

Treasurer's Notes

“Maximizing student achievement given a limited amount of resources.” In essence that is the mission of the Margareta School District. Managing the process is the responsibility of the Board and administration. Some strategies are clear, some not so clear. One thing is certain, the decisions made will impact this community, and the Board and Administration will come under scrutiny of those who are affected by the decisions.

One difficult decision that was made that will have a great impact on the future of the district, is the consolidation of elementary buildings. Next September, we will have grades Kindergarten through 6th Grade attending Margareta Elementary at our Bogart Road facility. The motivation behind this decision is the cost savings associated with the move. Our initial assessment was determined to be a savings of \$450,000 annually by consolidation.

To accommodate the move, we needed to create gym space and some temporary classrooms. We initially proposed to the voters a replacement of the 1.50 mill Permanent Improvement Property Tax Levy, to 3.5 mills, whereby the expense to build a gym would have been paid from the new levy. In November 2006, the replacement levy was defeated.

The Board and administration then proposed to address the operational cost to maintain all facilities and continue to provide the same level of service to our students. In May 2007, we proposed a 1% Income Tax that would have generated nearly \$1.3 million annually beginning in 2008. That levy failed.

The Board and administration, sensing that voters are not prepared to levy any additional tax burden at this time, made the decision to move forward on the consolidation of the buildings and using operating funds to pay for the additions. Since the district will use some of the operational savings to pay for the construction of the gym, the net savings to the district is estimated to be around \$200,000 annually.

The operational deficits facing the district in the upcoming fiscal years will exceed \$1 million annually. The \$200,000 savings will not resolve all of the financial problems. Additional cuts will occur unless additional revenue is obtained.

The ability to manage the district without additional revenue will be a challenge. Just recently we received have seen the price of diesel fuel exceeding \$4.00 per gallon, Ohio Edison is proposing a 34% rate hike, which will cost the district approximately \$50,000 in additional costs, we had a water main break at the High School, the hoist at the bus garage needs to be repaired, and the roof at Bogart Elementary needs to be replaced. Rest assured that the Board and administration will continue to “maximize student achievement given a limited amount of resources.”