dependent upon having a good record in extra curricular activities of a variety. When you visit colleges, you are told that the evaluation is going to be based on grades, SATs, student essay, and extra curricular activities. So if we cut extra curricular activities, we are cutting one component of the educational experience. I encourage you to go forward with those activities that BASD supports.

Finally, I would to address the issue that I heard this evening about the Board attendance problem, and I see that one of the Board member's that was pointed out is not here now. Board attendance has been an issue of concern for as long as I have been on the Board and prior to that. I recall a number of issues pertaining to various other Board members, which was raised both publicly and privately. In some cases, Board members who could not keep the obligations of attending Board meetings and participating in the other Board obligations were asked to step down or resign and replacements were made. So, tonight is not the first night that I ever heard of it.

Thank you again for your service.

President Faccinnetto asked if anyone had anything to discuss in Open Forum. OPEN FORUM

Director Bonilla stated that over the last few months, the Board has taken several positive steps forward for the district and its citizens. We have appointed the first African-American principal at Liberty High School, and we have appointed a Latino to the Northampton Community College to the Board of Trustees. It is with an overwhelming amount of pride in our district and in our Board that I am pleased to say that we have recently chosen to take yet another momentous step forward by choosing to award medical coverage to same sex partners as long as they present a marriage certificate from any state. I am glad to see that our district has taken a much needed step into the 21st century. Congratulations to the Board. If the Board President would allow, the President of Equality Pennsylvania, Adrian Schenker is here and would like to say a few words on the topic.

President Faccinnetto stated that at this point he would have to wait until the second Courtesy of the Floor at the Board Finance Committee Meeting since we had the second Courtesy of the Floor for this meeting. Dr. Roy also stated that he had a conversation with Mr. Schenker prior to the meeting, and he was aware of that.

Director Follweiler stated that she brought this up once before. Could we look into having the agenda posted electronically on a screen for those who might attend and there are no more agendas? I believe we discussed this once before, but just something that is available if we do run out of copies. President Faccinnetto thanked Director Follweiler and agrees that it should not be too hard to handle this.

Director Ortiz stated that the budget this evening was a very difficult process for all of us, but as we have said before, we have a responsibility for our children in getting the whole child's needs, which includes academics and extra curricular activities. We still even cut a lot with this 4.84 percent increase. We are not doing this without knowing that the economy out there is very difficult, but at the same time it is our responsibility to provide a good education and have 21st century education. Of course there are limits, and that is what we tried to do in this budget. It wasn't an easy budget, but we believe it is going to be a benefit for our children and that is why we are here.

President Faccinnetto asked for a motion to Adjourn. ADJOURNMENT

Director Bonilla made a motion to adjourn the meeting and seconded by Director Follweiler. The meeting was adjourned at 6:55 p.m.

Attest,

Stacy M. Gober  
Secretary

SMG:dln

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**1. *Final Adoption of the 2012-2013 Bethlehem Area School District Budget*****INFORMATION:**

The 2012-2013 budget development discussions with the Board began on December 5, 2011, at the Board Finance Committee Meeting. A Budget Workshop was held on January 11, 2012.

At the Regular Board Meeting on January 23, 2012, the Board of School Directors approved a Preliminary 2012-2013 Budget in the amount of \$210,837,542. In addition, the Board authorized the advertising and regulatory filing of Act 1 Referendum exceptions included in the Preliminary Budget, authorized the posting and advertising of the General Fund Budget with final adoption scheduled for June 18, 2012, and authorized the administration and solicitor to take any and all actions necessary to ensure legal compliance with preliminary budget approval and filing of referendum exceptions.

Following the approval of the Preliminary Budget, subsequent Budget Workshops were held on February 23, March 29, and April 30, 2012, to develop a Proposed Budget for adoption 30 days prior to the Final Budget adoption in accordance with Pennsylvania Public School Code.

At the Special Board Meeting on May 14, 2012, the Board of School Directors approved a Proposed General Fund Budget with revenues of \$206,355,310 and expenditures of \$212,508,640. This budget is supported by a real estate tax increase of 4.84 percent or 1.23 mills.

**RECOMMENDATION:**

That the attached Resolution to adopt the 2012-2013 Bethlehem Area School District Budget be approved as presented.

**Board Discussion**

Director McKeon indicated that he will be voting no for Item 1 on the budget, as it should be no surprise. My concerns are that we started this process with a 3.8% or 3.9% tax increase, and my vision was that we get it down closer to the Act 1 index. Obviously, it did not work that way, and we are looking at a 20 percent increase over what we started the year with. My concern is with fellow Board members and even myself; we have to start looking long range. We have this impending pension rock hitting us every year, and it is doubling as we go forward for the next four to five years, and we cannot afford to continue to increase regular spending and think that we are going to be able to recover and continue to spend outside of the pension that we have to deal with. As for next year, I know that the administration would like to put teaming back in fully installed or at least for sixth and seventh grade. I would recommend that the administration get it within the existing expense

constraints that we have. In addition for next year, unless we committed relatively close to index, I will vote no on the very first budget opportunity.

Director Bonilla stated that regarding Item 1, this budget process has both been extensive and thorough and for that I thank Dr. Roy and his administration. While I understand the concerns of members of the community due to the proposed 4.8% tax increase, it is unfortunate that our Governor refuses to fund at appropriate levels. By doing so, he makes local school districts across the Commonwealth out to be the “bad guy” while he promotes himself to be the “good guy.” It has placed each one of us in a precarious position to keep the students best interests in mind while maintaining public dollars responsibly. With that said, I believe that we must take a good look at the benefits of this year’s budget, both for our students and our district employees. I am truly pleased to see that our elementary school certified furloughed teachers from 2011-2012 will all be in front of students in August. With the passing of tonight’s budget, it is also good to know that our middle and high school furloughed individuals are almost all back to work. Thank you!

Director Follweiler stated that as she has said since the beginning of the budget process, she will be voting no as long as we continue to have raises that are above the norm in our community and in our country at this time as we stand in our current economic status. I believe that we need to do a zero based budget. We need to start with the basics, and then we have to decide what to add on. I have been in the minority in that feeling since I have been on the Board, but I will continue to push for that. I am frankly confused and appalled that anyone can raise taxes at 4.84 percent in the economy that we have today, and frankly, I have to defend our Governor because the previous administration chose to use stimulus money to cover education funds when the stimulus was enacted to have one-time expenditures, and across the state they were used for reasons other than that. Therefore, when the stimulus went away and the state and this district decided not to put that money back in the general operating budget, we had cuts. However, we cannot say that the Governor has cut the education spending – look at the statistics. It is a minimal percentage that has been cut. This district cut last year, and we are now putting back what was very difficult to remove. If you look at our debt service, it has gone down. What happened to this district with the swaps over the last four years and what this Board and prior Boards did to work our way out of that hole was absolutely incredible, and we are headed right back into it. I feel sorry for the children of this school district because they will be paying for these actions for the rest of their lives.

### **Roll Call Vote**

President Faccinnetto asked for a roll call for Items 1, 2, and 3.

The question was called with roll call as follows:

Item 1 – Yes – Directors Bonilla, Burkhardt, Ortiz, Patrick, Vidanage  
and President Faccinnetto

No – Directors Cann, Follweiler, and McKeon

Item 1 passes 6-3.

**BETHLEHEM AREA SCHOOL DISTRICT  
Bethlehem, Pennsylvania**

**RESOLUTION  
REGARDING THE  
2012-2013 BETHLEHEM AREA SCHOOL DISTRICT  
FINAL BUDGET**

**WHEREAS**, a careful consideration of the estimated budget requirements of the Bethlehem Area School District for the fiscal year of 2012-2013 shows that a total of \$212,508,640 will be necessary to operate the public schools on an efficient basis.

**NOW, THEREFORE, BE IT RESOLVED THAT:** The General Fund Budget for the 2012-2013 fiscal year of the Bethlehem Area School District in the amount of \$212,508,640 is based on the following:

- (a.) A 47.09 mill (or \$4.709 per \$100 of assessed valuation) tax on Northampton and Lehigh Counties taxable real estate in the school district.
- (b) A \$5 Resident Per Capita Tax, taxable on residents age 18 and older, based on Section 679 of the School Code of 1949.
- (c) The following taxes under Act 511 are:
  - (1) 1% Earned Income Tax shared equally with the coterminous municipalities.
  - (2) 1% Realty Transfer Tax shared equally with the coterminous municipalities.
  - (3) \$5 Resident Per Capita Tax, taxable on residents age 18 and older.
  - (4) \$5 Local Services Tax.
  - (5) Business Privilege Tax at the rate of one and one-half mills on gross receipts.
  - (6) Mercantile License Tax at the rate of one mill on wholesale vendors or dealers and one and one-half mills on retail vendors or dealers.

## **2. *2012 Homestead and Farmstead Exclusion Resolution***

### **INFORMATION:**

Under the provisions of Act 50 of 1998, Homestead Property Exclusion Program Act, and Act 1 of 2006, Taxpayer Relief Act, the attached Resolution necessitates the approval by the Board of School Directors to authorize the homestead and farmstead exclusion real estate tax assessment reductions for the school year beginning July 1, 2012. The Resolution addresses multiple items and those items include: Aggregate Amount Available for Homestead and Farmstead Real Estate Tax, Homestead/Farmstead Numbers, Real Estate Tax Reduction Calculation, Homestead/Farmstead Exclusion Authorization – July 1 Tax Bills, and Homestead/Farmstead Exclusion Authorization – Interim Real Estate Tax Bills.

### **RECOMMENDATION:**

That the Board of School Directors approves the attached Resolution that addresses the homestead and farmstead exclusion real estate tax assessment reductions for the school year beginning July 1, 2012.

### **Roll Call Vote**

President Faccinnetto asked for a roll call for Items 1, 2, and 3.

The question was called with roll call as follows:

Item 2 – Yes – Directors Bonilla, Burkhardt, Cann, Follweiler, McKeon,  
Ortiz, Patrick, Vidanage, and President Faccinnetto

Item 2 passes 9-0.

**BETHLEHEM AREA SCHOOL DISTRICT**  
Bethlehem, Pennsylvania

*RESOLUTION-RE: 2012 HOMESTEAD AND FARMSTEAD EXCLUSION*

RESOLVED, by the Board of School Directors of Bethlehem Area School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2012, under the provisions of the Homestead Property Exclusion Program Act (part of Act 50 of 1998) and the Taxpayer Relief Act (Act 1 of 2006), as follows:

1. **Aggregate amount available for homestead and farmstead real estate tax reduction.** The following amounts are available for homestead and farmstead real estate tax reduction for the school year beginning July 1, 2012:
  - a. **Gambling tax funds.** The Pennsylvania Department of Education (PDE) has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.505(b), as a property tax reduction allocation funded by gambling tax funds, the amount of \$4,693,146.58.
  - b. **Philadelphia tax credit reimbursement funds.** PDE has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.324(3), as reimbursement for Philadelphia tax credits claimed against the School District earned income tax by School District resident taxpayers, the amount of \$26,843.27.
  - c. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$4,719,989.85.
  
2. **Homestead/farmstead numbers.** Pursuant to Act 50, 54 Pa. C.S. § 8584(i), and Act 1, 53 P.S. § 6926.341(g)(3), the County has provided the School District with a certified report listing approved homesteads and approved farmsteads as follows:
  - a. **Homestead property number.** The number of approved homesteads within the school district is 20,976 in Northampton County, and 5,496 in Lehigh County. Total number of approved homesteads within the school district is 26,472.
  - b. **Farmstead property number.** The number of approved farmsteads within the school district is 6 in Northampton County, and zero in Lehigh County. Total number of approved homesteads within the school district is 6.
  - c. **Homestead/farmstead combined number.** Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 26,478.

3. **Real estate tax reduction calculation.** The school board has decided that the homestead exclusion amount and the farmstead exclusion amount shall be equal. Dividing the paragraph 1(c) aggregate amount available during the school year for real estate tax reduction of \$4,719,989.85 by the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 26,478, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$178.
  
4. **Homestead/farmstead exclusion authorization – July 1 tax bills.** The tax notice issued to the owner of each approved homestead within the School District shall reflect a homestead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the homestead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$3,780. The tax notice issued to the owner of each approved farmstead within the School District shall reflect an additional farmstead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the farmstead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$3,780. For purposes of this Resolution, “approved homestead” and “approved farmstead” shall mean homesteads and farmsteads listed in the report referred to in paragraph 2 above and received by the School District from the County Assessment Office on or before May 1 pursuant to Act 1, 53 P.S. § 6926.341(g)(3), based on homestead/farmstead applications filed with the County Assessment Office on or before March 1. This paragraph 5 will apply to tax notices issued based on the initial tax duplicate used in issuing initial real estate tax notices for the school year, which will be issued on or promptly after July 1, and will not apply to interim real estate tax bills.
  
6. **Homestead/farmstead exclusion authorization – interim real estate tax bills.** No homestead or farmstead exclusion will apply to any interim tax bill except an interim tax bill applicable to a property that includes an approved homestead or approved farmstead listed in the report received by the School District from the County Assessment Office on or before May 1, but not included in the tax assessment reflected in the July 1 tax bill for the property. In most cases, the assessment of approved homesteads and approved farmsteads will be reflected in July 1 tax bills. However, in any case when there is an approved homestead or an approved farmstead that is not included in the assessment reflected in the July 1 tax bill, and when an interim real estate tax notice is issued later based on an interim assessment including the approved homestead or approved farmstead, the interim tax notice shall reflect a homestead or farmstead exclusion real estate assessed value reduction calculated under paragraph 5, except that the paragraph 4 maximum real estate assessed value reduction will be prorated in the same manner as the real estate tax is pro rated. Assuming the interim tax notice reflects taxation as of July 1, as will occur in most such cases, the full amount of the paragraph 4 maximum real estate assessed value reduction will apply. In the extraordinary case where the new interim tax assessment is effective after July 1, the paragraph 4 maximum real estate assessed value reduction will be pro rated in the same manner as the real estate tax reflected in the interim tax bill is pro rated.

**3. *Allentown Neighborhood Improvement Zone (NIZ) Resolution***

**INFORMATION:**

The legislation creating the Allentown Neighborhood Improvement Zone (NIZ) includes a provision that diverts Bethlehem Area School District (BASD) Earned Income Tax (EIT) revenue to the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) causing a loss of revenue to the BASD. Additionally, the NIZ creates potential loss in property tax revenue for the BASD.

**RECOMMENDATION:**

That the Board of School Directors adopts the attached resolution indicating the District's opposition to the NIZ legislation as it currently exists.

**Roll Call Vote**

President Faccinnetto asked for a roll call for Items 1, 2, and 3.

The question was called with roll call as follows:

Item 3 – Yes – Directors Bonilla, Burkhardt, Cann, Follweiler, McKeon,  
Ortiz, Patrick, Vidanage, and President Faccinnetto

Item 3 passes 9-0.

**Resolution NO. 001-2012**

**BETHLEHEM AREA SCHOOL DISTRICT**

**A RESOLUTION OF THE BETHLEHEM AREA SCHOOL DISTRICT, NORTHAMPTON and LEHIGH COUNTIES, PENNSYLVANIA**

**WHEREAS**, legislation creating the Allentown Neighborhood Improvement Zone (NIZ) includes a provision that diverts Bethlehem Area School District (BASD) Earned Income Tax (EIT) revenue to the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA).

**WHEREAS**, the NIZ comprises a total of 130 acres in the city of Allentown including 40 acres in the downtown area and 90 acres along the Lehigh River.

**WHEREAS** the ANIZDA and the City of Allentown currently estimate a nearly \$100,000.00 Earned Income Tax loss to the BASD each year for 30 years as a result of the NIZ.

**WHEREAS**, legal questions regarding the constitutionality of the legislation that created the NIZ continue unanswered.

**WHEREAS**, the long term negative impact of the NIZ on BASD is unknown.

**WHEREAS**, businesses currently located within the BASD are now provided a powerful economic incentive to move to the NIZ where Class A office space is reportedly offered at significantly below market prices.

**WHEREAS**, the NIZ is likely to cause downward pressure on lease costs, cause the loss of businesses from BASD and cause an increase in property tax appeals resulting in potentially significant loss of real estate tax revenue in addition to the loss of the EIT revenue.

**WHEREAS**, the NIZ covers a large area in Allentown that will be built-out over a 30-year period, the loss of businesses to the NIZ and the downward pressure on real estate assessments in the BASD is likely to continue for many years.

**WHEREAS**, the legislative process creating the NIZ failed to include or inform municipalities and school districts that are directly impacted through the loss of EIT revenue.

And **WHEREAS**, the taking of revenue from a tax imposed by one municipality or school district without the knowledge or permission of that municipality or school district violates all sense of due process and fair play,

**NOW, THEREFORE**, be it resolved and it is hereby resolved that the Bethlehem Area School District Board of School Directors:

**OPPOSES** the NIZ legislation in its current form;

**AND**, calls for the size of the NIZ to be reduced;

**AND**, calls for the elimination of the EIT portion of the NIZ legislation.

\_\_\_\_\_  
Michael Faccinetto, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Stacy Gober, Secretary

\_\_\_\_\_  
Date