

MINUTES OF THE MARGARETTA BOARD OF EDUCATION SPECIAL MEETING OF
JANUARY 24, 2009.

The Margarettta Board of Education met in special session at 7:30 A.M. on January 24, 2009 at the Administrative Offices.

Mr. Lippert called the meeting to order with roll call; all present.

Mr. Lippert explained to those in attendance that this is a work session wherein the board will discuss the financial position of the district and concepts on how to remedy the annual deficits. He emphasized that there will be open discussion on items and the public's input would be welcomed. Furthermore, Mr. Lippert will conduct the meeting so as to keep the discussion on point. Finally, Mr. Lippert said that no decisions would be made today other than to set future special meetings.

Mr. Hammond led a discussion with the board and shared information with those in attendance beginning with a map displaying the property tax liability of a Margarettta residential taxpayer, who owns a home appraised for tax purposes at \$150,000 market value, and similar property owners who reside in all adjoining schools (Sandusky City, Perkins, Bellevue, Clyde-Green Springs, and Fremont City). The map illustrates that the Margarettta residential taxpayer is paying less than their neighbors in adjoining school districts are to support public education. Mr. Hammond went on to point out on the maps, that if we are not successful in resolving the districts financial crisis over a sustained period of time, the State of Ohio could resolve to dissolve the Margarettta School District and the boundaries would be redrawn and the property owners would be located in a different school district, paying the property tax and in some cases income taxes to support the corresponding school district.

Mr. Hammond then presented documents that summarized the current five year forecast and some possible areas that could be cut in order to balance the budget. He emphasized that all future cuts from this point forward would have an impact on the delivery of educational services which have the potential to impact student achievement and at the very least, alter the educational experience for the students who attend our schools.

Mr. Hammond mentioned that the administration met on December 30, 2008 to discuss possible budget cut backs. This discussion led to a series of potential cuts that would be classified as degrees of cuts from least harmful to most harmful for student achievement. Mr. Kurt stated that if we were to make cuts in today's educational environment whereby parents can send their students to adjoining school districts through open enrollment, that, if the cuts were severe enough, parents may be inclined to send their students to one of the adjoining schools. If this were the case, then the district would experience a reduction in state aid and that could cause even further cuts. The reduction in educational services could lead to more enrollment flight and cause even further reduction in state funding. This spiraling

down of educational services would be the worst case scenario for our community.

Mr. Hammond then shared several scenarios of various levy options available to the Board to present to the voters. One scenario was a new 1% Earned Income Tax Levy, similar to the levy that was placed on the ballot last November. One scenario was a 7.90 mill property tax levy and one scenario was an 8.90 mill property tax levy. Mr. Hammond also mentioned that there are two types of property tax levies that the board could take action on a current expense levy or an emergency operating levy. There are certain advantages to having an emergency operating levy under the current school funding system. There was also a discussion on the upcoming 7.75 mill property tax levy that will expire in tax year 2011.

Mr. Hammond stated that if the board were to place an income tax on the May 5, 2009 ballot, the board would need to approve a resolution requesting the state tax commissioner certify the income tax rate and corresponding property tax mills. The board would need to file the resolution no later than February 9, 2009. Therefore, we need to set a special board meeting prior to February 9 to approve the necessary resolution. The board requested to have a special board meeting on Monday February 2, 2009 at 7:00 p.m. and to have all resolutions needed to have all five options available for the board to take action at the February 16, 2009 regular board meeting. The five options would be a 1.0% Earned Income Tax for five years commencing in calendar year 2010, a 7.90 Current Expense property tax levy for five years commencing tax year 2009 payable in 2010, an 8.90 Current Expense property tax levy for five years commencing in tax year 2009 payable in 2010, a \$1,320,250 Emergency Operating property tax levy for five years commencing in tax year 2009 payable in 2010, a \$1,487,330 Emergency property tax levy for five years commencing in tax year 2009 payable in 2010.

Mr. John Zang spoke on behalf of the Margareta Teachers Association and stated that the membership understands that these are difficult economic times and that they will work collaboratively with management and the board to find solutions to the financial crisis. Mr. Lippert thanked Mr. Zang for his comments, and for all those in attendance for their input and participation.

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

Meeting adjourned at 9:36 A.M.

Respectfully Submitted

Jude T. Hammond

Treasurer