

**SPECIAL MEETING – JULY 21, 2010**

The School Board of Okaloosa County met in Special Session on July 21, 2010, in the School District Administration Building, 120 Lowery Place, SE, Fort Walton Beach, Florida.

**PRESENT:** Rodney Walker, Chairman  
Cindy Frakes, Vice-Chairman  
Howard Hill  
Cathy Thigpen

Alexis Tibbetts, Superintendent  
C. Jeffrey McInnis, Esq., Attorney to the Board

**ABSENT:** Chuck Kelley

The Chairman called the meeting to order at 9:05 a.m. and welcomed visitors and presenters.

**APPROVAL OF AGENDA:**

Motion to approve the Agenda was made by Mrs. Thigpen, seconded by Mrs. Frakes and carried 4-0.

**CONSENT AGENDA:**

1. Authorization to advertise the fiscal year 2010-2011 Preliminary and Tentative Budget and Millage Rate, presented by Rita Scallan and recommended by the Superintendent for approval.

Mrs. Scallan provided the Board members with the proposed fiscal year 2010-2011 Preliminary and Tentative Budget, which will be considered for Board approval during the Public Hearing on Monday, July 26, 2010. She also provided a comparison between the impact of funding changes that has occurred since the Final Conference and the second FEFP calculation. She stated that the Okaloosa County tax rolls decreased 9.5% rather than the 3% which the legislature used to base their budget. Approximately \$4.7 million is the impact of the 6.5% decline on the Required Local Effort.

Mrs. Scallan explained that while it currently appears that the Required Local Effort will shift to the State's responsibility, given the budget issues at State level, there is concern that the State will pass the adjustment back to the districts. The Required Local Effort is set and cannot be changed by any taxing authority. If an adjustment has to be made, the State would either have to find other sources of revenue if they cannot meet what is committed to the school districts, or they will have to reduce expenditures. If they have to reduce expenditures, the District may have to take a reduction at some time during this fiscal year.

Mrs. Scallan stated that the District budget has decreased approximately \$721,000 from what the legislature had previously projected, and additional reductions may have to be addressed.

Mrs. Frakes commented on the new guidelines regarding the advertisement of the budget. Mrs. Scallan stated that the advertisement space has been reduced to one page, rather than the one and one-half page space in the past.

Mrs. Frakes asked if the sales tax referendum does not pass, could the Board revisit levying the 0.25 critical capital outlay millage, and would an advertisement be required. Mrs. Scallan responded that it is her understanding that the District could levy an additional 0.25 mills for two years without a voter referendum. She

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stated that she would provide detailed information regarding the District's options and the timelines.

Mr. Walker stated that it was his understanding that the Board has the authority to raise the discretionary millage up to 2 mills at any time. Mrs. Scallan stated that the Board has the ability to raise the millage to the maximum amount and it would have to be advertised. If the Board were to raise the millage after the District's preliminary and tentative budget is advertised, then the District would incur the cost for the taxing authority to send out new notices to all of the property owners.

Mrs. Thigpen asked if there was a source from which the District could generate additional revenue. Mrs. Scallan responded that additional revenue could be generated if the Board chose to levy the 0.25 critical needs millage either for operating or for capital outlay; however, it would require voter approval and could be levied for no more than two years or until changed by another millage election, whichever is earlier. She stated that if the sales tax increase is approved, it would be shared by the county's tourists, not solely by the property owners; and that it would generate \$13.5 million versus the \$4.7 million which would be generated from the 0.25 mills from the property owners.

Motion to advertise the fiscal year 2010-2011 Preliminary and Tentative Budget and Millage Rate, presented by Rita Scallan and recommended by the Superintendent for approval was made by Mr. Hill, seconded by Mrs. Thigpen and carried 4-0 (Exhibit 10-559).

Dr. Tibbetts stated that since the last Board meeting, Embry-Riddle Aeronautical University-Daytona proposed a five-year extension to their contract, with an increase in rates and a reduction in services. She confirmed with the Board that they would not consider the proposal based on their rejection of the contract at a previous Board meeting. The Board confirmed that their rejection of the Embry-Riddle-Daytona contract prevails, and the Superintendent may negotiate with another vendor or may agenda the new Embry-Riddle-Daytona proposal for consideration if she is recommending approval.

**IV. ADJOURNMENT**

There being no further business, and upon motion being duly made and seconded, the meeting was adjourned at 9:25 a.m.

Jan Crawford, Recorder

  
ALEXIS TIBBETTS, Ed.D.  
SUPERINTENDENT AND  
CORPORATE SECRETARY

  
RODNEY L. WALKER  
CHAIRMAN OF THE BOARD