

1 NORTH HARRISON COMMUNITY SCHOOL CORPORATION
2 BUDGET HEARING
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14 The aforementioned Budget Hearing was held on the 11th
15 day of September, 2014 at North Harrison Middle School
16 Cafeteria, Highway 64, Ramsey, Indiana 47166 and commenced
17 at 7:01 p.m. before Rebecca J. Coughenour, Court Reporter.
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23 *Precision Court Reporting*
24 *8045 Shady Estates Circle, NE*
New Salisbury, Indiana 47161
25 *812-596-4129*

APPEARANCES

1
2 MR. THOMAS - SUPERINTENDENT
3 MR. RICHARDS - ASSISTANT SUPERINTENDENT
4 BOARD MEMBERS:
5 MS. SIEG-BATTISTA - PRESIDENT
6 MS. ADAMS - VICE PRESIDENT
7 MR. HANGER - SECRETARY
8 MR. OPPEL - MEMBER
9 MR. BYRNE - MEMBER

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22 TRANSCRIPT LEGEND

23 - (Interjection of thought for clarification)
24 -- (Interruption of thought)
... (Trailing off or did not complete thought)
(ph) (Phonetically)
25 (sic) (In it's original form)

1 P R O C E E D I N G S

7:01 p.m.

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4 MS. SIEG-BATTISTA: At this time, we'll
5 call the Budget Hearing to order. I'd like for
6 the minutes to show that all Board members are
7 present. Mr. Thomas, do you want to begin or do
8 you want me to read the proposal on 9-11-1? Do
9 you want me to read that?

10 MR. THOMAS: Yes, please.

11 MS. SIEG-BATTISTA: (Reading) The
12 proposed budgets in each of the tax levy funds,
13 summaries of the Capitol Projects Plan and the Bus
14 Replacement Plan have been duly advertised in the
15 Corydon Democrat with the notice that a public
16 hearing would be heard at this time for each
17 budget and plan.

18 MR. THOMAS: Thank you. I did prepare
19 a power point. If you have any questions as I go
20 through this raise your hand and I will discuss it
21 or you can wait to the end, either way. And I'll
22 go through each fund in terms of taxes.

23 Okay. The proposed budget that I
24 advertised: General Fund, of course, is state
25 supported. In other words, the money there comes

1 from state collected income tax that was raised
2 for this purpose and also from personal income tax
3 that you pay in.

4 Debt Service - \$1,965,311. That's the
5 proposed budget. Doesn't mean the property taxes
6 are going to be that much for that fund. And, of
7 course, it's supported by property taxes and
8 miscellaneous revenue.

9 Capital Projects - \$1,756,436 and that
10 is supported by property taxes.

11 Transportation - \$1,377,600. Supported
12 by property taxes.

13 And the Bus Replacement, and I'll go
14 into that later when we get to the Bus Replacement
15 - \$558,000. And that is the proposed budget for a
16 total of \$20,244,238.

17 Now I advertised high and they advise
18 us to do that. There are several reasons you want
19 to advertise high. Number one, the assessed value
20 may not wind up what you think it's going to be or
21 it may be a lot less than it was the year before.
22 You wouldn't have sufficient appropriations. That
23 is your right to spend. Now you'll say well, how
24 can you get more appropriations than I have funds
25 on hand? If you have a cash balance, Robert North

1 who is our field representative -- you build that
2 in on your 4B form, which doesn't mean anything to
3 you all. Lance, you know. Anyway, and then that
4 gives you additional appropriations. In other
5 words, you can carry money forward for the next
6 year, add that into your budget like you're gonna
7 do a building project or something like that and
8 you've got three or four hundred thousand left in
9 Capital Projects. You can build that into your
10 budget, carry it forward and then you're gonna
11 have the right to spend all the taxes you get the
12 next year plus what you carried forward. Protect
13 and maintain cash balances. This is what we do in
14 Bus Replacement. That's why we advertise higher
15 than what our maximum levy is. 'Cause one of
16 these years, in 2016, I think, we're gonna have to
17 buy about six buses, looks like. And then number
18 four, it guarantees our maximum levy. And with
19 our Transportation cost and what our budget is and
20 our collection of property taxes we have to go for
21 the maximum levy and then we still run very close.

22 Maximum funds to be raised. This is
23 where I advertised even higher. Debt Service -
24 \$2,156,118. Okay. Our current levy in Debt
25 Services, this is bonds that we pay on the

1 buildings that were remodeled, it's \$926,965.

2 I think most of you know where about a
3 million dollars of that comes from. It comes from
4 Riverboat money. And also the excise, FIT and the
5 CVAT tax added, in drops it down to \$926,965.

6 Capital Projects, there again, I
7 advertised \$1,795,975. Our current levy is
8 \$1,278,498.

9 School Transportation Fund is
10 \$1,415,848 but our maximum levy is \$903,329.

11 Bus Replacement Fund, I advertised
12 \$576,350. Our current levy is \$209,717.

13 So our current collection of taxes,
14 property taxes, is in the amount of \$3,318,509.
15 That's for this year, 2014 budget.

16 Now let's look at each fund and how I
17 arrived at the amounts that I have. We advertised
18 \$1,965,311 less miscellaneous revenue. That
19 includes the riverboat and all those other taxes
20 that are collected. You subtract that then you
21 subtract the PTRC, which is your property tax
22 replacement credit. And we collect it in the form
23 of CADGIT, which is your County Adjusted Gross
24 Income Tax. And that's \$64,000. In other words,
25 that amount is subtracted from your advertised

1 amount and you arrive at the bottom with \$958,397
2 for a tax rate of ¢22.5 cents per \$100 of assessed
3 value.

4 Next, Capital Projects Fund.

5 Advertised \$1,756,436. Now this is the only fund
6 that is rate driven. And by that the tax rate is
7 constant for your maximum levy. Not your levy.
8 Our rate is set at ¢21.22 cents per \$100 of
9 assessed value. That's for the Capital Projects
10 Fund. You're also allowed to collect another 10
11 cents for utilities and insurance. This was set
12 up in 2005. Whatever 3.5% of your Capital
13 Projects budget was you could collect 3.5% in
14 terms of for utilities and insurance. The purpose
15 of this was to help offset General Fund
16 expenditures. Remember -- Some of you may
17 remember, we didn't get a check the first -- for
18 January each year and you had to go all the way
19 'til June 'til you got your January check from the
20 state. I think some of you remember that.
21 Anyway, when you subtract your CADGIT from what's
22 remaining of the \$1,287,498 the tax rate comes up
23 to ¢.27.7 cents. Now we never get our full ¢.31
24 cents. I checked back through five or six 1782
25 notices from the Division of Local Government

1 Finance and we have never gotten a full ¢.31
2 cents. So I figured it at what we get, ¢.27, ¢.28
3 cents.

4 Transportation Fund, the maximum levy
5 this year we were allowed to add on ¢.027 cents
6 percent of our maximum levy for last year. Last
7 year the maximum levy for the Transportation was
8 \$965,000. When you add the growth quotient of
9 2.7% you come up to \$991,681. Then when you
10 subtract your Property Tax Replacement Credit
11 you're collecting \$928,917. This is all for a tax
12 rate of ¢21.6 cents.

13 Bus Replacement, and this is what I
14 want to make a couple of comments on. Our maximum
15 levy last year was \$224,000 then when you add the
16 growth quotient of 2.7% it comes to \$230,000. And
17 this year I've also advertised collecting \$142,000
18 in Bus Replacement to pay the contracted drivers.
19 Now what that means, the contracted drivers that
20 we have, Mr. Richards sent this off to Carl Lentz
21 and then they give you an estimate of what
22 percentage you can pay per day of each contracted
23 driver and it totals \$142,000. That comes to a
24 total of \$372,759. Remember, I advertised
25 \$558,000 but I advertised high in case something

1 happens on the assessed value. Then when you
2 subtract your county income tax of \$14,000 that
3 leaves \$358,759 or 48.3 cents per \$100 of assessed
4 value.

5 Any questions so far?

6 (No response.)

7 MR. THOMAS: Okay. Levy Comparison.
8 Last year or this current year -- If I say last
9 year I'm referring to this year, the budget year
10 we're in. Debt Service was \$926,000. Next year
11 it will be \$958,000. The reason for that the
12 payment is never consistent. Regina, you can
13 vouch for that probably. When you go down the
14 paysheet schedule we have, the amortization of
15 each payment, it'll be different from year to
16 year. And then it depends on how much you're
17 collecting in text books that you did not collect
18 from the state. 'Cause that's also entered into
19 Debt Service.

20 Capital Projects: The current year
21 we're in \$1,278,498. Next year I'm estimating it
22 at \$1,189,000.

23 Transportation: \$903,000 this year.
24 Next year I'm looking at \$928,000.

25 Bus Replacement: \$209,000 and next

1 year \$358,000 for a total of \$3,435,740, which is
2 a little over \$100,000 more than it was this year.
3 Now let me make a comment on Bus Replacement.
4 Pending on the situation when we get our 1782
5 Notice I'm going to probably -- we would still
6 have \$90,000 left in Bus Replacement if our field
7 representative will allow us to use -- take the
8 \$142,000 out of our Bus Replacement money this
9 year. 'Cause our balance right now when we get
10 our tax bill at the end of the year will be a
11 little over \$600,000 in Bus Replacement. And then
12 we add another \$100,000 next year it will be
13 \$700,000.

14 Tax Rate Comparison: Last year or that
15 was for this year, ¢77.22 cents. Next year with
16 the Bus Replacement left as I advertised it it's
17 ¢.8015. If I can take the -- transfer the money
18 from the Bus Replacement to pay the drivers or
19 assist in helping our Transportation Fund the tax
20 rate will be ¢.77 cents same as last -- as this
21 current year. And this is based on assessed value
22 of \$429,747,000, which that's based on the same
23 assessment that we had this year. Whether it will
24 be or not I do not know, but the growth quotient
25 was 2.7%. I think Harrison County was 3.6%,

1 somewhere in that neighborhood. So that means our
2 assessment may go up to \$440,000,000. I don't
3 know whether it will or not. Are there any
4 questions? Veronica?

5 MS. SIEG-BATTISTA: Do you know, what
6 does the growth -- where does the growth quotient
7 really come from? What does that mean?

8 MR. THOMAS: That means they take --
9 The Division of Local Government Finance in
10 Indianapolis, they get reports of how the land is
11 being assessed and turned in for this year. And
12 then they take an average of all the counties.

13 MS. SIEG-BATTISTA: So there's --
14 they're taking -- if it was a hundred dollars, for
15 easy numbers, a hundred dollars last year, a
16 hundred and fifty dollars this year, whatever that
17 percentage is --

18 MR. THOMAS: That would be a 50%
19 increase.

20 MS. SIEG-BATTISTA: -- the growth
21 quotient?

22 MR. THOMAS: That's a growth quotient.

23 MS. SIEG-BATTISTA: Okay.

24 MR. THOMAS: Now just because you
25 advertise it doesn't mean you're always gonna get

1 it.

2 MS. SIEG-BATTISTA: No, I understand
3 that. But I just wanted to know where it -- where
4 that came from.

5 MR. THOMAS: You have a right to reduce
6 the budget. Now I can not increase anything after
7 it's advertised but I have a right to reduce it.
8 And at our next meeting in October we'll be
9 adopting the budget. At that time, I will have a
10 resolution where the Board will give me permission
11 to make deductions if necessary. And that's where
12 I will use that if I do use it and can use it with
13 the Bus Replacement Fund. Any other questions?

14 MR. BYRNE: Riverboat. I'm assuming
15 that we're getting it but has it been approved for
16 us to apply?

17 MR. THOMAS: Not for next year yet. We
18 don't have our -- I don't have an amount.

19 MR. BYRNE: Right. So --

20 MR. THOMAS: I used the same amount
21 that we got this year.

22 MR. BYRNE: What is our true tax rate,
23 then, if Riverboat goes away?

24 MR. THOMAS: If Riverboat goes away?
25 You got your calculator? Lance, back up to the

1 Debt Service Payment. Keep going. There we go.
2 Put in one million.

3 MR. BYRNE: I couldn't hear you.

4 MR. THOMAS: Put in 1-9-6-5-3-1-1.

5 Divide that by 4-2-9 --

6 MR. BYRNE: 4-2-9?

7 MR. THOMAS: 4-2-9-0-0-0-0. And that
8 will tell you what --

9 MS. SIEG-BATTISTA: Forty-six cents.

10 MR. THOMAS: How much?

11 MS. SIEG-BATTISTA: Forty-six cents.

12 MR. THOMAS: Forty-six cents. It'll go
13 up another quarter. The tax rate will be over a
14 dollar. Any other questions?

15 (No response.)

16 MR. THOMAS: If not, thank you. Did
17 you have another one?

18 MR. BYRNE: I know this is advertised
19 high but I want you to -- I know you've said you
20 could drop it somewhere else, in Transportation
21 was it or Bus Replacement?

22 MR. THOMAS: Bus Replacement, yeah.

23 MR. BYRNE: Let's see if we can sharpen
24 our pencil and save us some more somewhere else
25 too. Well, I for one, have been raising cain

1 about the Capital Projects paying for the General
2 Fund expenses and just thought I'd throw it out
3 there. So --

4 MR. THOMAS: Well, you're talking about
5 the \$.10 cents that we're allowed to collect for
6 utilities and casualty insurance.

7 MR. BYRNE: That's correct.

8 MR. THOMAS: Yeah. Okay. Tax Rate
9 Comparisons, you can see over the years where
10 they've come from and where they've gone. Okay.
11 If no more questions, thank you very much.

12 MS. SIEG-BATTISTA: If there are no
13 more questions on Mr. Thomas' presentation then I
14 would ask for a motion to adjourn the Budget
15 Hearing.

16 MS. ADAMS: I'll make it.

17 MS. SIEG-BATTISTA: Motion is made by
18 Ms. Adams. Do I have a second?

19 MR. HANGER: I'll second it.

20 MS. SIEG-BATTISTA: Seconded by Mr.
21 Hanger.

22 MS. SIEG-BATTISTA: All those in favor,
23 please say aye.

24 (Whereupon, all Board members said
25 aye.)

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MS. SIEG-BATTISTA: Opposed?

(No response.)

MS. SIEG-BATTISTA: Motion carries 5-0.

Meeting is adjourned. Thank you.

President

Secretary

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COUNTY OF HARRISON)

I hereby certify that the foregoing proceedings were taken down by me, as stated in the caption, and the transcript was reduced to print by me; that the foregoing pages 3 through 15 represent a true, correct and complete transcript of the proceedings on September 11th, 2014.

This the 28th of January, 2015.


Rebecca C. Coughenour
Court Reporter

Notary Public, State at Large
My commission expires: 01/17/20