

Rochester Community Schools Transmittal Form

Board of Education Meetings and Study Sessions

Send to Board of Education.

Board Meeting

Regular Special Closed Study Session

Meeting Date: January 24, 2011

Agenda Placement <input type="checkbox"/> Communications - citizens requesting placement on agenda <input type="checkbox"/> Consent <input type="checkbox"/> Administrative Report	<input type="checkbox"/> Unfinished Business <input type="checkbox"/> New Business <input type="checkbox"/> Additional Business
Presentation/Report <input type="checkbox"/> Instructional <input type="checkbox"/> Human Resources	<input type="checkbox"/> Business <input type="checkbox"/> Program/Department
<input checked="" type="checkbox"/> Information/Discussion	
<input type="checkbox"/> Action Required	

Description of report contents (include purpose, recommendation, critical points):

Study Session: District Goals Update

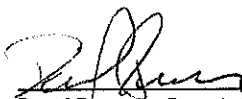
Costs associated with recommendations:

N/A

Source of funding:

N/A

Transmitted by:



David PrunEAU, Superintendent

1-19-11
Date

District Goals

Board Continuous Improvement Committee Goals

- **To develop systems or processes to monitor and evaluate the Superintendent, Board of Education, and Board policies.**
- **To improve the communication process across the District for all stakeholders.**
 1. **Review critical communication topics, a planned communication topic framework and time line.**
 2. **Identify District stakeholders and the key method of communication for each group, paying particular attention to digital communication and to community service organizations.**
- **To develop a transition plan for the successful management of personnel issues.**
- **To develop a plan for communicating about educational issues with our legislature.**

Board Curriculum and Instruction Committee Goals

- **To continue the district transition to using the ACT college readiness as the benchmark for academic achievement in the district.**
 1. **Review the curriculum at the secondary level for alignment with ACT college readiness.**
 2. **Recommend changes in curriculum, course offerings and texts as needed in order to align the district curriculum with ACT college readiness.**
- **To develop a Rochester Community School District visual map of a student's path toward academic achievement and the accompanying measurements, interventions and enhancements.**
- **To develop a project plan, including timelines, for accomplishing the goals of Curriculum and Instruction and a monthly progress report.**
- **To develop a timeline for making recommendations regarding the review of Gifted and Talented Education.**
- **To explore the benefits and costs of a 4-year old program.**

- To explore the academic pros and cons of School of Choice.
- To examine the results and cost effectiveness of K-2 strategic planning programs and make recommendations.
- To explore the benefits and costs of an IB program within the district.

Board Business, Operations and Support Committee

- To explore the costs and make recommendations regarding a District wide recycling program.
- To evaluate the budget process utilized in 2010 and make recommendations for changes and improvements for 2011.
 1. Process for making certain resource decisions are based on the District's Vision.
- To establish an Athletic Task Force in the fall of 2010 for the purpose of examining our existing athletic programs and fee structures and recommending ways to reduce the amount of funds transferred from the general fund.
- To develop a recommendation regarding a long term plan for facility maintenance and capital projects.
- To develop a recommendation regarding a long term plan for technology upgrades and replacements.
- To review the district policies regarding advertising.
- To determine the costs of participation in the IA in comparison to the establishment of an IB program in the district on a per student basis.

Goals for Superintendent and Human Resources

- To work through the collective bargaining process to establish a Teacher and Administrator evaluation and compensation program which meets the requirements of Race to the Top legislation.
- To achieve a collective bargaining agreement with each of our collective bargaining units.

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Agenda Placement

- | | |
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Presentation/Report

- | | |
|--|--|
| <input type="checkbox"/> Instructional | <input checked="" type="checkbox"/> Business |
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Program/Department |

Information/Discussion

Action Required

Description of report contents (include purpose, recommendation, critical points):

Discussion on Debt Millage Rate for 2011-12


Costs associated with recommendations:

N/A

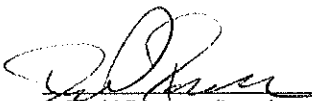
Source of funding:

N/A

Transmitted by:


William D. Mull, Asst. Supt. for Business

1-18-11
Date


David Pruneau, Superintendent


1/19/11
Date

R

Rochester Community Schools

Administration Center

Loretta Hartnell • Director of Budget and Finance

Date: January 3, 2011
To: William Mull
From: Lori Hartnell 
RE: Update of Debt Service Millage Rate Scenario

Attached are the original Debt Scenario from January 2010 and the updated version as of January 2011 with the 2010 taxes levied as actual for 2010-2011.

Tax assessed values for Oakland County for 2010 were projected to decline 13%. For Rochester Community Schools the taxable values declined 11.5%. We had projected a tax levy of 6.707 but levied 6.700. The amount that was levied was higher than the scenario by \$310,000 in order to allow for the significant increase in tax abatements and rebates and cover the necessary processing fees. In the update, this amount is carried forward to the 2012 and 2013 years also.

As of the November 2010 meeting with Oakland County at the Budget Symposium II, the expected change in 2011 taxable values is adjusted from declining 12.5% to a decline of 10%. This change in forecast, if accurate, would allow for our levy to be slightly less than originally projected for the 2011-2012 school year. The amount actually levied will also depend upon the amount of tax abatements and rebates expected to be processed. Oakland County forecasts do not include the backlog of cases to be presented to the various tax tribunals for assessment reductions and tax abatements and rebates.

At this time, with no changes to our debt schedule, I would expect the debt service millage levied to increase slightly over the next two years. The increase to the levy, however, when combined with the decrease in taxable value will still end in a decrease of the amount paid by the taxpayer for years 2012-2013 and forward. The current school district voted debt obligation payments decline from 2012-2013 until they are eliminated and paid off in 2021-2022.

This forecast is subject to change and will vary with the economy, actual taxable assessed values, and the outcome of the backlog of the various tax tribunals.

Rochester Community Schools 2011-January Update

When school district residents vote to approve borrowing money by issuing a bond, they agree to pay the related principal and interest for that bond borrowing. If more debt is due, you will pay more taxes, if less debt is due, you will pay less, the millage rate adjusts with assessed taxable value to collect the proper debt payments.

		2009-2010*	2010-11	Variance	Projected 2011-12**	Variance	Projected 2012-13	Variance
RCS Taxable Assessed Value		\$ 4,721,753,812	\$ 4,180,381,665	-11.5%	\$ 3,762,343,499	-10.0%	\$ 3,574,226,324	-5.0%
Principal and Interest		\$24,458,685	\$27,862,664	\$3,403,979	\$27,933,245	\$70,581	\$27,182,745	(\$750,500)
Bond Debt Millage Assessment		5.180	6.700	1.52	7.424	0.72	7.605	0.18

Note: Taxable values generally approximate 50% of market value											
Example Market Values	Example Taxable Values	New Taxable Value		Variance from Prior Year		New Taxable Value		Variance from Prior Year			
		Debt Tax	Value	Debt Tax	Value	Debt Tax	Value	Debt Tax	Value		
\$ 100,000	\$50,000	\$259.00	\$44,267	\$297.00	\$38.00	\$39,841	\$296.00	(\$1.00)	\$37,849	\$288.00	(\$8.00)
\$ 200,000	\$100,000	\$518.00	\$88,535	\$593.00	\$75.00	\$79,681	\$592.00	(\$1.00)	\$75,697	\$576.00	(\$16.00)
\$ 300,000	\$150,000	\$777.00	\$132,802	\$890.00	\$113.00	\$119,522	\$887.00	(\$3.00)	\$113,546	\$864.00	(\$23.00)
\$ 400,000	\$200,000	\$1,036.00	\$177,069	\$1,186.00	\$150.00	\$159,362	\$1,183.00	(\$3.00)	\$151,394	\$1,151.00	(\$32.00)

* For 2009-2010 the Debt Fund Balance is being used to maintain the current 5.18 millage rate. Actual debt service to be paid is \$26,755,395

** 2011-2012 is the peak of the current bond debt schedule, following years have lower principal and interest due.

When the 2004 bond issue was evaluated, the taxable values had increased with no decreases, the model was built on that history of taxable values. No increase in millage was projected. At this time, the taxable values are projected to decrease and if that occurs, an increase in the debt millage would be necessary to meet the debt requirements.

These rounded rates and taxable values are to give an approximate value of projected transactions.

Projected change in taxable value from Robert Daddow Nov 2010 Budget Symposium II - Oakland County does not yet show effects of GM or Chrysler bankruptcies

2008-2009 Taxable assessed value was \$5,026,437,986, for 2009-2010 the taxable assessed value was reduced 6.06% to \$4,721,753,812.

Rochester Community Schools
Property Tax Information

		A	B	C	D	E	F	G	H	I	J
		Tax Year 2010									
		Values as of 24-May-10									
1	2	3	4	5	6	7	8	9	10	11	12
Taxing Jurisdiction		Total Taxable Value	All Other	Commercial Personal Property	Industrial Personal Property	Primary Residence Assessment	Debt Service Tax Amt *	General Operations Tax Amt *	Total Taxes *	Percent of Total *	
3	Oakland Co.										
4	Auburn Hills	18,636,650.00	629,010.00			18,007,640.00	124,865.56	11,322.18	136,187.74	0.30%	
5	Oakland	921,023,650.00	132,554,979.00			788,468,671.00	6,170,858.46	2,385,989.62	8,556,848.08	19.16%	
6	Orion	14,390,810.00	4,819,230.00			9,571,580.00	96,418.43	86,746.14	183,164.57	0.41%	
7	Rochester	672,038,980.00	222,936,162.00			417,574,148.00	3,973,064.16	2,779,225.00	6,752,289.15	15.12%	
8	Rochester Hills	2,585,827,930.00	637,071,802.00			1,943,918,105.00	17,325,047.13	11,283,666.59	28,608,713.73	64.06%	
9	Subtotal Oakland Co.	\$ 4,211,918,020.00	\$ 988,011,183.00	\$	\$ 13,635,080.00	\$ 3,177,540,144.00	\$ 27,680,253.72	\$ 16,546,949.53	\$ 44,237,203.26		
10	Macomb Co.										
11	Shelby	140,055.00	8,770.00			131,285.00	938.37	157.86	1,096.23	0.00%	
12	Washington	59,858,250.00	1,032,320.00			58,754,580.00	401,050.28	18,901.86	419,952.14	0.94%	
13	Subtotal Macomb Co.	\$ 59,998,305.00	\$ 1,032,090.00	\$	\$	\$ 58,885,855.00	\$ 401,988.64	\$ 19,059.72	\$ 421,048.36	100.00%	
14	Total	\$ 4,271,916,325.00	\$ 999,043,273.00	\$	\$ 13,635,080.00	\$ 3,236,426,009.00	\$ 28,092,242.37	\$ 16,566,009.25	\$ 44,658,251.62		
15											
16	Less Captured										
17	Rochester DDA	(79,044,330.00)	(79,044,330.00)	0.00	0.00	0.00					
18	Rochester Hills Smartzone	(12,490,330.00)	(12,490,330.00)	0.00	0.00	0.00					
19		(91,534,660.00)	(90,520,330.00)	0.00	0.00	0.00					
20											
21	Total Less Captured	\$ 4,180,381,665.00	\$ 908,522,943.00	\$ 21,797,633.00	\$ 13,635,080.00	\$ 3,236,426,009.00	\$	\$	\$		
22											
23	Prior Year Net Captured	4,721,753,812.00	1,030,192,347.00	86,940,640.00	33,682,600.00	3,570,938,225.00					
24	Percent Change	-11.47%	-11.81%	-74.93%	-59.52%	-9.37%					
25	OPERATING MILLAGE										
26	Approved May 3, 2005 millage rate of 19.9767	19.9307	1.0000	19.9307							
27	Vote valid to 2014										
28	Amount Assessed Non-Primary Residence		Maximum = 18.00	18.0000	16,353,412.97						
29	Amount Assessed Commercial Personal Property			6.0000	212,596.28						
30					\$ 16,566,009.25						
31											
32	DEBT MILLAGE										
33	1993 Refunding Bond	3,121,218.76									
34	1997 Bond	750,000.00									
35	2001 Bond	1,365,000.00									
36	2004 Refunding Bond	15,065,475.00									
37	2004 Bond	6,244,950.00									
38	2005 Refunding Bond	1,006,020.00									
39	Abated Taxes	300,000.00									
40	Service Fees	10,000.00									
41		\$ 27,862,663.76									
42											

* Amounts above are net target Captured Assessments

Debt Fund	Amount
Beg Bal	1,240,000.00
New Rev	28,092,242.37
Uncollected Taxes	(1,067,505.21)
Exp	(27,862,663.76)
End Bal	402,073.40

% Bal of Exp 1.44%
Test of 1/12 8.33%

Rochester Community Schools Requirement from General Fund if No Increase in Millage Rate

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\$ 300,000	\$150,000	\$132,802	\$890.00	\$119,522	\$801.00	(\$89.00)
\$ 400,000	\$200,000	\$177,069	\$1,186.00	\$159,362	\$1,068.00	(\$118.00)

Collections from 6.700 Mills \$ 25,207,701

Variance Needed \$ 2,725,544