

MINUTES OF THE MARGARETTA BOARD OF EDUCATION SPECIAL MEETING OF  
JANUARY 9, 2010.

The Margarettta Board of Education met in special session at 9:00 A.M. on Saturday, January 9, 2010 at the Administrative Offices.

Mr. Lippert called the meeting to order. Mr. Stark, Mr. Myers, Mr. Bodey, Mr. Rankin and Mr. Lippert were present.

In attendance were Superintendent Ed Kurt and Treasurer Jude Hammond.

Work Session:

Superintendent Kurt presented a letter from the Ohio Department of Education stating that in part "the current five year forecast...indicates that a negative fund balance or a low fund balance (positive but less than 2%) exists for the current fiscal year...as required by section 5705.391 of the Revised Code, your district must submit a proposal that will allow the district to avoid this deficit...if your district proposal includes increased revenue from a new levy, you must also include contingency plans to address the potential deficit in case the levy fails." The proposal should be submitted to the Ohio Department of Education by February 1, 2010.

Mr. Hammond stated that Mr. Kurt has replied to similar letters for the past two years. Mr. Hammond read the response from last year to the Board. The challenge will be determining the contingency plan.

Mr. Hammond the following documentation for discussion:

- A historical financial analysis from Fiscal Year 1998, the last time the district approved additional tax revenue, through Fiscal Year 2009, the most recently completed fiscal year. The document displays the trend of "true cash days" which represents the amount of operating days in a calendar year that is remaining in the General Fund at the conclusion of the fiscal year. At the conclusion of FY98 the true cash days were 26 days. The true cash days increased from there to a point where it peaked in FY03 at 175 days. Since FY03, the number of true cash days has diminished to 21 days remaining at the end of FY09.
- A condensed version of the district's current five-year forecast showing a deficit in FY11 of \$457,682, and a deficit at the conclusion of the five years (Fiscal Year 2014) of \$5,042,609.
- Four different Earned Income Tax scenarios, 1%,  $\frac{3}{4}\%$ ,  $\frac{1}{2}\%$  and  $\frac{1}{4}\%$ , all of which will not increase revenue fast enough to overcome the district's financial deficit in any of the four years when the tax would be imposed.
- A scenario of a 4.90 mill property tax increase being approved in this calendar year. The scenario shows that given no change in the assumptions used in the five year

forecast, the additional revenue would not be sufficient to overcome the district's financial deficit in any of the four years when the tax would be implemented.

- A scenario of a 5.90 mill property tax increase being approved in this calendar year. This scenario will allow the district to stay out of a financial deficit through fiscal year 2011, however, the district would once again fall into a deficit beginning fiscal year 2012.
- A scenario of a 6.90 mill property tax increase being approved in this calendar year. This scenario will allow the district to stay out of a financial deficit through fiscal year 2013, however, the district would once again fall into a deficit beginning fiscal year 2014.
- A scenario of a 7.90 mill property tax increase being approved in this calendar year. This scenario will allow the district to stay out of a financial deficit through fiscal year 2013, however, the district would once again fall into a deficit beginning fiscal year 2014.
- The final scenario was a 8.37 mill property tax approved this calendar year. In this scenario, the district would not be in a deficit throughout the five year forecast, showing a General Fund balance at the end of Fiscal Year 2014 of \$73,324.

As each of the various documents were discussed, there was productive input from each of the board members and Mr. Kurt. It was noted that the board will take the steps necessary to place a property tax on the ballot in May. There will be resolutions prepared for the January 25, 2010 board meeting to request the Erie County Auditor to certify the rates of an Emergency Property tax. The Board then could take action on the February 15, 2010 regular board meeting in time to file a levy resolution with the Board of Elections no later than Thursday February 18, 2010.

Motion by Mr. Bodey, second by Mr. Myers to adjourn the meeting having no further business to come before the board. Roll call: all aye.

Meeting adjourned at 10:54 A.M.

Respectfully Submitted

Jude T. Hammond  
Treasurer