



Leading our Students to Success

201 West Burleigh Boulevard · Tavares · FL 32778-2496
(352) 253-6500 · Fax: (352) 343-0198 · www.lake.k12.fl.us

Superintendent:
Diane Kornegay, M.Ed.

School Board Members:
District 1
Bill Mathias
District 2
Kristi Bruns, PhD
District 3
Marc Dodd
District 4
Sandy Gamble
District 5
Stephanie Luke

MEMORANDUM

DATE: July 25, 2017
TO: Diane Kornegay, Superintendent
School Board Members
FROM: Carol J. MacLeod, Chief Financial Officer
SUBJECT: Required TRIM notice to be published on July 28, 2017

On July 24, 2017, we requested and received Board approval to advertise the preliminary budget and proposed millage rates as required under Section 200.065(2)(c), Florida Statutes.

That advertisement will appear on July 28, 2017 in the Daily Commercial. The Public Hearing must be held within 2-5 days following the advertisement and is scheduled for July 31, 2017 at 5:01 PM in the School Board Room of the District.

Attached are copies of the advertisements as they will appear.

Budget Summary
Notice of Tax Increase
Notice of Tax for School Capital Outlay

Please note the following highlights:

The TRIM advertisement is reflective of the PRELIMINARY Budget for the 2017-18 Fiscal Year. The Final Budget will differ once the books have been closed for the 2016-17 fiscal year and the final balances have been brought forward. Minor adjustments will be made between programs and functions, but in total there should be very little change in the Final Total Budget.

- 1) The Budget Summary reports a proposed increase of operating expenditures of 1.5% and is reflective of the proposed budgets as presented to the Board through July 31, 2017.
- 2) The Overall Budget for the District has increased by \$24,488,880 from \$548,929,080 to \$576,417,960. The increase is comprised of the following changes by fund category:

| Fund | 2017-18 | 2016-17 | Difference |
|------------------------|-----------------------|-----------------------|----------------------|
| General Operating | \$ 331,849,447 | \$ 327,062,641 | \$ 4,786,806 |
| Special Revenue | 56,170,134 | 50,660,928 | \$ 5,509,206 |
| Debt Service | 33,689,875 | 33,331,170 | \$ 358,705 |
| Capital Outlay | 103,452,706 | 91,688,943 | \$ 11,763,763 |
| Enterprise Funds | 3,980,798 | 4,185,398 | \$ (204,600) |
| Internal Service | 44,275,000 | 42,000,000 | \$ 2,275,000 |
| Total All Funds | \$ 573,417,960 | \$ 548,929,080 | \$ 24,488,880 |

The State FEFP Funding model increased by approximately \$3.8M. Most of these funds are from projected increase in enrollment of 176 students. A more complete discussion of the budget items will follow under separate cover.

The increase in Special Revenue Funds reflects the projected increase in participation on the Federal School Lunch Programs. In addition, many of the other Federal Projects do not receive final approval until September, at which time the revenues and matching expenditures will be amended. This number will change prior to adoption of the final budget in September.

The increase in Debt Service Funds is reflective of the results of our continuing efforts to refund outstanding debt with lower interest rates to decrease future payments. Also note, as discussed several outstanding COP issues will be paid in full during the 2017-18 fiscal year and reduce the subsequent year debt service requirements substantially. See complete discussion of Debt Service requirements presented to the board on June 19, 2017 and included under Budget Section J.

The increase in the Capital Outlay Funds is reflective of increasing Impact Fee Collections, reduced transfers to the General Fund and the limited number of large capital projects currently under way.

Enterprise Funds are the self-supporting Extended Learning Centers and are estimated based on projected ending fund balances and prior year activity.

The Internal Service Funds include the self-funded employee health insurance fund and reflect the increase in revenues and expenditures of projected health care costs. Health care costs continue to rise, and therefore, contributions to cover claims have increased. However, our overall Health Insurance expenditure position has remained very stable due in part to the successful operation of the four Health and Wellness Centers.

We advertised a “Notice of Tax Increase”. The rolled-back rate is the millage rate necessary to generate the same amount of money that was raised the prior school year, but using the new property values, after adjusting for new construction. The calculated rolled back rate would be 6.4696 mills and our proposed

millage rate is 6.6030 mills. Therefore the rolled-back rate is less than the proposed rate and it is considered a tax increase even though we will lower the actual millage rate levied.

- 1) The certified millage rate required by the Florida Department of Education included in the FEFP formula has DECREASED by 0.0.272 mills.

| | Millage | | |
|----------------------------|--------------|--------------|--------------|
| | 2017-18 | 2016-17 | Change |
| Required Local Effort | 4.355 | 4.627 | -0.272 |
| Discretionary Local Effort | 0.748 | 0.748 | 0.000 |
| Capital | <u>1.500</u> | <u>1.500</u> | <u>0.000</u> |
| Total | 6.603 | 6.875 | -0.272 |

- 2) The total tentative millage, as advertised, is expected to generate \$1,705,301 more than last year. As required, the budgeted revenue is based on a 96% collection rate for the entire levy.

| | Budgeted Revenue from Levy | | |
|----------------------------|----------------------------|-------------------|------------------|
| | 2017-18 | 2016-17 | Change |
| Required Local Effort | 88,271,597 | 86,103,216 | 2,168,381 |
| Discretionary Local Effort | 15,161,229 | 13,919,431 | 1,241,798 |
| Capital | <u>30,403,535</u> | <u>27,913,297</u> | <u>2,490,238</u> |
| Total | 133,836,361 | 127,935,944 | 5,900,417 |

I have also attached the script for the Budget Hearing on Monday. As part of the TRIM requirements, this becomes very prescriptive. We have to follow the TRIM directions EXACTLY. The advertisements have been placed as required including where they must be placed in the paper, how big the ad must be and how big the typeface must be. As part of the hearing, the tentative millage rates must be read out loud and adopted prior to adopting the tentative budget.

The final hearing in September will follow a very similar process.

As always, if you have any questions, please let me know.

BUDGET SUMMARY DISTRICT SCHOOL BOARD OF LAKE COUNTY

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE SCHOOL BOARD OF LAKE COUNTY ARE 1.5% GREATER THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

FISCAL YEAR 2017 - 2018

| <u>PROPOSED MILLAGE LEVIES SUBJECT TO 10-MILL CAP:</u> | | <u>PROPOSED MILLAGE LEVIES NOT SUBJECT TO 10-MILL CAP:</u> | |
|---|--------|--|------------------|
| Required Local Effort (including Prior Period Funding Adjustment Millage) | 4.3550 | Discretionary Operating Additional Millage Not to Exceed 4 Years (Operating) | 0.7480 0.0000 |
| Local Capital Improvement (Capital Outlay) | 1.5000 | Operating or Capital Not to Exceed 2 Years | 0.0000 |
| Discretionary Capital Improvement | 0.0000 | Debt Service | 0.0000 |
| | | TOTAL MILLAGE | 6.6030 |

| <u>ESTIMATED REVENUES:</u> | GENERAL FUND | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | ENTERPRISE FUND | INTERNAL SERVICE | TOTAL ALL FUNDS |
|---|----------------------|---------------------|---------------------|----------------------|--------------------|---------------------|----------------------|
| Federal Sources | 1,915,000 | 39,401,045 | | | | | 41,316,045 |
| State Sources | 196,020,366 | 227,530 | 1,138,158 | 700,000 | | | 198,086,054 |
| Local Sources | 108,174,238 | 4,113,754 | | 57,186,217 | 2,821,738 | 44,275,000 | 216,570,947 |
| TOTAL SOURCES | 306,109,604 | 43,742,329 | 1,138,158 | 57,886,217 | 2,821,738 | 44,275,000 | 455,973,046 |
| Transfers in | 13,600,000 | | 31,295,606 | | | | 44,895,606 |
| Fund Net Asset Balances | 12,139,843 | 12,427,805 | 1,256,111 | 45,566,489 | 1,159,060 | 0.00 | 72,549,308 |
| TOTAL REVENUES, TRANSFERS AND FUND/NET ASSET BALANCES | \$331,849,447 | \$56,170,134 | \$33,689,875 | \$103,452,706 | \$3,980,798 | \$44,275,000 | \$573,417,960 |
| <u>EXPENDITURES:</u> | | | | | | | |
| Instruction | 204,122,590 | 8,509,888 | | | | | 212,632,478 |
| Pupil Personnel Services | 14,439,083 | 3,676,154 | | | | | 18,115,237 |
| Instructional Media Services | 3,375,369 | | | | | | 3,375,369 |
| Instructional & Curriculum Development Services | 6,331,880 | 7,241,147 | | | | | 13,573,027 |
| Instructional Staff Training Services | 4,243,571 | 4,021,510 | | | | | 8,265,081 |
| Instruction Related Technology | 2,919,493 | | | | | | 2,919,493 |
| School Board | 787,358 | | | | | | 787,358 |
| General Administration | 1,076,801 | 792,103 | | | | | 1,868,904 |
| School Administration | 18,383,833 | | | | | | 18,383,833 |
| Facilities Acquisition and Construction | 663,081 | | | 9,436,839 | | | 10,099,920 |
| Fiscal Services | 1,893,589 | 5,555 | | | | | 1,899,144 |
| Food Services | | 19,082,232 | | | | | 19,082,232 |
| Central Services | 6,464,252 | 47,399 | | | | 43,775,000 | 50,286,651 |
| Pupil Transportation Services | 16,064,939 | 360,811 | | 3,000,000 | | | 19,425,750 |
| Operation of Plant | 25,946,234 | 4,830 | | | | | 25,951,064 |
| Maintenance of Plant | 7,476,320 | | | 600,000 | | | 8,076,320 |
| Administrative Technology Services | 4,508,216 | | | | | | 4,508,216 |
| Community Services | 130,464 | 700 | | | 2,821,738 | | 2,952,902 |
| Debt Services | | | 32,433,764 | | | | 32,433,764 |
| TOTAL EXPENDITURES | \$318,827,073 | \$43,742,329 | \$32,433,764 | \$13,036,839 | \$2,821,738 | \$43,775,000 | \$454,636,743 |
| Transfers Out | 776,966 | | | 43,018,640 | 600,000 | 500,000 | 44,895,606 |
| Fund Net Asset Balances | 12,245,408 | 12,427,805 | 1,256,111 | 47,397,227 | 559,060 | - | 73,885,611 |
| TOTAL APPROPRIATED EXPENDITURES, TRANSFERS AND FUND/NET ASSET BALANCES | \$331,849,447 | \$56,170,134 | \$33,689,875 | \$103,452,706 | \$3,980,798 | \$44,275,000 | \$573,417,960 |

The tentative, adopted, and/or final budgets are on file in the office of the above mentioned taxing authority as a public record.

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY

The Lake County School Board will soon consider a measure to continue to impose a 1.50 mill property tax for the capital outlay projects listed herein.

This tax is in addition to the school board's proposed tax of 5.103 mills for operating expenses and is proposed solely at the discretion of the school board.

****THE PROPOSED COMBINED SCHOOL BOARD TAX INCREASE FOR BOTH OPERATING EXPENSES AND CAPITAL OUTLAY IS SHOWN IN THE ADJACENT NOTICE.**

The capital outlay tax will generate approximately \$30,403,536 to be used for the following projects:

MAINTENANCE, RENOVATION, AND REPAIR

Reimbursement of the Maintenance, Renovation, and Repairs paid through the General Fund as permitted by Florida Statute

Maintenance, Renovation and Repair at Various School and District Sites

Demolition and Debris Removal (District Owned Property)

Deficiency Remediation and/or Unforeseen Emergencies

MOTOR VEHICLE PURCHASES

Purchase of up to twenty (20) School Buses

Purchase of Maintenance Vehicles and Other Operations Support Vehicles

NEW AND REPLACEMENT EQUIPMENT, COMPUTER AND DEVICE HARDWARE AND OPERATING SYSTEM SOFTWARE NECESSARY FOR GAINING ACCESS TO OR ENHANCING THE USE OF ELECTRONIC AND DIGITAL INSTRUCTIONAL CONTENT AND RESOURCES, AND ENTERPRISE RESOURCE SOFTWARE

Instructional Technology Equipment/Software (School and District Sites)

Furniture, Technology, Software and Equipment (School and District Sites)

PAYMENTS FOR EDUCATIONAL FACILITIES AND SITES DUE UNDER A LEASE-PURCHASE AGREEMENT

Annual master lease payments for various facilities and renovations

Debt service on certificates of participation for various sites

PAYMENT OF COSTS OF COMPLIANCE WITH ENVIRONMENTAL STATUTES, RULES, AND REGULATIONS

Removal of Hazardous Waste/Remediation - Various School and District Sites

Deficiency Remediation and/or Unforeseen Emergencies

PAYMENTS OF COSTS OF LEASING RELOCATABLE EDUCATIONAL FACILITIES

Various School and District Sites

CHARTER SCHOOL CAPITAL OUTLAY PROJECTS PURSUANT TO S. 1013.62(4),F.S.

Purchase of real property

Construction of school facilities

Purchase or lease of permanent or relocatable school facilities

Purchase of vehicles to transport students

Renovation, repair, and maintenance of school facilities

Payment of the cost of premiums for property and casualty insurance necessary to insure school facilities

Computer and device hardware and operating systems software necessary

for gaining access to enhancing the use of electronic and digital instructional content and resources, and enterprise resource software

Payment of the cost of opening day collection for library media center

All concerned citizens are invited to a public hearing to be held on July 31, 2017, at 5:01 P.M., in the Board Room, Lake County School District Office, 201 West Burleigh Blvd, Tavares, FL A DECISION on the proposed CAPITAL OUTLAY TAXES will be made at this hearing.

NOTICE OF PROPOSED TAX INCREASE

The Lake County School Board will soon consider a measure to increase its property tax levy.

Last year's property tax levy:

| | | |
|---|----|--------------------|
| A. Initially proposed tax levy..... | \$ | <u>133,266,607</u> |
| B. Less tax reductions due to Value Adjustment Board and other assessment changes..... | \$ | <u>790,899</u> |
| C. Actual property tax levy..... | \$ | <u>132,475,708</u> |

This year's proposed tax levy..... \$ 139,412,876

A portion of the tax levy is required under state law for the school board to receive \$145,705,328 in state education grants. The required portion has increased by .02 percent, and represents approximately seven tenths of the total proposed taxes.

The remainder of the taxes is proposed solely at the discretion of the school board.

All concerned citizens are invited to a public hearing on the tax increase to be held on July 31, 2017 at 5:01 P M in the Board Room, Lake County School District Office, 201 West Burleigh Blvd, Tavares, FL

A DECISION on the proposed tax increase and the budget will be made at this hearing.