Board of Education Special Meeting

Monday, August 25, 2014 8:00 PM

Conference Room
1501 Front Street
Henderson, NE 68371-8929

# Agenda

1. Preliminary Procedures
    1. Call to Order
    2. Public Notice of the Meeting
    3. Roll Call
2. Public Comments on Agenda Items
3. Public Comments on Topics Not on the Agenda
4. Discussion Items
    1. Discussion of Proposed 2014-15 Budget
5. New Business
    1. Authorize Superintendent as Fiscal Agent
    2. Van Purchase
    3. Approval of Claims
6. Adjournment

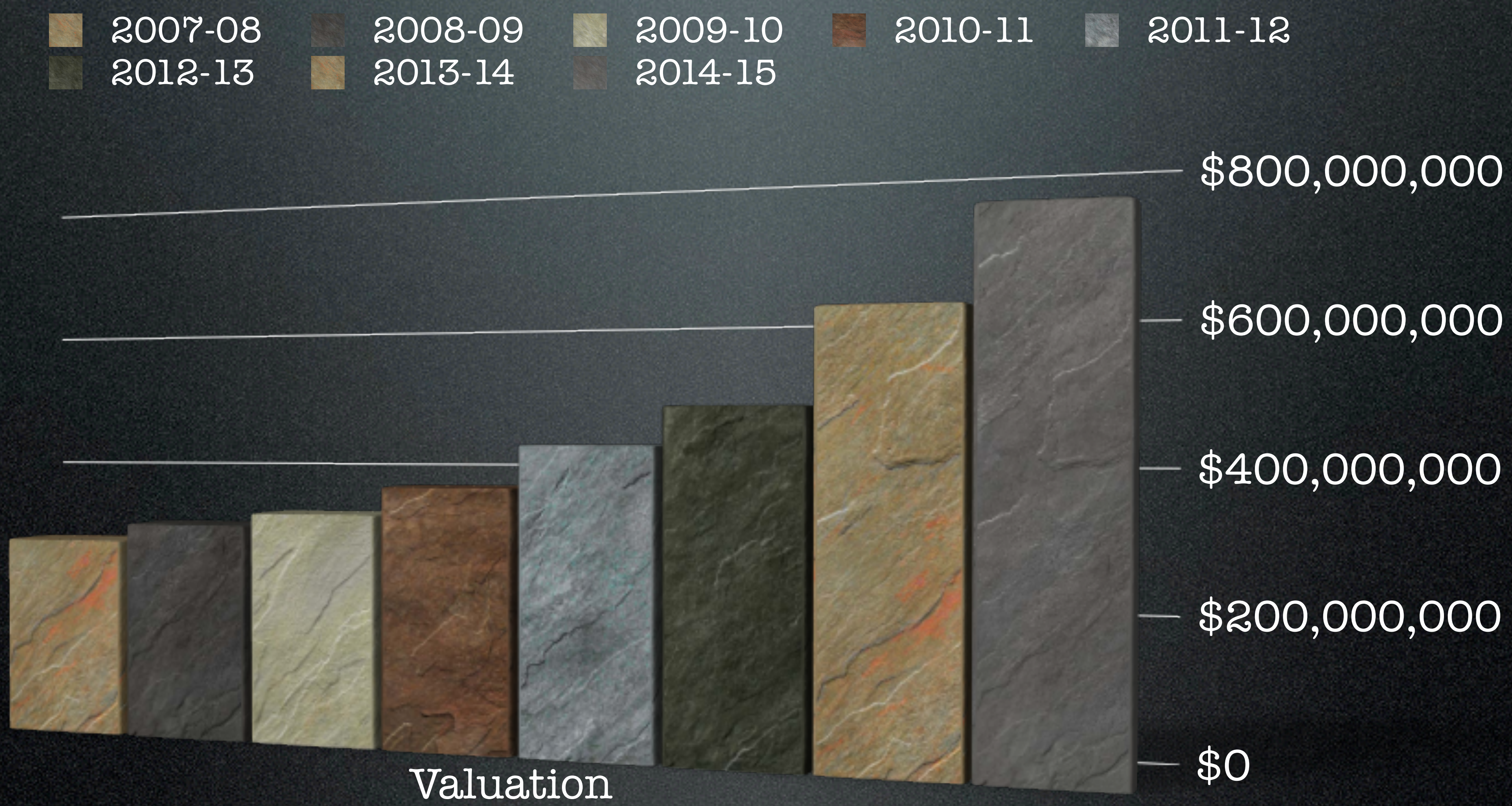
# Budget Workshop

for the 2014-15 School Year

# Assessed Valuation

| | Property Valuation | Change | Percentage Change |
|---|---|---|---|
| 2007-08 | $287,395,138 | | |
| 2008-09 | $313,033,679 | $25,638,541 | 9% |
| 2009-10 | $331,085,866 | $18,052,187 | 6% |
| 2010-11 | $371,105,539 | $40,019,673 | 12% |
| 2011-12 | $430,947,322 | $59,841,783 | 16% |
| 2012-13 | $483,787,252 | $52,839,930 | 12% |
| 2013-14 | $613,842,648 | $130,055,396 | 27% |
| 2014-15 | $739,427,450 | $125,584,802 | 20% |

# Assessed Valuation



# Valuations By County

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 3-yr Increase |
|---|---|---|---|---|---|
| York | $343,135,251 | $387,823,978 | $485,803,225 | $570,776,771 | 66.34% |
| Hamilton | $87,405,401 | $95,512,354 | $127,465,508 | $167,963,229 | 92.17% |
| Fillmore | $406,670 | $450,920 | $573,915 | $687,450 | 69.04% |
| Totals | $430,947,322 | $483,787,252 | $613,842,648 | $739,427,450 | 71.58% |

# Budget of General Fund Expenditures

| | General Fund Budget | Change | Percentage Change |
|---|---|---|---|
| 2007-08 | $4,375,596 | | |
| 2008-09 | $4,409,529 | $33,933 | 0.8% |
| 2009-10 | $4,636,007 | $226,478 | 5.1% |
| 2010-11 | $5,773,170 | $1,137,163 | 24.5% |
| 2011-12 | $5,957,735 | $184,565 | 3.2% |
| 2012-13 | $6,142,129 | $184,394 | 3.1% |
| 2013-14 | $6,330,341 | $188,212 | 3.1% |
| 2014-15 | $6,356,139 | $25,798 | 0.4% |

# Budget of General Fund Expenditures

# Fund History

| Fund | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|---|---|
| General | $4,636,007 | $4,773,170 | $5,957,735 | $6,142,129 | $6,333,341 | $6,356,139 |
| Depreciation | $468,863 | $507,956 | $515,106 | $635,000 | $872,628 | $1,341,625 |
| Quality Capital | $69,493 | $113,773 | $73,653 | $102,500 | $198,442 | $295,500 |
| Special Building | | | $91,800 | $270,000 | $400,010 | $415,000 |
| Total | $5,174,363 | $5,394,899 | $6,638,294 | $7,149,629 | $7,804,421 | $8,408,264 |

# Tax Asking History
# All Funds

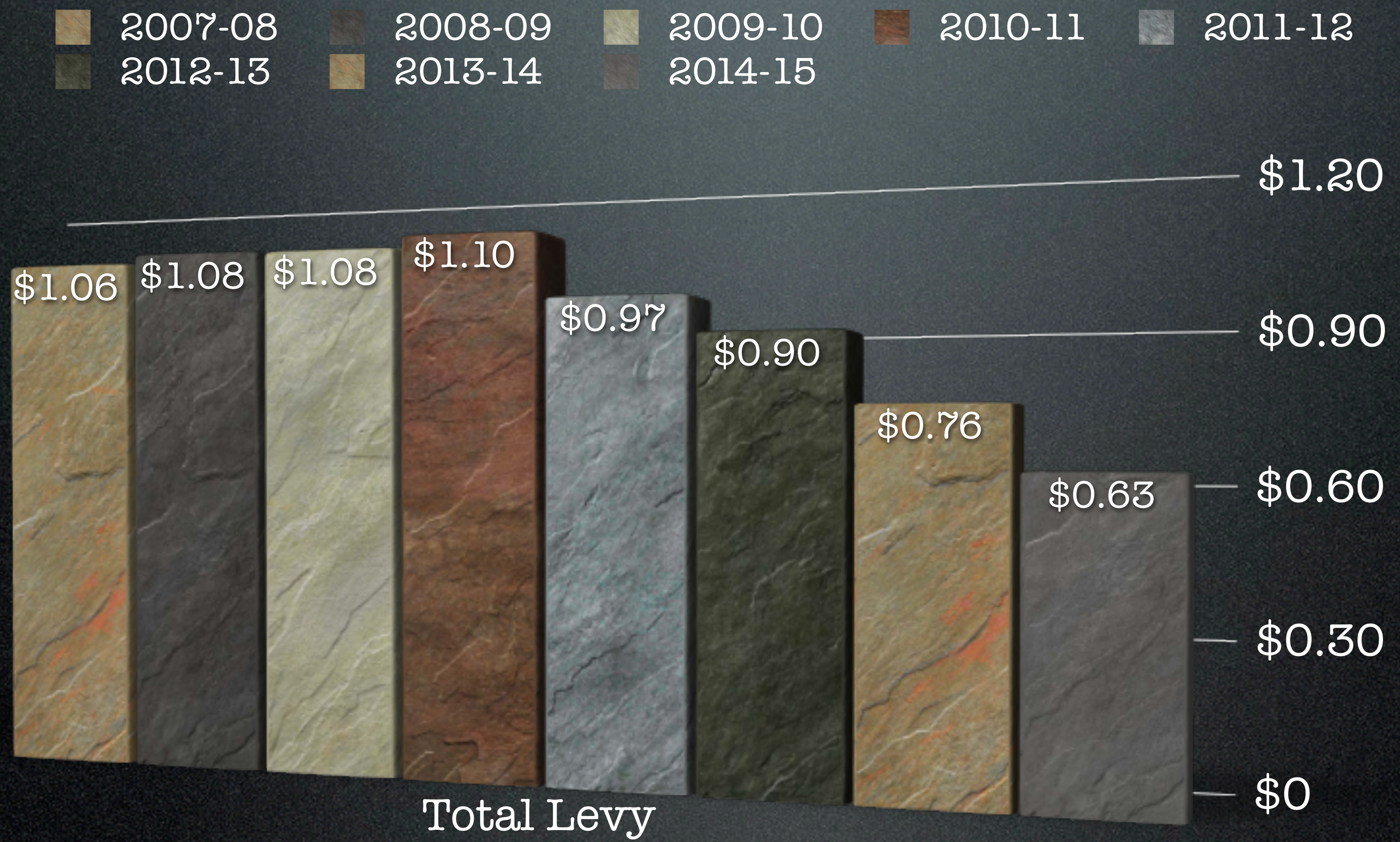
| | Local Property Tax Asking | Change | Percentage Change |
|---|---|---|---|
| 2007-08 | $3,056,724 | | |
| 2008-09 | $3,375,490 | $318,766 | 10.4% |
| 2009-10 | $3,574,114 | $198,624 | 5.9% |
| 2010-11 | $3,969,344 | $395,230 | 11.1% |
| 2011-12 | $4,178,094 | $208,750 | 5.3% |
| 2012-13 | $4,464,957 | $286,863 | 6.9% |
| 2013-14 | $4,688,011 | $223,054 | 5.0% |
| 2014-15 | $4,637,821 | -$50,190 | -1.1% |

# Tax Asking History
# All Funds

# Tax Levy History

| Fund | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 Proposed |
|---|---|---|---|---|---|---|---|
| General | $1.0570 | $1.0576 | $1.0501 | $0.9195 | $0.8745 | $0.7149 | $0.5939 |
| Quality Capital | $0.0234 | $0.0203 | $0.0196 | $0.0184 | $0.0140 | $0.0234 | $0.0280 |
| Special Building | | | $0.0316 | $0.0316 | $0.0345 | $0.0253 | $0.0054 |
| Total | $1.0804 | $1.0779 | $1.1013 | $0.9695 | $0.9229 | $0.7637 | $0.6273 |

# Tax Levy History



# General Fund

- The General Fund finances all facets of services rendered by the school district. General Fund receipts are classified according to source while its expenditures are classified according to specific functions. The General Fund is maintained by all operating school districts in the state. General Fund expenditures are limited by statute. The tax levy for this fund is restricted.
- Current Balances:
  - Checking - $977,833
  - Savings - $2,326,995
  - 59.4 cent levy proposed for next year

# Monthly Averages
## 3-yr. Period

| | Avg. Revenues | Avg. Expenses | Difference |
|---|---|---|---|
| September | $988,604 | $375,809 | $612,795 |
| October | $329,377 | $341,882 | -$12,505 |
| November | $62,123 | $302,406 | -$240,283 |
| December | $107,751 | $350,425 | -$242,674 |
| January | $676,320 | $425,005 | $251,315 |
| February | $516,340 | $344,303 | $172,037 |
| March | $191,981 | $326,563 | -$134,582 |
| April | $298,098 | $423,370 | -$125,272 |
| May | $1,261,986 | $344,432 | $917,554 |
| June | $513,457 | $359,792 | $153,665 |
| July | $110,123 | $373,116 | -$262,993 |
| August | $51,985 | $750,000 | -$698,015 |

# Depreciation Fund

- The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. The Depreciation Fund is not specifically provided for in law; therefore, this fund is considered a component of the General Fund. Typically, a portion of the monies budgeted and remaining in General Fund at the end of the fiscal year are moved to the Depreciation Fund. This fund is restricted by statute as part of the Allowable Reserve limitation, but fund expenses do not affect spending limitations.  This criteria has been met in the year the funds were transferred.

- Current Balance: $1,186,000

    - $155,000 per year as line items in general fund budget

# Budgeted Depreciation Amounts (per yr.)

| General Classification | Specific Area | Budget Area | Amount |
|---|---|---|---|
| Instructional Equipment | Computer Hardware | 1100 | $60,000 |
| | Furniture | 1100 | $10,000 |
| | Textbooks | 1100 | $7,500 |
| Building Equipment | Track | 2620 | $10,000 |
| | HVAC | 2620 | $5,500 |
| | Upkeep | 2620 | $10,000 |
| Transportation Equipment | Buses | 2750 | $40,000 |
| | Vehicles | 2520 | $13,000 |
| Total Budgeted Expenses to Depreciation | | | $156,000 |

Amounts do not include Building Fund or QCPUF projects

# Special Building Fund

- A Special Building Fund is used when a school board decides to acquire or improve sites and/or to erect, alter or improve buildings. The sale of bonds, the sale of property, or tax receipts will be the primary sources of revenue for the Special Building Fund. General Fund expenditures for the purpose of this fund are not allowable.
- Current Balance: $375,500
  - Propose increasing to $415,000
  - 0.54 cent levy proposed for next year (down 2 cents)

# QCPUF

- A Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of a qualified zone academy bond issued for a qualified capital purpose, modifications for life safety code violations, indoor air quality projects, and mold abatement and prevention projects.
- Current Balance: $90,300
  - $90,000 next year to pay principal and interest
  - $7,000 to pay back General Fund
- To Pay Off 2 Bonds in December of 2016:
  - Propose increasing to $206,500 for next two years
  - 2.8 cent levy proposed for next year (up 0.5 cent)
  - $11,600 savings in interest

# Example Fund Projects

## 3 to 4 year timeline

| | General Fund | Depreciation Fund | Special Building Fund |
|---|---|---|---|
| Example Projects by Fund | • Carpeting | • Intercom<br>• Playground<br>• Furniture<br>• Restrooms<br>• Scoreboards<br>• Lockers<br>• Fire Alarm System<br>• Classroom AC<br>• <u>Buses</u><br>• <u>Vehicles</u><br>• <u>HVAC</u><br>• <u>Equipment</u><br>• <u>Textbooks</u><br>• <u>Computers</u> | • Additional Security<br>• Courtyards<br>• Gym AC<br>• Electrical Panels<br>• Bus Barn<br>• Theatre updates |
| Ballpark Costs | $5,000 | $725,000 | $375,000 |

<u>Underlined</u> have line item in each year's budget

# HEARTLAND COMMUNITY SCHOOLS BUDGET SUMMARY FOR 2014-2015

## Expenditure Summary

| | | 2013-14 | 2014-15 | % Change | |
|---|---|---|---|---|---|
| 1100 | Regular Instruction | $2,436,957 | $2,443,642 | 0.27% | $6,685 |
| 1200 | Special Education | $832,056 | $842,988 | 1.31% | $10,932 |
| 2120 | Guidance | $96,163 | $97,635 | 1.53% | $1,472 |
| 2130 | Health | $2,861 | $2,851 | -0.37% | -$10 |
| 2212 | Professional Development | $25,750 | $24,750 | -3.88% | -$1,000 |
| 2222 | Library Services | $141,547 | $140,131 | -1.00% | -$1,416 |
| 2300 | Board of Education | $85,417 | $89,010 | 4.21% | $3,593 |
| 2320 | Executive Administration | $198,393 | $213,393 | 7.56% | $15,000 |
| 2400 | Office of the Principal | $309,165 | $285,843 | -7.54% | -$23,322 |
| 2510 | Support Services - Business Operations | $35,550 | $27,400 | -22.93% | -$8,150 |
| 2520 | Vehicle Maintenance (no buses) | $16,400 | $17,600 | 7.32% | $1,200 |
| 2610 | Operation of the Plant | $303,328 | $299,879 | -1.14% | -$3,449 |
| 2620 | Maintenance of the Plant | $149,672 | $165,635 | 10.67% | $15,963 |
| 2750 | General Transportation | $237,383 | $221,085 | -6.87% | -$16,298 |
| 2760 | Special Education Transportation | $127,380 | $64,292 | -49.53% | -$63,088 |
| 3000 | Community Services | $3,541 | $3,526 | -0.43% | -$15 |
| 4200 | Title 1 Program | $45,034 | $119,204 | 164.70% | $74,170 |
| 4250 | Other Categorical Federal Programs | $138,661 | $150,224 | 8.34% | $11,563 |
| 6000 | Summer School | $7,083 | $7,052 | -0.44% | -$31 |
| 8000 | Transfers | $30,000 | $30,000 | 0.00% | $0 |
| 9000 | Contingency | $1,111,000 | $1,110,000 | -0.09% | -$1,000 |
| | **Expenditure Totals** | **$6,333,341** | **$6,356,139** | **0.36%** | $22,798 |

| | | |
|---|---|---|
| ***Budget Lid & Grant Exclusions*** | | |
| *Early Retirement Payments* | *$30,000* | |
| *Increase in Retirement Contribution* | *$66,910* | |
| ***Total General Fund Lid Exclusions*** | **$96,910** | |
| Wards of the Court | $230,000 | |
| *Medicaid* | *$50,000* | |
| *Title 1 Grant* | $45,034 | |
| *IIA* | $10,855 | |
| *REAP* | $27,000 | |
| *IDEA* | $104,289 | |
| *HAL* | $8,080 | |
| ***Total Special Grant Funds*** | **$475,258** | |
| *Minus Total Exceptions* | | ***$572,168*** |
| Minus Special Education | | **$907,281** |
| **Total Adjusted Budget** | | **$4,876,690** |
| **Allowable Budget Authority** | **$5,002,354** | |
| **Unused Budget Authority** | | **$125,664** |

## Revenue Summary

| | | 2013-14 | 2014-15 | % Change | |
|---|---|---|---|---|---|
| 1125 | Motor Vehicle Tax | $153,000 | $140,000 | -8.50% | -$13,000 |
| 1210 | Tuition - Other Districts | $0 | $0 | #DIV/0! | $0 |
| 1240 | Tuition - Individuals - PreSchool | $5,000 | $6,000 | 20.00% | $1,000 |
| 1330 | Transportation - Other Districts SPED | $0 | $0 | #DIV/0! | $0 |
| 1410 | Interest | $15,000 | $14,500 | -3.33% | -$500 |
| 1620 | Local Licenses & Fees | $500 | $300 | -40.00% | -$200 |
| 1700 | Other Local Revenue | $3,000 | $3,000 | 0.00% | $0 |
| 2110 | County Licenses & Fees | $25,000 | $22,000 | -12.00% | -$3,000 |
| 2161 | Pro Rata Motor Vehicle | $6,500 | $5,000 | -23.08% | -$1,500 |
| 2210 | ESU Receipts | $5,000 | $2,800 | -44.00% | -$2,200 |
| 3110 | State Aid | $68,108 | $17,747 | -73.94% | -$50,361 |
| 3120 | Special Education | $225,000 | $250,000 | 11.11% | $25,000 |
| 3125 | Special Education Transportation | $15,000 | $20,000 | 33.33% | $5,000 |
| 3160 | Wards of the Court | $200,000 | $200,000 | 0.00% | $0 |
| 3190 | Other State Apportionment | $1,500 | $1,500 | 0.00% | $0 |
| 3200 | State Apportionment | $35,000 | $45,000 | 28.57% | $10,000 |
| 4200 | Federal Funds (Categorical) | $180,000 | $180,000 | 0.00% | $0 |
| 5400 | Sale of Property & Equipment | $1,000 | $1,000 | 0.00% | $0 |
| | **Revenue Totals** | **$938,608** | **$908,847** | **-3.17%** | -$29,761 |

| | 2013-14 | 2014-15 | |
|---|---|---|---|
| Cash Balance | $1,750,000 | $1,800,000 | |
| Cash Balance + Receipts | $2,688,608 | $2,708,847 | |
| Total Expenses | $6,333,341 | $6,356,139 | |
| Minus Receipts & Cash Balance | $2,688,608 | $2,708,847 | |
| Plus Necessary Cash Reserve | $700,000 | $700,000 | |
| Local Taxes Needed | $4,344,733 | $4,347,292 | |
| Collection Fee | $43,886 | $43,912 | |
| **General Fund Tax Request** | **$4,388,619** | **$4,391,204** | **0.06%** |
| | | | $2,585 |

## ESTIMATED TAX LEVIES FOR 2014-15

| VALUATIONS | 2013-14 | 2014-15 | 2014-15 | 2014-15 | 2014-15 | |
|---|---|---|---|---|---|---|
| | Last Year | No Change | 15% Increase | 20% Increase | Actual | |
| | $613,842,648 | $613,842,648 | $705,919,045 | $736,611,178 | $739,427,450 | |
| **General Fund** | | | | | | |
| Tax Asking | $4,388,619 | $4,391,204 | $4,391,204 | $4,391,204 | $4,391,204 | |
| **Levy** | **0.714942** | **0.715363** | **0.622055** | **0.596136** | **0.593865** | |
| Levy Change | | 0.000421 | -0.092887 | -0.118806 | -0.121077 | |
| **Special Building Fund** | | | | | | |
| Tax Asking | $155,572 | $39,839 | $39,839 | $39,839 | $39,839 | |
| **Levy** | **0.025344** | **0.006490** | **0.005644** | **0.005408** | **0.005388** | |
| Levy Change | | -0.018854 | -0.019700 | -0.019935 | -0.019956 | |
| **Total Levy Subject to the $1.05 Limit** | | **0.721853** | **0.627698** | **0.601544** | **0.599253** | |
| **QCPUF Fund** | | | | | | |
| Tax Asking | $143,820 | $206,778 | $206,778 | $206,778 | $206,778 | |
| **Levy** | **0.023429** | **0.033686** | **0.029292** | **0.028071** | **0.027965** | |
| Levy Change | | 0.010256 | 0.005863 | 0.004642 | 0.004535 | |
| | **2013-14** | **2014-15** | **2014-15** | **2014-15** | **2014-15** | |
| | **Last Year** | No Change | 15% Increase | 20% Increase | Actual | |
| **Total Tax Asking** | **$4,688,011** | **$4,637,821** | **$4,637,821** | **$4,637,821** | **$4,637,821** | **-1.07%** |
| **Total Levy** | **0.763715** | **0.755539** | **0.656990** | **0.629616** | **0.627218** | |
| ***Levy Change*** | ***-0.158437*** | ***-0.008176*** | ***-0.106725*** | ***-0.134100*** | ***-0.136498*** | |
| **% Change** | **-17.17%** | **-1.07%** | **-13.97%** | **-17.56%** | **-17.87%** | |