

MINUTES OF THE MARGARETTA BOARD OF EDUCATION (BOE) REGULAR MEETING OF MAY 18, 2020.

The Margarettta Board of Education met in regular session via teleconferencing at 6:30 p.m. on Monday, May 18, 2020 via Facebook live.

Mr. Warner took a moment to thank all the volunteers for the meal preparation and pickup process, the teachers for the hard work, and also the parents for everyone's effects during the trying times.

Mr. Warner called the regular meeting to order at 6:30 p.m. requesting roll call by Mrs. Keegan:

Mr. Miller:	Present
Mr. Schoenegge:	Present
Mr. Sutorius:	Present
Mrs. Yetter:	Present
Mr. Warner:	Present.

Approval of the Minutes

Motion by Mrs. Yetter seconded by Mr. Sutorius, to approve the minutes from the Regular BOE Meeting held on Monday, April 20, 2020; Roll Call: Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Warner: aye.

Board and Staff Reports

Townsend Community School's (TCS) Report

Mr. Mock stated he didn't have any update for TCS other than the next TCS board meeting is scheduled for May 19th at 7 p.m. Then Mrs. Keegan stated that she received the April TCS financials at the end of last week and will get her analysis and TCS package out to the board this week.

Submitted Public Participation

Mr. Warner stated that we would take any public participation like previous meetings by placing comments on Facebook or the live feed and circle back to in the chat for any participation.

Introduction of Additional Agenda Items

Mr. Mock stated there were no additions tonight.

The Financial Report and Schedule of Bills

Mrs. Keegan directed the Board to their financial packers of the schedule of bills, bank reconciliations, or fund balances, etc. She then reviewed the Budget versus Actual financial report that compares this year-to-date results to last year-to-date for the same period. April year-to-date from last year reflected \$13.3 million compared to this April year-to-date of \$15.3 million, the \$2 million increase which is related to the Nexus pipeline. To reframe the history Nexus has been forecasting the first year of taxes at \$6.3 million for a while, in the fall of 2019 the Department of Taxation valued the assets to generate over \$8 million in taxes in year one, and now Nexus is appealing the taxes down to \$4 million. Therefore in the first half of two payments this calendar year, Nexus

paid to their appealed level of approximately \$2.1 million, with a small portion of that going to the Permanent Improvement fund and the majority allocated to the General Fund. This additional Nexus taxes are reflected in the line on the schedule entitled Tangible Personal Property Tax which has increased approximately \$2.0 million from last year, due to the Nexus public utility tax. She then explained that given the Board approved a resolution which allocated the Nexus dollars to 25% for the general fund for day-to-day operations, 25% into a general fund reserve (which is capped at 5% of the total general fund revenue from the previous year) of approximately \$440 thousand and then 50% into a capital improvement and new facilities account outside of the general fund of approximately \$882 thousand. The report reflects the tenth month of the fiscal year (July 1, 2019 through April 30, 2020). Last year's expenditures at the end of April were \$12.8M and this year the total operating expenditures were \$12.9M unfavorable from the overall expenditures of \$87 thousand. Primarily due to wage increases for steps and benefits are unfavorable due to economic increases as well versus last year at the same time period. Total revenue is higher than expenditures at the end of April by \$1.1 million after the Nexus capital transfer and the District's beginning General Fund cash balance was \$787 thousand on July 1, 2019 and with the current year improvement, leaves the ending April cash balance of \$2.4M. Mrs. Keegan reminded the Board that given we just collected the first half real estate taxes, that this is the time of the fiscal year with one of the higher months of cash balance. Mr. Sutorius asked if we had any idea on how long the appeal process with Nexus could possibly take and also knowing that they have the right to do this every year and stack on top of the previous year? Mrs. Keegan stated that in some of her previous experience, being on the other side of these negotiations that it can take several years and it usually is a very long process. However the good news, as counterintuitive as it is, Nexus tender paid or paid at the lower appealed levels, which is helpful for Margaretta. If Nexus would win their appeal and if they would have paid us the full higher appraised values, then Margaretta would have to pay the overpayment back plus interest which is approximately 5%. And given the type of investment options Margaretta has available, we would not be able to make a high enough return even if we invested it, so it is better for Margaretta in the long run to have received a tender payment from Nexus.

Informational Updates:

State budget cuts for May and June 2020

Mrs. Keegan reminded the board that based on our Ohio Revised Code and our contracts language we are continuing to pay all employees their full contracted hours and pay through the end of the school year, so our costs have basically gone unchanged. However the State has allocated out budget cuts that will be deducted from Margaretta's state foundation payments in the next one and a half months of \$221,066. This is just the cuts that the State has announced so far for the fiscal year of 2021 and it is still unclear where the budget cuts will land for the next fiscal year of 2022. Mrs. Keegan stated that she will continue to update the board as more information becomes available in the future.

CARES Act Funds

Mrs. Keegan gave an update on the Corona CARES Act Federal funding, that we should be receiving approximately \$100 thousand to be used on technology and potential costs related to disinfecting efforts for COVID-19. The exact amount and timing is currently not known yet.

Ohio School Pipeline Coalition (OSPC)

Mrs. Keegan then gave an update on the OSPC, the board has already past the resolution for Margareta to participate in the OSPC. Mrs. Keegan gave the background on why this group was put together, to have a larger voice in the appeal process. As stated at previous meetings, she mentioned as background on the Nexus Appeal and that there is interest to pool the Districts together to have a single voice as it relates to the Nexus and Rover pipeline appeals. She stated that the school districts do not have a 'seat at the table' during the appeal process. However the schools' have been expressing an interest in pooling our resources to have one voice or solidarity on this issue. Mrs. Keegan stated that there is an annual fee of \$500 for each district to join. So far the 33 schools out of approximately 89 schools that are affected by the Nexus and Rover pipelines, with many schools taking their resolutions to their boards this month. She also stated that the more school districts that join the coalition will help to reduce each districts overall cost per district.

Treasurer's Report

New Business

Mrs. Keegan introduced the Treasurer's Report with the resolution number 19-20-73 for the amended five year forecast. She reviewed some of her forecasting assumptions that were included in the forecast package that was distributed to the Board. Some of the assumptions are as follows:

- 1). Fiscal Year (FY) 2020 State Foundation revenue was reduced for the \$221 thousand budget cut, just announced. And the FY2021 was reduced 10% from the FY2019 levels for the anticipated budget cuts that are coming. Then the FY2022-2024 was brought back up to approximately the state foundation revenues of FY2019.
- 2). Forecast assumes collecting Nexus taxes at the current appealed tax levels, with an assumed 3.5% asset depreciation or annual reduction in the Nexus starting values.
- 3). Employee wages are assumed to grow by approximately 2% per year for the steps built into the payroll schedules and an assumed 1% per year base increase.
- 4). Employee healthcare benefits have a 3% economic increase built into each year.
- 5). General fund budget reserve is included at the capped amount of \$882 thousand.
- 6). Board approved resolution states that we are to reserve in a capital improvement fund (outside of the general fund) 50% of the Nexus dollars. However, in an effort to maintain a positive general fund cash balance, we could only assume 40% in FY2021 and FY2022 and then only 30% in FY2023 and FY2024. Over the 5 years that would allow the capital fund reserve to grow to a balance of approximately \$6.2 million at the end of the fifth year in FY2024, based on the assumption of the Nexus payments continuing at the current appealed level of payments.
- 7). Forecast assumes that we are able to pass the 7.75 mil renewal levy. If the levy fails, then it will cost the district an annual revenue loss of approximately \$1.4 million. Mrs. Keegan also reminded everyone of the importance of having tax millage approved and assessed. She reminded everyone that it is important for the taxpayers to understand that Nexus pays taxes to the schools based on the millage tax rates that exist and are

approved by the voters. She stressed the importance of passing this renewal levy and the effect on Nexus tax payments to the district.

Mrs. Keegan stated that all the above assumptions that are included in the five year forecast allows the district to stay in a positive cash balance at the end of each fiscal year.

Motion by Mr. Sutorius seconded by Mr. Miller on Resolution number 19-20-73, to approve the Five-Year Forecast for the 2020-2024 Fiscal Years; Roll Call: Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Warner: aye.

Motion by Mr. Miller and seconded by Mr. Sutorius, on Resolution number 19-20-74, to approve the renewal contract with Perkins Local School District for services for the Transition Specialist for the students placed at the North Point ESC unit at Huron Schools for the 2020-2021 School Year; Roll Call: Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mr. Warner: aye.

Motion by Mr. Sutorius seconded by Mrs. Yetter, on Resolution number 19-20-75, to approve the renewal Shared Preschool Itinerant Services contract with Huron School District to share a Special Education teacher for the 2020-2021 School Year; Roll Call: Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Warner: aye.

Motion by Mr. Miller seconded by Mr. Schoenegge, on resolution number 19-20-76, to approve the renewal Shared Preschool Itinerant Services contract with the Perkins School District to share a Special Education teacher for the 2020-2021 School Year; Roll Call: Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Warner: aye.

Motion by Mr. Schoenegge seconded by Mr. Sutorius, on resolution number 19-20-77, to approve the Shared Services Agreement with Perkins Local School District to share a Preschool Center Based Classroom for the 2020-2021 School Year; Roll Call: Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Warner: aye.

Motion by Mr. Sutorius seconded by Mr. Miller, on resolution number 19-20-78, approve the renewal of a contract with the Northern Ohio Educational Computer Association (NOECA) for the purpose of providing the District Computer Support Services for the 2020-2021 School Year; Roll Call: Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mr. Warner: aye.

Superintendent's Report

New Business

Motion by Mr. Schoenegge seconded by Mrs. Yetter, on resolution number 19-20-79, to approve the agreement with Family Health Services for behavioral health services at Margaretta Local School for the 2020-2021 School Year; Roll Call: Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Warner: aye.

Motion by Mr. Sutorius seconded by Mr. Miller, on resolution number 19-20-80, to approve the graduation of Marcia Alice Yontz McCormick with the class of 2020, having

met all state and local requirements; Roll Call: Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Warner: aye.

Motion by Mr. Schoenegge seconded by Mr. Sutorius, on resolution number 19-20-81, to approve the contract with Suburban School Transportation Company, Inc. to provide special education transportation services on a temporary basis during the 2020-2021 School Year; Roll Call: Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Warner: aye.

Motion by Mr. Sutorius seconded by Mr. Miller, on resolution number 19-20-82, to approve the option to utilize Distance Learning (Blizzard Bags or online learning) for the 2020-2021 School Year. Mr. Warner asked if this could change snow days and Mr. Mock stated that it could but would require legislation to allow it.; Roll Call: Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mr. Warner: aye.

Motion by Mr. Miller, seconded by Mr. Sutorius on resolution number 19-20-83, to approve the option for the District to utilize and notify the Ohio Department of Education (ODE) by no later than July 1st, that the District could utilize a blended learning program for the 2020-2021 School Year; Roll Call: Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Warner: aye.

Motion by Mr. Schoenegge, seconded by Mr. Sutorius, to approve Margareta Music Department's Chicago trip on March 31, 2021 through April 2, 2021, pending state of Ohio protocol guidelines; Roll Call: Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Warner: aye.

Mr. Mock introduced the second reading of the following Board Policies:

Policy 1520 - Employment of Administrators, Policy 2464 - Gifted Education and Identification, Policy 3120 - Employment of Professional Staff, Policy 3120.04 - Employment of Substitutes, Policy 3120.08 - Employment of Personnel for Co-Curricular/Extra-Curricular Activities, Policy 4120 - Employment of Classified Employees, Policy 4120.08 - Employment of Personnel for Co-Curricular / Extra-Curricular Activities, Policy 4124 - Employment Contract, Policy 4162 - Drug and Alcohol Testing of CDL License Holders and Other Employees who Perform Safety Sensitive Functions, Policy 5460 - Revised Graduation Requirements, Policy 5460.02 - New Students At-Risk of not Qualifying for a High School Diploma, Policy 6107 - Authorization to Accept and Distribute Electronic Records and to use Electronic Signatures.

Personnel Actions

Classified

Motion by Mr. Sutorius, seconded by Mr. Miller, to approve the resignation of Courtney Parr, Transportation Director, effective June 26, 2020; and the posting of the position through ODE; Roll Call: Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Warner: aye.

Motion by Mr. Schoenegge, seconded by Mr. Miller, to approve five (5) additional days for Mark Freeh (check in Chrome books, Mr. Mock stated the parents are bringing the Chrome books back and then we will put them in the cafeterias and let them sit for seven days, per the health department direction. Given that Mark is not scheduled to

work in June, he has requested additional five days); Roll Call: Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mr. Warner: aye.

Certified:

Motion by Mrs. Yetter, seconded by Mr. Sutorius, to accept Nicole Limberios, 7th grade Volleyball Coach resignation for the 2020 fall season; Roll Call: Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter, Mr. Warner: aye.

Motion by Mrs. Yetter, seconded by Mr. Miller to hire Karen Middlesworth for the Speech Pathology Substitute position, effective August 1, 2020. Mr. Schoenegge asked if she is from Bellevue. Mr. Mock and Mrs. Keegan stated they didn't know off the top of their head. Later Mrs. Keegan stated that Mrs. Kathy Hall informed her that she is from Bellevue; Roll Call: Mr. Schoenegge: aye, Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Warner: aye.

Informational Items/Correspondence

Mr. Mock updated the Board on the current options that ODE could possibly give as guidance on the restart of schools for 2020-2021 School Year.

Mr. Mock then gave an update on graduation that it is scheduled for outside June 6th at 10 a.m. and rain date is June 7th at 10 a.m. and if raining in morning may be at 1 p.m. or push it back to 3 p.m. if weather would break.

Mr. Warner also circled back to thank Carrie Keller and Mark Freeh for putting the Facebook live together for these meetings.

Mr. Warner asked if there was any need for Executive Session and it was stated no. So therefore, Mrs. Yetter motioned and was seconded by Mr. Miller to adjourn the meeting having no further business to come before the Board; Roll Call: Mr. Sutorius: aye, Mrs. Yetter: aye, Mr. Miller: aye, Mr. Schoenegge: aye, Mr. Warner: aye.

The next regular BOE meeting has been scheduled for Monday, June 29, 2020 at 6:30 p.m.

Respectfully Submitted

Andrew Warner
Board President

Diane Keegan
Treasurer