

**BLAIRSVILLE-SALTSBURG SCHOOL DISTRICT**  
**102 School Lane**  
**Blairsville, Pennsylvania 15717**

**February 12, 2007**

The Board of Directors of the Blairsville-Saltsburg School District met for a Special Voting Meeting on February 12, 2007, in the Cafeteria at the Blairsville Middle/High School with the following members present:

Lance Alexander (arrive 6:50 pm)	Paul Bell
Linda Brown (arrive 7:00 pm)	Michael LaMantia
Daniel McGregor	George Rowley
Edward Smith	Mary Whitfield

Karen Shusko was absent.

Arnie Nadonley, Theresa Hanley, Leigh Free, Eric Kocsis, Ron Saffron, Tim Haselhoff, Eric Kostic, Don Davis, Joyce Henderson, Shirley Johnson and a group of citizens also attended the meeting.

Mr. Bell called the meeting to order at 6:47 pm.

**Citizen's Remarks**

Mr. Lloyd Robinson of Saltsburg, signed in to address the Board regarding students and taxes. He stated that in the beginning it seemed as though the students were number one with the Board but now it seems to be all about taxes. The Board is losing interest in what they are really up here for. Taxes are going up everywhere but yet we can spend \$26 million to renovate the Blairsville schools. In 2012 we are going to be hit hard with the pension. Taxes will go up whether we consolidate or not.

**Remarks to Citizens**

Mr. McGregor spoke regarding the proposed budget. He read in the Tribune Review that BSSD is one of the schools to profit the most from gambling money in the way of property tax cuts. BSSD, out of 25 to 30 school districts, will realize the most reduction in taxes. Before we vote on this budget should we take into consideration these tax cuts? Mr. McGregor stated that the new regional re-districting will be a more democratic system and maybe a better advance for Saltsburg with a 5-4 split on the Board. There are four mills written into the budget to be held in abeyance for the future project. Previously we wanted to borrow \$6 million to renovate the Saltsburg schools but it could not be done because the size and the scope of the project had not been determined. Isn't this what we are doing by putting four mills into the budget? Why are we taxing the people at the highest millage possible instead of starting at the lower end? Have we abandoned the requirement to sit down with S.O.S. and Saltsburg Board members to come up with another plan? It appears to me that we are moving ahead with consolidation in its present form. He asked the solicitor how we can collect four mills of taxes when we seem to be going ahead against Judge Olson's judgment.

Mr. Saffron responded that the borrowing of funds was directly related to the Local Government Unit Debt Act. The Board, when voting on the funds, was relying on figures prepared by the architect a couple years prior to the vote. Based on recent cases you cannot borrow money when the project is not defined. The issue tonight is in reference to the budget. This is different than actually borrowing money. Because of Act 1, we are in uncharted waters. He requested that Mr. Kocsis contact PDE to make sure we are not violating any laws and they indicated that we were not. We can build money into the budget in anticipation of a building project.

Mr. McGregor stated that we did have correct costs. A more recent feasibility study was done. Mr. Bell and Mr. Saffron disagreed. Mr. Bell stated that the bond issue was not tax free dollars. Mr. Saffron agreement but stated that it was in fact a wrap around mortgage. Mr. Kocsis stated that the previous project would have added additional year on the current debt.

Mr. Saffron stated that the Board was not ordered by the court to go to the bargaining table with S.O.S. The Board was able to proceed; however, the Board would have to request the court to reconvene before spending any money. There was discussion on the interpretation of what the judge said. Once the hearing date is in site, we will contact the judge to render his decision. Mr. Smith stated that the indebtedness will cost \$900,000 per year. If the project goes, we have 4.33 mills locked in for the project. This is a prudent decision in anticipation of the project moving ahead. Mr. Alexander stated that the difference between the previous project and now is the project is clearer. He asked if it is fair to say that to borrow \$6.5 million is against PDE rules and illegal, but to increase mileage is conforming to PDE. Mr. Saffron responded yes, the statement is correct. Mr. Kocsis confirmed that the Board's actions are not illegal and there can be changes made to the budget before the final approval in June if the Board wishes.

Mr. LaMantia stated that concerning gambling dollars and any money that we will receive is convoluted. The money will be raised on the backs of people who are wasting their money on gambling. Mr. Alexander stated that even if you get gambling money, you have to reduce your property tax. The result will be dead even.

Motion by Mr. Alexander and seconded by Mr. LaMantia that based upon the recommendation of the Superintendent of Schools and the Business Manager, the Board of Directors hereby approves the adoption of the preliminary budget for the 2007-2008 school year in the amount of \$27,615,438. It is understood that the preliminary millage rate for Indiana County will be 120.75 mills and for Westmoreland County 115.94 mills. The preliminary budget reflects a 5.33 mills increase for Indiana County and a 5.37 mills increase for Westmoreland County. The preliminary budget will be available for public review, the business office, during regular business hours, until the final vote on June 18, 2007. LaMantia, Smith, Whitfield, Rowley, Alexander, Bell voting yes. McGregor, Brown voting no. Motion carried.

Motion by Mr. Alexander and seconded by Mr. LaMantia that based upon the recommendation of the Superintendent of Schools and the Business Manager, the Board of School Directors hereby approves and accepts the recommendation of the Local Tax Study Commission made at the meeting of the Board of School Directors on December 6, 2006, that the Board place on the May 15, 2007 ballot for approval of voters a referendum question seeking voter consent to convert the Earned Income and Net Profits Tax currently levied by the School District to a Personal Income Tax to be levied at the rate of 1.5% as authorized under the provisions of the Taxpayer Relief Act, Act 1 of Special Session 2006. The revenue generated from this tax would be used to finance homestead/farmstead exclusions for qualified homestead/farmstead properties and to replace the revenue from the District's current Earned Income and Net Profits Tax. The School District currently levies and collects from school district residents an earned income and net profit tax at the rate of 0.75%. It should be noted that the Personal Income Tax rate proposed by the Local Tax Study Commission was 1.45%, however, in compliance with the requirements of Act 1 that the board of school directors shall round the rate of the personal income tax levied to the nearest 0.1%, the tax rate of the proposed Personal Income Tax is 1.5%. LaMantia, Smith, McGregor, Brown, Whitfield, Bell voting yes. Rowley, Alexander voting no. Motion carried.

Motion by Mr. Alexander and seconded by Mr. LaMantia that based upon the recommendation of the Superintendent of Schools and the Business Manager, the Board of School Directors hereby authorizes the Board Secretary to advertise a notice of the intention of the Board of School Directors to adopt a Resolution that authorizes the placement of a referendum question on the May 15, 2007 Ballot seeking voter approval to convert the Earned Income and Net Profits Tax currently levied by the School District to a Personal Income Tax to be levied at the rate of 1.5% as authorized under the provision of the Taxpayer Relief Act, to finance homestead/farmstead exclusions for qualified homestead/farmstead properties and to replace the revenue from the District's current Earned Income and Net Profits Tax; and to advertise a notice of the intention of the Board of School Directors to adopt a resolution authorizing the Act 1 tax referred to above in the event that the voters approve such tax. The Board further directs that such notice shall comply with the notice requirements as set forth in Section 4 of the Local Tax Enabling Act. The Board further directs that such notice shall be advertised once a week for three weeks in a newspaper of general circulation within the District prior to the Board taking action on the Resolution authorizing the placement of the referendum question on the May 15, 2007 Ballot, which action shall occur at special meeting of the Board of School Directors scheduled to be held on March 12, 2007 at 6.45 o'clock p.m. in the cafeteria of the Saltsburg Middle/High School. LaMantia, Smith, McGregor, Brown, Whitfield, Bell voting yes. Rowley, Alexander voting no. Motion carried.

Motion by Mr. Alexander and seconded by Mr. LaMantia that based upon the recommendation of the Superintendent of Schools and the Business Manager, the Board of School Directors hereby agree that the referendum question proposed to be placed on the May 15, 2007 Ballot shall be in substantially the following form, with any additions or changes as determined by the Board or the election officials prior to the election:

Do you favor converting the school district's current Earned Income and Net Profits Tax to a Personal Income Tax at the rate of 1.5%? The revenue generated from the Personal Income Tax will be used to reduce taxes on qualified owner-occupied residential properties and on qualified farm buildings by approximately \$322 and to replace the revenue from the school district's current Earned Income and Net Profits Tax. The school district's current Earned Income and Net Profits Tax rate is 0.75%.

The Board of School Directors will take action on adopting a Resolution authorizing the placement of the referendum question on the May 15, 2007 Ballot at a special meeting to be held on Monday, March 12, 2007, therefore, the above proposed referendum question may change as determined by the Board of School Directors. LaMantia, Smith, McGregor, Brown, Whitfield, Bell voting yes. Rowley, Alexander voting no. Motion carried.

Motion by Mr. Alexander and seconded by Mr. LaMantia that based upon the recommendation of the Superintendent of Schools and the Business Manager, the Board of School Directors hereby schedules and authorizes the Board Secretary to advertise a public hearing for the purpose of having the Board share information and hear public comments on the proposed Resolution authorizing the May 15, 2007 ballot referendum question for approval of voters, which proposed referendum question provides for the conversion of the Earned Income and Net Profits Tax currently levied by the School District to a Personal Income Tax to be levied at the rate of 1.5% as authorized under the provisions of the Taxpayer Relief Act, Act 1 of Special Session 2006. Further, the public hearing will be held on February 19, 2007, at 5:30 p.m. in the cafeteria of the Blairsville High School. LaMantia, Smith, McGregor, Brown, Whitfield, Bell voting yes. Rowley, Alexander voting no. Motion carried.

Being no further business, the meeting was adjourned at 8:00 pm.

---

Paul A. Bell, Board President

---

Leigh A. Free, Board Secretary