

Lexington

11 Consecutive Years Ranked "Excellent"

Staff Update

November 24, 2015

From the office of the Treasurer...

Insurance Information:

During its December 16, 2015 meeting, the Lexington Board of Education will approve a **premium holiday** for the month of December. This premium holiday results in a savings for the Board and employees totaling approximately \$300,000 and means no medical or dental premiums will be deducted from your December pay checks.

The premium holiday is equivalent to an 8% premium reduction for the year and is a result of reasonably low claims during 2015. The premium holiday **savings is more than what the 2016 increase will be.** (see below)

This marks the fourth consecutive year that a premium holiday has occurred. Thank you for continuing to be good consumers with your health care dollars.

Regarding 2016 premiums, through consultation with CBIZ, the District's insurance consultant, due to expected increases in medical costs for the upcoming year, Lexington's medical/Rx premiums will increase 7.12% in 2016 while dental and vision premiums will remain unchanged. Considering the overall market as well as additional fees associated with the Affordable Care Act, this represents an extremely reasonable increase and is much lower than initially anticipated. As mentioned in Kathy's recent e-mail, there were no changes to our insurance coverage benefits.

As a reminder, employees who wish to add, change, or terminate health coverage may do so by contacting Kathy by December 18th.

Flex Spending:

A reminder that flex spending for 2016 resets beginning on January 1, 2016 and runs through December 31, 2016. If you have any questions regarding flex spending, please contact Kathy.

Useful? Information:

Americans eat 46 million turkeys on Thanksgiving, and the average turkey for Thanksgiving weighs 15 pounds. However, the heaviest turkey on record, according to the *Guinness Book of Records*, weighs 86 pounds.



Financial Information:

At its November 18, 2015 meeting, the Lexington Board of Education passed a resolution to proceed with a 10 year renewal of the District's emergency levy set to expire in 2016. As noted in previous staff updates and publications, this renewal levy represents **ZERO** increase in property taxes as it is a renewal of an existing District levy.

I've mentioned previously that this levy raises approximately \$2.7 million annually for the District; the exact figure is **\$2.68 million**. This annual funding is a vital source of revenues used for the operation and instructional needs of the District.

Based on figures recently received from the Richland County Auditor, the total current tax valuation of the District is \$340,772,990. Therefore, in order to collect the \$2.68 million pursuant to the renewal levy, the tax levy is set at **7.9 mills** for each \$1.00 of valuation, as certified by the Richland County Auditor's Office.

This leads to the next obvious question...."Great, but what does all of that mean?" This means that for every \$100 of valuation, the total tax is \$0.79. For instance, a total assessed valuation of \$100,000 would result in an annual tax of \$790 for this levy.

However, it's also important to remember that assessed valuation is different from the appraised value of a property. Appraised value, in theory, should represent 100% of the market value of a property **while assessed value, on the other hand, is calculated at 35% of appraised value and is the amount on which property taxes are based. Therefore, a property, for instance, with an appraised value of \$200,000 has an assessed value of \$70,000. In this case, 7.9 mills would result in a total tax of \$553 (\$70,000 / \$100 x \$0.79) for this levy.** Additionally, one final factor to consider is that because this is a renewal levy as opposed to a new or replacement levy, the 10% rollback and 2.5% homestead exemption picked up by the State will each still apply to this levy further reducing the overall tax liability, as applicable.

While some of the above information may be interesting....and honestly, somewhat confusing, the most important aspect to remember about this renewal levy is that, given the fact that it is a renewal of an existing levy, this levy represents **ZERO** increase in property taxes.

We wish you and your families an enjoyable and refreshing Thanksgiving break!