

**MUHLENBERG SCHOOL BOARD
Special Meeting Minutes – June 29, 2011
Muhlenberg High School First Floor Lecture Hall**

Call to Order

The Special Meeting of the Board of Education of the Muhlenberg School District was called to order on Wednesday, June 29, 2011 at 6:34 p.m. by Board President, Mr. Otto W. Voit, III, followed by the Pledge of Allegiance to the Flag.

Members Present

President – Otto W. Voit, III
Vice President – Lee R. Reiniger
Treasurer – Richard E. Hoffmaster
Secretary – K. Scott Long
Assistant Secretary – Cindy L. Mengle
Member – John A. DelCollo
Member – Terry L. Heckman
Member – Barbara A. Nagle (electronic attendance via conference phone)
Member – Donald B. Raifsnider, Jr.
Solicitor – James M. Lillis, Esq.
Recording Secretary – Brenda A. Stein

Administration Present

Superintendent – Dr. Theresa D. Haught
Assistant Superintendent – Dr. Vlacía Z. Campbell
Business Manager – Diane E. Lucchese, CPA
Buildings/Grounds/Transportation Coordinator – Greg Schneider

Visitors

Leslie Boyer	Sara Gervasi
Sharon Heckman	Bill & Jamie Palmer
Nancy Faust	Charles Diefenderfer
Michele McCammitt	Tina Rothermel
Lori Potteiger	Colleen Russo
Jolyn Casper	Lisa Ermler
Jeff Ermler	Clarissa T. Enslin
Marci Harr	Margie McGinley
Michelle Hlllegas	Inga Hobbs
Jill McIntyre	Krsitina Antonellos
Laurie Vlasak	Vicki Seidel
Linda Sassaman	Jodi Bieber
Pokey Krize	Liam Miglan Smith, <i>Reading Eagle Reporter</i>

Executive Session

The Board recessed for an Executive Session at 6:35 p.m. to discuss personnel and litigation issues.

President Voit resumed the meeting at 7:20 p.m.

Hearing of Visitors - Muhlenberg School District taxpayers and residents have an opportunity, at this time, to comment on matters of concern, official action, or deliberation which are or may be before the Muhlenberg School Board. The Board retains the option to accept all public comment at this time. Presentations should be limited to two minutes per person. In the event that the Board determines that there is not sufficient time for residents or taxpayers of the School District to comment, the Board may defer the comment period to the next regular meeting.

No public comment at this time.

Board Business

253 Final Budget for 2011-12 School Year

Moved by Reiniger and Hoffmaster that the Final Budget for the Muhlenberg School District 2011-12 fiscal year, as presented by the Administration, be approved. This is a balanced budget in the amount of \$46,290,934.00.

Said budget shall set forth a levy of the following tax structure: a tax of 26.31 mills (\$26.31 per \$1,000.00) of assessed market value of real estate; and the district's share of a realty tax transfer of 1%; an occupational tax of \$10.00 for Laureldale and an emergency management tax of \$52.00 for Muhlenberg Township; a 1% earned income tax; a mercantile tax consisting of one mil on wholesale transactions; and a business privilege tax at the rate of one and one-half mills on the gross volume of business, to provide the necessary revenue for same.

Yeas: Hoffmaster, Long, Reiniger, Voit.

Nays: DelCollo, Heckman, Mengle, Nagle, Raifsnider.

MOTION FAILED.

Discussion

President Voit stated that the Board has reviewed budget items for the past 6 months and now a budget must be passed by June 30th to submit to the state. He asked those members not in favor of the .75 mill increase for their input on the budget resolution.

Nagle – Concern that the tax rate is not high enough to support the district in the future. Recommends a 1.2 mill increase.

Raifsnider – Not in favor of taking money out of capital reserve account to balance the budget. Recommends the full tax rate increase allowable under Act 1 with exceptions at the 1.293 mill increase.

Mengle – Concern that the district will be back in a budget situation next year with a lower cap on the Act 1 index. Recommends that the board raise the tax 1.2 mills.

DelCollo – Concern that the administration did not do a thorough job in the give backs and possible cuts in the budget. Recommends the Act 1 cap of .46 mills.

Heckman – Concern that .75 buys one year of time but not enough sacrifice on budgetary items. Recommends at 1.2 mill increase.

Discussion (continued)

Superintendent Dr. Haught encouraged the Board to raise the tax rate to the maximum with Act 1 exceptions. There may be no Act 1 exceptions next year as the state is proposing only the Act 1 index. The .46 mill increase generates \$500,000 in increased revenue. Possibly more cuts in programs and positions next year. She recommends the maximum tax increase of 1.293 mills for the 2011-12 budget.

Solicitor Lillis stated that the district may temporarily be unable to function without a budget passed by July 1.

Public Comment

At this time President Voit permitted comments or suggestions from the public.

Mrs. Sharon Heckman, resident, suggested the Board compromise between the .75 and 1.29 to the middle at a 1.0 mill increase.

Mrs. Vicki Seidel, resident, stated her concern of revenue issues to support the budget, i.e. pay to play. She would suggest a higher rate for students to pay.

Discussion (continued)

After continued deliberation by the Board, Mr. DelCollo agreed to the .75 mill increase to pass the budget.

254 Reconsider Final Budget Resolution

Moved by DelCollo and Hoffmaster that the Board of Education of the Muhlenberg School District reconsider the adoption of the Final Budget for the 2011-12 School Year as presented in Resolution No. 253.

Yeas: Hoffmaster, Long, Nagle, Reiniger, Voit, DelCollo.
Nays: Heckman, Mengle, Raifsnider.
Motion carried.

255 Final Budget for 2011-12 School Year

Moved by Reiniger and Hoffmaster that the Final Budget for the Muhlenberg School District 2011-12 fiscal year, as presented by the Administration, be approved. This is a balanced budget in the amount of \$46,290,934.00 (Exhibit #185).

Said budget shall set forth a levy of the following tax structure: a tax increase from 25.56 mills to 26.31 mills (\$26.31 per \$1,000.00) of assessed market value of real estate; and the district's share of a realty tax transfer of 1%; an occupational tax of \$10.00 for Laureldale and an emergency management tax of \$52.00 for Muhlenberg Township; a 1% earned income tax; a mercantile tax consisting of one mil on wholesale transactions; and a business privilege tax at the rate of one and one-half mills on the gross volume of business, to provide the necessary revenue for same.

Yeas: Hoffmaster, Long, Reiniger, Voit, DelCollo.
Nays: Mengle, Nagle, Raifsnider, Heckman.
Motion carried.

256 2011-12 Homestead and Farmstead Exclusion

Moved by Hoffmaster and Nagle the Board of School Directors of Muhlenberg School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2011, 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:

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, 2011:

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 \$1,194,737.99.

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 \$6,416.91.

Aggregate amount available. Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$1,201,154.90.

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 farmsteads as follows:

Homestead property number. The number of approved homesteads within the School District is 6,427.

Farmstead property number. The number of approved farmsteads within the School District is 3.

Homestead/farmstead combined number. Adding these numbers, the aggregate number of approved homesteads and farmsteads is 6,430.

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 \$1,201,154.90 by the paragraph 2(c) aggregate number of approved homesteads and farmsteads of 6,430, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$186.80.

Homestead exclusion calculation. Dividing the paragraph 3 maximum real estate tax reduction amount of \$186.80 by the School District real estate tax rate of 26.31 mills (.02631), the maximum real estate assessed value reduction to be reflected on tax notices as a homestead exclusion for each approved homestead is \$7,100, and the maximum real estate assessed value reduction to be reflected on tax notices as a farmstead exclusion for each approved farmstead is \$7,100.

Resolution No. 256 (continued)

Homestead/farmstead exclusion authorization. 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 \$7,100. 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 \$7,100. The homestead exclusion and farmstead exclusion real estate assessed value reduction will apply only 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.

Yeas: Long, Mengle, Nagle, Reiniger, Voit, DelCollo, Heckman, Hoffmaster.

Nays: Raifsnider.

Motion carried.

Adjourn Meeting

257 Adjournment

Moved by DelCollo and Reiniger that there being no further business to come before the Board the meeting be adjourned. Meeting adjourned at 8:09 p.m.

Yeas: Mengle, Nagle, Raifsnider, Reiniger, Voit, DelCollo, Heckman, Hoffmaster, Long.

Motion carried unanimously.

Attest:

K. Scott Long
Board Secretary