



MEMORANDUM

June 12, 2015

TO: BOARD OF SCHOOL DIRECTORS

FROM: STACY M. GOBER, BOARD SECRETARY

SUBJECT: SPECIAL BOARD MEETING – June 15, 2015

A Special Meeting of the Board of School Directors of the Bethlehem Area School District will be held on *Monday, June 15, 2015*, 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 15, 2015

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 15, 2015

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 15, 2015, at 7:19 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

Member(s) absent: None

Others present: Dr. Joseph Roy, Superintendent of Schools; Stacy Gober, Board Secretary; Attorney Avery Smith, 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.

COURTESY OF THE FLOOR TO VISITORS

None

President Faccinetto stated that there were no minutes to approve.

APPROVAL OF MINUTES/COMMITTEE MINUTES

President Faccinetto stated that he had nothing to report.

PRESIDENT'S COMMUNICATIONS

Dr. Roy stated that he had nothing to report.

SUPERINTENDENT'S REPORT

President Faccinetto asked if anyone had Unfinished Business. Seeing none, he moved to Recommendations of the Administration.

UNFINISHED BUSINESS

President Faccinetto stated that there are two (2) agenda items regarding the 2015-2016 Budget. He asked if there was any discussion regarding these items.

RECOMMENDATIONS OF THE ADMINISTRATION

Director Bonilla stated that he will be voting no for both agenda items as the District had the opportunity to offer a tax rebate for senior citizens and did not do so. He personally apologized to the senior citizens because he takes it as a failure of his own. He will be voting no for Agenda Item 2 because of changing the age from 62 to 65 years old.

Director McKeon stated that this will be his eighth vote on the budget, and it will be only the second vote that he supported the budget. He is not one that believes in zero percent increases, but the District must cover the expenses as they increase. He will be supporting the budget this evening.

President Faccinnetto wanted to state that Agenda Item 2 does not have the age restriction. It is an agenda item for next week regarding per capita taxes.

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

MOTION TO APPROVE
ITEMS 1 AND 2

Director Patrick made a motion seconded by Director McKeon to approve Agenda Items 1 and 2.

President Faccinnetto called for a roll call vote of Agenda Items 1 and 2.

ROLL CALL VOTE
ITEMS 1 AND 2

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

Motion passes 7-2 for Agenda Item 1
Motion passes 9-0 for Agenda Item 2

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

NEW OR
MISCELLANEOUS
BUSINESS

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

COURTESY OF THE
FLOOR

None

President Faccinnetto asked if there were any items for Open Forum. Seeing none, he stated that the Board will have Executive Session following this meeting to discuss personnel, negotiations, litigation and real estate matters.

OPEN FORUM

President Faccinnetto asked for a motion to Adjourn. Director Patrick made a motion and seconded by Director Sinkler. The meeting adjourned at 7:24 p.m.

ADJOURNMENT

Attest,

Stacy M. Gober
Board Secretary

SMG:dln

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1. *Adoption of the 2015-2016 Bethlehem Area School District Final Budget***INFORMATION:**

The 2015-2016 budget development discussion with the Board began on January 12, 2015, at the Board Curriculum Committee Meeting. Additional budget discussion occurred at the January 20, 2015, Board Finance Committee Meeting.

At a Special Board Meeting on February 9, 2015, the Board of School Directors approved a Preliminary 2015-2016 Budget in the amount of \$247,293,335. 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 15, 2015, 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 25, 2015, and April 29, 2015, 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 11, 2015, the Board of School Directors approved a Proposed General Fund Budget with revenues of \$240,461,069 and expenditures of \$244,867,303.

RECOMMENDATION:

That the Board of School Directors adopts the attached Resolution for the 2015-2016 Bethlehem Area School District Budget and be approved as presented.

Board Action

President Faccinnetto stated that there are two (2) agenda items regarding the 2015-2016 Budget. He asked if there was any discussion regarding these items.

Director Bonilla stated that he will be voting no for both agenda items as the District had the opportunity to offer a tax rebate for senior citizens and did not do so. He personally apologized to the senior citizens because he takes it as a failure of his own. He will be voting no for Agenda Item 2 because of changing the age from 62 to 65 years old.

Director McKeon stated that this will be his eighth vote on the budget, and it will be only the second vote that he supported the budget. He is not one that believes in zero percent increases, but the District must cover the expenses as they increase. He will be supporting the budget this evening.

President Faccinnetto wanted to state that Agenda Item 2 does not have the age restriction. It is an agenda item for next week regarding per capita taxes.

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

Director Patrick made a motion seconded by Director McKeon to approve Agenda Items 1 and 2.

President Faccinetto called for a roll call vote of Agenda Items 1 and 2.

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

Motion passes 7-2 for Agenda Item 1

Motion passes 9-0 for Agenda Item 2

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

RESOLUTION
REGARDING THE
2015-2016 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 2015-2016 shows that a total of \$244,867,303 will be necessary to operate the public schools on an efficient basis.

NOW, THEREFORE, BE IT RESOLVED THAT: The General Fund Budget for the 2015-2016 fiscal year of the Bethlehem Area School District in the amount of \$244,867,303 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 | 52.51 | 2.98 | \$2.98 per \$100 |
| Lehigh (rebalanced) | 16.23 | 2.85 | \$2.85 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. *2015 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, 2015. 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, 2015.

Board Action

President Faccinnetto stated that there are two (2) agenda items regarding the 2015-2016 Budget. He asked if there was any discussion regarding these items.

Director Bonilla stated that he will be voting no for both agenda items as the District had the opportunity to offer a tax rebate for senior citizens and did not do so. He personally apologized to the senior citizens because he takes it as a failure of his own. He will be voting no for Agenda Item 2 because of changing the age from 62 to 65 years old.

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

Director Patrick made a motion seconded by Director McKeon to approve Agenda Items 1 and 2.

President Faccinnetto called for a roll call vote of Agenda Items 1 and 2.

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

Motion passes 7-2 for Agenda Item 1

Motion passes 9-0 for Agenda Item 2

BETHLEHEM AREA SCHOOL DISTRICT
Bethlehem, Pennsylvania

RESOLUTION–RE: 2015 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, 2015, 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, 2015:
 - 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 \$4,699,121.28.
 - 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 \$42,736.99.
 - c. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$4,741,858.27.
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 20,478 in Northampton County, and 5,237 in Lehigh County. Total number of approved homesteads within the school district is 25,715.
 - b. **Farmstead property number.** The number of approved farmsteads within the school district is seven (7) in Northampton County, and zero in Lehigh County. Total number of approved homesteads within the school district is seven (7).
 - c. **Homestead/farmstead combined number.** Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 25,722.
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 \$4,741,858.27 by the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 25,722, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$184.36.

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 \$3,511 for a Northampton County homestead and \$11,359 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 \$3,511 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.

5. **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.