

Capital School District
945 Forest Street
Dover, DE 19904-3498



CAPITAL
SCHOOL DISTRICT

Wednesday, June 18, 2014
District Office Conference Room 126
MINUTES

Budget Oversight Committee
Dennis Hallock, Chairperson
Joyce Denman, Ed.D.
William Garfinkel
Tina Huff, Ed.D.
Cheryl Jenkins
Kirk Johnson
Vanessa Withers-Little
Sean Sokolowski, Business Manager

(D)	DISCUSSION
(I)	INFORMATION

Budget Oversight Committee Members Present:

Dennis Hallock, Chairperson
Joyce Denman, Ed.D. (arrived 12:05)
William Garfinkel
Kirk Johnson

Also Present

Sean Sokolowski, Business Manager

The meeting was called to order at 11:36 a.m.

1.01 Roll Call – Establishment of a Quorum

Quorum was not established with three members present.

2.02 Tax Rate

Mr. Sokolowski presented the Tax Rate for FY 15. Overall, the proposal is to reduce the tax rate by 2.85 cents per \$100 or assessed value. The current expense tax rate was approved by the March 8, 2005 referendum. The District proposed the tax rate would last 5 years and FY 15 will be the 10th year of operations under that referendum. The Debt Service tax rate is set to pay the principal and interest on bonds that have been issued for construction programs. In the last approved construction referendum the district estimated that the debt service tax rate would have to increase by 47.53 cents and the tax rate has only increased by 34 cents since FY 11 after the referendum has passed. However, this tax is proposed to increase by 2 cents to 55.5 cents per \$100 of assessed value. Overall, the district debt service tax rate is 13.53 cents lower than what was projected in the March 31, 2010 Referendum. Minor Cap tax rate is for the district's 40% share to receive the State's matching 60% share of funds to maintain the school facilities. This tax rate is proposed to increase by .15 cents to 2.25 cents. The Technology match is proposed to stay the same at 1.8 cents. The Extra Time match is proposed to stay the same at 1.5 cents, and the Reading Specialist match is proposed to stay the same at 2.1 cents. The Tuition Tax Rate is for the services provided to Special Needs students including special programs within the district, special programs operated by other districts, and special programs operated by private entities. The Tuition Tax rate is proposed to decrease by 5 cents to 31 cents per \$100 of assessed value. Overall, the tax rate is proposed to decrease by 2.85 cents per \$100 of assessed value including all four components of the tax rate. The Committee supported the Tax Rate Proposal. During the discussion Joyce Denman had arrived and there was a motion to hold a special meeting to discuss tax exempt properties made by William Garfinkel and seconded by Kirk Johnson and passed with a unanimous vote (4-0).

2.01 Review and Approval of minutes

Mr. Sokolowski presented the minutes from the March 19, 2014 meeting and April 16, 2014 meeting. A motion to approve the March 19th and April 16th minutes as presented was made by Kirk Johnson, seconded by William Garfinkel, and were approved on a unanimous vote (4-0).

2.04 Copy Center Proposal

Mr. Sokolowski presented the Copy Center Proposal. The Copy Center houses three copiers and the District entered negotiations with Xerox and Canon. Xerox was represented by the State of Delaware bid and Canon was representing the WSCA-NASPO Cooperative Purchasing Agreement. Both avenues were approved by the State of Delaware Procurement Office, but the contract for WSCA has not been signed by the State yet. Through negotiations, the District was able to obtain special promotions and offers from both Canon and Xerox to reduce

the prices beyond the associated contracts. Canon's proposal was less resulting in a \$23,966.45 savings over Xerox and a \$55,980.28 over the current contract. Given the pricing it is recommended to award the contract to Cannon contingent upon the State signing the contract with WSCA-NASPO Cooperative Purchasing. A motion to approve the recommendation as presented was made by William Garfinkel, seconded by Joyce Denman, and approved on a unanimous vote (4-0).

2.03 FY 15 Proposed Preliminary Budget

Mr. Sokolowski presented the FY 15 Preliminary Budget. The Fiscal year will run from July 1, 2014 to June 30, 2015. A Final Budget will be presented in December after legislation is finalized and the number of Units earned has been determined by the September 30th unit count. It is estimated that enrollment will remain relatively the same to provide the district with 504 units (or teaching positions). Division I funds pay for the state portion of salaries, benefits, and OEC's. The Division II AOC and Energy are expected to be decreased by 1% per unit allotment. It is estimated to receive \$1.4 million for State Educational Sustainment Funds even though this is also expected to be reduced by 1% due to the State revenue shortfalls predicted by DEFAC. These funds offset about half of the State funds that have been cut from the District since FY 2008. Child Nutrition Funds previously reported on the last page of the budget have been moved to the revenue page to more closely align with State Reports. The District's assessed value is 1,245,805,566 which only represents a 0.42% increase. The District expects to collect 101% of its estimated taxes which is an increase from last year's estimate of 99.5%. The district is expected to end FY 14 with approximately \$14.4 million in local funds, which will be a decrease from the prior year. It is expected that the State will provide a flat \$500 raise on the State side of salaries for all employees. Local raises negotiated by contracts have been included in the analysis. The overall OEC rate is expected to remain relatively stagnant. An allocation to purchase Science Lab Tables has been added to Central's Budget in the amount of \$30,800. KCCS budget has been increased by approximately \$17K to cover an increase in utility bills while using the old Dover High as a swing space over the summer to accommodate construction. Local Match for Success Grant funds were moved to Extra Time Match Tax for easier coding of documents. Funding for Dover High School Technology and replacement of district technology was reduced to reflect actual obligations during FY 14. Special Services Budget was increased by 10%, or \$4.5K to accommodate a growth in staff from 32 in FY 09 to 57 in FY 15. Private Grants and Donations were increased to reflect all grants including some State grants. Teach for America funds of \$6k were added to fund two teachers. HR currently pays \$10K and the schools will contribute \$4k for the program. An increase in energy funds was incorporated to accommodate for the new high school to come online. Local funds in the amount of \$170K have been allocated to replace the lockers at William Henry. The Student Reading Program has been acquired so those funds have been removed from the budget. Community Services Signs will remain in the amount of \$15K. Funding for Band Uniforms has been removed since they were purchased during FY 14. If all budgets are completely spent, it is estimated that the ending local reserve will be \$10.6 million. The total budget is \$105.8 million.

2.05 Internal Account Policy

Given the length of the meeting, this agenda item was tabled until the next meeting

2.06 Monthly Reports

Monthly reports for May 31, 2014 were distributed.

2.07 Future Meetings

The next meeting of the committee was scheduled for July 30th at 11:30am.

3.01 Adjournment

There being no further business, the meeting was adjourned at 2:17 pm.