



THE SCHOOL DISTRICT OF LEE COUNTY

*Finance Advisory Committee*

*April 26, 2006*

Meeting Minutes

**Committee Members Present:** Lawrence Bush, Cheryl Diamond, David Carleton Hall, Thomas Hodson, Michael McNally, Thomas McNulty, Jack Murphy, Susanne Quattro, Gary Snow, Fred Whitehouse

**Committee Members Absent:** Keith Banasiak, Errol Howard, Carmelo Santos, Carl Snipes, Doug Wells

**Lee County School Personnel Present:** Jim Browder, Jim Buckley, Lee Legutko, Kelly Letcher

**Board Member Present:** Steven Teuber

**Recording Secretary:** Mrs. Susan Johnson

**Welcome/ Approval of Minutes**

Mr. Hall asked that everyone take a moment to look at the minutes and if there were any changes to the minutes for the March 22, 2006, meeting. The minutes were unanimously approved.

Mr. Hall indicated that two members have rotated-off the committee and he introduced and welcomed new member Mr. Michael McNally. Mr. Carmelo Santos is also a new member; however, he was not in attendance.

**Public Comment**

None

**Board Member's Report**

Mr. Teuber noted that today Mr. Legutko should have received the latest information from the Legislative Session. Mr. Buckley indicated that the District has a pretty good idea of the figures, but that not all of the budget numbers are in yet. Mr. Hall asked about the outcome of the 65% Solution. Mr. Teuber stated that we do not know yet at this time.

**Next Year's Budget Process**

Mr. Buckley explained that schools start out with a zero budget every year and that allocations are based on student enrollment. Departmental budgets utilize the continuation budget model. The FY07 Budget Calendar was distributed. Mr. Buckley noted that the budget process for FY07 started last November. The District is projecting 5,000 more students next school year. To meet the needs of

5,000 additional students, new teaching positions will come out of allocated funds and class size reduction monies. Mr. Buckley indicated that the Board was briefed on enrollment projections in February. Other dates noted: May 9<sup>th</sup> is the Legislative budget review with the Board; April 28<sup>th</sup> the school allocation process ends; and the public hearing to adopt the final budget is scheduled for September 12<sup>th</sup>. Mr. Hall noted that to keep the Finance Advisory Committee Members informed, the next FAC meeting could go over the Legislative budget.

Mr. Whitehouse asked how the District covers for sudden budget increases such as the rise in gas prices. It was explained that there is a 3-5% reserve for contingency.

There was discussion as to how the departments/schools go about asking for new budget requests. It was noted that in May the budget requests are reviewed and revised by the Superintendent, the Chief Business Officer, Chief Academic Officer, Executive Assistant, Executive Directors, a representative from the elementary, middle, and high school principals, and Budget Department staff.

It was noted that the District has implemented several things to offset the cost of transporting students: sub-zones within each school zone; programs being replicated in each zone (IB, arts program, etc.); changing school start times and routing more efficiently (two hours between tiers – meaning more efficient use of buses). Also, it was noted that this is the last year of grandfathering-in for students with the Student Assignment Plan.

#### **5-Year Capital Plan**

Three documents were handed out regarding the 5-Year Capital Plan. It was noted that on the Capital Plan Summary, the debt proceeds are \$138 million. On the Capital Plan Update power point handout, it was noted that one of the revenue assumptions is the tax roll is increased each year by 12% (the 10 year average growth rate of the tax base). This reflects the impact of growth in Lee County.

Some of the appropriation assumptions are: a 5% per year inflationary increase for new schools; and that land purchases were estimated with a 12% inflationary factor annually. Purchases of new buses are based on a 12-year replacement cycle annually and a student growth rate of 7%. Technology costs for schools were estimated at a 6:1 student-to-computer ratio and a 7-year replacement cycle. It was noted that Collier County is on a 3-year replacement cycle for technology. Mr. Buckley indicated that the 7-year replacement cycle is a standard that the District can afford and yet be equitable for all.

It was also noted that projections show a 30,000 student increase in five years.

The Capital Plan is reviewed and updated as needed every six months.

Dr. Browder noted that staff listened very carefully to this Committee's caution in relation to how we move forward with the assumptions - not being real aggressive, but not too conservative.

There was discussion regarding the student population growth in the county. Dr. Browder indicated that right now the West and the East Zones are growing at the fastest rate. He noted that it is getting harder to find parcels of 20+ acres to build new schools.

There was discussion about the possibility of our District building a school in another county or contiguous to another county. It was indicated that Manatee and Sarasota counties have discussed this type of arrangement with a shared school. It was noted that a cooperative agreement would have to be drawn up for any sort of school of this nature. Dr. Browder indicated that there will probably be a cooperative agreement over the Babcock Ranch for Charlotte and Lee counties pertaining to schools. Mr. Buckley noted that cooperative agreements between counties have been common in the past.

A committee member asked about the development of the property that the District owns on Littleton Road. Dr. Browder said that the District owns 125 acres and it has been designated for multiple uses, not unlike the Mariner property. It will probably house several schools, ancillary buildings for Maintenance, buses, etc.

There was discussion regarding the clarification of the South Zone. Growth is based on enrollment (monitored by the District mapping system) and not just on new construction in a zone. Zones are divided up into sub-zones, giving students equal programming opportunities. Mr. Buckley indicated that student projections are prepared by zone.

### **Legislative Budget**

Two documents were distributed: District Funding Summary and Public School Funding. Mr. Buckley shared with the Committee that the Legislature has given Lee County a funding increase of \$81 million. This includes \$27 million for growth (5,000 students).

Mr. Whitehouse asked if the District has to use it or lose it, if the money is not all spent. Mr. Buckley noted that the money carries over, but has to be spent for the same purpose. Mr. Buckley indicated that \$283 per student is the statewide average for funds per student from the .51 discretionary millage. The \$147 million teacher performance incentives are designed for 25% of the teachers. It is 5% of annual teachers' pay (about \$2,000 on the average). There was a question if teacher performance pay includes the Golden Apple Awards. It was noted that Lee County's Golden Apple Awards utilizes an application process.

A committee member asked if new teachers are offered any incentives. It was noted that they are helped with moving expenses if they are out of state or out of county. Mr. Teuber noted that monies have been set aside from impact fees for teachers to apply for affordable housing. Mr. Hall said that Lennar/ U.S. Homes gives discounts to teachers.

Mr. McNulty asked for clarification on what is considered “affordable housing.” Dr. Browder indicated that the workforce describes it as a two-income household with the cost of a home in the price range of \$225,000-\$260,000. It was noted that at the Teacher Recruitment Fair held on Monday, April 24th, there were 6-10 home builders and mortgage companies represented.

Mr. Hall noted that it is really good news that we are getting more money from the state and that the Board can be briefed at their May 9<sup>th</sup> Board Briefing Meeting.

Mr. Buckley added that out of the pot has to come a \$379 per person increase in health care and that employees that have been in the District for more than six months will receive their pay step increases.

Mr. Hall said that he would like to see the School District be able to pay off their debt.

**Good of the Order**

None

Mr. McNulty made the motion to adjourn the meeting; it was seconded by Ms. Diamond. The meeting adjourned at 6:10 p.m.

**The next meeting is scheduled for May 24, 2006, at 5:00 p.m., in the Human Resources Conference Room on the first floor of the Dr. James A. Adams Public Education Center.**