

The District School Board of Indian River County met on September 8, 2015, at 5:01 p.m. The meeting was held in the Teacher Education Center located in the School District Office at the J.A. Thompson Administrative Center located at 1990 25th Street, Vero Beach, Florida 32960. District School Board Members attending were: Chairman Matthew McCain, Vice Chairman Charles G. Searcy, and Board Members: Claudia Jiménez, Dale Simchick, and Shawn R. Frost. Dr. Mark J. Rendell, Superintendent of Schools; and Suzanne D'Agresta, School Board Attorney, were also present.

Special Meeting and Final Public Hearing to Adopt 2015-2016 Budget and Millage Rates

I. Meeting was called to order by Chairman McCain.

II. Purpose of Meeting

Dr. Rendell stated that the purpose of the meeting was two-fold. The first part of the meeting was to approve the final 2014-2015 budget amendments contained within Consent Agenda A. These included: Enterprise Fund-Extended Day Program, Internal Service-Insurance Fund, Debt Service, Special Revenue-Food Service, Capital Fund, Special Revenue-Federal Funds, and the General 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 in substantially completed form for fiscal year that ended June 30, 2015, that was contained within Consent Agenda B. In addition, on the Action Agenda for the Board's approval was a Categorical Flexible Spending Resolution as authorized by Florida Statutes 1011.62(6)(b).

The second part of tonight's meeting was for the Board to adopt millage rates and a budget for the 2015/2016 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 was 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.

III. Consent Agenda

Chairman McCain called for a motion. Ms. Jiménez moved approval of the Consent Agenda. Mr. Searcy seconded the motion. Board Member had a question regarding an unexpected expenditures for the Employee Wellness Center and asked for an anniversary report on how the Center was doing. Mr. Morrison addressed the question. Dr. Fritz said that he would prepare an annual update for the Board. Board Member also noted that Food Services had a healthier budget than in years' past. The Board voted unanimously in favor of the motion, with a 5-0 vote.

A. Approval of Budget Amendments

The Superintendent recommended approval for the following Budget Amendments.

Amendment #1 – Enterprise Fund – Extended Day Program

Amendment #1 – Internal Service - Insurance Fund

Amendment #4– Debt Service

Amendment #3 – Special Revenue - Food Service

Amendment #4 – Capital Fund

Amendment #4 – Special Revenue – Federal Funds

Amendment #3 – General Fund - May and June

Explanation of the amendments accompanied the attached Budget Amendments.
Superintendent recommended approval.

B. Approval of Annual Financial and Cost Reports for 2014-2015

The Superintendent recommended approval for Form ESE 145-Annual Financial Report, Form ESE 348-Report of Financial Data in substantially completed form, and the Annual Cost Report submission to the Commissioner of Education for the fiscal year ending June 30, 2015. These reports would be available at the time of the meeting. Superintendent recommended approval.

V. Action Agenda

A. Approval of Resolution #2016-03 to Exercise Flexibility Authority over Categorical Funds Pursuant to Florida Statute 1011.62(6)(b)

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 \$392,439.72. A copy of the Resolution was available prior to the meeting. Superintendent recommended approval.

Chairman McCain called for a motion. Ms. Jiménez moved approval of Resolution #2016-03 for the adoption of the Categorical Flexible Spending Resolution pursuant to Section 1011.62(6)(b) Florida Statutes, exercising flexibility to expend funds allocated to the School District for instructional materials. Mrs. Simchick seconded the motion. Chairman McCain called for a roll call vote as follows:

Mr. Frost Yes

Mrs. Simchick Yes

Ms. Jiménez Yes

Mr. Searcy Yes

Chairman McCain Yes

The Board voted unanimously in favor of the motion, with a 5-0 vote.

VI. Public Hearings

A. Discussion of Rollback Rate and Proposed Millage Rates

Mr. Morrison stated that all of the information for this meeting had been placed on the website last week. He reviewed the handouts that included a script that he prepared for this meeting. Mr. Morrison reviewed the millage rates as follows:

Millage	Adopted 2014-2015	Proposed 2015-2016	Increase/ (Decrease)
Operating:			
Required Local Effort	5.147	5.107	(0.040)
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	7.995	7.955	(0.040)

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

Millage	Rollback 2015-2016	Proposed 2015-2016	Increase/ (Decrease)
Operating:			
Required Local Effort	4.830	5.107	0.277
Local Discretionary	0.702	0.748	0.046
Capital Outlay	1.408	1.500	0.092
Voted Millage	0.563	0.600	0.037
Total Millage	7.503	7.955	0.452

Note: 2015-2016 Proposed millage is 6.03% higher than the roll-back rate

Mr. Morrison reviewed the impact of proposed millage on a typical residential home. Two scenarios were depicted as follows:

Tax on a Residential Home - Scenario #1

<ul style="list-style-type: none"> ▪ Assumes <u>no</u> increase in assessed valuation of \$200,000 home ▪ 14/15 Taxes \$1,399.13 ▪ 15/16 Taxes \$1,392.13 ▪ Tax <u>Decrease</u> (\$7) or 0.53% 	Assessed Value	\$200,000
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	Less – Homestead Exemption	(25,000)
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	Taxable Value of Home	\$175,000

Tax on a Residential Home - Scenario #2

<ul style="list-style-type: none"> ▪ Assumes 7.42% increase in assessed valuation of \$200,000 home, \$3,484 increase ▪ 14/15 Taxes \$1,399.13 ▪ 15/16 Taxes \$1,419.84 ▪ Tax Increase \$20.72 or 1.48% more 	Assessed Value	\$203,484
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	Less – Homestead Exemption	(25,000)
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	Taxable Value of Home	\$178,484

Mr. Morrison stated that, as reported by the Indian River County Property Appraiser, Scenario #2 was the most likely tax scenario to expect in Indian River County. He reminded the public and Board that a homeowner's tax assessment was dependent upon the individual tax statement received from the Indian River County Property Appraiser's Office.

B. Public Input on Millage Rates

Public Hearing

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

Chairman McCain announced that the Public Hearing was in session. He asked Dr. Rendell if there were any written responses to be read. Dr. Rendell said, "No, Sir, we have not received written correspondence." The public was invited to address this issue.

Hearing no requests to speak, Chairman McCain 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

Approval of Millage Rates for 2015-2016 that represented Required Local Effort, Basic Discretionary, Additional Voted, and Capital Outlay by Resolution #2016-04. Superintendent recommended approval.

Chairman McCain called for a motion. Mrs. Simchick moved approval of Resolution 2016-04 to adopt the millage rates as advertised for 7.955 mills that represented Required Local Effort, Discretionary Operating, additional voted Millage, and Capital Outlay. Ms. Jiménez seconded the motion. Chairman McCain called for a roll call vote as follows:

Mr. Frost	Yes
Mrs. Simchick	Yes
Ms. Jiménez	Yes
Mr. Searcy	Yes
Chairman McCain	Yes

In favor of the motion, the Board voted unanimously, with a 5-0 vote.

Mr. Morrison read Resolution #2016-04 in its entirety for the record.

D. Discussion of Budget

Dr. Rendell stated that he recommended approval of the budget for the 2015-2016 school year. Mr. Morrison reviewed the 2015-2016 Tentative Budget as follows:

FUNDS	2014-2015	2015-2016	Difference
General Operating	\$161,263,530.	\$168,495,033.	\$7,231,503
Debt Service	22,475,399.	18,601,215.	(3,874,184)
Capital Projects	41,564,030.	38,683,404.	(2,880,626)
Special Rev – Food Service	11,220,336.	10,908,763.	(311,573)
Special Rev – Other	11,768,957.	11,239,928.	(529,029)
Internal Service	21,562,781.	18,813,916.	(2,748,865)
Enterprise Fund	1,340,541.	1,427,916.	87,375
Grand Total	\$271,195,574.	\$268,170,176.	(3,025,399)

E. Public Input on Proposed Budget

Public Hearing

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

Chairman McCain announced that the Public Hearing was in session. He asked Dr. Rendell if there were any written responses to be read. Dr. Rendell said that he received two emails this afternoon. He read emails received from Katrena McMahan and Bonnie Reamy, for the record.

Hearing no requests to speak, Chairman McCain 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

Superintendent recommended approval of 2015-2016 School District of Indian River County’s Budget by Resolution #2016-05. Chairman McCain called for a motion. Mrs. Dale Simchick moved approval of Resolution 2016-05 to adopt fiscal year 2015-2016 beginning budget as presented at this hearing. The motion was seconded by Mr. Searcy. Chairman McCain called for a roll call vote.

- Mr. Frost No
 - Mrs. Simchick Yes
 - Ms. Jiménez Yes
 - Mr. Searcy No
 - Chairman McCain Yes
- The motion carried with a 3-2 vote.

VII. Closing Comments

Dr. Rendell recognized staff for their hard work and thanked the Board for having faith in all of our staff. He said that it was a responsible budget and the funds would be spend wisely. Mr. Morrison acknowledged the work put forth by new staff in the Finance Department.

VIII. Adjournment

Meeting adjourned at approximately 5:28 p.m.