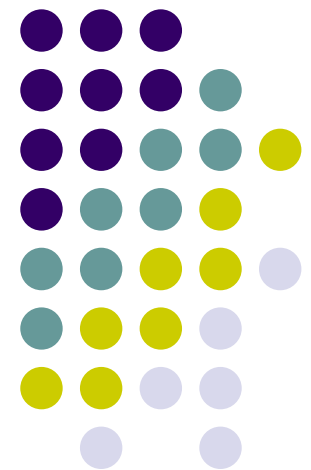


UTICA COMMUNITY SCHOOLS

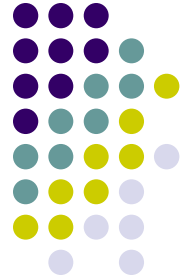
BUDGET

2007-08



Budget Review Committee

Board of Education – Finance Committee



- Mr. Carl Territo, Chairperson
- Dr. Robert Ross, Trustee
- Ms. Jennifer Prybys, Trustee

Notice of Public Hearing

2007-2008 Budget

School Breakfast Program

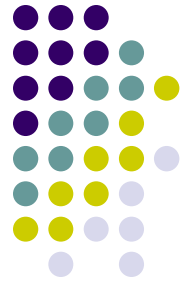


- **The Board of Education of the Utica Community Schools will hold a public hearing on the proposed 2007-08 Budget and School Breakfast Program.**
- **The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.**
- **The hearing will be held on June 11, 2007 at 6:30 p.m. at the Joan C. Sergent Instructional Resource Center, 14201 Canal Road, Sterling Heights, MI 48313.**
- **A copy of the proposed budget will be available for public inspection at the Administrative Service Center, 11303 Greendale, Sterling Heights, MI 48312 beginning June 4, 2007 from 8:00 a.m. to 4:30 p.m.**

Gene Klida
Secretary

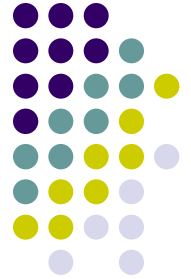
Budget Message

2007 - 2008



- District is attempting to preserve programs in a very difficult financial climate
- Prudent Fiscal Planning
- Vision
- Dealing with inadequate revenue to support rising costs
- Need to make difficult decisions
- Getting the Message Across
- Two Active Bond Issues

Budget 2007 - 2008

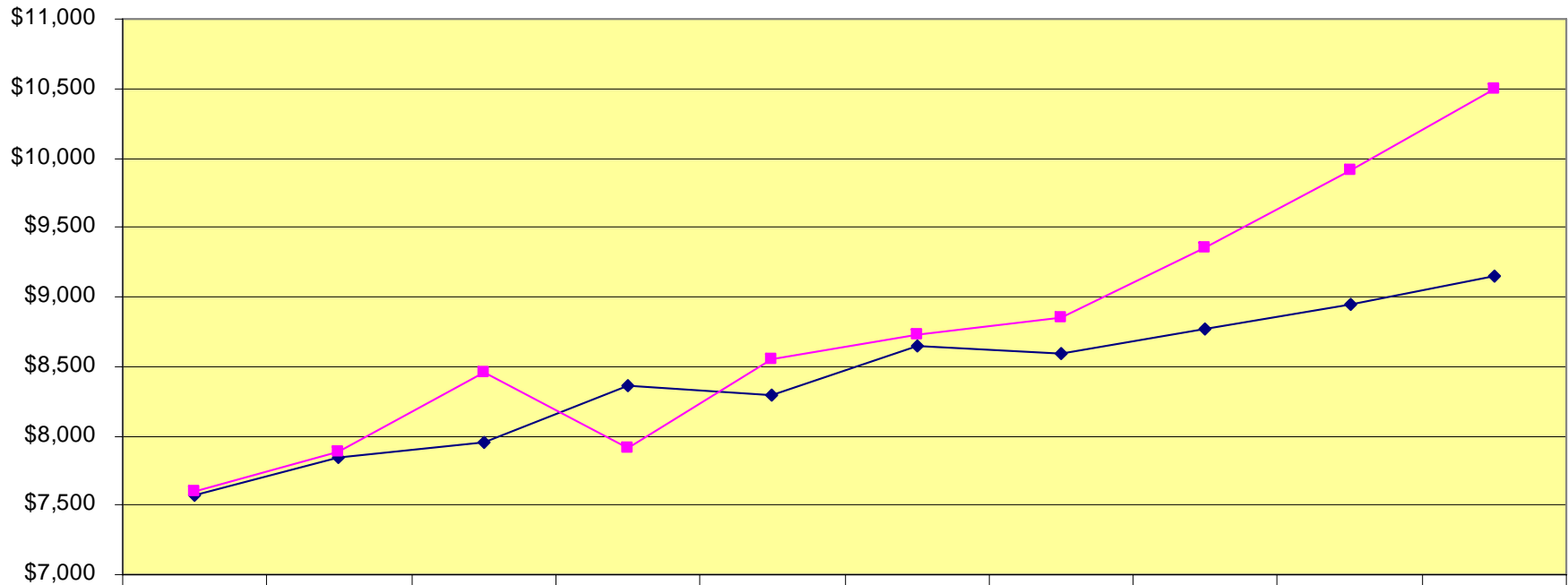


<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Operating	\$252,244,516	\$259,729,855
Fund Balance Beginning	\$39,586,573	
Fund Balance Ending		\$32,101,234
Debt Retirement	\$28,594,269	\$27,329,999
Fund Balance Beginning	\$2,919,072	
Fund Balance Ending		\$4,183,342
School Service	\$16,487,097	\$16,706,559
Fund Balance Beginning	\$3,538,326	
Fund Balance Ending		\$3,318,864

Per Pupil Expenditure

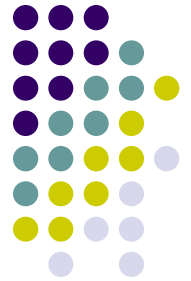


**General Fund Revenue and Expenditures Per Pupil
Years Ended June 30, 2002 through 2006**



	2002	2003	2004	2005	2006	Projected 2007	Projected 2008	Projected 2009	Projected 2010	Projected 2011
Revenue	\$7,577	\$7,838	\$7,946	\$8,366	\$8,287	\$8,648	\$8,597	\$8,764	\$8,950	\$9,156
Expenditures	\$7,602	\$7,884	\$8,458	\$7,908	\$8,554	\$8,725	\$8,852	\$9,355	\$9,907	\$10,495

Budget Assumptions Revenue



- State of Michigan Foundation Grant

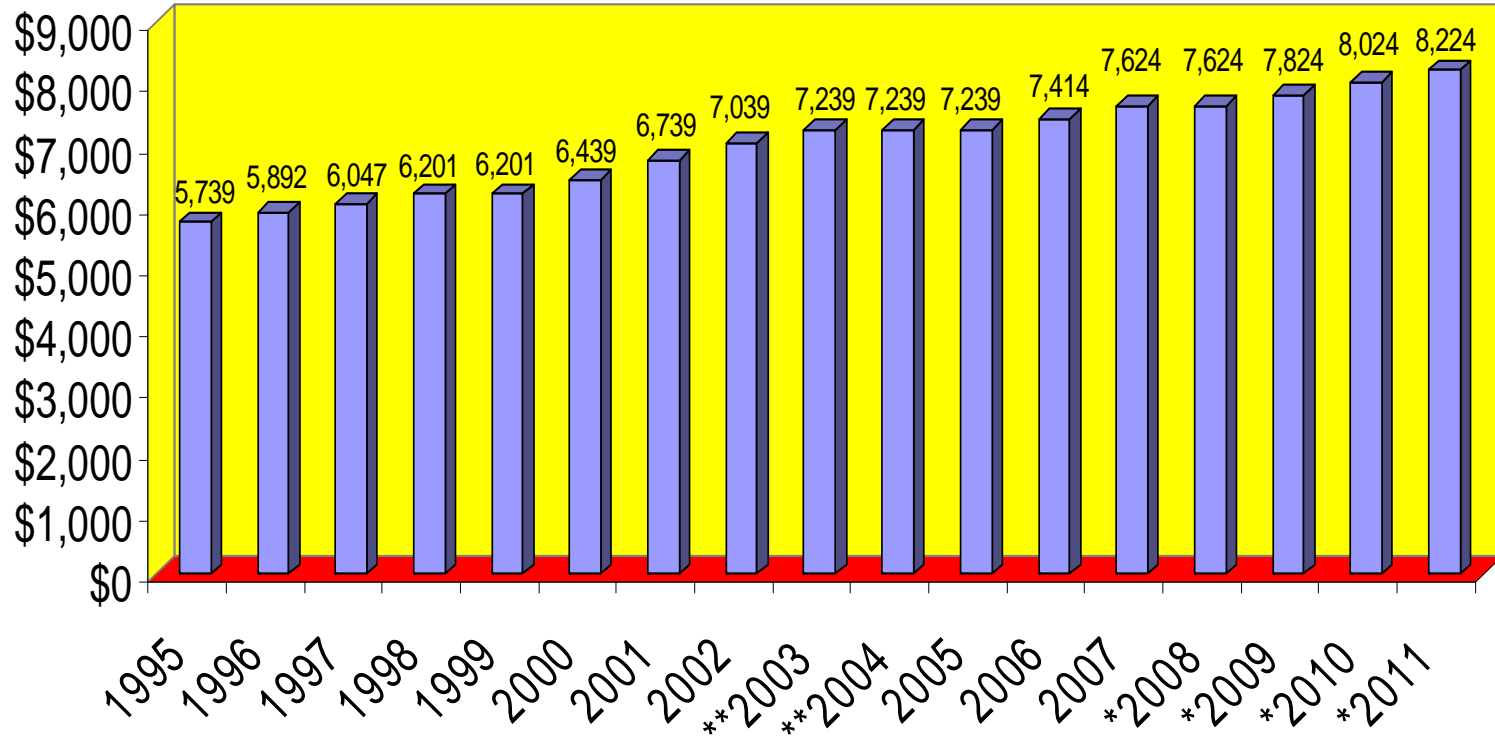
<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
\$7239	\$7239	\$7239	\$7414	\$7624	\$7624??



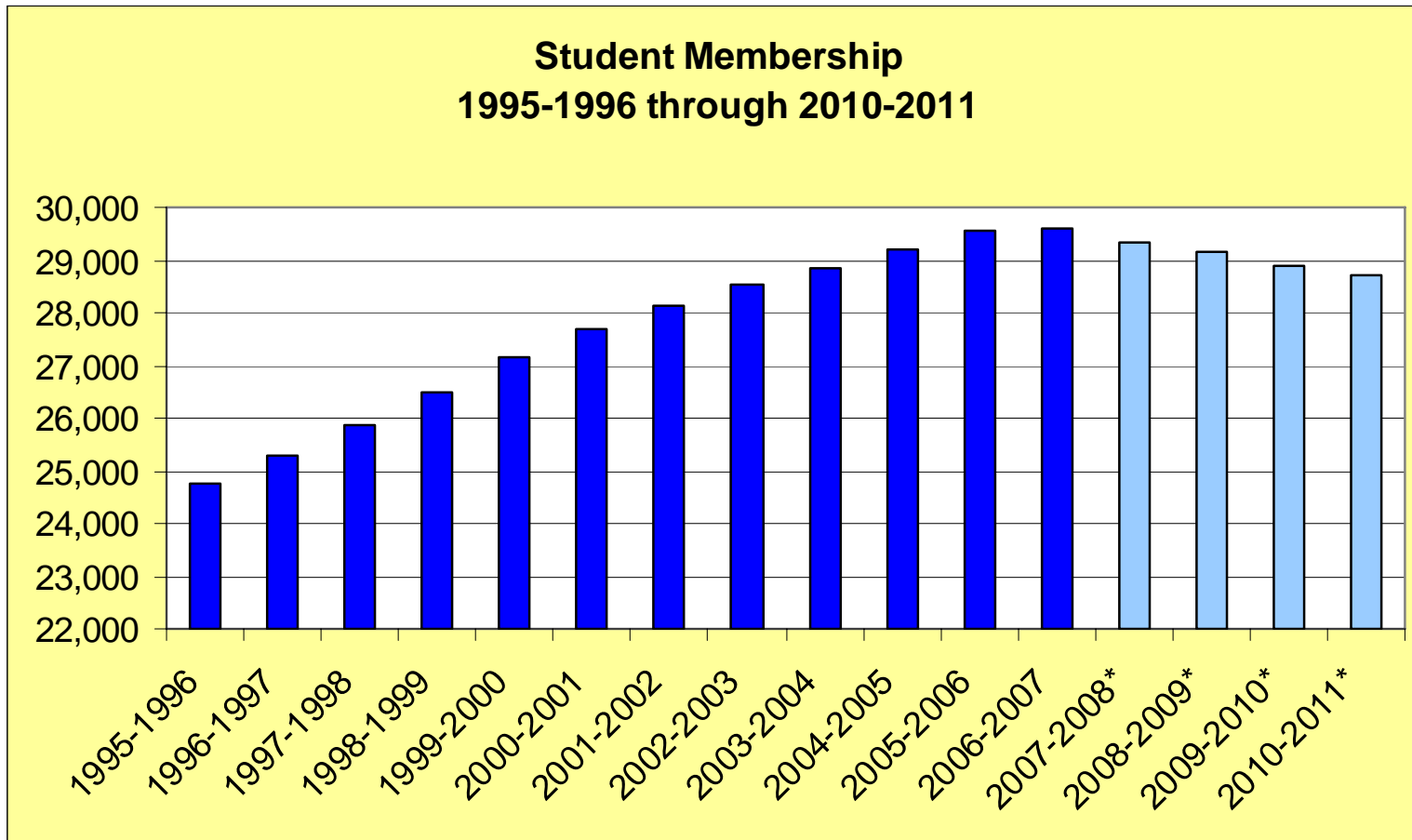
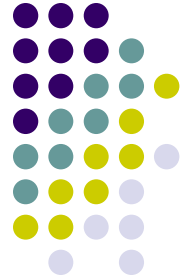
Foundation Allowance

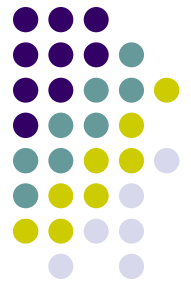
1995 - 2007

*Projected 2008 - 2011

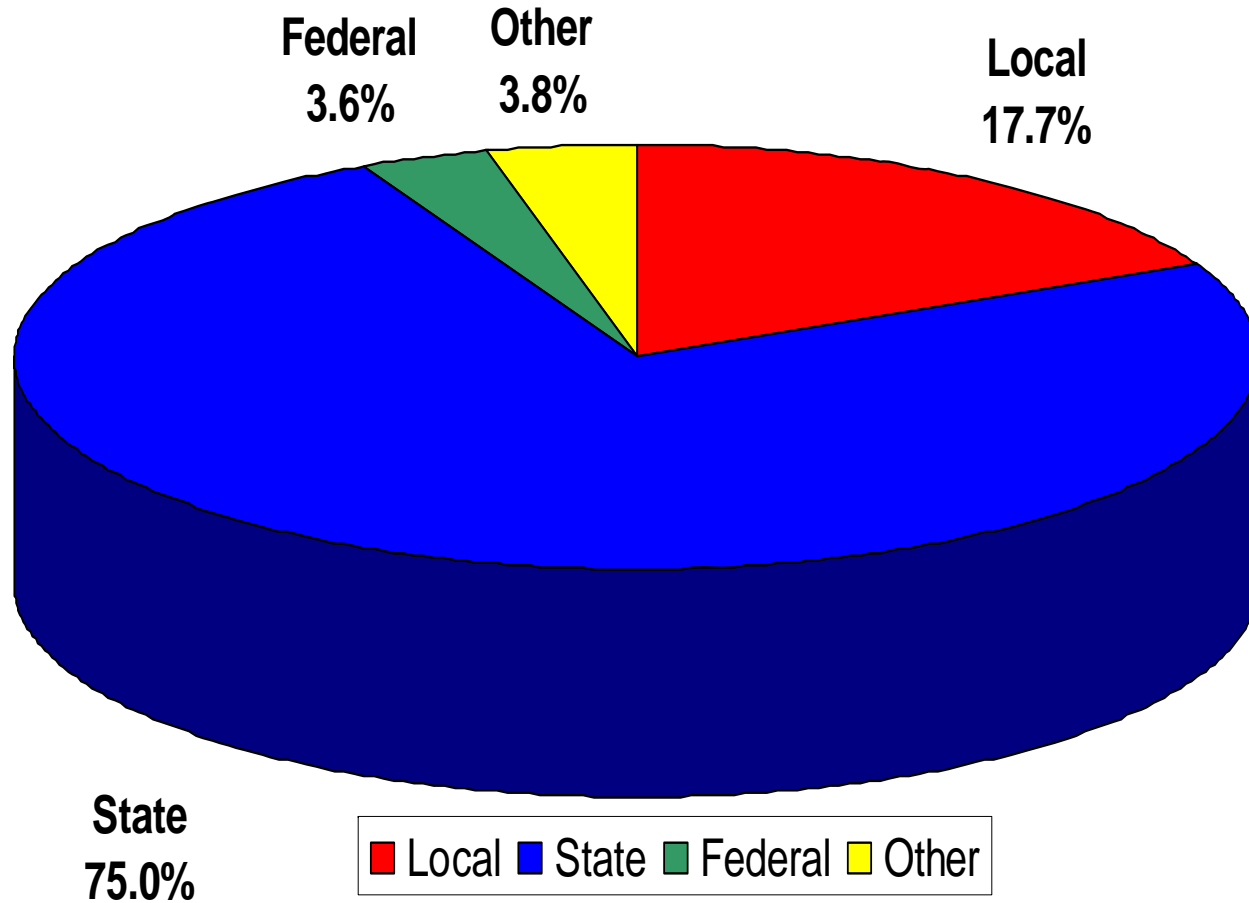


Student Enrollment 1995-96 through 2010-11



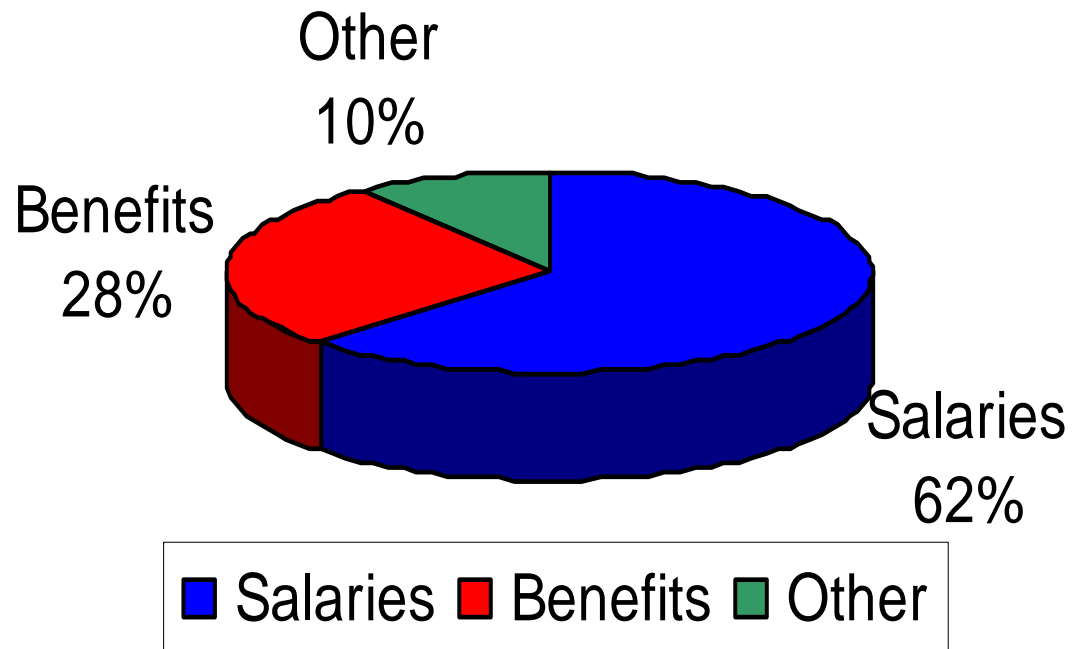


Revenue by Source 2007 - 2008





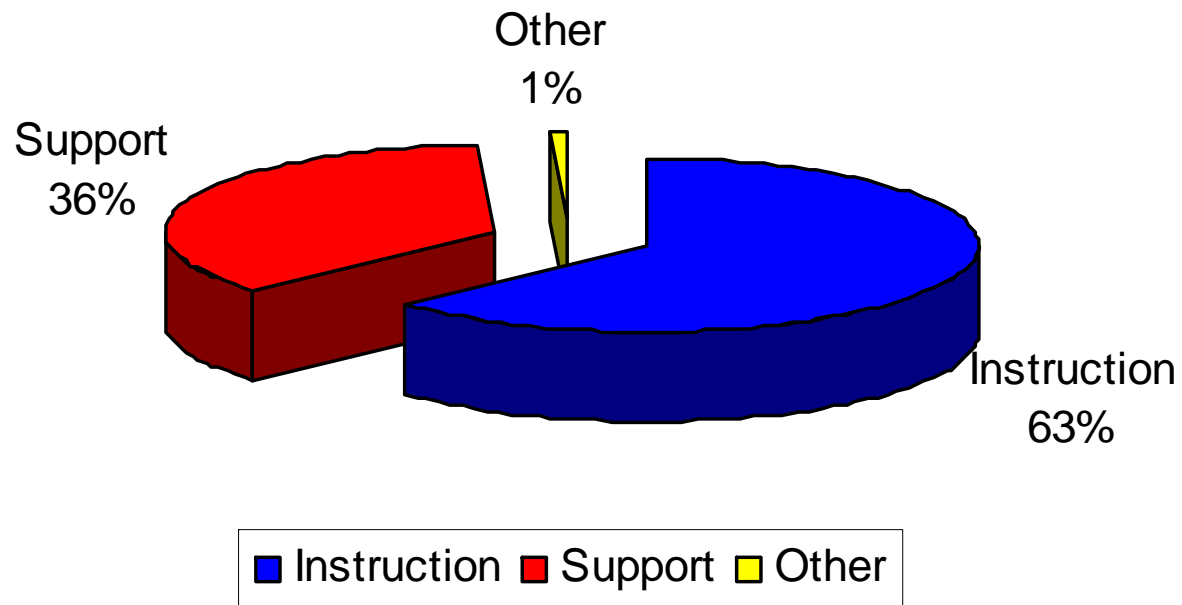
Expenditures By Object 2007 - 2008



INSTRUCTION PERCENTAGE



**General Fund Expenditures
2007 - 2008**



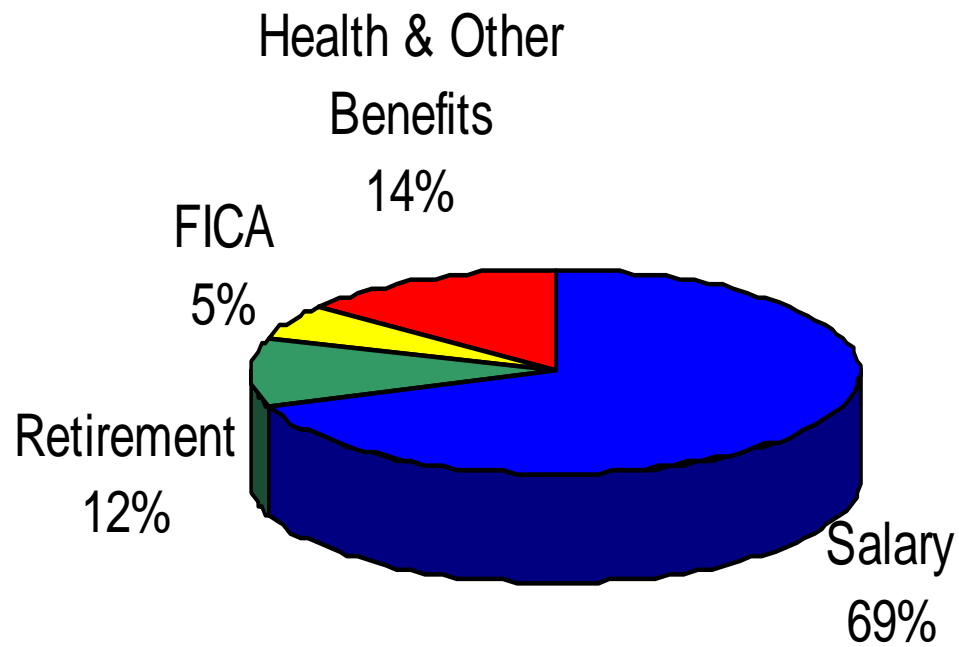
Budget Assumptions Expenditures



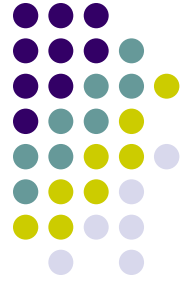
- Salaries – Contracts/Estimates
- Retirement – 16.72%, FICA – 7.65%
- Membership Allowance 25% - 75% Blend
- Supplies held flat
- MESSA Rate up .1%
- Capital Outlay held flat
- Reduction of 60 Positions
- Second Year of Energy Management



Salaries and Benefits As Percent of Total Compensation

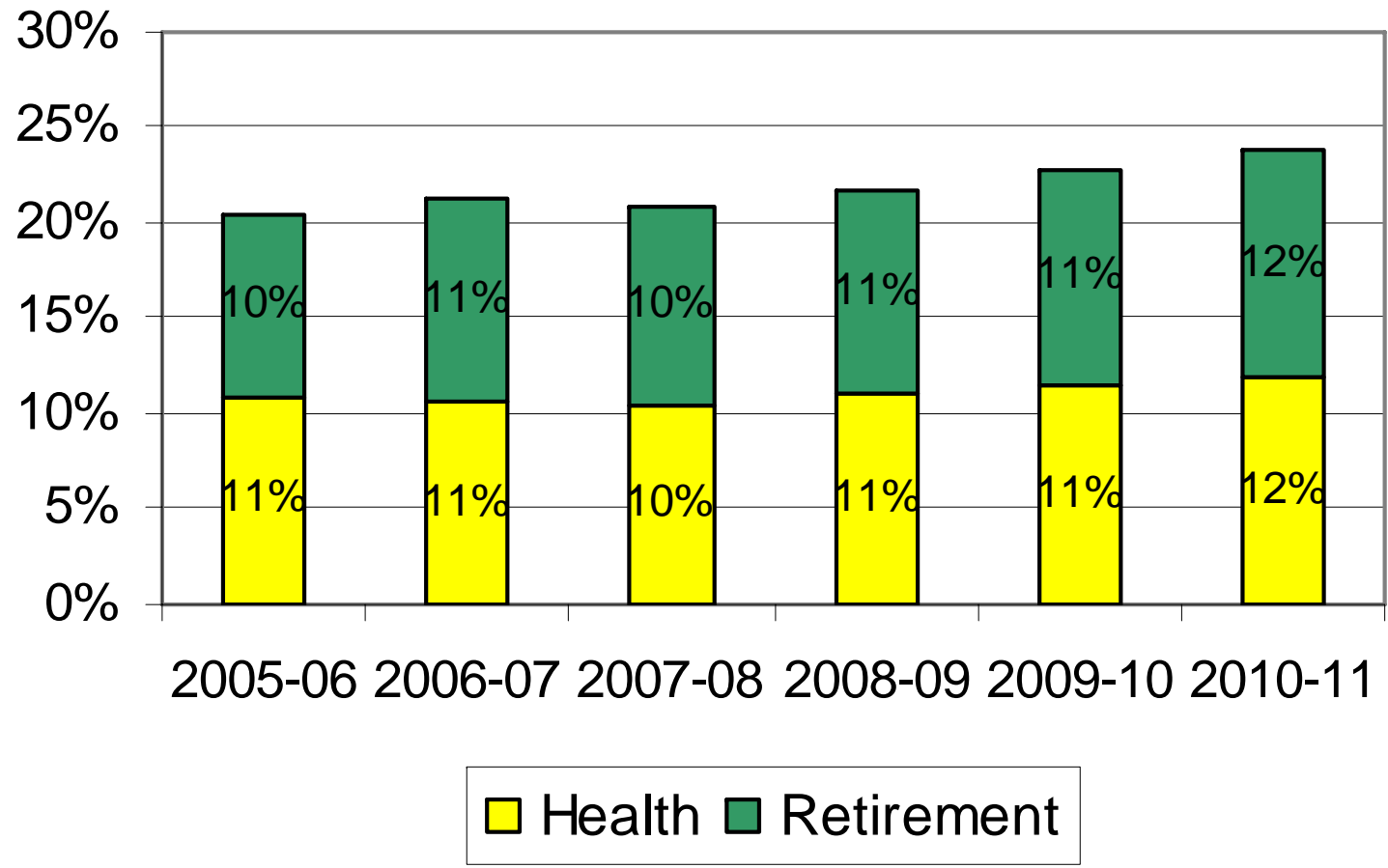


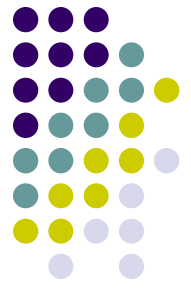
■ Salary ■ Retirement ■ FICA ■ Health & Other Benefits



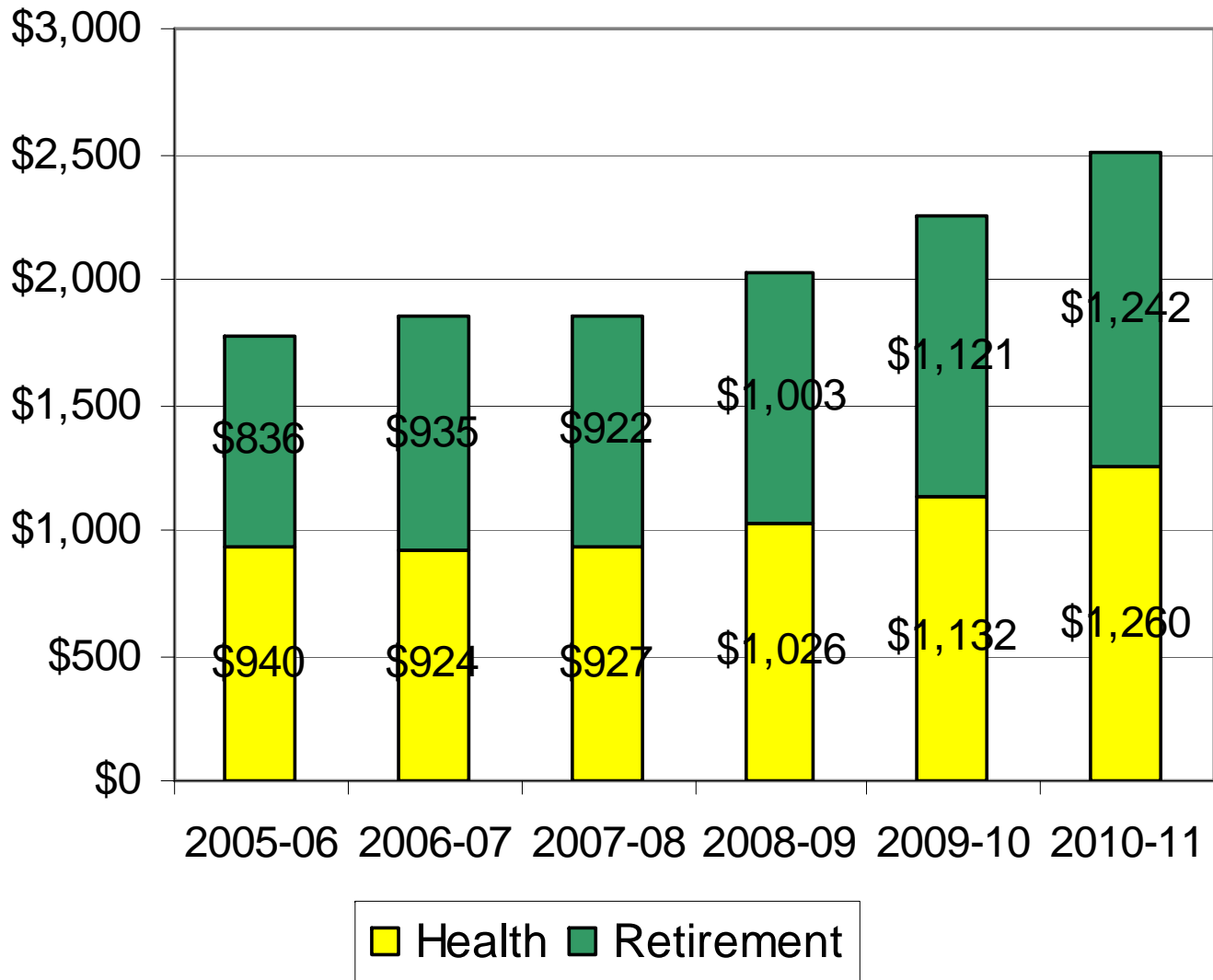
ESCALATING BENEFIT COSTS

Expressed as Percentage of Total Expenses





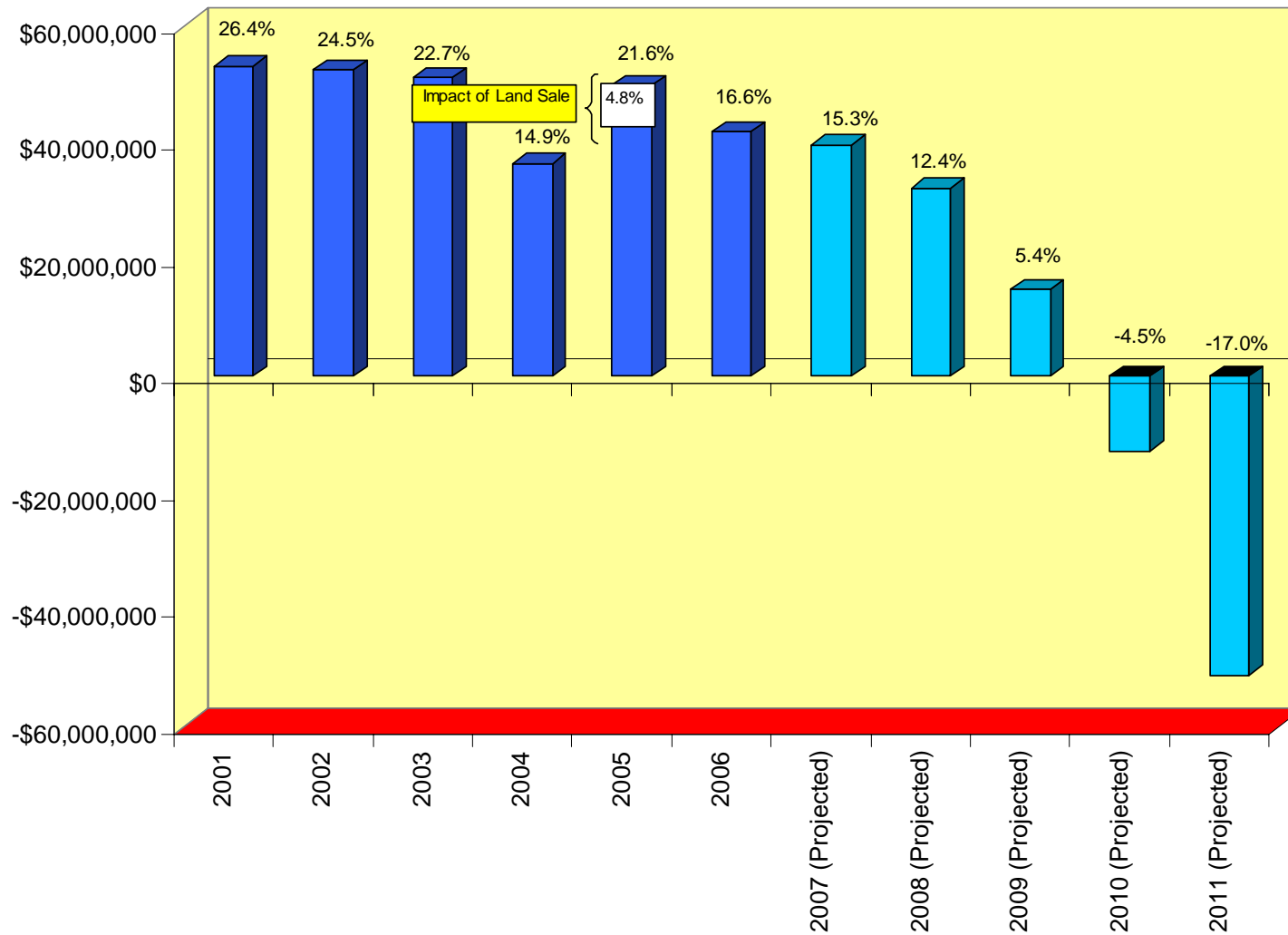
ESCALATING BENEFIT COSTS Expressed in Cost Per Student



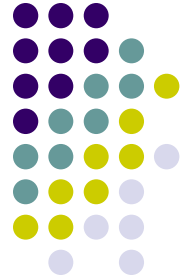
FUND BALANCE



General Fund ~ Fund Balance as a Percentage of Expenditures
At Year End June 30

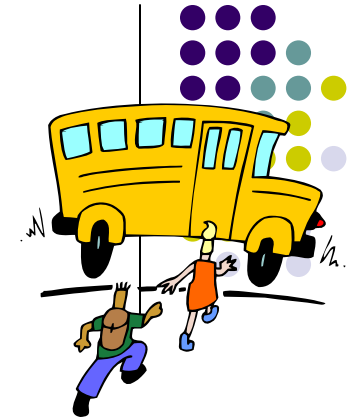


FUTURE BUDGETS



- Educational Programs are a Priority
- Need to Maintain a 14-15% Fund Equity
- Attract and Maintain Students
- Foundation Increases
- Planning for the next 2-3 years
- Long Term Strategies/Solutions
- Tough Decisions
- People Business
- Push for Legislative Reform for Adequate and Stable Revenue

People Budget



- 90 cents of every dollar is allocated to people
- 62 cents is for salaries & wages
- 28 cents is for benefits

Retirement

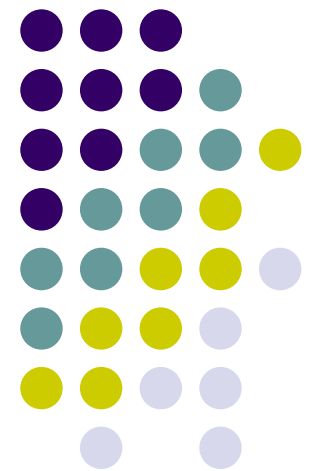
Social Security

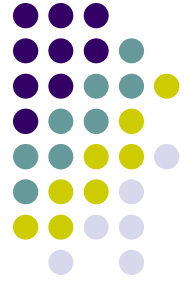
Health, Accident, Dental, Vision, Life,
Disability, & Workers Comp



Utica Community Schools

**For 2007 – 08 it will cost \$49.18
per day to educate a child.**

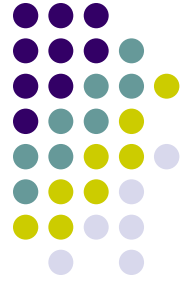




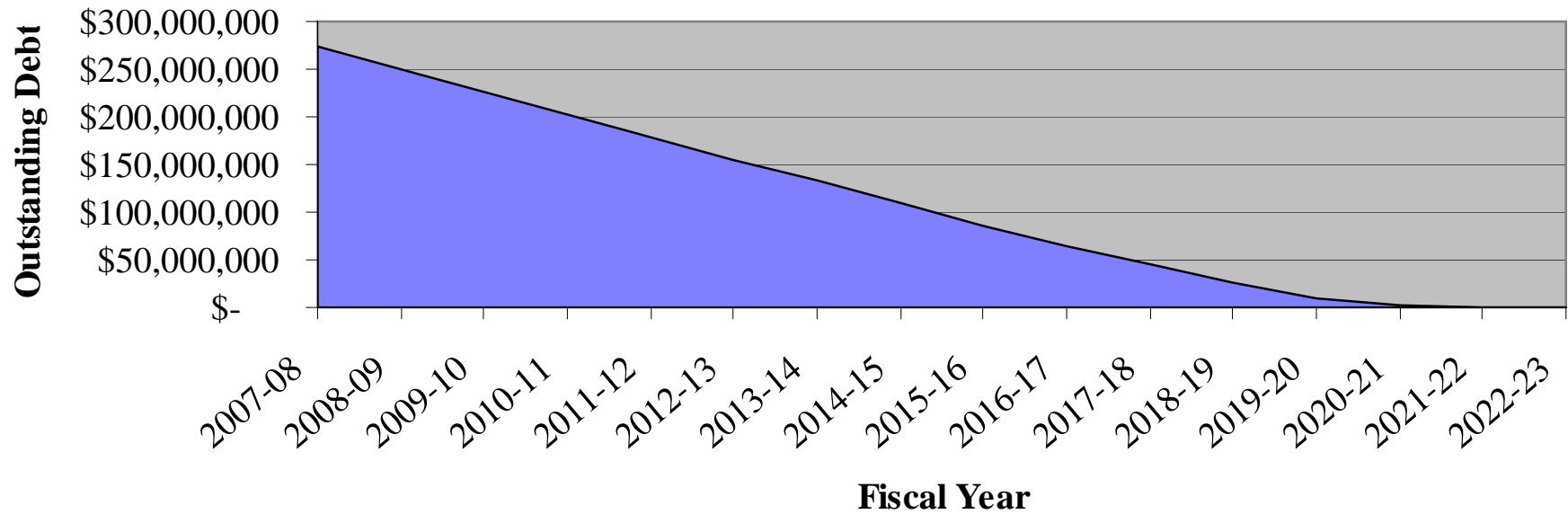
Debt Retirement Fund

- Debt Levy
3.5 Mills
- Outstanding Principal and Interest
\$302,081,349
- Ratio of Debt to Taxable Value
3.7%

Debt Retirement Fund



Long Term Debt 2007-2008

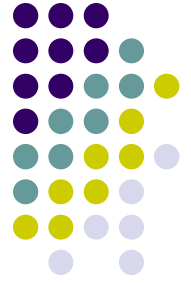




Taxable Value and Tax Levy
July 1, 2007 - June 30, 2008

Municipality	Taxable Value	Industrial/Commercial Facilities	Total Taxable Value
CITIES:			
Sterling Heights	\$ 3,174,572,400	\$ 363,470,600	\$ 3,538,043,000
Utica	223,524,611	365,107	\$ 223,889,718
TOWNSHIPS:			
Macomb	856,934,510		\$ 856,934,510
Ray	3,465,643		\$ 3,465,643
Shelby	3,410,428,766	14,512,603	\$ 3,424,941,369
Washington	205,917,860		\$ 205,917,860
<u>TOTAL</u>	<u>\$ 7,874,843,790</u>	<u>\$ 378,348,310</u>	<u>\$ 8,253,192,100</u>
		Estimated Homestead	\$ 5,607,911,564
		Estimated Non-Homestead	\$ 2,266,932,226

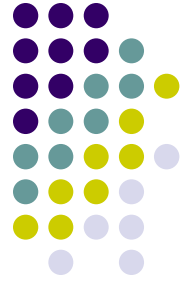
School Service Revenues 2007-08



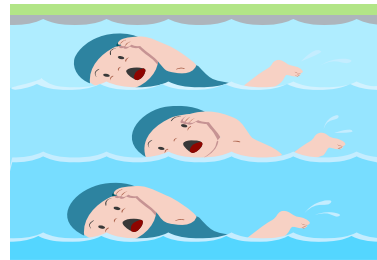
- Enrichment \$6,344,000
 - Food Service \$6,635,791
 - Student Stores \$588,000
 - Athletics \$2,919,306
- \$16,487,097**



School Service Expenditures 2007-08



- **Enrichment** **\$6,733,826**
 - **Food Service** **\$6,465,427**
 - **Student Stores** **\$588,000**
 - **Athletics** **\$2,919,306**
- \$16,706,559**

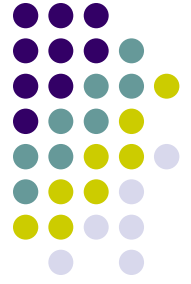


Capital Projects 2000 Bond Issue



<u>Revenue:</u>			<u>Interest Income</u>	
<u>Phase</u>	<u>Series</u>	<u>Bond Issue</u>	<u>(net of Arbitrage)</u>	<u>Total Projects</u>
I	2001	\$ 54,245,000	\$ 3,582,352	\$ 57,827,352
II	2002	31,953,290	1,160,164	33,113,454
III	2003	24,857,200	963,198	25,820,398
IV	2004	9,975,000	685,867	10,660,867
V	2005	<u>\$ 9,408,497</u>	<u>754,439</u>	<u>10,162,936</u>
TOTAL		<u>\$130,438,987</u>	<u>\$ 7,146,020</u>	<u>\$137,585,007</u>

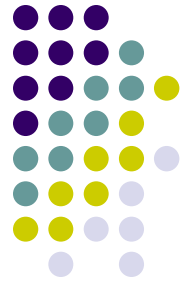
Capital Projects 2003 Bond Issue



<u>Revenue:</u>			<u>Interest Income</u>	
<u>Phase</u>	<u>Series</u>	<u>Bond Issue</u>	<u>(net of Arbitrage)</u>	<u>Total Projects</u>
I	2004	\$ 65,000,000	\$ 1,512,270	\$ 66,512,270
II	2005	31,950,057	1,471,100	33,421,159
III	2006	18,083,922	670,433	18,754,355
IV	2007	13,069,448	319,986	13,389,434
V	2008	<u>\$ 13,000,000</u>	<u>585,000</u>	<u>13,585,000</u>
TOTAL		<u>\$141,103,429</u>	<u>\$ 4,558,789</u>	<u>\$145,662,218</u>

Tax Levy

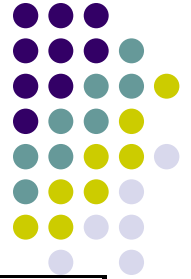
Will be the same as last year



	<u>Operating</u>	<u>Debt</u>
Homestead	0.0 mills	3.50 mills
Non-Homestead	17.9316 mills	3.50 mills

All taxable properties in the school district also pay a school tax of six mills to the State of Michigan in their summer tax bills.

Headlee – Tax Limitation Amendment



Non-Homestead Properties

	2006	2007		
Municipalities	Taxable Value	Taxable Value	Losses	Additions
City of Sterling Heights	1,043,343,053	1,070,468,700	55,152,824	100,413,350
City of Utica	120,963,397	140,476,758	2,721,062	16,883,579
Macomb Township	59,656,769	71,239,590	1,277,238	8,056,520
Ray Township	632,647	670,153	794	21,855
Shelby Township	899,826,763	965,365,781	27,190,440	72,301,980
Washington Township	30,557,220	39,593,900	1,252,130	5,512,120
Total	2,154,979,849	2,287,814,882	87,594,488	203,189,404

Millage Reduction Fraction 2007

$$\text{MRF} = \frac{(2006 \text{ Taxable Value} - \text{Losses}) \times 1.037}{2007 \text{ Taxable Value} - \text{Additions}}$$

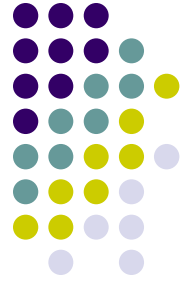
$$1.0284 = \frac{(2,154,979,849 - 87,594,488) \times 1.037}{2,287,814,882 - 203,189,404}$$

MRF (cannot exceed 1.0) x Prior Year Operating Levy = Maximum Allowable Millage Levy

$$1.000 \times 17.9316 = 17.9316$$

Loss of Revenue due to .0684 Mill Reduction = \$156,000

School Breakfast Hearing



Public Act 335 Breakfast Mandate includes language mandating all public K-12 school districts to operate a breakfast program in those schools reporting 20% or more students classified as “needy”.



The purpose of today’s hearing is to provide the opportunity to gauge community interest in serving breakfast in other UCS Schools.

Schools in the Breakfast Program for 2006 - 07

- Burr 37%
- Dresden 31%
- Kidd 43%
- Magahay 40%
- Plumbrook 33%
- Schuchard 29%
- Walsh 24%
- West Utica 36%
- Jeannette 27%
- Wiley 22%
- Schwarzkoff 22%
- Roberts 22% (new for 2007-08)

