



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: August 18, 2014

AGENDA ITEM: 2014-2015 Budget Update

PRESENTER: Earl Husfeld

ALIGNS TO BOARD GOAL(S): Financial/Facilities – The District shall exhibit excellence in financial and facility planning, management, and stewardship.

BACKGROUND INFORMATION:

- Per Section 44.002 of the Texas Education Code, “the Superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the District for the following fiscal year.
- The budget must be prepared according to generally accepted accounting principles, rules adopted by the State Board of Education, and adopted policies of the Board of Trustees.
- Budgets for the General Fund, the Child Nutrition Fund, and the Debt Service Fund must be included in the official district budget and must be adopted by August 31st.

ADMINISTRATIVE CONSIDERATIONS:

- No significant revisions have occurred since the budget workshop on August 11th. However, we have continued to “fine tune” the detailed aspects of the 2014-2015 budget.
- I have included for your review a copy of the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate that was published in the newspaper on August 15th.
- The 2014-2015 budget is scheduled to be adopted at a special board meeting on Monday, August 25th at 7:00 PM.

FISCAL NOTE:

None

ADMINISTRATIVE RECOMMENDATION:

None – Informational Report

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Aledo Independent School District will hold a public meeting at 7:00 p.m. on Monday, August 25, 2014 in the Board Room at the Administration Building, 1008 Bailey Ranch Road, Aledo, Texas 76008.

The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax \$ 1.17 /\$100 (Proposed rate for maintenance and operations)

School Debt Service Tax

Approved by Local Voters \$.2552 /\$100 (Proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	5.44	% increase	or		% (decrease)
Debt Service		% increase	or	0.88	% (decrease)
Total expenditures	4.23	% increase	or		% (decrease)

Total Appraised Value and Total Taxable Value

(as calculated under Section 26.04, Tax Code)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$ 3,360,092,104	\$ 3,458,812,914
Total appraised value* of new property**	\$ 63,557,428	\$ 118,265,463
Total taxable value*** of all property	\$ 2,545,189,913	\$ 2,649,050,904
Total taxable value*** of new property	\$ 63,557,428	\$ 118,265,463

* "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.048(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$140,930,860

* Outstanding principal

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$ 1.1700	\$.25520*	\$ 1.42520	\$ 7,510	\$ 1,129
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$ 1.18611	\$.39547*	\$ 1.58158	\$ 8,094	\$ 1,084
Proposed Rate	\$ 1.17000	\$.25520*	\$ 1.42520	\$ 7,527	\$ 1,084

* The Interest & Sinking Fund tax revenue is used to pay bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$ 251,389	\$ 253,093
Average Taxable Value of Residences	\$ 233,222	\$ 235,268
Last Year's Rate Versus Proposed Rate per \$100 Value	\$ 1.42520	\$ 1.42520
Taxes Due on Average Residence	\$ 3,323.88	\$3,353.04
Increase (Decrease) in Taxes		\$ 29.16

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$ 1.44780291.

This election will be automatically held if the district adopts a rate in excess of the rollback rate of \$1.44780291.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	\$ 13,308,189
Interest & Sinking Fund Balance(s)	\$ 602,690

**Aledo Independent School District
2014-2015 General Fund Budget
Projections/Assumptions
August 11, 2014**

1. Projected student enrollment – 5,060, an increase of 188 students (3.9%) from the Fall 2013 PEIMS submission.
2. Projected average daily attendance - 4,807.
3. 2014 certified taxable values have been received from the Parker County and Tarrant Appraisal Districts. These certified taxable values increased \$101.2 million or 3.97% over the 2013 certified values.
4. Current year tax collections based on a projected 98.5% collection rate.
5. Campus and department budgets have been maintained at 2013-2014 levels.
6. The following additional staff positions approved during the January and March board meetings at a projected cost of approximately \$724,500:
 - 1 Director of Personnel
 - 1 Coordinator of Career Technology Education
 - 1 math specialist
 - 1 assistant to the Director of Personnel
 - 2 elementary school teachers
 - 4 elementary school computer lab instructional aides
 - 1 assistant principal for McAnally Intermediate/Vandagriff Elementary
 - 1 counselor for McAnally Intermediate School
 - 2 Career Technology Education teachers for Aledo High School
 - 1 behavior specialist for special population students district wide
7. Due to the age of our bus fleet, costs associated with adding an additional bus route, and various other factors, expenditures for the Transportation Department will increase approximately \$275,000.
8. State of Texas requirement to “ensure that each student has a graphing calculator to use when taking the STAAR grade 8 mathematics assessment will cost approximately \$40,000.
9. State of Texas requirement for the District to contribute 1.5% of adjusted TRS eligible salaries to TRS at a projected cost of approximately \$350,000).
10. Staff computer lease payment of \$116,641.
11. 3% of midpoint general pay increase for staff is approximately \$700,000.
12. The District’s total tax rate has not changed since the 2008-2009 fiscal year, a period of six years.

**Aledo ISD
Debt Service Fund
Budget History/Projections
August 18, 2014**

<u>Description</u>	<u>2009-2010 Audit</u>	<u>2010-2011 Audit</u>	<u>2011-2012 Audit</u>	<u>2012-2013 Audit</u>	<u>2013-2014 Projected</u>	<u>2014-2015 Budget</u>
Property Tax Revenues/Collections	\$ 9,763,057	\$ 6,722,323	\$ 6,270,542	\$ 6,416,599	\$ 6,459,909	\$ 6,676,939
Transfer In from General Fund	-	-	-	-	3,147,533	2,835,524
Principal/Interest Payments & Fees	<u>(9,753,434)</u>	<u>(9,018,474)</u>	<u>(9,302,247)</u>	<u>(8,460,641)</u>	<u>(9,758,268)</u>	<u>(9,512,463)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,623	(2,296,151)	(3,031,705)	(2,044,042)	(150,826)	0
Refunding Bonds Issued	-	-	9,965,764	28,468,818	9,947,568	-
Payment to Bond Refunding Escrow Agent	<u>-</u>	<u>-</u>	<u>(9,820,480)</u>	<u>(28,105,165)</u>	<u>(9,796,742)</u>	<u>-</u>
Net Change in Fund Balance	9,623	(2,296,151)	(2,886,421)	(1,680,389)	(0)	0
Debt Service Fund Balance, Sept 1	<u>7,456,028</u>	<u>7,465,651</u>	<u>5,169,500</u>	<u>2,283,079</u>	<u>602,690</u>	<u>602,690</u>
Debt Service Fund Balance, Aug 31	<u>\$ 7,465,651</u>	<u>\$ 5,169,500</u>	<u>\$ 2,283,079</u>	<u>\$ 602,690</u>	<u>\$ 602,690</u>	<u>\$ 602,690</u>
Assessed Property Tax Valuation	<u>\$ 2,527,725,812</u>	<u>\$ 2,573,318,370</u>	<u>\$ 2,434,577,463</u>	<u>\$ 2,465,553,677</u>	<u>\$ 2,550,025,227</u>	<u>\$ 2,651,272,657</u>
Actual/Projected Debt Service Tax Rate	<u>\$ 0.3852</u>	<u>\$ 0.2552</u>	<u>\$ 0.2552</u>	<u>\$ 0.2552</u>	<u>\$ 0.2552</u>	<u>\$ 0.3596</u>
Debt Service Fund Tax on \$250,000 Home	<u>\$ 963.00</u>	<u>\$ 638.00</u>	<u>\$ 638.00</u>	<u>\$ 638.00</u>	<u>\$ 638.00</u>	<u>\$ 899.10</u>

Notes:

1. Tax Ratification Election (TRE) was passed on August 28, 2010, resulting in the decrease to the debt service tax rate in 2010-2011.
2. 2014-2015 property tax collections amount is based on no change to the I&S tax rate of \$0.2552 with a 98.5% collection rate.
3. 2014-2015 certified property tax valuation is a 3.97% increase over the 2013-2014 certified values.
4. A 1.0% interest rate has been assumed on the District's variable rate bonds.
5. Each penny increase to the tax rate results in approximately \$261,150 in collected taxes.