



## MEMORANDUM

June 14, 2013

**TO: BOARD OF SCHOOL DIRECTORS**

**FROM: STACY M. GOBER, BOARD SECRETARY**

**SUBJECT: SPECIAL BOARD MEETING – June 17, 2013**

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A Special Meeting of the Board of School Directors of the Bethlehem Area School District will be held on *Monday, June 17, 2013*, in the *Dining Room of the Education Center*, located at *1516 Sycamore Street, Bethlehem, PA*. The agenda is attached.

SMG:bac  
Attachments  
pc: Dr. Roy

**BETHLEHEM AREA SCHOOL DISTRICT**  
**Bethlehem, Pennsylvania**

**MISSION STATEMENT**

*The Bethlehem Area School District, in partnership with the home and community, is committed to providing a safe and supportive environment in which each student will attain the knowledge, skills, and attitudes necessary to become a productive citizen and lifelong learner in our technologically demanding and culturally diverse society.*

**A G E N D A**  
**SPECIAL BOARD MEETING – June 17, 2013**

1. Roll Call
2. Pledge of Allegiance
3. Silent Meditation
4. Courtesy of the Floor to Visitors (30 minutes allowed)
5. Approval of Minutes/Regular and Committee
6. President's Communication/Special Meetings
7. Superintendent's Report/Federal Program Update
8. Unfinished Business
9. Recommendations of the Administration
10. New and Miscellaneous Business
11. Courtesy of the Floor to Visitors (30 minutes allowed)
12. Open Forum
13. Adjournment

JUNE 17, 2013

BETHLEHEM AREA SCHOOL DISTRICT  
BOARD OF SCHOOL DIRECTORS  
SPECIAL BOARD MEETING

The Special Meeting of the Board of Directors of the Bethlehem Area School District was held on Monday, June 17, 2013, at 6:50 p.m. in the Dining Room at the Education Center, 1516 Sycamore Street, Bethlehem, PA 18017.

President Faccinetto asked for the Roll Call by the Board Secretary:

ROLL CALL

Members present: Director Basilio Bonilla, Director William Burkhardt, Director Michele Cann, Director Irene Follweiler, Director Eugene McKeon, Director Aurea Ortiz, Director Shannon Patrick, Director Sudantha Vidanage and President Michael Faccinetto – 9

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

The Pledge of Allegiance was recited by all those present.

PLEDGE OF  
ALLEGIANCE

President Faccinetto requested a moment of Silent Meditation.

MOMENT OF  
SILENT MEDITATION

President Faccinetto offered Courtesy of the Floor to visitors. Speakers are asked to come to the podium, stating their name and address. The first Courtesy of the Floor will pertain to matters on the Board agenda. The second Courtesy of the Floor will deal with matters pertaining to school district business. Speakers are limited to five (5) minutes each unless extended at the discretion of the Board President. 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 School Board Meeting, another block of time will be allocated for public comment. At that time, the same rules will apply. It is asked that speakers observe proper decorum, without personal attacks towards a specific individual or individuals. It is not the custom for the Board to enter into a dialogue at these meetings about concerns. However, the Board does listen with care to issues raised. Speakers will receive responses, in some form, by the Administration.

COURTESY  
OF THE FLOOR  
TO VISITORS

Steven Antalics (737 Ridge Street, Bethlehem) – Mr. Antalics followed up with his previous comments regarding the RACP grant from the Board Finance Committee Meeting as it is related to the budget and charter school costs. He has a high respect for the Lehigh Valley Charter School of the Performing Arts as they are very good. He was asking the Board since this RACP money is competitive, can the District apply for these funds to finance construction or capital needs. In no way did he mean to demean the charter school.

President Faccinetto stated that there were no minutes to approve this evening.

APPROVAL OF  
MINUTES/REGULAR  
AND COMMITTEE

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President Faccinetto stated that the Board had an Executive Session last week after the committee meetings to discuss contract negotiations.

PRESIDENT'S  
COMMUNICATIONS

Dr. Roy stated that he had nothing to report.

SUPERINTENDENT'S  
REPORT

President Faccinetto asked if anyone had any items under Unfinished Business.

UNFINISHED BUSINESS

Director Follweiler asked if the Board could respond to Mr. Antalic's inquiry. President Faccinetto responded that preliminary discussions have begun with the City and State Representative Samuelson, and the Administration and Board can explore options to apply for it, but he is not sure if it would be approved.

President Faccinetto asked for a motion to approve Agenda Item 1 – Final Adoption of the 2013-2014 Bethlehem Area School District Budget; and Agenda Item 2 – 2013 Homestead and Farmstead Exclusion Resolution.

RECOMMENDATIONS  
OF THE  
ADMINISTRATION

Director McKeon made a motion to approve Agenda Items 1 and 2. The motion was seconded by Director Bonilla.

MOTION TO APPROVE  
AGENDA ITEMS 1 AND  
2

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

Director Burkhardt stated that last month he asked the Administration to provide information to the Board regarding adding teachers to the budget focusing on full day Kindergarten/Pre-K if the grant does not go through, and 7th grade teaming. He thanked the Administration for that information. The Administration provided three (3) options for the Board to consider, and he prefers the second option which adds five (5) teachers of which 2.5 teachers to convert five (5) half-day Kindergarten sections to five (5) full-day Kindergarten sections, and the other 2.5 teachers to manage class size issues at the elementary level; and add six (6) teachers to restore the 7th grade teaming and address 6th grade teaming needs. The approximate cost of adding 11 teachers in this fashion is approximately \$830,500 with a tax increase of 2.72%. He hears that there may be some concerns with the implementation of the teaming model. If that is the case, he suggested that the Administration contact some of those who created this teaming idea who are now retired to see if they are willing to help since the changing of staff and Administration occurs frequently. Director Burkhardt made a motion to amend Agenda Item 1 to a 2.72% tax increase.

President Faccinetto stated that a motion was made by Director Burkhardt to amend Agenda Item 1 to a 2.72% tax increase. Is there a second on the motion?

MOTION TO AMEND  
AGENDA ITEM 1

Director Bonilla seconded the motion to amend Agenda Item 1 to a 2.72% tax increase.

President Faccinetto stated he would now open this motion up for discussion.

Director McKeon stated that he has concerns with adding these additional teachers as you also have to consider the increase in PSERS and look at the Cadillac Tax that will be affecting the District in the future. We cannot continue add staff as things are coming down the road. He commended the Administration for keeping the increase proposal at 2.1%.

Director Ortiz stated that the District needs to be competitive with charters schools. The Board's job is to give all the help we can, and if we do not start somewhere, we will never get there. The 2.72% tax increase is reasonable. If we want mediocrity, then next year we will just pay more to charter schools. All of our resources should be used to educate children, and our job is to make sure that we educate our students.

Director Vidanage stated that we cannot look at doomsday. If PSERS investment rates soar with improved economy, we may not have the horrible outcome. We in America do not spend nearly enough on education to succeed and be competitive worldwide. We are going backwards as a nation. We are cutting programs while the world is doing more. As a state, we are 47 in state taxes, but #1 in school taxes.

Director Patrick asked if the 2.5 teachers for class size issues can be reduced. Dr. Roy said it is unknown at this time and would have to wait to see the summer enrollment numbers.

Director Bonilla commended the Administration on the information provided to the Board and is a good step forward with full-day Kindergarten to attract students back to the District. Teaming is also valuable and important, and he supports both proposals.

Director Follweiler stated that the Board has missed opportunities to find revenue elsewhere. While she commends the Administration, the Board President and Board Vice President for talking to legislators, the Board has chosen not to generate additional revenue for other fees and student payments. The Board cannot keep going back to taxpayers every year.

Dr. Roy stated that the District has sustained programs in past budgets and now we are beginning to restore some of those programs that were cut. He reminded the Board of the several positions added to the 2.1% Budget which include (2) FTE middle school librarians, community service coordinator, athletic director, two (2) social workers and after school programming. That is approximately eight (8) additional personnel as part of the 2.1%. The challenge with a people driven organization is that salary related costs increase at a rate higher than the tax growth. While taxes pay for this year, the costs will increase by about \$50,000 each year for the 11 new people that add to the structural deficit. The Board also has to be mindful that charter school costs grow each year and when charter school capacity grows, then their enrollment grows increasing money also.

Director Patrick stated that until the District has full-day Kindergarten in the entire District, we will lose students to charter schools who offer full-day Kindergarten. If we can recoup that charter school money for full-day Kindergarten, then we have paid for that program in the District.

Director Bonilla called for the question on the motion to amend Agenda Item 1 to a 2.72% tax increase. President Faccinnetto stated that the call to question was made and a roll call vote will be taken on the motion to amend Agenda Item 1 to a 2.72% tax increase.

ROLL CALL VOTE TO  
AMEND AGENDA ITEM  
1

Director Follweiler – No; Director McKeon – No; Director Ortiz – Yes; Director Patrick – Yes; Director Vidanage – Yes; Director Bonilla – Yes; Director Burkhardt – Yes; Director Cann – No; and President Faccinnetto – No

Motion passes 5-4 to amend Agenda Item 1 to a 2.72% tax increase.

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President Faccinnetto stated that now there needs to be a motion on Agenda Item 1 as amended and Agenda Item 2.

MOTION TO APPROVE  
AGENDA 1 AS  
AMENDED AND  
AGENDA ITEM 2

Director Bonilla made a motion on Agenda Item 1 as amended and Agenda Item 2. Director Ortiz seconded the motion.

Mrs. Gober stated that since Agenda Item 1 was amended to a 2.72% tax increase that Agenda Item 2 would also need to be amended as this relates to the Homestead/Farmstead Resolution must be in tandem with the Budget approval. Because the millage rate drives the tax, the homestead exemption distributes that same pot of revenue across all eligible parcels. By changing the millage rate, the homestead/farmstead exemption must be adjusted off the assessed value to equitably distribute the same dollars across the same group. The homestead/farmstead amount changes every time the millage rate changes. In this case, the homestead exemption amounts would be Northampton County at \$3,725 and Lehigh County would be \$11,689, and the farmstead for Northampton County would be \$3,725.

After consultation with the Solicitor, the Solicitor asked the Board if there was any objection in starting the vote over and the agenda items will be split.

Seeing none, President Faccinnetto stated that Agenda Item 1 and 2 will be split and the Board will vote on Agenda Item 1 first as amended. If Agenda Item 1 passes, the Board then can amend the Homestead/Farmstead Resolution and vote on it separately.

President Faccinnetto called for a roll call vote on Agenda Item 1 as amended to reflect a 2.72% tax increase.

ROLL CALL VOTE ON  
AGENDA ITEM 1 AS  
AMENDED

Director Follweiler – No; Director McKeon – No; Director Ortiz – Yes; Director Patrick – Yes; Director Vidanage – Yes; Director Bonilla – Yes; Director Burkhardt – Yes; Director Cann – No; and President Faccinnetto – No

Motion passes 5-4 for Agenda Item 1 as amended to reflect a 2.72% tax increase.

President Faccinnetto stated that since Agenda Item 1 has passed, he is asking for a motion to amend Agenda Item 2 to match the 2.72% tax increase to Agenda Item 1.

MOTION TO AMEND  
AGENDA ITEM 2

Director Burkhardt made a motion and was seconded by Director Follweiler to amend Agenda Item 2.

President Faccinnetto asked for a roll call vote on the motion to amend Agenda Item 2.

ROLL CALL VOTE TO  
AMEND AGENDA ITEM  
2

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

Motion passes 9-0 to amend Agenda Item 2.

President Faccinnetto stated that now there needs to be a motion on Agenda Item 2 as amended.

MOTION TO APPROVE  
AGENDA ITEM 2 AS  
AMENDED

Director Bonilla made a motion on Agenda Item 2 as amended. Director Follweiler seconded the motion.

President Faccinetto asked if there was any Board discussion.

Director Follweiler asked Mrs. Gober to explain the changes to Agenda Item 2 with a 2.72% tax increase. Mrs. Gober responded that the agenda item needs to be amended to read that the homestead amount for Northampton County would be \$3,725 and Lehigh County would be \$11,689, and the farmstead for Northampton County would be \$3,725.

President Faccinetto stated that the Board will now vote on Agenda Item 2 as amended to reflect the corrected amounts for Northampton County and Lehigh County with a 2.72% tax increase. He called for a roll call vote.

ROLL CALL VOTE ON  
AGENDA ITEM 2 AS  
AMENDED

Yes – Directors Follweiler, McKeon, Ortiz, Patrick, Vidanage, Bonilla, Burkhardt, Cann, and President Faccinetto.

Motion passes 9-0 to amend Agenda Item 2 to reflect the 2.72% tax increase.

President Faccinetto asked if there was any New or Miscellaneous Business. Seeing none, he moved to Courtesy of the Floor.

NEW OR  
MISCELLANEOUS  
BUSINESS

President Faccinetto asked if there was anyone who would like to speak at Courtesy of the Floor.

COURTESY OF THE  
FLOOR

Stephen Antalics (737 Ridge Street, Bethlehem) – Mr. Antalics stated that President Faccinetto spoke about the TIF and blighted areas to generate taxes. The District is paying 60% to this development and now paying twice when shiny new buildings are exempt.

Randy Toman (359 Tenth Avenue, Bethlehem) – Mr. Toman asked for clarification on the new budget amount with a 2.72% tax increase. Mrs. Gober responded \$225,274,001. In regards to the Board discussions this evening, it seems that the Board is viewing charter schools as a liability or adversary. Competition makes everyone better. If their enrollment is increasing it is because they are doing something, such as marketing. If the District wants to get back into the ball game, you have to do it through better marketing and better curriculum. The aggressiveness of the Board this evening should not be out there. In regards to the 2.1% tax increase, Dr. Roy indicated that he did add people back for expansion. What you did with that extra million dollars it showed total disrespect for the citizens. Director Follweiler stated it correctly that you are going after the property tax owner. Then this evening, the Board added 6.2 more onto the taxpayer, and he resents the Board for this action this evening. It was a total injustice to the citizens of the District.

President Faccinetto asked if there was any item to be discussed under Open Forum.

OPEN FORUM

Director Bonilla wanted to correct Mr. Toman and his comment. The tax increase is .62 increase not 6.2.

Director Vidanage stated that he does not make statements that are not true. He used to teach at a charter school. When asked if they could order a piece of equipment for a lesson, he was told to go buy it himself. Charter schools are not on the same playing field or have the same rules as school districts. They place ads on the radio and billboards instead of buying proper equipment.

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President Faccinetto responded that not everyone who comes to the charter school door is accepted, but when they come to the District's door, they are all accepted.

Director Patrick stated that tonight the Board took a big step ahead by leveling the playing field to take the lead. She is proud of what the Board did this evening.

Director Ortiz stated that the Board did justice and now we can compete.

President Faccinetto asked for a motion for adjournment. Director Bonilla made a motion and was seconded by Director Follweiler. The meeting adjourned at 7:40 p.m. Director Ortiz stated that the Board Human Resources Committee Meeting will begin in five (5) minutes.

ADJOURNMENT

Attest,

Stacy M. Gober  
Board Secretary

SMG:dlm

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**1. *2013-2014 Bethlehem Area School District Final Budget Adoption***

**INFORMATION:**

The 2013-2014 budget development discussions with the Board began on December 3, 2012, at the Board Combined Committee Meetings. Additional budget discussion occurred at the January 14, 2013, Board Finance Committee Meeting.

At a Special Board Meeting on February 11, 2013, the Board of School Directors approved a Preliminary 2013-2014 Budget in the amount of \$224,644,723. 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 17, 2013, 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 March 13, 2013, and April 29, 2013, to develop a Proposed Budget for adoption 30 days prior to the Final Budget adoption in accordance with Pennsylvania Public School Code Act 1 of 2006.

At the Special Board Meeting on May 13, 2013, the Board of School Directors approved a Proposed General Fund Budget with revenues of \$221,515,116 and expenditures of \$224,322,760.

**RECOMMENDATION:**

That the Board of School Directors adopts the attached Resolution for the 2013-2014 Bethlehem Area School District Budget and be approved as presented.

President Faccinetto asked for a motion to approve Agenda Item 1 – Final Adoption of the 2013-2014 Bethlehem Area School District Budget; and Agenda Item 2 – 2013 Homestead and Farmstead Exclusion Resolution.

Director McKeon made a motion to approve Agenda Items 1 and 2. The motion was seconded by Director Bonilla.

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

Director Burkhardt stated that last month he asked the Administration to provide information to the Board regarding adding teachers to the budget focusing on full day Kindergarten/Pre-K if the grant does not go through and 7th grade teaming. He thanked the Administration for that information. The Administration provided three (3) options for the Board to consider, and he prefers the second option which adds five (5)

teachers of which 2.5 teachers to convert five (5) half-day Kindergarten sections to five (5) full-day Kindergarten sections, and the other 2.5 teachers to manage class size issues at the elementary level; and add six (6) teachers to restore the 7th grade teaming and address 6th grade teaming needs. The approximate cost of adding 11 teachers in this fashion is approximately \$830,500 with a tax increase of 2.72%. He hears that there may be some concerns with the implementation of the teaming model. If that is the case, he suggested that the Administration contact some of those who created this teaming idea who are now retired to see if they are willing to help since the changing of staff and Administration occurs frequently. Director Burkhardt made a motion to amend Agenda Item 1 to a 2.72% tax increase.

President Faccinetto stated that a motion was made by Director Burkhardt to amend Agenda Item 1 to a 2.72% tax increase. Is there a second on the motion?

Director Bonilla seconded the motion to amend Agenda Item 1 to a 2.72% tax increase.

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Dr. Roy stated that the District has sustained programs in past budgets and now we are beginning to restore some of those programs that were cut. He reminded the Board of the several positions added to the 2.1% Budget which include (2) FTE middle school librarians, community service coordinator, athletic director, two (2) social workers and after school programming. That is approximately eight (8) additional personnel as part of the 2.1%. The challenge with a people driven organization is that salary related costs increase at a rate higher than the tax growth. While taxes pay for this year, the costs will increase by about \$50,000 each year for the 11 new people that add to the structural deficit. The Board also has to be mindful that charter school costs grow each year and when charter school capacity grows, then their enrollment grows increasing money also.

Director Patrick stated that until the District has full-day Kindergarten in the entire District, we will lose students to charter schools who offer full-day Kindergarten. If we can recoup that charter school money for full-day Kindergarten, then we have paid for that program in the District.

Director Bonilla called for the question on the motion to amend Agenda Item 1 to a 2.72% tax increase. President Faccinnetto stated that the call to question was made and a roll call vote will be taken on the motion to amend Agenda Item 1 to a 2.72% tax increase.

Director Follweiler – No; Director McKeon – No; Director Ortiz – Yes; Director Patrick – Yes; Director Vidanage – Yes; Director Bonilla – Yes; Director Burkhardt – Yes; Director Cann – No; and President Faccinnetto – No

Motion passes 5-4 to amend Agenda Item 1 to a 2.72% tax increase.

President Faccinnetto stated that now there needs to be a motion on Agenda Item 1 as amended and Agenda Item 2.

Director Bonilla made a motion on Agenda Item 1 as amended and Agenda Item 2. Director Ortiz seconded the motion.

Mrs. Gober stated that since Agenda Item 1 was amended to a 2.72% tax increase that Agenda Item 2 would also need to be amended as this relates to the Homestead/Farmstead Resolution must be in tandem with the Budget approval. Because the millage rate drives the tax, the homestead exemption distributes that same pot of revenue across all eligible parcels. By changing the millage rate, the homestead/farmstead exemption must be adjusted off the assessed value to equitably distribute the same dollars across the same group. The homestead/farmstead amount changes every time the millage rate changes. In this case, the homestead exemption amounts would be Northampton County at \$3,725 and Lehigh County would be \$11,689, and the farmstead for Northampton County would be \$3,725.

After consultation with the Solicitor, the Solicitor asked the Board if there was any objection in starting the vote over and the agenda items will be split.

Seeing none, President Faccinnetto stated that Agenda Item 1 and 2 will be split and the Board will vote on Agenda Item 1 first as amended. If Agenda Item 1 passes, the Board then can amend the Homestead/Farmstead Resolution and vote on it separately.

President Faccinnetto called for a roll call vote on Agenda Item 1 as amended to reflect a 2.72% tax increase.

Director Follweiler – No; Director McKeon – No; Director Ortiz – Yes; Director Patrick – Yes; Director Vidanage – Yes; Director Bonilla – Yes; Director Burkhardt – Yes; Director Cann – No; and President Faccinnetto – No

Motion passes 5-4 for Agenda Item 1 as amended to reflect a 2.72% tax increase.

**BETHLEHEM AREA SCHOOL DISTRICT**  
**Bethlehem, Pennsylvania**

**RESOLUTION**  
**REGARDING THE**  
**2013-2014 BETHLEHEM AREA SCHOOL DISTRICT**  
**FINAL BUDGET – AS AMENDED**

**WHEREAS**, a careful consideration of the estimated budget requirements of the Bethlehem Area School District for the fiscal year of 2013-2014 as amended shows that a total of \$225,274,001 will be necessary to operate the public schools on an efficient basis.

**NOW, THEREFORE, BE IT RESOLVED THAT:** The General Fund Budget for the 2013-2014 fiscal year of the Bethlehem Area School District as amended in the amount of \$225,274,001 is based on the following:

(a.) Real estate tax rate on taxable real estate in the school district:

<u>County</u>	<u>Mills</u>	<u>Increase</u>	<u>Rate per \$100 of Assessed Valuation</u>
Northampton	48.36	1.2700	\$1.2700 per \$100
Lehigh (rebalanced)	15.41	0.2990	\$0.2990 per \$100

(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. *2013 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, 2013. 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, 2013.

President Faccinnetto asked for a motion to approve Agenda Item 1 – Final Adoption of the 2013-2014 Bethlehem Area School District Budget; and Agenda Item 2 – 2013 Homestead and Farmstead Exclusion Resolution.

Director McKeon made a motion to approve Agenda Items 1 and 2. The motion was seconded by Director Bonilla.

President Faccinnetto asked if there was any discussion regarding these items. Discussion followed with Agenda Item 1 with a motion to amend which was approved.

President Faccinnetto stated that now there needs to be a motion on Agenda Item 1 as amended and Agenda Item 2.

Director Bonilla made a motion on Agenda Item 1 as amended and Agenda Item 2. Director Ortiz seconded the motion.

Mrs. Gober stated that since Agenda Item 1 was amended to a 2.72% tax increase that Agenda Item 2 would also need to be amended as this relates to the Homestead/Farmstead Resolution must be in tandem with the Budget approval. Because the millage rate drives the tax, the homestead exemption distributes that same pot of revenue across all eligible parcels. By changing the millage rate, the homestead/farmstead exemption must be adjusted off the assessed value to equitably distribute the same dollars across the same group. The homestead/farmstead amount changes every time the millage rate changes. In this case, the homestead exemption amounts would be Northampton County at \$3,725 and Lehigh County would be \$11,689, and the farmstead for Northampton County would be \$3,725.

After consultation with the Solicitor, the Solicitor asked the Board if there was any objection in starting the vote over and the agenda items will be split.

Seeing none, President Faccinnetto stated that Agenda Item 1 and 2 will be split and the Board will vote on Agenda Item 1 first as amended. If Agenda Item 1 passes, the Board then can amend the Homestead/Farmstead Resolution and vote on it separately.

President Faccinnetto called for a roll call vote on Agenda Item 1 as amended to reflect a 2.72% tax increase.

Director Follweiler – No; Director McKeon – No; Director Ortiz – Yes; Director Patrick – Yes; Director Vidanage – Yes; Director Bonilla – Yes; Director Burkhardt – Yes; Director Cann – No; and President Faccinnetto – No

Motion passes 5-4 for Agenda Item 1 as amended to reflect a 2.72% tax increase.

President Faccinnetto stated that since Agenda Item 1 has passed, he is asking for a motion to amend Agenda Item 2 to match the 2.72% tax increase to Agenda Item 1.

Director Burkhardt made a motion and was seconded by Director Follweiler to amend Agenda Item 2.

President Faccinnetto asked for a roll call vote on the motion to amend Agenda Item 2.

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

Motion passes 9-0 to amend Agenda Item 2.

President Faccinnetto stated that now there needs to be a motion on Agenda Item 2 as amended.

Director Bonilla made a motion on Agenda Item 2 as amended. Director Follweiler seconded the motion.

President Faccinnetto asked if there was any Board discussion.

Director Follweiler asked Mrs. Gober to explain the changes to Agenda Item 2 with a 2.72% tax increase. Mrs. Gober responded that the agenda item needs to be amended to read that the homestead amount for Northampton County would be \$3,725 and Lehigh County would be \$11,689, and the farmstead for Northampton County would be \$3,725.

President Faccinnetto stated that the Board will now vote on Agenda Item 2 as amended to reflect the corrected amounts for Northampton County and Lehigh County with a 2.72% tax increase. He called for a roll call vote.

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

Motion passes 9-0 to amend Agenda Item 2 to reflect the 2.72% tax increase.

**BETHLEHEM AREA SCHOOL DISTRICT**  
Bethlehem, Pennsylvania

**RESOLUTION–RE: 2013 HOMESTEAD AND FARMSTEAD EXCLUSION  
AS AMENDED**

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, 2013, 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, 2013:
  - 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 \$4,699,456.76.
  - 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 \$34,490.76.
  - c. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$4,733,947.52.
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 20,834 in Northampton County, and 5,439 in Lehigh County. Total number of approved homesteads within the school district is 26,273.
  - b. **Farmstead property number.** The number of approved farmsteads within the school district is 7 in Northampton County, and zero in Lehigh County. Total number of approved homesteads within the school district is 7.
  - c. **Homestead/farmstead combined number.** Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 26,280.

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 \$4,733,947.52 by the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 26,280, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$180.
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 \$3,725 for a Northampton County homestead and \$11,689 for a Lehigh County homestead. 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 \$3,725 for a Northampton County farmstead. 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.