

MEETING MINUTES
SCHOOL BOARD OF SANTA ROSA COUNTY
July 24, 2012-9:00 AM

A. Call to Order and Roll Call

The School Board of Santa Rosa County met in regular session at 9:00 a.m. with the following members present: Hugh Winkles, Chairman, Diane Coleman, Scott Peden and Diane Scott. Mrs. Simpson is recovering from oral surgery and will not be attending today's session. Also present was Timothy S. Wyrosdick, Superintendent of Schools and Secretary and Paul R. Green, Board Attorney.

B. Pledge of Allegiance

The Chairman called the meeting to order and Joey Harrell led us in the Pledge of Allegiance to the Flag and in a moment of silence.

C. Approval of Minutes

D. Oral Written Communications

E. Recognitions Resolutions Proclamations

F. Public Hearing

G. Public Forum- (Request to address the School Board regarding an item not on the agenda)

Administrative Agenda

H. Approval of Agenda- Items may be pulled from the Administrative Agenda and placed under the respective Action Agenda category by request of the Board member/Superintendent

Action Agenda

I. Administrative/Operational Recommendations- Joey Harrell, Assistant Superintendent for Administrative Services

J. Human Resource Recommendation- Lewis Lynn Assistant Superintendent for Human Resources

K. Curricular and Instructions Recommendation – Bill Emerson, Assistant Superintendent for Curriculum and Instruction

L. Financial Recommendations – Susan McCole, Assistant Superintendent for Administrative Services

1. Presentation of Tentative Budget for Fiscal Year 2012 - 2013

Motion to Approve was moved by Diane Coleman , Seconded by Diane Scott. Motion Passed by a vote of 4-0.

Susan McCole, Assistant Superintendent for Finance came forward to review and present the budget for 2012-13. She began by stating that as in the past, this is a tentative budget and will change a great deal during the year. She will ask the board to approve the tentative budget and advertising for the first public hearing on August 2, 2012 at 6:30 p.m. at the conclusion of her presentation.

Starting in fiscal year 2011-12 the State required district employees to contribute 3% of their salary to the Florida Retirement System. The district is also required by the State to contribute a pre-determined percent to the Florida Retirement System on behalf of each eligible district employee. This percent can vary each year and is determined by the State not the District. The requirement for employees to contribute to the FRS is currently being challenged in court and we are waiting to hear the outcome and the impact it will have on the district. Another item that has not been budgeted at

this point is any increase we might experience in health insurance. The new health insurance year begins January 2013. At this point we have included the same board contribution rate as of January 2, 2012. The board contributed approximately \$11,153,590 to employees health and life insurance during 2011-12.

In 2011-12 we budgeted sales tax revenue of \$6,000,000 and collected \$5,981,695. Sales tax collections have remained steady. The projected unweighted FTE for 2012-13 is 25,573. This is an increase of 308 students for the 2012-13 school year.

Mrs. McCole illustrated how the DCD (District Cost Differential or Cost of Living Factor) affects the amount of monies we receive from the State. Although the gap between the highest and lowest funded school district is getting closer, we are still second from the bottom of the Florida districts (66 out of 67). The 2012-13 second calculation is \$6,104.00, an increase of \$192 per students, which is a 3.25% increase. She shared with the board that if we were funded the same as Okaloosa County we would be receiving \$6,456,764.46 more dollars this year. If we were funded the same as Escambia County we would receive \$3,007,684.05 more.

This year we have a slight decrease in the State required local effort tax millage of 5.520 mills . A difference of -0.248 or -4.30% change. Last year it was 5.768 mills. The total millage rate for 2012/13 will decrease by 3.13% and the tax roll decreased by 2.02%. The total Board Option millage stays the same at 2.148 mills. The actual tax roll amount last year was \$8,325,061,099. For 2012-13 it is \$8,156,620,527 a decrease of (\$168,440,572).

The next graph in the presentation showed the 2012-13 Budgeted Revenue for the total budget \$216,858,572 and also the Operating Only budget \$166,764,292). Total available funds represents the fund balance carried forward from the year before plus the new year revenue. This is the total available for use. 2012-14 total budget - all parts is \$260,711.666 which is a decrease of (\$17,271,107 or -6.21%). There was discussion regarding how substantial the decrease of almost \$20,000,000.00 in funding is. The district has worked hard to keep the loss from affecting our classrooms.

Dr. Scott asked about the Race to the Top dollars and wanted to know how much longer we can expect to receive them. Mr. Wyrosdick responded that we should get them for one more year. These funds have been used for many mandated tasks and necessary professional development.

The next part of the budget presentation was a review of the budgeted expenditures. Salaries and benefits for our employees account for the largest percentage of the expenditures. The 2012-13 budget includes 1,746 instructional personnel (increase of 48 this year), 747 classified and blue collar (increase of 15). No increase in administrators is planned.

Mrs. McCole was pleased to report that our energy saving program is working. Our budgeted energy history shows a substantial decrease in utility expenses since the 2011-12 school year.

The Operating Fund Balance was \$27,525,574.00 on June 30, 2011. The projected fund balance on June 30, 2012 is \$18,771,614.00, a decrease of \$8,753,960.00 or at 5.78%. Mr. Wyrosdick stated this percentage is acceptable but not ideal. We are striving to try to get it to the 7% level called for in our strategic plan. Mrs. McCole reviewed the reasons for the decrease over the past year. Increase in Salaries and Benefits was \$4,899,445.00. She asked Mr. Bill Emerson to come forward and briefly explain this figure. Mr. Emerson shared with the board that the \$4,899,445.00 figure did not represent one year's salary increase. He reminded the board we adjusted and completely reworked the salary schedule last year working closely with SRPE to begin the process of getting our instructional salary schedules ready so we can comply with future (by year 2014-15) Performance based mandates. We also moved employees up 2 steps on the salary schedule to help cover the 3% they now have to pay to the Florida Retirement System. The end result was an

approximate increase of 3% for employees. He was also asked to address the Administrators Salary increases. Mr. Emerson noted that for years the board and the Superintendent has been reminded by our Administrators that their pay was not consistent through out the district. There was no pay scale for administrators. The board asked Mr. Wyrosdick to form a committee to review our past procedures and to make recommendations to the Superintendent and Board. There were cases where an instructor took all the necessary steps to become an administrator only to find they were actually taking a salary decrease when promoted. The committee worked with SRPE and made several recommendations to the Superintendent/Board. They developed a salary schedule as well as recommendations for administrators to receive the same percentage of raise that our other employees receive. Up until these recommendation were approved, our administrators had not received a raise in 3 years. Over 50% of our administrators did not receive any increase under the new salary schedule. Some received very small increases while a few received larger increases to get them in line with the other administrators.

The Board portion of insurance was \$1,588,575.00 (Board covered increase in employee insurance). Increase in the cost of fuel \$418,932.00 (higher gas prices part of the school year) for a total of \$6,906,947.00. There was a decrease in state and local funding of \$2,963,260.00 and a decrease in Medicaid funding of \$229,006.00 which the general fund had to cover).

The board was presented with a 2012-13 Capital Outlay Project priority list to review and copies of the budget ads as they will appear in the newspaper. There was a brief discussion as to what we can use Capital Outlay monies for. Mr. Wyrosdick shared with the board that we use them whenever we legally can. Capital Outlay funds are regulated and cannot be used for operating expenses such as salaries. Mr. Harrell called attention to page 25 of the presentation sharing with the board the \$7,705,000.00 in line one is a budget transfer to the operating budget to cover items that are allowed such as the lease of our buses, property and casually insurance, hardware (COWS) and to upgrade the technology (example: install wireless capabilities) in our schools. The digital assessment mandate has necessitated the re-design of our technology system to support instructional services. Mr. Wyrosdick shared with the board that we are thankful the citizens of Santa Rosa County voted in the 1/2 cent sales tax. Without it, it would not be possible to transfer these funds.

In summary, the 2012-13 tentative operating budget is \$185,535,906 and a total budget of all budget parts of \$260,711,666. Mrs. McCole asked the board for approval to advertise the first public hearing on the tentative millage and budget for August 2, 2012 at 6:30 p.m.

Mr. Wyrosdick thanked Mrs. McCole and the other personnel in our Finance Department for their hard work on preparing the 2012-13 budget.

M. Items from Board Members

N. Items from Board Attorney

O. Items from Superintendent

1. Discuss and approve date for 2nd public hearing on the 2012-13 Budget

Motion to Approve was moved by Diane Coleman , Seconded by Diane Scott. Motion Passed by a vote of 4-0.

The Board approved changing the date for the second public hearing on the budget from Sept. 17, 2012 to September 6, 2012 at 6:30 p.m.

P. Adjournment

Motion to Approve was moved by Diane Coleman , Seconded by Scott Peden. Motion Passed by a vote of 4-0.

DONE AND ORDERED IN LEGAL SESSION by the School Board of Santa Rosa County this 24th day of July, 2012 A. d.

***SCHOOL BOARD OF
SANTA ROSA COUNTY***

Chairman

ATTEST:

Superintendent and Secretary