



***Leading our Students to Success***

201 West Burleigh Boulevard · Tavares · FL 32778-2496  
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**Superintendent:**  
 Susan Moxley, Ed.D.

**School Board Members:**  
*District 1*  
 Bill Mathias  
*District 2*  
 Rosanne Brandeburg  
*District 3*  
 Marc Dodd  
*District 4*  
 Debbie Stivender  
*District 5*  
 Stephanie Luke

## MEMORANDUM

**DATE:** July 23, 2015

**TO:** Dr. Susan Moxley, Superintendent  
 School Board Members

**FROM:** Carol J. MacLeod, Chief Financial Officer

**SUBJECT:** Required TRIM notice to be published on July 24, 2015

On July 20, 2015, 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 24, 2015 in the Daily Commercial. The Public Hearing must be held within 2-5 days following the advertisement and is scheduled for July 27, 2015 at 5:30 PM in the County Commission Chambers preceding the Regular School Board Meeting.

Attached are copies of the advertisements as they will appear.

Budget Summary  
 Notice of Proposed 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 2015-16 Fiscal Year. The Final Budget will differ once the books have been closed for the 2014-15 fiscal year and the final balances have been brought forward.

- 1) The Budget Summary reports a proposed increase of operating expenditures of 5.5% and is reflective of the proposed budgets as presented to the Board through July 20, 2015.
- 2) The Overall Budget for the District has decreased by \$2,050,907 from \$555,168,517 to \$553,117,610. The decrease is comprised of the following changes by fund category:

<u>Fund</u>	<u>2015-16</u>	<u>2014-15</u>	<u>Difference</u>
General Operating	\$ 320,817,227	\$ 305,322,512	\$ 15,494,715
Special Revenue	49,889,547	53,907,569	\$ (4,018,022)
Debt Service	38,026,691	43,458,320	\$ (5,431,629)
Capital Outlay	100,117,397	111,591,828	\$ (11,474,431)
Enterprise Funds	4,044,910	4,139,910	\$ (95,000)
Internal Service	<u>40,221,838</u>	<u>36,748,378</u>	<u>\$ 3,473,460</u>
 Total All Funds	 <u>\$ 553,117,610</u>	 <u>\$ 555,168,517</u>	 <u>\$ (2,050,907)</u>

The increase in the General Fund is generated based on four (4) major components.

- a) The State FEFP Funding model increased by approximately \$12.7M. Most of these funds are from the increase in the Ad Valorem Tax for operations.
- b) The implementation of the Strategic Finance Plan (SFP) provided for an increase in the transfer in from the Capital Funds of \$0.5M to support maintenance expenditures.
- c) Approved projects of approximately \$1.4M which were included in the Five-Year Capital Plan have been moved to the General Fund to more appropriately report the expenditures. For example, payments for Safari Montage, Skyward, Vocational and School Equipment.
- d) Projected Ending Fund Balance from 2014-15 will provide an estimated \$1M in carry-over.

The decrease in Special Revenue Funds reflects the omission of some Federal Programs which for which approval has not yet been received but had been included in the prior year TRIM Advertisement. This number will change prior to adoption of the final budget in September.

The decrease in Debt Service Funds is reflective of the early repayment of the 2004 Sales Tax Bond in October 2014 as a one-time payment and the regularly scheduled debt service payments. Which have been reduced by the debt refunding opportunities that we have participated in over the last 3 years.

The decrease in the Capital Outlay Funds is based mainly on the near completion of the Eustis Heights Elementary Project. Funds currently on hand were budgeted and used to complete this project. Proposed capital outlay revenues are higher as the State has budgeted \$1,634,496 in PECO Maintenance and the 1.5 mill levy will generate an additional \$1,604,591.

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. Our overall Health Insurance expenditure position has remained very stable due in part to the successful operation of the three Health and Wellness Centers. We continue to plan for the opening of the fourth center in 2015-16.

- 3) We advertised a "Notice of Proposed Tax Increase". As discussed below in #5, this is because the amount of ad valorem tax to be levied is greater than the amount raised last year which makes the "Rolled-back Rate" positive. Even though the Required Local Effort (RLE) Millage has been decreased from 4.998 mills to 4.949 mills, it is considered a tax increase.
- 4) The certified millage rate required by the Florida Department of Education included in the FEFP formula has DECREASED by 0.049 mills.

	Millage		
	2015-16	2014-15	Change
Required Local Effort	4.949	4.998	-0.049
Discretionary Local Effort	0.748	0.748	0.000
Capital	<u>1.500</u>	<u>1.500</u>	<u>0.000</u>
Total	7.197	7.246	-0.049

- 5) The total tentative millage, as advertised, is expected to generate \$6,154,113 more than last year. As required, the budgeted revenue is based on a 96% collection rate for the entire levy. This increase in the dollars to be generated are the reason why even though the millage rate is lower, we are required to publish a "Notice of Proposed Tax Increase"

	Budgeted Revenue from Levy		
	2015-16	2014-15	Change
Required Local Effort	86,802,202	82,823,972	3,978,230
Discretionary Local Effort	13,119,428	12,395,424	724,004
Capital	<u>26,309,013</u>	<u>24,857,134</u>	<u>1,451,879</u>
Total	126,230,643	120,076,530	6,154,113

2015-16 Trim Notice  
July 27, 2015  
Page 4 of 4

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 are 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 5.5% GREATER THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

FISCAL YEAR 2015 - 2016

<u>PROPOSED MILLAGE LEVIES SUBJECT TO 10-MILL CAP:</u>			<u>PROPOSED MILLAGE LEVIES</u>		
Required Local Effort (including Prior Period Funding Adjustment Millage)	4.9490	Discretionary Operating	0.7480	<u>NOT SUBJECT TO 10-MILL CAP:</u>	
Local Capital Improvement (Capital Outlay)	1.5000	Additional Millage Not to Exceed 4 Years (Operating)	0.0000	Operating or Capital Not to Exceed 2 Years	0.0000
Discretionary Capital Improvement	0.0000			Debt Service	0.0000
			TOTAL MILLAGE		7.1970

ESTIMATED REVENUES:	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE FUND	INTERNAL SERVICE	TOTAL ALL FUNDS
Federal Sources	1,615,000	35,783,412					37,398,412
State Sources	191,748,641	249,079	1,306,880	1,634,496			194,939,096
Local Sources	103,501,630	5,434,205		43,680,366	2,876,000	39,000,000	194,492,201
<b>TOTAL SOURCES</b>	<b>296,865,271</b>	<b>41,466,696</b>	<b>1,306,880</b>	<b>45,314,862</b>	<b>2,876,000</b>	<b>39,000,000</b>	<b>426,829,709</b>
Transfers in	6,950,000		32,955,783				39,905,783
Fund Net Asset Balances	17,001,956	8,422,851	3,764,028	54,802,535	1,168,910	1,221,838	86,382,118
<b>TOTAL REVENUES, TRANSFERS AND FUND/NET ASSET BALANCES</b>	<b>\$320,817,227</b>	<b>\$49,889,547</b>	<b>\$38,026,691</b>	<b>\$100,117,397</b>	<b>\$4,044,910</b>	<b>\$40,221,838</b>	<b>\$553,117,610</b>
<b>EXPENDITURES:</b>							
Instruction	193,532,718	9,565,605					203,098,323
Pupil Personnel Services	14,140,741	2,877,637					17,018,378
Instructional Media Services	3,504,253						3,504,253
Instructional & Curriculum Development Services	5,549,005	3,509,930					9,058,935
Instructional Staff Training Services	5,852,957	3,182,706					9,035,663
Instruction Related Technology	1,295,744						1,295,744
School Board	937,150						937,150
General Administration	872,670	782,558					1,655,228
School Administration	18,100,976	-					18,100,976
Facilities Acquisition and Construction	653,016			25,707,065			26,360,081
Fiscal Services	1,969,294						1,969,294
Food Services		21,690,125					21,690,125
Central Services	7,068,856	41,737				38,667,970	45,778,563
Pupil Transportation Services	16,720,482	15,000		4,235,940			20,971,422
Operation of Plant	25,421,749	98,559					25,520,308
Maintenance of Plant	8,073,877						8,073,877
Administrative Technology Services	4,398,216						4,398,216
Community Services	73,946	1,300			2,586,818		2,662,064
Debt Services			34,262,663				34,262,663
<b>TOTAL EXPENDITURES</b>	<b>\$308,165,650</b>	<b>\$41,765,157</b>	<b>\$34,262,663</b>	<b>\$29,943,005</b>	<b>\$2,586,818</b>	<b>\$38,667,970</b>	<b>\$455,391,263</b>
Transfers Out	776,966			33,517,722			34,294,688
Fund Net Asset Balances	11,874,611	8,124,390	3,764,028	36,656,670	1,458,092	1,553,868	63,431,659
<b>TOTAL APPROPRIATED EXPENDITURES, TRANSFERS AND FUND/NET ASSET BALANCES</b>	<b>\$320,817,227</b>	<b>\$49,889,547</b>	<b>\$38,026,691</b>	<b>\$100,117,397</b>	<b>\$4,044,910</b>	<b>\$40,221,838</b>	<b>\$553,117,610</b>

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 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>125,079,719</u>
B. Less tax reductions due to Value Adjustment Board and other assessment changes.....	\$	<u>(313,463)</u>
C. Actual property tax levy.....	\$	<u>125,393,182</u>

**This year's proposed tax levy.....** \$ 131,490,253

A portion of the tax levy is required under state law for the school board to receive \$139,525,067 in state education grants. The required portion has increased by 2.28 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 27, 2015 at 5:30 P M in the Commission Chambers, Lake County Administration Building, 315 West Main Street, Tavares, FL.

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

## 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 5.697 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 \$26,309,013 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 and Other Support Vehicles

#### **NEW AND REPLACEMENT EQUIPMENT, COMPUTERS, ENTERPRISE RESOURCE SOFTWARE, AND S.1011.71(2), F.S., ELIGIBLE EXPENDITURES IN SUPPORT OF DIGITAL CLASSROOMS PLANS PURSUANT TO S. 1011.62(12), F.S.**

Instructional Technology Equipment/Software (School and District Sites)

Furniture and Equipment (School and District Sites)

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

Astatula Elementary for the Arts

Carver Middle School

Eustis Middle School

Groveland Elementary School

Lake Hills ESE Center (Replacement)

Leesburg High School

Minneola Elementary School (Replacement)

Mount Dora High School

Oak Park Bus Lot

Round Lake Elementary School

Tavares Middle School

Windy Hill Middle School

East Ridge Middle School

Beverly Shores Elementary School

East Ridge High School Addition

Fruitland Park Elementary School

Villages Elementary

Leesburg Elementary School

Lost Lake Elementary School

Mascotte Elementary School (Replacement)

Mount Dora Middle School

Pine Ridge Elementary School

South Lake High School

Tavares Elementary School

Triangle Elementary School

Sawgrass Bay Elementary School

Gray Middle School

Eustis Heights Elementary School

#### **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

All concerned citizens are invited to a public hearing to be held on July 27, 2015, at 5:30 P.M., in the Commission Chambers, Lake County Administration Building, 315 West Main Street, Tavares, FL. A DECISION on the proposed CAPITAL OUTLAY TAXES will be made at this hearing.