

**SOUDERTON AREA SCHOOL DISTRICT**

760 Lower Road  
Souderton, PA 18964

A special meeting of the Souderton Area School Board was held Thursday evening, December 7, 2006 at 6:43 PM, in the District Administrative Office Tinner Board Room. The meeting was called to order by President Eric MacDougall.

(NOTE: Since the special meeting followed the annual reorganization meeting, the Pledge of Allegiance was not recited.)

The roll call was as follows:

Dr. R. Paul Baumgartner	Eric R. MacDougall
William J. Brong	R. Bud Miller
Tracy G. Cole	Dr. Jack A. Parry
Bernard S. Currie	Victor M. Verbeke
Mark D. Leer	

SOLICITOR: Jeffrey Sultanik, Esq.

Also present at the meeting were Dr. Charles Amuso, Karen Berk, Brenda J. Bray, Donna Brown, Brad Clemens, Jami Doyle, Grace Eves, Frank Gallagher, Karen Giannini, Gail Ryan, Jack Silva, representatives from The Reporter, The Souderton Independent, WNPV Radio, and the public.

**REPORT OF THE SUPERINTENDENT**

Dr. Charles D. Amuso

**Report on Refunding – 2006 Bond Issue**

Dr. Amuso called on Mrs. Bray, who then introduced Jamie Doyle from Public Financial Management (PFM). Ms. Doyle shared with the board on the results from the online sale of the Bond. The Bond has a five (5) year call date of November 15, 2011. Ms. Doyle explained the 90-Day Escrow account, the interest rates which will range from 3.25% to 3.75%, and also indicated that the savings of \$270,747 exceeded the target of \$206,000. Costs for issuance came in under budget. Ms. Doyle mentioned that the next time the district would be eligible to refinance would be November 15, 2011.

Dr. Parry questioned how many times the district could refinance.

Ms. Doyle responded that the district might be able to refinance one more time. She also stated that an approximate savings for the current year is \$52,000.

Dr. Parry asked for an update on construction costs.

Ms. Doyle indicated that the district is ahead of schedule and is currently working with Mrs. Bray on the draw schedule.

Report of the Superintendent

Report and Recommendation of the Local Tax Study Commission

Mr. MacDougall stated that the report would be the culminating assignment for the nine volunteers on the Local Tax Study Commission. These nine people have done a tremendous and very thorough job.

Dr. Amuso indicated that the commissioners worked very hard along side Mrs. Bray, Mr. Clemens, and himself. The purpose for tonight was to present their advisory report to the board. He then introduced, Mr. Thomas Kwiatkowski, chairperson of the Local Tax Study Commission.

During introductory comments, Mr. Sultanik indicated that the Tax Commission works under a broader part of Act 1 regarding tax shifting. The board's only obligation tonight is to receive the report of the Local Tax Study commission. The board must hold another public hearing to make a final decision for the referendum question that will be on the May primary election ballot.

At this point, Mr. Kwiatkowski read the Recommendation of the Local Tax Study Commission and explained the charts that were attached. The commission's recommendation was to go with an additional 1% EIT (Earned Income Tax); which will bring the total EIT rate to 1.5% and to thoroughly educate the public on the issue prior to the primary election. **EXHIBIT A**

Dr. Parry shared that during the public hearing in November, it was interesting to see how mis-informed the public was on the issue. He thanked Mr. Kwiatkowski and the commissioners for their hard work.

Mrs. Cole also commended the commission for their time and hard work.

Dr. Baumgartner added his thanks and commendations.

Mr. Miller questioned the number of eligible households within the district.

Mr. Kwiatkowski and Mr. Gardenier, another member of the commission, responded that the number of eligible households includes all households, not just those who sent in their Homestead application.

Mr. Miller added that as time goes by, and more houses are built and eligible, the amount of the rebate will go down. He asked if the commission had any other recommendations besides educating the public on the issue and what the issue means to the voting public.

Mr. Leer asked for clarification on why the commission chose the EIT over the PIT (Personal Income Tax).

Mr. Kwiatkowski briefly explained that the EIT collection mechanism is already in place and there were too many unknowns with the collection of the PIT. PIT would tax savings, retirements, pensions, etc.

Mr. Leer asked if there was any action at state level for a mechanism to collect PIT.

Mr. Sultanik indicated that legislation is being discussed, but nothing is in place.

Report of the Superintendent

Report and Recommendation of the Local Tax Study Commission (continued)

Mr. Leer asked if the recommendation could be changed at some time in the future.

Mr. Sultanik explained that the board must come up with a decision and referendum question by March 13, 2007. However, a decision should be made prior to March 13<sup>th</sup>, with essential time established for educating the public.

Mr. MacDougal added that Souderton should be prepared to vote by the February 22<sup>nd</sup> meeting. Meetings to educate the public should be conducted in January, with the Act 1 presentation continually running on Channel 27 – SATV.

Dr. Baumgartner questioned the required length of the referendum statement.

Mr. Sultanik indicated that it will be difficult to explain in five or six sentences.

Dr. Baumgartner also asked if any other school districts had decided to go with PIT.

Mr. Sultanik indicated that 30% of the districts that he serves have recommended the PIT.

Mr. Leer asked for clarification regarding the 70% collection rate.

Mrs. Bray added that the voting will take place in May, with the collection beginning July 1<sup>st</sup>. Employers may not be ready to collect 100% of the new tax by that date. That is why the commission used less than 100% of estimated collections for the first year.

There was discussion regarding the significance and interpretation of the baseline.

Mr. Donald Norris, Tax Study Commissioner, emphasized that it is important that the public understand the intent of Act 1.

Dr. Amuso made a recommendation for the board to accept the report and recommendation from the Local Tax Study Commission.

There was a motion by Mr. Currie, second by Dr. Parry.

Mr. Sultanik added that the Commission dissolves upon the submission of the report and recommendation.

The vote was taken, and on a vote of 9 to 0, it was

**RESOLVED**, That the Board accept the report and recommendation of the Local  
Tax Study Commission as presented. **EXHIBIT A**

Report of the Superintendent

Report and Recommendation of the Local Tax Study Commission (continued)

Dr. Amuso and Mr. MacDougall presented plaques of appreciation to the commission members who were in attendance.

Mr. MacDougall stated that the Operations Committee meeting would begin immediately after this meeting.

**ADJOURNMENT**

There was a motion by Dr. Parry, second by Mr. Brong, and on a vote of 9 to 0, it was

**RESOLVED**, That the Board approve the adjournment of the meeting at 7:53 PM.

SOUDERTON AREA SCHOOL DISTRICT

Brenda Jones Bray  
Secretary