



ROCHESTER COMMUNITY SCHOOLS
501 West University Drive, Rochester, Michigan

TRUTH IN BUDGET HEARING
June 23, 2014

MINUTES

CALL TO ORDER AND PLEDGE

A Regular Meeting, Open to the Public, of the Board of Education for the Rochester Community Schools, Rochester, Michigan was held on Monday, June 23, 2014 at the Harrison Room. Vice President Chuck Coutteau called the meeting to order at 6:45 p.m. Board members led in the Pledge of Allegiance.

ROLL CALL

Members Present: Chuck Coutteau, Michael Zabat, Jane Pierobon, Jennifer Berwick, Beth Talbert

Members Absent: Lisa Nowak and Pat Piskulich, with notice.

Others Present: Robert Shaner, Debi Fragomeni, Dan Romzek, Beth Davis, Debbi Hartman, Michael Behrmann, Anne Evans, Lori Hartnell, Dan Mooney, Lisa Fosnaugh and approximately 55 visitors.

TRUTH IN TAXATION AND BUDGET HEARING (Information Item) Mr. Romzek

Mr. Daniel Romzek, Assistant Superintendent for Business Affairs, presented information regarding the Truth in Taxation Hearing which includes taxable values and tax rates to be levied for the 2014/2015 fiscal year.

Total Taxable Values for all properties are \$4.25 billion for the 2014 tax year, which is an increase of 2.7% over the 2013 tax year. Six mills will be levied on all commercial personal property and 18 mills on all other non-primary residency property for operations in 2014/2015. This is the final year of the ten-year millage approved by voters in 2005. The district is seeking renewal of this millage on August 5, 2014. These property taxes will be collected for school district operations, which represents the local portion of the district's foundation allowance equivalent to \$966 per pupil, and the state provides the balance of foundation allowance in state aid.

6.4 mills will be levied on all properties to provide property tax revenue that will be used to pay principal and interest obligations on the district's bonded debt. This is a decrease of 0.3 mills over 2013 levels.

The operating millage is expected to generate \$14.6 million in property taxes for the 2014/2015 fiscal year and the debt millage will generate \$27.2 million in property taxes to total \$41.8 million combined. This is a decrease of \$2.7 million in taxes over 2013/2014 levels. The operating taxes are less than 2013/2014 levels due to decreased taxable values and the debt taxes are less than 2013/2014 levels due to the decreased millage rate.

Mr. Zabat asked for clarification on taxable values for industrial personal property.

Mr. Coutteau offered an opportunity for public comment on the proposed tax rates. There were no public comments.

Mr. Romzek then presented an overview of the district's proposed 2014/2015 budgets during the Budget Hearing portion of the meeting. The District Budget Overview included the following funds:

- General Fund
- Athletic Fund
- Bookstore Fund
- Capital Projects Fund
- Debt Service Fund
- School Lunch Fund

Mr. Romzek presented the major budget assumptions used in preparing the district's General Fund Budget which included revenue and expenditure assumptions. The proposed General Fund Budget has revenue at \$163.1 million and expenditures at \$163.1 million, showing a budget surplus of \$14,235. With an estimated positive budget variance equivalent to 0.5% of budgeted expenditures, the district's General Fund Balance would increase to \$16.9 million, which is equal to 10.4% of expenditures.

Mr. Romzek presented historical graphical information on the budget including funding per student, broken out in categories of foundation allowance, federal stimulus funds, one-time funding, and MPSERS pass through funds; along with graphs showing revenue and expenditures over time; and fund balance over time.

Mr. Romzek then highlighted the proposed budgets for the Athletics, Bookstore, and School Lunch Special Revenue Funds, along with the Debt Service Fund, and Capital Projects Funds.

The Board asked for clarification regarding the 3% increase for healthcare.

Mr. Coutteau offered an opportunity for public comment on the proposed budgets. There were no public comments.

Dr. Shaner thanked Mr. Romzek and Director of Budget & Finance Lori Hartnell for their hard work.

ADJOURNMENT

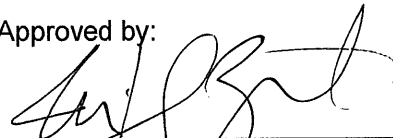
A motion was made to adjourn the meeting at 7:20 p.m.

Moved by: Mr. Zabat
Supported by: Mrs. Pierobon
Vote: 5-0

Respectfully submitted:

Christina McWilliams
Recording Secretary

Approved by:


Secretary, Board of Education