

The District School Board of Indian River County met on September 9, 2014, at 5:01 p.m. The meeting was held in the Teacher Education Center located at the J.A. Thompson Administrative Center, 1990 25th Street, Vero Beach, Florida 32960. District School Board Members attending were: Chairman Carol Johnson, Vice Chairman Matthew McCain, and Board Members: Claudia Jiménez, Karen Disney-Brombach, and Dale Simchick. Dr. Frances J. Adams, Superintendent of Schools; and Suzanne D'Agresta, School Board Attorney, were also present.

Special Meeting and Final Public Hearing to Adopt 2014-2015 Budget

and Millage Rates, Budget Amendments, and Annual Financial and Cost Reports for 2013-2014

I. Meeting was called to Order by Chairman Johnson.
Chairman Johnson stated that this was a special meeting for the final public hearing to adopt the 2014-2015 Budget and Millage Rates, Budget Amendments, and Annual Financial and Cost Reports for 2013-2014.

II. Purpose of Meeting – Dr. Adams
Dr. Adams stated that the purpose of the meeting was two-fold. The first part of the meeting was to approve the final 2013-2014 budget amendments contained within Consent Agenda A. These included the Internal Services Insurance Fund, Debt Service, Food Service, General Fund, Capital Fund, Special Revenue, Management Training Institute, and the Extended Day Enterprise Fund. These amendments were based on the final results of operations and activities in those various funds. In addition, the Board had in front of them for approval the Superintendent's Annual Financial Report and Cost Report for the fiscal year that ended June 30, 2014, contained within Consent Agenda B.

The second part of the meeting was for the Board to adopt millage rates and a budget for the 2014-2015 fiscal year after receiving public input. TRIM (Truth in Millage) advertisements had been placed according to the specifications of law. TRIM required that the first issue discussed at the public hearing be the proposed millage rates for the fiscal year. By law, the budget was required to be adopted after the adoption of the millage and after public input on the budget. After the Consent Agenda was approved, Dr. Adams said that she would ask Mr. Morrison to review the proposed 2014-2015 millage and budget, followed by input from the public. Then, the Board would be asked to adopt appropriate motions with roll call votes.

III. Consent Agenda – Chairman Johnson
Chairman Johnson called for a motion. Mrs. Disney-Brombach moved approval of the Consent Agenda. Ms. Jiménez seconded the motion and it carried unanimously, with a 5-0 vote.

A. Approval of Budget Amendments – Mr. Morrison

The Superintendent recommended approval for the following Budget Amendments:

Amendment #1 – Special Revenue - Food Service

Amendment #1 – Insurance Fund

Amendment #2 – Debt Service

Amendment #4 – General Fund

Amendment #5 – Capital Projects

Amendment #6 – Special Revenue - Other

Explanation of the amendments accompanied the attached Budget Amendments. Insurance Fund was available prior to the meeting. Superintendent recommended approval.

B. Approval of Annual Financial and Cost Reports for 2013-2014 – Mr. Morrison

The Superintendent recommended approval of Form ESE 145-Annual Financial Report, Form ESE 348-Report of Financial Data, and the Annual Cost Report submission to the Commissioner of Education for the fiscal year ending June 30, 2014. These reports were available at the time of the meeting. Superintendent recommended approval.

IV. Action Agenda – Chairman Johnson

A. Approval of Resolution #2015-03 to Exercise Flexibility Authority over Categorical Funds Pursuant to Florida Statute 1011.62(6)(b) – Mr. Morrison

During the fiscal 2012/13 Special Legislative Session, the Legislature amended Florida Statute 1011.62(6)(b) to grant to School Districts the authority to exercise flexibility to expend funds allocated to the School District from the State of Florida Education Finance Program (FEFP) in the areas of Student Transportation, Safe Schools, Supplemental Academic Instruction, Research Based Reading Instruction, and Instructional Materials. The purpose of this Resolution was to exercise flexibility over Instructional Materials funding for a total amount of \$1,654,890.21. A copy of the Resolution was available prior to the meeting. Superintendent recommended approval.

Chairman Johnson called for a motion. Mr. McCain moved approval of Resolution #2015-03 to Exercise Flexibility Authority over Categorical Funds Pursuant to Florida Statute 1011.62(6)(b). Mrs. Disney-Brombach seconded the motion. Board Members were given an opportunity to speak to the motion. The Board voted unanimously in favor of the motion as follows:

Mr. McCain	Yes
Ms. Jiménez	Yes
Mrs. Simchick	Yes
Mrs. Disney-Brombach	Yes
Chairman Johnson	Yes

The roll call vote was unanimous, with a 5-0 vote.

V. Public Hearing – Chairman Johnson

A. Discussion of Rollback Rate and Proposed Millage Rates – Mr. Morrison

Mr. Morrison reviewed the 2014-2015 proposed millage rates as follows:

Proposed 2014-2015 Millage

Millage	Adopted 2013-2014	Proposed 2014-2015	Increase/ (Decrease)
Operating:			
Required Local Effort	5.268	5.147	(0.121)
Local Discretionary	0.748	0.748	0.000
Special Millage Referendum	0.600	0.600	0.000
Capital Outlay	1.500	1.500	0.000
Total Millage	8.116	7.995	(0.121)

Mr. Morrison reviewed the Millage, as per Statute, with the Rollback Rate as follows:

Roll-back Rate versus Proposed Millage

Millage	Rollback 2014-2015	Proposed 2014-2015	Increase/ (Decrease)
Operating:			
Required Local Effort	5.087	5.147	0.060
Local Discretionary	0.722	0.748	0.026
Capital Outlay	1.448	1.500	0.052
Voted Millage	0.579	0.600	0.021
Total Millage	7.836	7.995	0.159

Mr. Morrison noted that the 2014-2015 Proposed Millage was 2.01% higher than the roll back rate.

Mr. Morrison referenced the impact of proposed millage and explained using an example of \$200,000 homestead as follows:

Scenario #1

<ul style="list-style-type: none"> ▪ Assumes <u>no</u> increase in assessed valuation of \$200,000 home ▪ 13/14 Taxes \$1,420.30 ▪ 14/15 Taxes \$1,399.13 ▪ Tax Decrease (\$21.17) or 1.49% 	Assessed Value	\$200,000
	-----	-----
	Less –	
	Homestead Exemption	<u>(25,000)</u>
	-----	-----
Taxable Value of Home	\$175,000	

Scenario #2

<ul style="list-style-type: none"> ▪ Assumes 4.65% increase in assessed valuation of \$200,000 home, \$9,300 increase ▪ 13/14 Taxes \$1,420.30 ▪ 14/15 Taxes \$1,473.48 ▪ Tax Increase \$53.18 or 3.74% more 	Assessed Value	\$209,300
	-----	-----
	Less –	
	Homestead Exemption	<u>(25,000)</u>
	-----	-----
Taxable Value of Home	\$184,300	

Mr. Morrison stated that the most realistic rates, as reported by the Property Appraiser’s Office, was scenario #2. Individual tax rates were dependent upon individual property tax assessments.

B. Public Input on Millage Rates – Chairman Johnson

Public Hearing

Chairman Johnson asked the Superintendent if the Public Hearing was properly advertised in accordance with State Statutes. Dr. Adams said, “Yes.” Chairman Johnson recessed the meeting to conduct the Public Hearing.

Chairman Johnson announced that the Public Hearing was in session. She asked Dr. Adams if there were any written responses to be read. Dr. Adams said, "No." The public was invited to address this issue.

Hearing no requests to speak, Chairman Johnson announced that the Public Hearing was conducted pursuant to notice and that ample opportunity to address this issue was provided to all. The Board meeting was reconvened.

C. Motions for Setting Millage Rates – Chairman Johnson

Approval of Millage Rates for 2014-2015 that represented Required Local Effort, Basic Discretionary, Additional Voted, and Capital Outlay by Resolution #2015-04. A copy of the Resolution was available prior to the meeting. Superintendent recommended approval.

Chairman Johnson called for a motion to adopt the millage rates. Mrs. Simchick moved approval to adopt Resolution #2015-04 adopting the millage rates as advertised for 7.995 mills representing Required Local Effort, Discretionary Operating, Additional Voted Millage, and Capital Outlay. Ms. Jiménez seconded the motion. Board Members were given an opportunity to speak to the motion. The Board voted unanimously in favor of the motion as follows:

Mr. McCain	Yes
Ms. Jiménez	Yes
Mrs. Simchick	Yes
Mrs. Disney-Brombach	Yes
Chairman Johnson	Yes

The roll call vote was unanimous, with a 5-0 vote.

D. Discussion of Budget – Mr. Morrison

Mr. Morrison highlighted specific pages in the Budget Book, starting with page 36. He stated that something new in the Budget Book was a breakdown of personnel allocations for each fund. The Proposed Beginning Budget was as follows:

Proposed Beginning Budget

FUNDS	2013-2014	2014-2015	Differences
General Operating	\$156,283,669.	\$161,263,530.	\$4,979,861.
Debt Service	17,619,316.	22,475,399.	4,856,083
Capital Projects	54,924,882.	41,564,030.	(13,360,852.)
Special Rev – Food Svs	10,571,395.	11,220,336.	648,941.
Special Rev – Other	13,141,252.	11,768,957.	(1,372,295.)
Internal Service	21,556,183.	21,562,781.	6,598.
Enterprise Fund	1,272,139.	1,340,541.	68,402.
Grand Totals	\$275,368,836.	\$271,195,574.	(4,173,262).

Dr. Adams said that she would provide more information on the extra hour required for Fellsmere Elementary and the curriculum offered for students of Title I Schools. There was discussion with the Board regarding the startup funds for the Wellness Center. Mr. Morrison said that there were some unexpected expenditures that would come to the Board in the form of an amendment in the amount of \$25,000. Board Members voiced their concerns regarding the reduction of pay for substitute teachers. Dr. Adams said that they were going to keep an eye on the substitute rate throughout the year. There was a discussion on the Unrestricted Reserves. A Board Member cautioned the Board regarding the fund balance because of the upcoming budget shortfall of \$5.7 million more than the District was bringing in for 2014-2015. The result would be the possibility of having to cut positions next year, rather than increasing pay for anyone. It was important not to spend any additional funds. Dr. Adams stated that staff made deep cuts to the budget this year in the proposed budget. Board Member mentioned the importance of having the conversation of adjusting the reserves and the budget to face reality. Mr. Morrison continued his presentation of the proposed funds.

E. Public Input on Proposed Budget – Chairman Johnson
Public Hearing

Chairman Johnson asked the Superintendent if the Public Hearing was properly advertised in accordance with State Statutes. Dr. Adams said, "Yes." Chairman Johnson recessed the meeting to conduct the Public Hearing.

Chairman Johnson announced that the Public Hearing was in session. She asked Dr. Adams if there were any written responses to be read. Dr. Adams said, "No." The public was invited to address this issue.

Hearing no requests to speak, Chairman Johnson announced that the Public Hearing was conducted pursuant to notice and that ample opportunity to address this issue was provided to all. The Board meeting was reconvened.

F. Motion for Adoption of Budget – Chairman Johnson

Superintendent recommended approval of 2014-2015 School District of Indian River County's Budget by Resolution #2015-05. A copy of the Resolution was available prior to the meeting. Superintendent recommended approval.

Chairman Johnson called for a motion. Mrs. Disney-Brombach moved approval of Resolution #2015-05 to adopt the fiscal year 2014-2015 beginning budget as presented at this meeting. Mr. McCain seconded the motion. Mr. Morrison read Resolution #2015-05 for the record. Board Members thanked staff for staying student focused in preparing the budget for the coming school year. The Board voted unanimously in favor of the motion with a roll call vote as follows:

Mr. McCain Yes

Ms. Jiménez Yes

Mrs. Simchick Yes

Mrs. Disney-Brombach Yes

Chairman Johnson Yes

The roll call vote was unanimous, with a 5-0 vote.

- VI. Closing Comments – Dr. Adams/Mr. Morrison
Dr. Adams thanked the Finance Staff and Mr. Morrison for their hard work.
- VII. Adjournment – Chairman Johnson

With no further business, the meeting adjourned at approximately 5:59 p.m.