

The Finance Committee of Franklin City Schools met at the Hampton Bennett Building in the Media Center on Thursday, August 31<sup>st</sup>, 2006, at 3:30 p.m.

Present: Mr. Tom Burns, Mr. Denny Centers, Mr. Gary Myers, Mrs. Lori Raleigh, Mr. Chris Sizemore, Mr. Doug Lantz and Mrs. Jana Bellamy

Also present, representing the press, was Mr. Dan Darragh

**Discussion Items:**

**I. Review, discuss and provide feedback regarding items to be presented to the Board of Education on 9/11/06 for approval on 9/25/06.**

A. **Amounts & Rates:** The Committee reviewed the process to establish the amounts and rates, discussed this year's exception due to the TPP legislation and provided feedback regarding information to be presented to the public and to the board of education on 9/11/06.

Committee members provided feedback and tips for presentation discussion to include the fact that the emergency levy was voted for a specific dollar amount, which remains the same. Therefore, as property values rise, the millage rate will decrease. Furthermore, this could result in a tax decrease for some taxpayers dependent upon individual home value/appreciation in comparison to the average in the district.

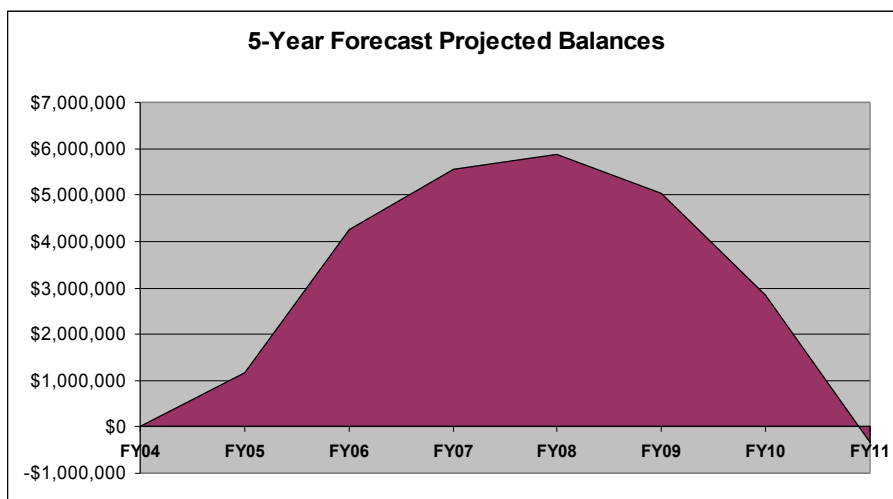
Amounts: The Warren County Budget Commission has certified a total general fund collection of \$14,600,000; a 1989 school bond collection of \$270,000 and a 2001 library bond collection of \$180,000.

Rates:

	<b>Full Voted Rate</b>	<b>Agricultural &amp; Residential</b>	<b>Commercial &amp; Industrial</b>
Inside Millage	4.03	4.03	4.03
Outside Millage	44.55	15.97	17.75
<b>Sub Total</b>	<b>48.58</b>	<b>20.00</b>	<b>21.78</b>
Emergency Levy	9.79	9.00	9.00
1989 School Bond	1.90	0.65	0.65
2001 Library Bond	0.72	0.45	0.45
<b>TOTAL</b>	<b>60.99</b>	<b>30.10</b>	<b>31.88</b>

B. **5-Year Forecast & Assumptions:** The Committee reviewed the Draft 5-Year Forecast, assumptions and the detailed data utilized to compile the report. The Committee received instructions to access the budget information on-line for review at any point in time.

Committee members discussed the fiscal year end balances and reviewed a graphic illustration, which shows that the projected balances result in a “bell curve” with a deficit projected at June 30, 2011. The Committee members pointed out that the deficit is a direct result of the emergency levy expiration at December 31, 2010. Therefore, there will only be ½ year collection in FY11, which causes the deficit projection.



Committee members discussed the accuracy of the forecast due to the changing environment, legislation, etc. It was concluded that the first year of the forecast was compiled with accuracy with current information. However, the further the years of the forecast extends, factors will occur to change the data such as: new biennial budget, property values, union negotiations and staffing needs.

Committee members discussed communication methods for facility improvements and specifically the 2-mills that the Board of Education allocated from the emergency levy to be used for building maintenance, repairs and improvements such as, windows, doors, roofs, HVAC, etc. Members of the Committee offered their assistance in this area.

C. **2006/2007 Permanent Appropriations:** The Committee considered the fact that the District’s Permanent Appropriations include the 5-Year Forecast data (General Fund (001) and the Poverty Based Assistance (PBA 494) Fund) plus all of the following funds:

<u>Fund</u>	<u>Description</u>
002	Bond Retirement Funds used to pay bond debt
003	Permanent Improvement Funds
006	Lunchroom Fund (Lunchroom operates as its own business)
007	Special Trust Funds (Scholarships, flower funds, etc.)
018	Principals' Funds (Building fundraisers-pictures, vending, etc.)
019	Local Grants & Projects (Power Camp, Bridges, etc.)
200	Student Managed Activities (Student Gov't., Thespians, classes, etc.)
300	District Managed Activities (Athletic Fund, Newspaper, APF, NHS)
4XX	State Grants
5XX	Federal Grants

The purpose of each of the above funds was discussed and seemed helpful to illustrate the specific purpose of each of the funds. The Permanent Appropriation resolution will include the Fund Number, Name and amount for appropriation.

**II. Review possible future topics of discussion and appropriate discussion timeline:**

The Committee had previously and tentatively agreed upon the following discussion schedule for future financial presentations and discussions with the Board of Education:

**Finance Committee - Presentation/Information Schedule**

9/11/2006 Work Session	<u>Presentation:</u> 5-Year Forecast & Permanent Appropriations <u>Explain:</u> Amounts & Rates as est. by Budget Commission
9/25/2006 Regular Meeting	<u>Approve:</u> 5-Year Forecast & Permanent Appropriations <u>Approve:</u> Amounts & Rates as est. by Budget Commission
10/9/2006 Work Session	<u>Presentation:</u> Abatements - CRAs, REZs & TIFs
10/23/2006 Regular Meeting	
11/13/2006 Work Session	<u>Presentation:</u> Local Revenue & Tax Collections
11/27/2006 Regular Meeting	
12/11/2006 Regular Meeting	<u>Handout &amp; Discuss:</u> Inside Millage Set Date of Organizational Meeting Approve President Pro-Tem
1/8/2007 Organizational Meeting	Approve 2008 Tax Budget

The Committee reviewed the discussion items and scheduled the next Finance Committee meeting on Tuesday, September 19<sup>th</sup>, 2006 at 6:30 p.m. to be held in the Hampton Bennett Media Center. The agenda item of discussion for this meeting will be abatements: CRA, REZ and TIFs.

The Finance Committee adjourned at 5:35 p.m.