



MEMORANDUM

June 13, 2014

TO: BOARD OF SCHOOL DIRECTORS

FROM: STACY M. GOBER, BOARD SECRETARY

SUBJECT: SPECIAL BOARD MEETING – June 16, 2014

A Special Meeting of the Board of School Directors of the Bethlehem Area School District will be held on *Monday, June 16, 2014*, in the *Edgeboro 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 16, 2014

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 16, 2014

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
SPECIAL BOARD MEETING

The Special Meeting of the Board of School Directors of the Bethlehem Area School District was held on Monday, June 16, 2014, at 7:21 p.m. in the Edgeboro 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 Michele Cann, Director Eugene McKeon, Director Craig Neiman, Director Rogelio Ortiz, Director Shannon Patrick, Director Angela Sinkler, 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

None

President Faccinetto stated that there were no minutes to approve.

APPROVAL OF
MINUTES/REGULAR
AND COMMITTEE

President Faccinetto stated that he did not have anything to report.

PRESIDENT'S
COMMUNICATION

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

SUPERINTENDENT'S
REPORT

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

UNFINISHED BUSINESS

June 16, 2014

President Faccinetto asked for a motion to approve Agenda Items 1 and 2.

RECOMMENDATIONS
OF THE
ADMINISTRATION

Director Patrick made a motion and was seconded by Director Cann to approve Agenda Item 1 and 2.

MOTION TO APPROVE
AGENDA ITEM 1 AND 2

President Faccinetto asked if there was any discussion regarding these items. Seeing none he called for a roll call vote of Agenda Items 1 and 2.

Director Bonilla – No to Agenda Item 1 and Yes to Agenda Item 2; Director Cann – Yes to Agenda Items 1 and 2; Director McKeon – No to Agenda Item 1 and Yes to Agenda Item 2; Director Neiman – Yes to Agenda Items 1 and 2; Director Ortiz – No to Agenda Item 1 and Yes to Agenda Item 2; Director Patrick – Yes to Agenda Items 1 and 2; Director Sinkler – Yes to Agenda Items 1 and 2; Director Vidanage – Yes to Agenda Items 1 and 2; and President Faccinetto – Yes to Agenda Items 1 and 2

ROLL CALL VOTE ITEM
1 AND 2

Motion passes 6-3 for Agenda Item 1.
Motion passes 9-0 for Agenda Item 2.

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

Tammy Healy (2332 Toursdale Drive, Easton, PA) – Ms. Hilly asked if lacrosse is now a school funded sport and part of the BASD budget that was approved by the Board. President Faccinetto responded yes. As the founder of the Freedom Lacrosse Club of Bethlehem, she wanted to thank the Board for adding lacrosse as a sport in the District. Mr. Sexton was unable to attend. The Board's decision will impact countless lives within the District.

President Faccinetto had an item for Open Forum. A letter has been drafted which was being distributed to the Board for review and will be made available to the public after Board consensus. This letter will be included with the tax bills so that residents are aware of how their tax dollars are being spent and the reason for the tax increase. The letter is straight forward facts dealing with the District's budget situation with regard to charter school tuition increases and PSERS increases. The District has a less than one percent increase in the District's budget from last year to this year. If the District did not have the increases in charter school tuition and PSERS, there would be no tax increase. However, when you add those increases, this causes the tax increase that was approved this evening. The District has cut and this was not an easy budget by any means. There were minimal changes. The District kept what they had, and even keeping what they had they had to cut millions out of the budget. If the Board is okay with the letter, then it will be included in with the tax bills. The letter has been reviewed by the District solicitor and PSBA so that the District is not violating anything by including this in the tax bills.

OPEN FORUM

Director Cann thanked President Faccinetto and the Administration for this letter. The Administration and Board have done everything possible to keep the costs down but the tax increase is being driven by items out of the District's control.

June 16, 2014

Director Vidanage suggested including a summary of how taxes impact each ward with the actual hit on the taxpayer. Is it possible to do that? President Faccinnetto responded that it may be possible, but he believes keeping it short and simple is better.

Director Bonilla asked if Director Vidanage's comments are counter productive to the letter as it is stating the reason for the tax increase. He also wanted to state that his vote this evening for voting against the budget was not a vote against lacrosse as he believes it is a great program to have the students engaged in activities at school, but his vote was against the budget because he cannot support a 5% increase for senior citizens at this time.

Director McKeon wanted to echo what Director Bonilla said about lacrosse and the budget. He also responded to Director Vidanage's comment in that the assessments would be different per ward. The weight of tax receipts would be to the higher assessment versus everyone paying a 5% increase. More revenue dollars would be generated out of one ward versus another ward. This exercise would only show the money increase by ward but same percentage increase would apply to all.

Director Sinkler asked if the District's website could be included in the letter. Dr. Roy responded that they will add it to the letter.

Director Vidanage stated that he was neither for or against lacrosse, but when he found out that the students were excelling in their studies and learning how to manage their time between studies and sports this is most important when they go to college. He is for lacrosse, and he encourages more of these activities so that students can well manage their time and excels in their studies.

President Faccinnetto asked for a motion for Adjournment. Director Patrick made a motion and was seconded by Director McKeon. Director Patrick stated that the Board Human Resources Committee Meeting will begin in five (5) minutes. The meeting adjourned at 7:35 p.m.

ADJOURNMENT

Attest,

Stacy M. Gober
Board Secretary

SMG:dln

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1. *2014-2015 Bethlehem Area School District Final Budget Adoption*

INFORMATION:

The 2014-2015 budget development discussion with the Board began on January 6, 2014, at the Board Curriculum Committee Meeting. Additional budget discussion occurred at the January 13, 2014, Board Finance Committee Meeting.

At a Special Board Meeting on February 10, 2014, the Board of School Directors approved a Preliminary 2014-2015 Budget in the amount of \$242,546,422. 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 16, 2014, 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 19, 2014, and April 24, 2014, to develop a Proposed Budget for adoption 30 days prior to the Final Budget adoption in accordance with Act 1 of 2006.

At the Special Board Meeting on May 12, 2014, the Board of School Directors approved a Proposed General Fund Budget with revenues of \$229,289,250 and expenditures of \$236,492,580.

RECOMMENDATION:

That the Board of School Directors adopts the attached Resolution for the 2014-2015 Bethlehem Area School District Budget and be approved as presented.

Board Action

President Faccinetto asked for a motion to approve Agenda Items 1 and 2. Director Patrick made a motion and was seconded by Director Cann to approve Agenda Item 1 and 2.

President Faccinetto asked if there was any discussion regarding these items. Seeing none he called for a roll call vote of Agenda Items 1 and 2.

Director Bonilla – No to Agenda Item 1 and Yes to Agenda Item 2; Director Cann – Yes to Agenda Items 1 and 2; Director McKeon – No to Agenda Item 1 and Yes to Agenda Item 2; Director Neiman – Yes to Agenda Items 1 and 2; Director Ortiz – No to Agenda Item 1 and Yes to Agenda Item 2; Director Patrick – Yes to Agenda Items 1 and 2; Director Sinkler – Yes to Agenda Items 1 and 2; Director Vidanage – Yes to Agenda Items 1 and 2; and President Faccinetto – Yes to Agenda Items 1 and 2

Motion passes 6-3 for Agenda Item 1.

Motion passes 9-0 for Agenda Item 2.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

RESOLUTION
REGARDING THE
2014-2015 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 2014-2015 shows that a total of \$236,515,173 will be necessary to operate the public schools on an efficient basis.

NOW, THEREFORE, BE IT RESOLVED THAT: The General Fund Budget for the 2014-2015 fiscal year of the Bethlehem Area School District in the amount of \$236,515,173 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	50.99	2.6300	\$2.6300 per \$100
Lehigh (rebalanced)	15.77	0.3600	\$0.3600 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. *2014 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, 2014. 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, 2014.

Board Action

President Faccinnetto asked for a motion to approve Agenda Items 1 and 2. Director Patrick made a motion and was seconded by Director Cann to approve Agenda Item 1 and 2.

President Faccinnetto asked if there was any discussion regarding these items. Seeing none he called for a roll call vote of Agenda Items 1 and 2.

Director Bonilla – No to Agenda Item 1 and Yes to Agenda Item 2; Director Cann – Yes to Agenda Items 1 and 2; Director McKeon – No to Agenda Item 1 and Yes to Agenda Item 2; Director Neiman – Yes to Agenda Items 1 and 2; Director Ortiz – No to Agenda Item 1 and Yes to Agenda Item 2; Director Patrick – Yes to Agenda Items 1 and 2; Director Sinkler – Yes to Agenda Items 1 and 2; Director Vidanage – Yes to Agenda Items 1 and 2; and President Faccinnetto – Yes to Agenda Items 1 and 2

Motion passes 6-3 for Agenda Item 1.

Motion passes 9-0 for Agenda Item 2.

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

RESOLUTION–RE: 2014 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, 2014, 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, 2014:
 - 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 \$4,699,468.72.
 - 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 \$44,294.00.
 - c. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$4,743,762.72.
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 20,691 in Northampton County, and 5,452 in Lehigh County. Total number of approved homesteads within the school district is 26,143.
 - 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 26,150.

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 \$4,743,762.72 by the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 26,150, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$181.
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 \$3,558 for a Northampton County homestead and \$11,503 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 \$3,558 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.