

**RECORD OF BOARD PROCEEDINGS
(MINUTES)**

Fayette County Board of Education Special Meeting
May 18, 2016

The Fayette County Board of Education met at 701 East Main Street, Lexington, KY 3:00 PM on May 18, 2016 with the following members present:

Administration Present

Emmanuel Caulk, Superintendent
Marlene Helm, Acting Senior Director of Academic Services
Myron Thompson, Acting Senior Director of Operations and Support
Shelley Chatfield, Staff Attorney
Darryl Thompson, Acting Senior Director of Equity, School Support and Community Engagement

Pursuant to KRS Chapter 61, notice is hereby given that on May 16, 2016, the Chair of the Fayette County Board of Education called a special meeting of the Board of Education for Wednesday, May 18, 2016 at 3:00 p.m., at 701 East Main Street, Conference Room A, Lexington, KY, as a work session to review and discuss 2015-2016 Working Budget Adjustments, 2016-2017 Tentative Budget, 2016-2017 Salary Schedules and District Assurances. At 5:30 p.m., the Board will go into closed session concerning student disciplinary hearings.

The student disciplinary hearings will be closed to the public as provided for under KRS 61.810(1)(f) of the Open Meetings Act, unless the students or the students' parents request a public hearing

A. CALL TO ORDER

Melissa Bacon called the special meeting to order at 3:05 p.m.

B. EXTEND WELCOME TO GUESTS

Melissa Bacon welcomed guests at the special called meeting.

C. READING OF MISSION STATEMENT

Doug Barnett read the Mission Statement

D. INFORMATIONAL ITEMS:

D.1. 2015-2016 Working Budget Adjustments

Discussion:

Hiren Desai provided an update on the 2015-2016 working budget. He discussed the adjustments including the following points of interest:

The District received our final SEEK allocation in March and the mid-year reduction was finalized at (169,175). The District experienced student enrollment growth above the projection which resulted in an increase in SEEK for the 2015-16 school year of \$1,050,973.

The Operations department had a truck involved in an accident in March. The vehicle was totaled. The truck was 10 years old with 109K miles. The insurance reimbursement will not cover the cost of the replacement estimated at \$34K. Since the truck was used to haul mowing equipment, we are requesting to replace the truck now before the mowing season begins.

The maintenance department indicated the needs for HVAC repairs. The repairs need to be done in the spring. The amount requested is \$470K to complete the repairs before the warmer temperatures arrive.

D.2. 2016-2017 Tentative Budget

Discussion:

After all the revenue adjustments are made, the District anticipates a net recurring \$9.9 million above our current 2015-2016 Working Budget. The major source of this increase in revenue is the result of projected local property tax assessments.

- The tentative budget is predicated on setting a tax rate that will generate a 4% increase in tax revenue from real and personal property which will create approximately \$9.3 million. According to our fiscal agent, this increase will be required to ensure the necessary bonding capacity for committed projects including the new high school slated to open in the 2017-2018 school year.
- Other Revenue Projected Increases:
 - o Utility Tax 1% - \$220,101
 - o Occupational License Tax 1% - \$343,673
 - o Interest 1% - \$1,506
- The District contingency of \$25,488,663 approximately (4.5%) is reflected in the Beginning Balance.
- We are assuming at this point flat growth of all other revenue streams.

Beginning with school year 2016-2017, these funds will become part of recurring revenue used to support the operating budget.

Expenses (New)

The tentative budget includes the following recurring expenses:

- 1.5% salary experience step up increase for both classified and certified staff- \$3.7 million
- Anticipated increases in employer paid retirement match for CERS, our current rate is 17.06% and is increasing to 18.68% - \$980,000
- Anticipated increases in FICA and Medicare contributions - \$1,850,000
- New and Existing Program Expansion - \$310,000
- Sheriff Fees for Property Tax Collection - \$100,000
- Leadership Institute - \$85,000
- FCPS Family Reunion - \$75,000
- Sick Leave Payout - \$400,000
- New Mandate from Legislative Session Publishing Financials in paper - \$35,000
- Setup and Install of Portables - \$690,000
- Anticipated Superintendent Entry Plan - \$1.2 Million (already have \$800K use for audits this year)

Establish the following positions:

- o Eight (8) additional bus drivers due to increased ridership and the opening of two elementary schools - \$261,250
- o Receptionist for Warehouse - \$36,000 (currently covering with subs and pulling from the media services department)

Other recommendations with use of non-recurring funds:

- Set aside startup funds for new high school scheduled to open 2017-2018 school year - \$2 million
- Debt Service Payment due to \$100 million bond sale for the two elementary and high school construction projects - \$2,792,000
- Back to School Convocation - \$125,000

The 2016-2017 Tentative Budget also includes:

- Special Revenue (Fund 2) budget that includes anticipated state and federal grants awarded to the District at this time. This is a very preliminary projection; our District is just beginning to receive tentative allocations for the 2016-2017 school year.
- Food Service (Fund 51) budget, which is reflected as self-supporting.
- Capital Outlay (Fund 310) budget is funded at \$100 per ADA as required by the State's SEEK funding. These funds must be used for debt redemption and/or capital improvement.
- Building Fund (Fund 320) budget funded at the state required level of the equivalent of 5.5 cents of property taxes and the additional nickel approved beginning with the 2007-2008 school year to be used for construction projects and debt redemption.

The District will continue to closely monitor the changes in the economy and available trend data in preparing for the working budget.

D.3. 2016-2017 Salary Schedules

Discussion:

Hiren Desai & Julane Mullins provided an update and gave a summary of proposed changes for the 2016-2017 Salary Schedules.

The following is a summary of proposed changes:

- Teacher's Salary Schedule
 - o Clarifying language related to experience credit.
- Supplemental Salary Schedule for District Level or District Wide Positions
 - o Added three (3) supplemental positions
 - o District Arts/Humanities Content Leader (K-12)
 - o District Practical Living Career Study Content Leader (K-12)
 - o District World Languages Content Leader (K-12)
- Supplemental Salary Schedule for Non Athletic duties
 - o Added Band B and Band D to Middle School Zero Hour
 - o Added Band B and Band D to High School Zero Hour
- Substitute Teacher/Para Salary Schedule
 - o Clarifying language that changed with retired classified substitutes
 - o Clarifying language related to retired teacher status?

Stipend Pay for Salaried Employees

- o Clarifying language related to stipend pay

Classified Hourly Employees Single Salary Schedule

- o Take out the language indicating that level 0 cells across all grades have been reduced by 10% based on recommendations from our classified hourly compensation study.

Classified Pay Increases for Education and Experience

- o Clarifying language related to classified employees transferring to classified position
- Clarifying language related to classified employees who have retired

The Tentative Budget scheduled to be approved on May 23, 2016, includes the 1.5% step up for experience and a 0% salary increase for both classified and certified employees.

D.4. 2016-2017 District Assurances

Discussion:

Hiren & Julane shared information regarding the 2016- 2017 District Funding Assurances. Julane stated this is a routine document that must be approved by the Board every year.

F. Closed Session: The Board went into closed session concerning student disciplinary hearings.

Motion Passed: A motion is in order to go into closed session concerning student disciplinary hearings, passed with a motion by Melissa Bacon and seconded by Doug Barnett. Motion carried 3 to 0.

Reconvene in Open Session:

Motion Passed: Approval to reconvene in open session at 8:13 p.m., passed with a motion by Doug Barnett and seconded by Amanda Ferguson

Adjournment:

Motion Passed: Approval to adjourn the meeting at 8:13 p.m., passed with a motion by Doug Barnett and seconded by Amanda Ferguson. Motion carried 3 to 0

Melissa Bacon, Chair

Emmanuel Caulk, Superintendent and
Secretary to the Board