

PROCEEDINGS
OF THE BOARD OF EDUCATION
PUBLIC HEARING
September 20, 2018

A special meeting of the Board of Education of the Paducah Independent School District was held at the Central Office, 800 Caldwell Street, Paducah, Kentucky, on Tuesday, September 20, 2018 at 3:30 p.m.

ROLL CALL

Members Present: Felix Akojie, James Hudson, Carl LeBuhn, Janice Howard, Danette Humphrey

Others Present:

Donald Shively, Superintendent

Lisa Chappell, Secretary

Julie Huff, Treasurer

William Black, Instruction/Assistant Superintendent

Dale Weaver, IT

Nicholas Holland, Attorney

Other staff and administrators

Parents and students

Media

After the roll call, it was established that a quorum of Board members was present.

ORDER NO. 127

APPROVAL OF AGENDA

The agenda was presented. The motion was made by Mrs. Humphrey and seconded by Dr. Akojie that the Board concur with the recommendation of the superintendent and approve the agenda as presented. The roll was called and all members present voted "yes".

PUBLIC HEARING TO HEAR COMMENTS REGARDING PROPOSED GENERAL FUND TAX LEVY

The superintendent is recommending that the Paducah Board of Education establish the tax rates for the 2018-2019 fiscal year with a proposed general fund tax levy of 84 cents on real property and 84 cents on personal property. The General Fund tax levied in fiscal year 2018 was 79.7 cents on real property and 79.7 cents on personal property and produced revenue of \$8,488,095.82. The proposed General Fund tax rate of 84 cents on real property and 84 cents on personal property is expected to produce \$8,670,737.88. Of this amount \$182,642.06 is from new and personal property. The compensating tax for 2019 is 93.3 cents on real property and 93.3 cents on personal property and is expected to produce \$9,630,712.43. The general areas to which revenue of \$182,642 above 2018 revenue is to be allocated are as follows: safety, \$50,000; higher pension fund from the state, \$80,000; and instructional resources no longer funded by the state, \$52,642.

This hearing was advertised in the Paducah Sun newspaper as required by law.

Dr. Shively gave a presentation to the Board stating that by law, districts are allowed to take the compensating rate, which allows them to take a tax rate that will bring in the same amount of revenue as the previous year. This year's assessment of real and tangible city property is \$1.17 billion, bringing the school district's compensating rate to 93.3 cents per \$100 of assessed property value, an increase of 13.6 cents per \$100. That would have meant a school tax increase of \$136 for a \$100,000 house. Dr. Shively, however, is recommending to raise the district's tax rate to 84 cents per \$100 in an effort to spare taxpayers the higher compensating rate. That raises the tax rate 4.3 cents per \$100 value, or a \$43 tax increase for a \$100,000 house.

The school district brought in \$8.49 million in revenue last year. At 84 cents per \$100 this year, the district expects to bring in \$8.67 million. The compensating rate would have allowed the district to bring in \$9.63 million, which is close to what the budget was set for at the start of the 2017-18 fiscal year.

A Paducah business corrected its 2017 tax report to the Property Valuation Administrator's office on Nov. 30 to reflect \$140 million less in tangible property than it had reported earlier. That, along with last year's closure of AmerisourceBergen, affected tangible property tax rates for the McCracken County Public Library and the McCracken County Extension Service earlier this month, pushing them higher. It also affected the Paducah school

system. When we set our tax rate at 79.9 cents per \$100 of assessed property value last year, that was before the assessed value of the city's tangible property fell from \$1.34 billion to \$1.2 billion; the city's assessed real estate value increased by \$15 million from the original 2017 assessment, but the city's assessed tangible property value went down by \$189 million. That change also dropped the school district's revenue for the last fiscal year, from an expected \$9.6 million to \$8.5 million. It also decreased state SEEK (Support Education Excellence in Kentucky) funding for the year from the projected \$11.3 million to \$10.7 million. A number of retirements last year in positions will go unfilled this year to help maintain a tight budget.

Dr. Shively stated: "What we're focused on is ensuring that we meet the needs of our students, and we have excellent academic and extracurricular programs. Things are going to be tight. Things could probably be less tight if we were willing to ask more of our community, but we've been focused on what we need to do to ensure we meet the needs of our students."

Dr. Shively also stated the community is going to feel a tax increase. We've been very fortunate that we've been able to lower taxes over the last two years. He also emphasized that the tax rate is not related to the construction of the Innovation Hub, which is being paid for through restricted funds for buildings.

Dr. LeBuhn opened the floor to hear public comments regarding a proposed general fund tax levy. The hearing was attended by one citizen John Ward, who owns property in Graves and McCracken Counties, so he was just here with interest in how the city taxes are set and are higher than compared to surrounding counties. Our tax rate will not affect him. Danette Humphrey explained that county property in general has a higher assessed value than city property.

At the end of the hearing, Vice Chair Felix Akojie said the state is demanding more and providing less to schools and read this following statement in support of Dr. Shively's recommendation: "As a board member, I am concerned about schools laying off teacher and having fewer days of school instruction – that I believe is what the state expects of us. Cuts in program and staff will hurt children. The state is demanding more and providing less. The tax increase is necessary to keep up with other school districts across the state. It's no secret that our school district has been making impressive gains in graduation rates and test scores, we would like to maintain this. Any new money collected through tax hikes will help prevent cuts to staff or academic programs that would loom after reduction in state aid."

ORDER NO. 128

ACTION TO ADJOURN

The motion was made by Mrs. Humphrey and seconded by Dr. Akojie that the meeting be adjourned. The roll was called and all members present voted "Yes." The meeting adjourned at 3:48 p.m.

Chairman

Secretary

The requirements of KRS 61.810, 61.815, 61.820 and 61.823 were complied with relative to the foregoing meeting.