

THE BOARD OF PUBLIC EDUCATION

PITTSBURGH, PENNSYLVANIA 15213

Administration Building

341 South Bellefield Avenue

January 9, 2012

SPECIAL LEGISLATIVE AGENDA

ROLL CALL

Committee on Business/Finance

1. 2012 Real Estate Millage [Roll Call]
2. 2012 Homestead Exemption [Roll Call]

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TRANSCRIPT OF PROCEEDINGS

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PITTSBURGH BOARD OF PUBLIC EDUCATION
SPECIAL LEGISLATIVE MEETING
MONDAY, JANUARY 9, 2012
5:30 P.M.
ADMINISTRATION BUILDING - BOARD ROOM

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BEFORE:

THERESA COLAIZZI
WILLIAM ISLER
THOMAS SUMPTER, SECOND VICE-PRESIDENT
MARK BRENTLEY
JEAN FINK
FLOYD McCREA
DR. REGINA B. HOLLEY
SHERRY HAZUDA, BOARD PRESIDENT
SHARENE SHEALEY, FIRST VICE-PRESIDENT

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ALSO PRESENT:

DR. JERRI LYNN LIPPERT	DR. LINDA LANE
MR. IRA WEISS	MS. JODY SPOLAR
MR. PETER J. CAMARDA	MR. PAUL LALLEY
MS. LISA FISCHETTI	DR. JEANINE FRENCH

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REPORTED BY: LANCE E. HANNAFORD
PROFESSIONAL COURT REPORTER

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ORIGINAL

1 P-R-O-C-E-E-D-I-N-G-S

2 MS. HAZUDA: Good evening, ladies and
3 gentlemen. And welcome to the January 9th, 2012
4 Pittsburgh Board of Public Education Special
5 Legislative Meeting.

6 Before we begin this evening, I would like
7 to ask everyone to please turn off all cell phones and
8 pagers, or put them on vibrate.

9 Would everyone please rise so we can salute
10 the flag?

11 (Salute to the flag.)

12 MS. HAZUDA: Thank you.

13 Mr. Weiss, may we have roll call, please?

14 MR. WEISS: Mr. Brentley?

15 MR. BRENTLEY: Here.

16 MR. WEISS: Mrs. Colaizzi?

17 MS. COLAIZZII: Oh, I am here.

18 MR. WEISS: Mrs. Fink?

19 MS. FINK: Here.

20 MR. WEISS: Dr. Holley?

21 DR. HOLLEY: Here.

22 MR. WEISS: Mr. Isler?

23 MR. ISLER: Present.

24 MR. WEISS: Mr. McCrea?

25 MR. MCCREA: Here.

1 MS. SHEALEY: Ms. Shealey?

2 (No response.)

3 MR. WEISS: She is absent.

4 Mr. Sumpter?

5 MR. SUMPTER: Present.

6 MR. WEISS: Mrs. Hazuda?

7 MS. HAZUDA: Present.

8 MR. WEISS: Eight members present.

9 MS. HAZUDA: Thank you, Mr. Weiss.

10 At this time I would like to ask

11 Mr. Sumpter to please share our core beliefs and

12 commitments.

13 MR. SUMPTER: The Pittsburgh Board of
14 Education is committed to educating each student to
15 their maximum level of achievement in a safe and
16 orderly environment, ensuring that we provide the
17 necessary resources to carry out that activity.

18 To distribute resources in an efficient and
19 equitable manner. And to also improve public and
20 community engagement.

21 We figure that -- we don't figure, we know
22 all of that combined will improve governance of the
23 board and translate in to improving education
24 achievement throughout the district.

25 Thank you.

1 MS. HAZUDA: Thank you, Mr. Sumpter.

2 You have the agenda for this evening,
3 Special Legislative Meeting, before you regarding the
4 millage levy for 2012 and the Homestead farmstead
5 resolution.

6 Before we begin with the agenda for the
7 Special Legislative Meeting, I would like to introduce
8 Attorney Paul Lalley with Campbell Durrant Beatty
9 Palombo and Miller.

10 Attorney Lalley is representing the school
11 district in the reassessment case that is before Judge
12 Wettick.

13 As you have been informed, the assessment
14 situation has been very fluid. And Attorney Lalley is
15 here to provide us with the most current information
16 and to advise us regarding this evening's action.

17 Attorney Lalley, please address the board
18 at this time.

19 MR. LALLEY: Thank you, Madam President.

20 I have been asked to address the board this
21 evening, because the board is beginning its
22 deliberations regarding tax levy for the 2012 fiscal
23 year.

24 I am here to explain the status of the
25 district's involvement in the reassessment litigation

1 and the impact of that litigation on the board's vote.

2 On January 5th, 2012, the district's
3 administration asked me, as the district's special
4 counsel, to present a letter to Judge Wettick
5 requesting that the court permit the district to
6 utilize 2011 assessed values for the 2012 tax levy
7 instead of the new assessed values.

8 The court case that is --

9 MS. HAZUDA: Do you want to hold up a
10 minute? That is really distracting.

11 Plus, this way she will get to hear it.

12 Because otherwise, she will get here and be
13 asking questions.

14 (Interruption.)

15 MS. HAZUDA: Attorney Lalley is speaking.
16 Thank you.

17 MR. LALLEY: On January 5th, 2012, the
18 district's administration asked me, as the district
19 special counsel, to present a letter to Judge Wettick
20 requesting that the court permit the district to use
21 2011 assessed values for the 2012 tax levy, instead of
22 the new assessed values.

23 The court case that has resulted in the
24 court ordered reassessment is Clifton versus County of
25 Allegheny. That lawsuit was filed in 2005.

1 The district was not a party to the Clifton
2 lawsuit and did not intervene in that lawsuit until
3 approximately three weeks ago.

4 The district did not ask and has never
5 requested that the reassessment take place.

6 Whether or not reassessment occurs is a
7 matter that the district has left to the court to
8 decide.

9 The district intervened in the Clifton
10 lawsuit in December of last year solely because the
11 board is obligated by section 652 of the school code
12 to adopt the tax levy for the January 1st, 2012 fiscal
13 year by no later than December 31st, 2011.

14 The district intervened only in order to
15 have legal standing to ask Judge Wettick to grant the
16 board an extension of time to adopt the 2012 tax
17 levy.

18 And did so only when it became clear that
19 there would be no certification of assessed property
20 values from the county in time for the board to vote
21 in December. That intervention occurred on December
22 14th, 2011.

23 On December 19th, Judge Wettick agreed to
24 allow the district to intervene for this purpose and
25 entered an order permitting the board to delay the

1 vote for the 2012 tax levy until January 11, 2012.

2 The district took no other action in the
3 case from the time that it intervened until January
4 5th, 2012, when I presented the letter to Judge
5 Wettick to ask that he permit the district to use the
6 prereassessment values for the 2012 tax levy.

7 The district made this request, because it
8 became clear following the county's certification of
9 the reassessed property values in the last week of
10 December, that there would be a substantial number of
11 appeals by property owners based on apparent errors in
12 the county's new assessments.

13 Those appeals would eventually result in a
14 downward adjustment of evaluations.

15 But this would only occur after the
16 district would have already set the millage rate based
17 on the new assessments and have issued tax bills.

18 The result would be a significant loss of
19 tax revenue to the district.

20 At the January 5th, 2012 status conference,
21 I presented the letter to Judge Wettick. As he stated
22 during that conference, he is taking the district's
23 request seriously.

24 He has directed the district to present to
25 him on Tuesday, January 10th, at 2:00 p.m. information

1 in support of the district's request.

2 On Friday, January 6th, at approximately
3 12:30 p.m., Judge Wettick issued an order that directs
4 the district to use the new reassessment values for
5 the 2012 tax levy, quote, "unless and until," end
6 quote, he enters an order permitting otherwise.

7 The Judge's order further provides,
8 however, that he will proceed with the hearing on the
9 district's request on Tuesday, January 10th.

10 Tomorrow I will file a short written motion
11 on the district's behalf that restates formally what
12 the district requested in the January 5th letter.

13 I will also present information to Judge
14 Wettick in support of that request, and I will have
15 Mr. Camarda assist with that presentation.

16 I expect that the judge will rule on that
17 request expeditiously, possibly as early as tomorrow
18 afternoon.

19 The district has previously presented
20 information to Judge Wettick in this case. In early
21 September of last year Judge Wettick asked for
22 information from the district and the City of
23 Pittsburgh regarding the effect on each entity, if the
24 county delayed certification of assessments until
25 April of 2012, and tax bills for each entity were

1 delayed accordingly.

2 Neither the district nor the city were
3 parties to the case.

4 However, out of respect for the court's
5 request, both the district and the city presented
6 information to Judge Wettick on the adverse effect
7 that each entity would experience, if the mailing of
8 tax bills were significantly delayed.

9 I was informed by the district solicitor of
10 Judge Wettick's request. I assisted in presenting
11 information from Mr. Camarda regarding the negative
12 impact to the district's finances in any delay in
13 issuing tax bills.

14 I repeat, however, that the district took
15 no position on whether or not reassessment should or
16 should not occur.

17 The district simply presented the
18 information as requested by Judge Wettick, and neither
19 the district nor the city became parties to the
20 lawsuit at that time.

21 The district remains bound by Judge
22 Wettick's orders, including his order of last Friday,
23 that requires that the tax levy for 2012 be based on
24 the new assessment values.

25 It is my strong recommendation that the

1 board follow Judge Wettick's orders.

2 However, there remains a possibility that
3 the Judge will grant the district's request and permit
4 the district to use the old assessed values as the
5 basis for the 2012 tax levy.

6 Because the district will not know this
7 until 2:00 p.m. tomorrow at the earliest, it is my
8 recommendation that the board defer action on the
9 adoption of a tax levy until after the Judge has ruled
10 on the district's request.

11 When it became apparent at the January 5th
12 status conference that Judge Wettick was seriously
13 considering the district's request, I reminded the
14 court that there is a current January 11 deadline for
15 the board to take action on the 2012 tax levy.

16 Judge Wettick indicated the district could
17 ask for further extension of time at Tuesday's
18 hearing.

19 I expect that however he rules on the
20 district's request to use the 2011 assessed values for
21 the 2012 tax levy, Judge Wettick likely will grant the
22 additional time necessary for the board to meet and
23 adopt formal resolutions to levy taxes for the 2012
24 fiscal year.

25 Thank you.

1 MS. HAZUDA: Thank you, Attorney Lalley.

2 Before we will go around the table, but I
3 would like to ask a few questions for clarification.

4 If I understand your testimony, there
5 were -- Judge Wettick asked for the impact to the
6 district back in September, and you did present that
7 to him at that time?

8 MR. LALLEY: Yes. But the impact to the
9 district was not on reassessment or nonreassessment,
10 per se.

11 It was simply, if the county certifies the
12 property values in April instead of by December, so
13 that the board would have the information to vote on
14 the tax levy.

15 And therefore, if tax bills couldn't be
16 issued until after April and actually May, I think, of
17 2012, how would that affect the district's cash flow
18 position?

19 That was the information that I had
20 Mr. Camarda prepare, and that we submitted to the
21 court. It was widely reported at the time that there
22 was the potential that the district would incur
23 approximately a million and a half in borrowing costs,
24 if you had to issue tax revenue anticipation notes,
25 because of the delay in sending out tax bills.

1 That was all of the information that we
2 presented to Judge Wettick. Again, it didn't take any
3 position on whether or not reassessment itself should
4 take place.

5 MS. HAZUDA: Okay. Thank you.

6 Then the only thing we actually finally
7 became involved in was the December date, when we
8 asked to have the figures to us, so that we could in
9 fact levy the taxes.

10 Is that correct?

11 MR. LALLEY: Yes.

12 What we did, the district was not a party
13 back in September, when we presented that information.

14 The city presented -- also presented
15 information, and they also are not a party. And the
16 city, to my knowledge, has not become a party to the
17 lawsuit.

18 The district did intervene in middle of
19 December, because we knew it was becoming clear that
20 we weren't going to get any information from the
21 county on which to act until the end of December.

22 And that was going to be too late for the
23 scheduled board meeting. All the district did was
24 intervene, file a petition and ask the judge to give
25 us a court order to excuse us from the provision of

1 the school code that says you have to have that vote
2 by December 31st. Because you had nothing to vote on
3 at that time.

4 MS. HAZUDA: Thank you.

5 Is my understanding correct, then, that at
6 this moment in time, we have three courses of action?

7 One would be to use the 2012 assessments as
8 it currently stands and hope that we get the guess
9 right.

10 The second would be to petition the Judge
11 tomorrow to use the 2011 for this year. And the
12 appealed ones for next year, for 2013. Or don't we
13 touch that amount?

14 MR. LALLEY: Well, I think --

15 MS. HAZUDA: We just asked for this one
16 now.

17 MR. LALLEY: All we will be asking for
18 tomorrow is to use the old assessed values. Another
19 option would be to use the new assessed values in
20 accordance with the court's order.

21 However, I certainly don't know what the
22 status of those appeals is now. Because it is my
23 understanding that that process has been halted by the
24 county.

25 MS. HAZUDA: And then the third one would

1 be to join with the county in saying -- or ignoring
2 this. And we are just going to go ahead and use the
3 2011.

4 MR. LALLEY: That is a possible option of
5 the board. I recommended, and as a lawyer, I am duty
6 bound to recommend you follow what the court has
7 ordered the school district to do.

8 MS. HAZUDA: If we did not do that, that
9 would be contempt of court, or what would it be?

10 MR. LALLEY: I think it raises a
11 substantial question and prefer we not cross that
12 bridge. But that is of course the board's decision to
13 see what would happen in that situation.

14 MS. HAZUDA: Okay.

15 Now, it is my understanding that we can
16 raise taxes to a certain amount. But specifically, in
17 a year of reassessment, that we are bound to only have
18 an additional 1.7 percent increase.

19 Is my understanding correct?

20 MR. LALLEY: That's correct.

21 You are bound by Act One's antiwindfall
22 provision, which applies the Act One index.

23 It just says even in a reassessment year,
24 you are limited to using your Act One index. And
25 actually, for reasons that many school lawyers,

1 including your solicitor and myself and my former boss
2 believe is unclear, the law requires you to use the
3 prior year's Act One index.

4 So that is where the 1.7 percent number
5 comes from. If you didn't have reassessment this
6 year, you could potentially -- I am not sure what the
7 district's 2012 number is.

8 But it is not at play, if you are bound to
9 use the new reassessment numbers. But yes, Act One
10 windfall limitation is more stringent than the
11 limitation that applies to any of the other taxing
12 entities. Because in general, Act One index is very
13 low and has been for the past couple years.

14 MS. HAZUDA: So Act One is school code, not
15 Pennsylvania overall municipal.

16 MR. LALLEY: Technically, it is not in the
17 school code, but it applies only to school districts,
18 so yes, only school districts are subject to Act One's
19 limitations.

20 MS. HAZUDA: Are the city and county -- I
21 thought I heard five percent for the county. I heard
22 nothing for the city.

23 MR. LALLEY: They are subject to a separate
24 antiwindfall statute that predates the county, any
25 other taxing entities besides school districts are

1 subject to a provision in the second class county code
2 that limits -- that governs how they can set tax rates
3 and increases in a reassessment year.

4 What we will present to the Judge tomorrow
5 is an explanation that that legislation predates Act
6 One.

7 And Act One is the most recent legislation
8 on the subject, and it applies specifically to school
9 districts.

10 And my reading of it is that it is much
11 harder in the sense of -- it is stricter about tax
12 increases in a reassessment year than what the county
13 and other tax entities have to do.

14 They have this ability under certain
15 conditions to be able to set increased taxes five
16 percent in a reassessment year.

17 MS. HAZUDA: It is five percent. Is that
18 same for county and city?

19 MR. LALLEY: I believe it is county and
20 maybe City of Pittsburgh, I am not sure. But the
21 county and other taxes entities, yes.

22 MS. HAZUDA: So if the reassessments go
23 through, the county can only have five percent. But
24 if they are scrapped, the county can go with their 21
25 percent, that they voted to raise?

1 I am confused on that.

2 MR. LALLEY: That may be the case. I
3 haven't given a legal opinion to the county on what
4 they can do.

5 But if they are not -- let me just say this
6 much. If they are not in a reassessment year, I don't
7 know of any limitation on their ability to raise
8 taxes.

9 MS. HAZUDA: That is why it would be to
10 their advantage to throw out the reassessment, so they
11 can get the 21 percent.

12 MR. LALLEY: Again, I can only speak to
13 what my understanding of the limitations on the county
14 are.

15 And they don't have -- my understanding is
16 they don't have limitations. Like all school
17 districts do, whether or not you are in a reassessment
18 year.

19 They don't have those similar kind of you
20 have to go to referendum, if you are going to exceed
21 the Act One index.

22 MS. HAZUDA: Thank you very much.

23 Mr. Brentley, do you have any questions?

24 MR. BRENTLEY: Yes. I just have a few.

25 Attorney Lalley, you mentioned that on

1 January 5th, you were asked by the district to send a
2 letter asking the Judge to consider using the 2001
3 numbers.

4 Who by the district authorized you to send
5 a letter?

6 MR. LALLEY: I believe that came through
7 the superintendent's office.

8 MR. BRENTLEY: Okay.

9 To my colleagues here, I firmly believe
10 that that is an item that should have been a board
11 decision.

12 I shared that with you, Sherry. I also
13 shared my concerns with Dr. Lane.

14 Over the week, it has been pure madness
15 listening to the media to hear this board being called
16 out four times.

17 And the hundreds of thousands of dollars we
18 spend in marketing, and no one stepped to our aid to
19 clear up our name and to put out factual information.

20 As a volunteer board member that has to do
21 silly things like work full time, that is unacceptable
22 for the dollars coming through this district on PR and
23 branding and messaging. That is just unheard of.

24 Secondly, I want to go on record as being
25 one who was never consulted, never called, even though

1 I heard our county executive, who I consider to be a
2 friend, called out and said that he personally
3 contacted each and every board member to set up a
4 meeting.

5 I know nothing about a meeting. I know
6 nothing about being contacted through e-mail, phone
7 call or carrier pigeon. No one made an attempt to
8 reach out.

9 And so it continued to give this impression
10 that we are not responsible, that we are not being --
11 or doing our jobs.

12 And it gave the impression, all the air
13 time that was given to him over the week is that we
14 are the cause of it. Okay.

15 Then the final comment that he mentioned
16 twice was contact your board member and contact them
17 and have them to stop this, stop pursuing it.

18 I want to be on record as not getting --
19 not being contacted. I don't really appreciate how we
20 as a volunteer board was left out there in the cold.

21 And then finally, I just want to ask if the
22 district made a recommendation, which I think is
23 unauthorized, because it did not go through the board,
24 not even a discussion, we could have had a phone
25 call.

1 We could have met somewhere for lunch,
2 something to say "Hey, this is what we are going to
3 submit."

4 If the district is submitting that,
5 Mr. Camarda, what is the possible loss of revenue to
6 this district, if we were to use 2011 numbers?

7 MR. LALLEY: Mr. Brentley, perhaps I could
8 address that for you.

9 As far as -- just to be clear about your
10 question, the loss of revenue, you mean the loss of
11 revenue, if we have to use the new numbers?

12 You are talking about the loss of
13 revenue --

14 MR. BRENTLEY: If we have to use the 2011
15 numbers.

16 MR. LALLEY: Our projection, in the case we
17 are going to present to the court tomorrow, is that
18 that is a more stable number, because it is based on
19 values that have already been through the appeals
20 process, that are pre the new valuation.

21 So it will actually give you some
22 stability. You would use essentially the millage rate
23 you used last year to generate the same kind of tax
24 revenue.

25 The reason for filing this request and

1 asking the Judge to allow that to happen is because
2 with these new values, we have the aggregate or the
3 total of all assessed property numbers. We just got
4 that in the end of December.

5 And really, it would have been premature to
6 ask the court to do anything until after the county
7 provided all of that information. And they didn't do
8 it in total until New Year's Eve.

9 I was actually in court on New Year's Eve
10 at 2:00 o'clock. There was this issue of whether or
11 not all of the information had been provided.

12 So what the district would be doing in
13 asking Judge Wettick, we will be showing him there is
14 the potential that if we have to use the new numbers
15 as compared to the stability that we have fairly well
16 assured, if we use the old numbers, that if we use the
17 new numbers, we are looking at a potential diminution
18 of a substantial amount.

19 MR. BRENTLEY: So to use the 2012 numbers,
20 there is a possibility of lost revenue we could be
21 losing?

22 MR. LALLEY: Yes. If we use the new
23 numbers, absolutely.

24 MR. BRENTLEY: But it is a big unknown at
25 this point?

1 MR. LALLEY: It is an unknown that we are
2 in the process of quantifying based upon what the
3 experience was in the last time that there was a
4 county wide reassessment in 2012.

5 And then figuring how much did property
6 values drop from year to year? When I say property
7 values, I misspoke. How much did the total assessed
8 valuation drop from year to year, as a result of the
9 fact that well, when you have reassessment, you have a
10 flood of appeals at that time, as has been happening
11 in this case.

12 And then, generally, the trend is going to
13 be for those to be reduced to reflect what people are
14 appealing about.

15 So you see that percentage drop from year
16 to year. First year of a new assessment. And then
17 what are your taxables in the following year?

18 So we see a percentage drop. That is what
19 happened in the last time around.

20 I believe it was about an eight percent
21 drop. But we are still working on the data for that.

22 And then if we have to -- if that
23 translated in to an eight percent drop of revenue,
24 expected revenue as a result of the appeals, then how
25 much of a shortfall is that going to cause as compared

1 to your actual tax levy.

2 That is that information I don't want to
3 give too many details, because Mr. Camarda and I will
4 be finalizing that for the presentation tomorrow.

5 But just in general terms, that is the
6 basis of why it is a concern that was raised to the
7 court, and why it was done -- it wasn't done really
8 until after we knew what that information was.

9 MR. BRENTLEY: But there still remains to
10 be a portion of unknown out there with the possible
11 2012.

12 We could actually see a slight increase
13 based upon what is allowable by law, I think five
14 percent.

15 I don't know. I am asking the attorney.
16 You tell me.

17 MR. LALLEY: Other taxing entities are
18 allowed to basically -- they are supposed to adjust
19 the millage. They have a formula where they can
20 average out revenues over a couple years.

21 But they can adjust the millage and
22 basically then, after they have done that, to try to
23 equalize the tax rate, so there is an equal amount of
24 revenue in theory generated by that levy as there was
25 pre reassessment.

1 They can then do an additional five percent
2 increase.

3 That is the antiwindfall provision that
4 applies to the other taxing entities.

5 But you are subject to Act One. And Act
6 One is different. Act One says you will have to do
7 that same process of making sure that you are
8 equalizing the millage to a level that gives you the
9 same tax revenue, or essentially the same tax levy as
10 the previous year.

11 And if you want to increase it, though, you
12 are then subject only to doing an increase to the Act
13 One index.

14 And it is the Act One index, not for 2012,
15 but for 2011, which again I think is just a poor
16 draftsmanship of that part of Act One.

17 But that is in fact how it reads.

18 MR. BRENTLEY: Then let me just ask you
19 just some basic questions.

20 You have been retained by the district to
21 represent us as of when?

22 MR. LALLEY: Well, our firm is special
23 counsel to the district.

24 We have handled -- I have handled a number
25 of matters for the district over the years.

1 Mostly we are -- the firm, we are the
2 district's labor counsel. I was first asked to get
3 involved in this in September, when I helped present
4 Mr. Camarda's information to the court, as I explained
5 in my presentation.

6 MR. BRENTLEY: So today, it is your
7 recommendation, that we vote in the affirmative for
8 this item before us, both items?

9 MR. LALLEY: I am sorry. I am not sure
10 I understand the question.

11 My recommendation is that you wait until we
12 hear what Judge Wettick is going to allow you or not
13 allow you to do.

14 Then my recommendation would be to follow
15 whatever his order is.

16 MR. BRENTLEY: Let me ask, Madam President,
17 what is before us for vote? What are we voting?

18 There is no item we are voting on?

19 MS. HAZUDA: What we are going to do, based
20 on Attorney Lalley's recommendation, is -- what is the
21 correct word I want to say? Recess this meeting and
22 reconvene prior to agenda review, because by then we
23 will have the Judge's ruling.

24 MR. BRENTLEY: You know, this is amazing.
25 This is really amazing. Let me rephrase. Not

1 amazing. It is unfair to us.

2 MS. COLAIZZI: Absolutely.

3 MR. BRENTLEY: To be a volunteer, to come
4 in, and to have an item presented to us, but we are
5 going to pull it, then we are going to hold it until
6 after the meeting.

7 So we are not going to be voting on
8 anything. We are just going to vote to leave this
9 open.

10 MS. HAZUDA: But it gives us the
11 opportunity, as you had requested, when this all
12 started, this all started for us on a micro level only
13 last Tuesday -- Monday, I am sorry.

14 And kept going and going.

15 In order for all of us to get together,
16 Dr. Lane and I both reached out to every board member,
17 unfortunately because we went in to your answering
18 service or answering machine, we did not get you to
19 speak live until Friday.

20 But there was a lot of communication.

21 But the board could not meet in whole
22 without advertising it as a public meeting.

23 And so that is what we did for today, so
24 that he could update us as much as he could, so that
25 we would be current with our information.

1 So that when the Judge rules tomorrow, we
2 will know what the impact of that ruling is.

3 And then, hopefully, our finance department
4 will be able to give us some concrete figures, that we
5 will be able to vote on prior to agenda review.

6 MR. BRENTLEY: So --

7 MS. HAZUDA: We were coming out tonight,
8 which is why tonight was selected.

9 MR. BRENTLEY: I am just stunned how much
10 nonsense it appears to be, that we could have used our
11 time much more wisely, in my opinion.

12 I will close with saying I am asking for
13 this board leadership to please, when there is a hot
14 issue, no one board member, no executive committee,
15 and definitely not a staff has the authorization to
16 direct counsel to present something on our behalf,
17 when we have not had a full discussion, definitely not
18 had at least a polling of board members, or a head
19 nod, that we want to do that.

20 And so this is what caught me off guard.
21 You have to wait and hear rumors or look at press
22 conferences to try to piece it together.

23 So I just want to appeal to the leadership
24 again, please don't do that. We are here. Not
25 getting ahold of someone is no excuse.

1 As far as hot as this item appeared to be
2 over the last week, there is just simply no excuse. I
3 will just wait and see what we are going to do now.

4 MS. HAZUDA: Thank you.

5 We do hear what you are saying. If you can
6 get us an alternative number maybe.

7 MR. BRENTLEY: Yes. If you give me back my
8 board cell phone, it would be available to me at all
9 times.

10 Remember you cut the phone off, made that
11 available for me to communicate like other board
12 members. So I am always at a loss.

13 MS. HAZUDA: I don't have one either.
14 Thank you.

15 MR. BRENTLEY: I need one.

16 MS. HAZUDA: Mrs. Colaizzi, do you have
17 anything?

18 MS. COLAIZZU: I do.

19 Mr. Brentley, you have every right to be
20 upset and angry but not at this board.

21 And if I may, if you will allow me to
22 explain some things that took place in the last couple
23 weeks, that I think need to be put on the record.

24 Mr. Fitzgerald called me, personally, a few
25 weeks ago and gave me a version of the story of what

1 was taking place with the county and these
2 assessments.

3 He asked me for every single board member's
4 phone number, which I do not give out unless board
5 members want me to.

6 He knew some of the board members' phone
7 numbers. Therefore, he took it upon himself to reach
8 those he did.

9 He left me several messages, which were not
10 pleasant. And they are still on my voice mail.

11 Here is it in a nutshell in the best way
12 that I could possibly explain it. And I think it is
13 important it is explained.

14 There is a reassessment. The county
15 council has voted to approve a tax increase that is
16 approximately 21 percent. If the Judge, Judge
17 Wettick, allows the 2012 figures to be used, then the
18 county cannot raise their taxes, where they go past
19 five percent.

20 So it is to the advantage of county council
21 to use the 2011 numbers, because if they do use the
22 2011 figures, then they can take that 21 percent tax
23 hike.

24 If they are asked, or forced I should say,
25 to use the 2012 figures, then they are not allowed to

1 have a windfall of more than five percent.

2 Us as a school district is only permitted
3 to have a windfall of 1.7 percent. We really don't
4 have an issue in this game.

5 We want a number that we can work with,
6 that we can figure out our taxes, and we can do what
7 we have to do.

8 The county on the other hand has a whole
9 other situation in front of them.

10 So it is a different animal in their
11 situation.

12 County council executor, Mr. Fitzgerald,
13 personally asked me to set up a meeting with the
14 board, wherever we wanted it.

15 First of all, I do not have that privilege
16 or that right to do. More importantly, it is illegal.

17 He is as much obligated to the sunshine law
18 as we are. And therefore, you cannot have a board
19 meeting with more than a quorum in private.

20 It has to be in public.

21 We were being requested to have it in
22 private.

23 And I am sorry, but on behalf of all of us,
24 it was only common sense to say "No, we can't do
25 that."

1 So as things continue to move, then it
2 became apparent Mr. Fitzgerald decided to have it
3 public, which was that meeting last week, that was
4 then informative with the media, I guess it was more
5 of a press conference, if that is what you want to
6 call it.

7 Prior to that, if I am not mistaken, and
8 Mr. Lalley, please correct me, if I am wrong.

9 Prior to that, Judge Wettick did see our
10 letter, the letter you presented from Dr. Lane and
11 yourself. And he realized that it is an issue for us.

12 And he then ruled at that moment to just
13 use --

14 MR. LALLEY: Yes. What happened was on the
15 morning -- the status conference on January 5th was at
16 10:00 o'clock. I delivered the letter to the Judge
17 about 15 minutes before that hearing.

18 And then at that hearing, he indicated --
19 we went over the reasons for the district's request on
20 the record.

21 And that is when he indicated that he would
22 take it under serious consideration. And it is
23 actually at that point, that he then set the hearing
24 for tomorrow at 2:00 o'clock. So he did that 10:00
25 o'clockish on the 5th.

1 The next day is when the Judge then issued
2 a written order that said that we are required to use
3 the new assessed values.

4 But that wasn't denying our request. That
5 was simply affirming what the state of the law was in
6 that case to begin with.

7 And then noting that he was going to hold a
8 hearing on our request, that he had talked about in
9 court. It was reduced to an order. That is why we
10 are there tomorrow at 2:00 o'clock.

11 MS. COLAIZZI: So the only reason I bring
12 all of this information to you, Mr. Brentley, is
13 because we are being blamed -- I only say it, because
14 of some of the questions that you brought up. But you
15 are right, to everybody.

16 I am rather frustrated, probably more than
17 anybody else around this room, because this district
18 is being blamed for something that we had absolutely
19 nothing to do with.

20 We actually are the victims.

21 However, being the victims in this
22 situation gives a different government entity an
23 opportunity. And I find it very, very upsetting that
24 children are being used for an opportunity for a
25 different group.

1 That is how I see this. That is truly how
2 I see this.

3 More importantly, Mr. Lalley, please
4 explain to me, does the county being the executor
5 himself have the legal right to stop any form of
6 assessments?

7 MR. LALLEY: Let me say this.

8 My recommendation to the board is that you
9 do what Judge Wettick orders and I'd rather not
10 comment beyond that.

11 That is certainly a matter for the county
12 executive to get advice from whoever is advising him.
13 But my advice is that this board ought to follow
14 whatever Judge Wettick tells you you have to do.

15 MS. COLAIZZI: Thank you, Mr. Lalley. I
16 appreciate that.

17 I guess my question then should really be
18 we don't do -- we do not do assessments.

19 Correct?

20 MR. LALLEY: That's correct. That is done
21 by the county.

22 MS. COLAIZZI: So we are not the people
23 saying we are stopping assessments.

24 MR. LALLEY: That's correct.

25 MS. COLAIZZI: Okay.

1 However, if I understand correctly, the
2 county executor has put a stop to assessments, the
3 process of assessments.

4 MR. LALLEY: Yes.

5 My understanding, and it is only through
6 reading the same news media reports is that the
7 appeals have been ceased. And for the notices that
8 were issued at the end of December.

9 And I don't know, however, what else the
10 county is doing. We will find that out tomorrow at
11 2:00 o'clock. Because plaintiffs in the lawsuit,
12 though not the district, plaintiffs in the lawsuit
13 have filed a petition for contempt of court against
14 the county and against the county executive.

15 And it is my understanding that that
16 contempt petition will be presented at 2:00 o'clock,
17 also.

18 So not only will the court be dealing with
19 our request, the court will also be dealing with the
20 petition that the plaintiffs' lawyer Don Driscoll
21 filed in the case for contempt.

22 MS. COLAIZZI: This board has nothing to do
23 with filing any case, whatever you want to call it,
24 for contempt of court?

25 MR. LALLEY: That's correct.

1 MS. COLAIZZI: We have nothing to do with
2 that. Am I correct?

3 MR. LALLEY: We were not involved with
4 that. In fact, I was not at the hearing, when it was
5 presented on Friday at 2:00 o'clock. But I have heard
6 about it since then. But no, we are not parties to
7 that petition.

8 MS. COLAIZZI: Okay.

9 So I just want to make clear that this
10 board has done nothing against the law and has done
11 nothing that isn't within -- I guess I don't know how
12 else to put this.

13 We have done nothing wrong here. We just
14 happen to be the victim in the middle of a process.

15 And I think that is important, because we
16 are being blamed, no matter where you turn, no matter
17 where I go, I am being -- comments to me are being,
18 "City school board needs to do something. The school
19 board needs to do something".

20 I don't know what we are expected to do,
21 when we are the innocent victim here.

22 And I think that that needs to be made
23 clear.

24 But Mr. Brentley, just so you know,
25 Mr. Fitzgerald did ask me for everybody's phone

1 number. And I did not give it out.

2 So I want everyone to know that.

3 Thank you, Madam Chair.

4 MS. HAZUDA: Thank you, Mrs. Colaizzi.

5 Mrs. Fink?

6 MS. FINK: Okay.

7 First of all, Mr. Fitzgerald owes the
8 Pittsburgh public school board an apology on prime
9 time TV, because I saw the news report, where he said
10 that this was the fault of the school board.

11 Now, when it takes me 45 minutes to get
12 from one side of Shop and Save to the other, so I can
13 get my bananas and my milk, because 50 people have
14 stopped me in between and said "Fink, what the hell
15 did you do to us?"

16 That man owes this board a public apology
17 on television and maybe on his knees. I am really
18 disgusted with this.

19 Secondly, I thoroughly endorse and approve
20 of a recess, because if we were to go with the new
21 millage, we would have so much time and money invested
22 in refunds, that it would negate any money, that we
23 could possibly be making on this, which wouldn't be
24 much anyway.

25 But would ultimately put us in a hole,

1 because just the amount of mailings and the amount of
2 refunds that we would have to make, because these
3 assessments are screwed up so badly would just be a
4 waste of everybody's time and effort.

5 And what little money we have left, we need
6 for the kids.

7 We don't need to be -- I mean, I realize
8 the post office is in trouble. We don't have to help
9 them out that much, not right now.

10 So I endorse and approve of a recess until
11 we know exactly how much money we are levying the
12 millage on.

13 Thank you.

14 MS. HAZUDA: Thank you, Mrs. Fink.

15 Dr. Holley.

16 DR. HOLLEY: Just for clarification.

17 Are you asking -- do we need to make a
18 motion to recess and come back?

19 MS. HAZUDA: We will do that later.

20 DR. HOLLEY: That is all. I am ready to do
21 that now.

22 MS. HAZUDA: Mr. Isler.

23 MR. ISLER: Well stated, Dr. Holley.

24 However, I want to go to the mechanics of
25 this, if I may, Mr. Lalley.

1 If in fact we have to -- and this has to do
2 with your presentation tomorrow and the outcome of it,
3 not that there is a tremendous amount of pressure on
4 you.

5 But if in fact we had a set millage on the
6 current assessments, the 2012, you mentioned that the
7 last time we were faced with something like this was
8 the last reassessment, which was about ten years ago.
9 Correct?

10 MR. LALLEY: That's right.

11 MR. ISLER: Do we have any knowledge of how
12 close we were at that time?

13 MR. LALLEY: We do have that -- some
14 information about that. I don't have it available to
15 me right now. But that is something that Mr. Camarda
16 and I tomorrow morning will be reviewing and making
17 sure we have accurate.

18 Yes. We certainly know what the decrease
19 in this total set values were from year to year from
20 2001, then it went up in 2002 and then substantially
21 down.

22 MR. ISLER: However, at that time we were
23 not faced with the antiwindfall provision. Correct?

24 MR. LALLEY: You weren't faced with the Act
25 One's antiwindfall provision, correct.

1 At the time you may have been subject to
2 the county codes but now --

3 MR. ISLER: Now it is much more stringent.

4 MR. LALLEY: Right. In fact on that point,
5 this is the first school district, to my knowledge,
6 that will actually face this question of "how do you
7 apply the Act One antiwindfall provision?"

8 Because Act One didn't go in to effect
9 until middle of 2006. And all of the counties in
10 Pennsylvania the last time they did reassessment was
11 either 2006 or before, according to the state tax
12 equalization board web site information, which is part
13 of what I will present to Judge Wettick tomorrow.

14 So this is the first time that this has
15 actually been applied.

16 MR. ISLER: I know it is not part of your
17 request. But the issue of assessment, there are
18 neighboring counties that haven't been reassessed in
19 40 some years, correct?

20 So we are as a city and a school district
21 and as a county up front, where no other entities are,
22 correct?

23 MR. LALLEY: That's correct.

24 I know there is litigation in Washington
25 County and there is likely litigation in other parts

1 of the state. But right now, this is the only one
2 that is this far in the process.

3 MR. ISLER: Thank you.

4 Let me just stick to the 2012 numbers. The
5 great unknowns are the appeals. And there is this
6 quicker mini appeal process that was supposed to go
7 through some time in January.

8 Then there is the official appeal process,
9 which you have to file by February.

10 Correct?

11 MR. LALLEY: That's correct.

12 That's correct for what was done with the
13 new assessment numbers.

14 MR. ISLER: I am with you. The big -- no
15 decisions are being made under any of the appeal
16 hearings or processes or discussions that went on last
17 week prior to them being suspended by the county
18 executive. Right?

19 They are nonofficial?

20 MR. LALLEY: I assume that is the case.
21 That is a great question. That is something I am sure
22 the Judge will be asking the county to address
23 tomorrow afternoon.

24 Because again, I only know about what I
25 have read in newspapers on that issue.

1 MR. ISLER: So let's just, again, make this
2 assumption based on the last time we did a
3 reassessment.

4 The appeals process can go on -- the
5 official appeal process can go on for months. You
6 have up until February -- late February, again, I am
7 not positive of the date, 13th, to file. Then they
8 have to be heard. So they could be heard for months.

9 MR. LALLEY: That's correct.

10 MR. ISLER: So we really don't have any
11 knowledge of how we fair in terms of the reassessment
12 finalized figures until late in the year.

13 MR. LALLEY: Absolutely.

14 In fact, that process can go in to a second
15 year.

16 But historic experience has been -- so you
17 have some appeals filed in 2012 that don't get
18 resolved until the following fiscal year.

19 But the experience has been that most of
20 those adjustments through the disposition of appeals
21 happens in summertime and before you have your tax
22 levy in December.

23 MR. ISLER: Let me just, again, pick up on
24 that and something you said in your opening remarks.

25 If in fact we underestimate the millage and

1 collect less tax because of appeals and everything
2 else, there is no way to get that money back.

3 Correct?

4 MR. LALLEY: Absolutely not. That is
5 another long tailed consequence of Act One.

6 Because in 2013 -- well, let's assume you
7 were using the new assessed values this year, 2012.
8 So you have gone through that process. There is a
9 shortfall. There is a shortfall.

10 You are still going to be restricted to the
11 Act One index in 2013.

12 And that likely will be what it has been in
13 the past couple years, two percent, something like
14 that.

15 So if you have let's say 10 or 15 or 20
16 percent downward adjustment of assessed values because
17 of appeals. And that may be possible. That is what
18 we are going to be looking at tomorrow.

19 You will not be able to make that up
20 through -- unless you get a referendum -- through
21 subsequent years.

22 MR. ISLER: I think that is a really
23 important point. The other thing is if we
24 overestimate, we then potentially have to get in to a
25 refund process.

1 Correct?

2 MR. LALLEY: Really you cannot
3 overestimate. Because you -- in this sense. If you
4 set the millage rate based on the numbers that we got
5 in the end of December, basically we know the appeals
6 process will just bring them down.

7 But you can't -- you have to make that
8 adjustment, and then you can only figure 1.7 percent.
9 You could increase the millage on neutralized basis by
10 1.7 percent.

11 But I can give you a fairly good assurance
12 that that is not going to cover the -- what kind of
13 shortfalls you may be looking at for the downward
14 adjustment through the appeals process.

15 MR. ISLER: The other question I have is
16 residential versus commercial. The commercials came
17 out after the residential assessments.

18 Right?

19 MR. LALLEY: That's correct.

20 Residentials were certified I think
21 December 27th after Christmas. And then the
22 commercials, the 30th and in to the 31st we were
23 mailing them. And we didn't have all of the data
24 actually until the 31st.

25 MR. ISLER: The last question I have is the

1 city sends out our tax notices.

2 MR. LALLEY: That's correct. City
3 treasurer's office.

4 MR. ISLER: If in fact -- this is a huge
5 hypothetical, but just to get it on the table. If in
6 fact the city goes with one set of assessment numbers
7 and we go with another, does that cause greater
8 confusion?

9 MR. LALLEY: It probably would.

10 But -- I could see that that would be the
11 case. If the city -- of course, the city is also
12 subject to these court orders.

13 So for the city to do that, they would have
14 to make the decision not to follow Judge Wettick's
15 orders.

16 MR. ISLER: Violate the court order.

17 MR. LALLEY: Right.

18 MR. ISLER: Thank you.

19 Thank you, Mrs. Hazuda.

20 MS. HAZUDA: Thank you, Mr. Isler.

21 Mr. McCrea.

22 MR. MCCREA: Thank you.

23 Before I blow my stack, if we recess this,
24 how is it going to affect people that pay their taxes
25 at discount?

1 MR. LALLEY: We haven't issued tax bills
2 yet.

3 I think probably that will all be addressed
4 in whatever order the Judge ultimately issues.

5 So that is going to be if he in fact grants
6 our request, then I assume he will adjust -- he will
7 ensure that that is taken care of in how the city
8 adopts -- I think it is actually done by city
9 ordinance.

10 That should be taken care of through the
11 court process.

12 MR. McCREA: That is how I prefer to pay my
13 taxes. That is why I ask.

14 I think Ms. Colaizzi raises a good point.
15 I think the word "victim" should be replaced with
16 "scapegoat". A little bit of both. Here I am
17 tonight, I am on vacation right now.

18 The county officials are all elected. They
19 get paid vacation. I am spending mine right here.
20 Now we have to recess this, I might have to lose
21 another vacation day to do it again.

22 Thank you.

23 MS. HAZUDA: Thank you, Mr. McCrea.
24 Mr. Sumpter.

25 MR. SUMPTER: Thank you, Mrs. Hazuda.

1 First question I had is what does the
2 Judge's order bind us to do?

3 MR. LALLEY: The order that he entered on
4 Friday?

5 MR. SUMPTER: Yes.

6 MR. LALLEY: The order he entered on
7 Friday, which is basically reaffirmation of orders he
8 entered on November 14th, I believe, require that the
9 city and the school district use the new assessment
10 values, when you set the 2012 tax levy.

11 Basically, implement the reassessment.

12 But you have to use the numbers that were
13 certified by the county in the end of December.

14 MR. SUMPTER: Is there a time deadline for
15 that to take action?

16 MR. LALLEY: Yes.

17 His court order. You are required in the
18 school code to have this vote by December 31st. This
19 is why the district did anything in this case, and the
20 only thing the district did was to say to the Judge,
21 "Since we don't have the data yet, the board can't
22 have a meeting when they don't have anything to vote
23 on. No information for there even to be a resolution
24 prepared."

25 So the Judge gave the school district until

1 January 11.

2 And what I expect is tomorrow -- because
3 the Judge has indicated that he will consider letting
4 the district not have to use those new values.

5 The Judge indicated at the January 5th
6 hearing that he would basically grant the district an
7 additional extension of time, because when he
8 indicated that he was considering this request, it was
9 apparent you have a meeting on the 9th, that was going
10 to be presumably to vote on the tax levy using the new
11 numbers.

12 Now it looks like he might change the order
13 on that. It would be a good idea, if the Judge would
14 be willing to let us have more time, if in fact he is
15 going to reconsider that decision to have you use the
16 new numbers.

17 So in the record, the Judge -- without
18 granting it basically indicated we will make a request
19 tomorrow, and he will give you an additional ten days
20 to go ahead and have a vote on the tax levy.

21 You would assume -- I assume by that time,
22 you will know whether you have authority to you to --
23 whether he has granted the request whether you have
24 the authority to use the 2011 numbers.

25 Right now you do not.

1 MR. SUMPTER: So everything right now is
2 pending tomorrow's ruling. However, if there were no
3 ruling tomorrow, we would be bound by the 11th of
4 January, to make our decision.

5 MR. LALLEY: That's correct.

6 MR. SUMPTER: We are hoping that is going
7 to extend it.

8 The letter that was sent to the Judge was
9 only asking for the extension or asking for what?

10 MR. LALLEY: No. The letter was asking for
11 the use of the old assessment values.

12 I verbally -- when the Judge made his
13 comments, as he did at the hearing, and I realized he
14 might take that request seriously, I made a request on
15 the record that he grant us additional time.

16 He said "Bring that issue up next week," or
17 something to that effect.

18 But the sense of it was he will give you
19 additional time, so he can rule. And then you can
20 vote.

21 MR. SUMPTER: Even if the judge were to
22 grant that, it is still up to the board to either
23 approve or disapprove.

24 MR. LALLEY: Absolutely.

25 MR. SUMPTER: So the board is still in

1 control.

2 It has to be reiterated, and I think board
3 members have said this so far, that for one, the
4 public has been pumped up against this assessment.
5 Silencing. You have to be against it. That has been
6 the outcry.

7 Also on KDKA radio, it has been mentioned
8 that the school district is a party of the suit. And
9 is driving this by -- I heard it with my own ears
10 coming over that air wave.

11 There still has to be something coming from
12 the district or coming from somewhere to combat the
13 misinformation that has been put out.

14 And hoping that, it has been stated over
15 and over and over again tonight, that whatever media
16 is covering this event would present the facts of what
17 was discussed here and what was said, that only three
18 weeks ago we entered in to this case as a party for
19 the extension.

20 And that was three weeks ago. So we had
21 nothing to do with this case from 2005 up until this
22 point.

23 MR. LALLEY: Absolutely correct.

24 I lived in Philadelphia at the time this
25 lawsuit was filed.

1 MR. SUMPTER: And it was brought by private
2 citizens, not the school district. And I think the
3 confusion may be over the names of attorneys
4 associated with the district and the case, which is
5 causing I think the complication.

6 But it is amazing how the media and elected
7 officials within this county can run with
8 misinformation and not rely on fact.

9 And again, I reiterate it such that
10 hopefully the fact it will get out there, even if it
11 is not reported as a result of this meeting, that we
12 do that on our own to get the information out there.

13 The other point of misinformation, I think,
14 is that, it has been stated again and again, at least
15 I heard it on KDKA radio, that we are using this
16 reassessment as a back door tax increase.

17 And because we weren't a party of the case,
18 it can't be the impetus of the school district to
19 bring that about.

20 MR. LALLEY: I would say this, it is
21 exactly the opposite of that assertion.

22 You, because of Act One, I don't think
23 there is any question that -- and it is not
24 particularly Pittsburgh.

25 Again, you just happen to be the first

1 district that is subject to this law, that is seeing a
2 reassessment county wide.

3 But that Act One is what puts those
4 limitations. And in a reassessment year, puts
5 stringent limitations on you, and then you have those
6 same kind of limitations in subsequent years.

7 So that you actually very well may see real
8 estate tax revenues reduced as a result of Act One.

9 So I wouldn't say that it is advantageous
10 in that sense to the district to have reassessment
11 occur.

12 But again, the district has never taken any
13 position certainly in this lawsuit about whether it
14 should or it shouldn't.

15 MR. SUMPTER: I will not drag things much
16 further. I think a lot has been said here before.

17 And I would hope that fair and balanced
18 reporting of this meeting occurs within the media.

19 Thank you.

20 MS. HAZUDA: Thank you, Mr. Sumpter.

21 Mrs. Shealey.

22 MS. SHEALEY: Thank you, Mrs. Hazuda.

23 Did you record me as being here?

24 MR. WEISS: Yes.

25 MS. SHEALEY: Thank you.

1 And this may be for Mr. Camarda. Or
2 whoever.

3 Are we required to vote to go to the
4 index?

5 Or did the vote -- I know we are required
6 to vote to say that we will not exceed the index. But
7 could you calculate the millage up to the index --
8 including the index increase without an overt vote of
9 the board?

10 Essentially, could he factor in the 1.7
11 percent increase allowed by Act One in to the millage
12 he presents to us without us voting? For him to do
13 that. For the finance people.

14 We voted not to exceed the index. We did
15 not vote to go to the index. That is what I am
16 asking.

17 Is an overt vote required for us to go to
18 the index?

19 MR. LALLEY: I can perhaps answer that
20 question.

21 My understanding is when you adopted -- you
22 adopted the resolution that Act One required you to
23 adopt. Because that would have set in the process of
24 whether or not you must go to referendum, or you are
25 limited to Act One.

1 I don't know. Normally, I would defer
2 to -- with your solicitor and what Mr. Camarda think
3 as to whether you have to break that out in a
4 resolution you ultimately adopt for the tax levy.

5 But my understanding is what you have
6 agreed to do is whatever your resolution is, it can't
7 be more than 1.7 percent in accordance with the Act
8 One restrictions.

9 And then it is a matter of showing how that
10 is in whatever resolution you actually adopt. Whether
11 you are going up to that amount, or whether you are
12 not.

13 And of course, you are still going to have
14 to see what valuations you are using and basing that
15 on. We will see what that is after Tuesday.

16 MS. SHEALEY: Okay. Yes.

17 I guess what I am trying to figure out,
18 though, when you calculate out these numbers --
19 because I am of the opinion if we are forced to use
20 the 2012 numbers, we will be short.

21 So I guess I am asking when you do the
22 calculations to set the millage, and I say that,
23 because the total assessed value in the city has
24 increased as a whole.

25 And we have to in turn lower the millage

1 rates to meet that no more than 1.7 percent increase.

2 But once the appeals process goes through,
3 and I will use my personal case as an example, the
4 assessed value of my house almost tripled.

5 If that value stands, it stands.

6 But I would clearly try to appeal that
7 value.

8 And so if they cut it in half, let's say,
9 then he based his millage off of a much higher
10 number. So I would actually see a decrease in my
11 property taxes.

12 And so if he is not baking the increase in
13 the index in to the millage that we set, that is
14 another 1.7 percent that the district could officially
15 lose.

16 MS. COLAIZZI: It is true.

17 MR. LALLEY: Again, if the Judge grants the
18 request, you won't have to worry about that issue.

19 But if he doesn't, then in determining how
20 you comply with Act One, you will have to have a
21 resolution that complies with your prior resolution
22 about how you are going to set that rate.

23 And however you set it, it can't allow for
24 an increase of more than 1.7 percent over a
25 neutralized number. And that is based on face value

1 of the assessments.

2 MS. SHEALEY: Essentially, if we collected
3 100 dollars last year, we can collect 101.70 total.

4 MR. LALLEY: Yes.

5 MS. SHEALEY: Thank you.

6 Thank you, Mrs. Hazuda. Save the rest for
7 later.

8 MS. HAZUDA: Thank you, Ms. Shealey.

9 If there are no further questions from
10 other board members. I would like to ask Attorney
11 Lalley if it would be prudent for the board to recess
12 this evening without taking any action in light of the
13 session with Judge Wettick scheduled for 2:00 p.m.
14 tomorrow, January 10th?

15 MR. LALLEY: That is my recommendation.

16 MS. COLAIZZI: So moved.

17 MS. HAZUDA: One further clarification.

18 Given the conversation Attorney Lalley has already had
19 with Judge Wettick concerning the likely need for this
20 board to request another extension beyond January 11,
21 I would appreciate it if Attorney Lalley would confirm
22 whether it would be appropriate for the board to
23 recess until Wednesday, January 18th at 6:30 p.m.,
24 which would be the same time that this board was to
25 meet for its agenda review session.

1 MR. LALLEY: Yes.

2 And I will make sure that the court is
3 apprised of that date at tomorrow's hearing, so we can
4 have an appropriate order from the court to give you
5 that time.

6 MS. HAZUDA: Thank you.

7 May I have a motion to recess this meeting
8 to January 18th, 2012 at 6:30 p.m. in this location?

9 MS. COLAIZZU: Point of clarification
10 prior, if I may.

11 All I want to know is where do we stand as
12 a district financially, because of not being able to
13 collect any taxes at all due to this process.

14 Bill, can you say that on the record?

15 MR. ISLER: We haven't sent out tax bills
16 yet. You don't have revenue. You don't get revenue
17 in until whatever the early day is, the end of
18 February.

19 MR. LALLEY: Typically, February and March
20 is really when you start to see bulk collections.

21 MR. ISLER: Right now that is not an
22 issue. It depends what the Judge's order is as to
23 whether bills need to be sent out for payment and
24 everything else.

25 MS. COLAIZZU: Thank you for clarifying

1 that.

2 So moved.

3 MS. SHEALEY: Second.

4 MS. HAZUDA: Isler already did. So Isler,
5 Colaizzi. To recess the meeting. All those in favor,
6 please signify by saying "aye".

7 (Chorus of ayes.)

8 MS. HAZUDA: Opposed?

9 (No response.)

10 MS. HAZUDA: This meeting is recessed until
11 January 18th, 2012 at 6:30 p.m. in the same location.
12 Thank you.

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14 (Thereupon, at 6:40 o'clock p.m. the
15 hearing was adjourned.)

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1 C-E-R-T-I-F-I-C-A-T-E

2 I, Lance E. Hannaford, the undersigned, do
3 hereby certify that the foregoing fifty-seven (57)
4 pages are a true and correct transcript of my
5 stenotypy notes taken of the Special Legislative
6 Meeting held in the Pittsburgh Board of Public
7 Education, Administration Building, Board Committee
8 Room, on Monday, January 9, 2012.

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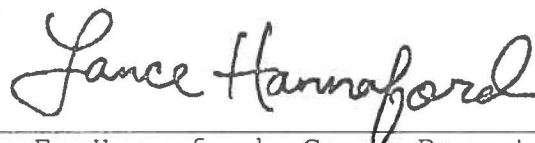
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Lance E. Hannaford, Court Reporter

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