



# **“Maintaining Excellence”**

*Westerville City Schools Town Hall Meeting*

*February 4, 2009*

# Economic Realities

- **Impact of the current economy**
  - Slowing economy (recession)
  - Revenue shortfall
  - Slowing property value growth
- **What have we already done?**
  - Decreased FY 2009 departmental budgets
  - Terminated purchase contract for property on Eastwind Drive
  - Removed 14 projected positions
  - Use of one-time funds



# Actions to Date

- **Board planning and fiscal review**
- **Strategic planning**
- **Fiscal alignment to support approved Strategic Plan**
- **Forecast adjustments were made**
- **Additional budget reductions were recommended**
- **Received notification regarding possible fiscal caution designation from Ohio Department of Education related to projected deficits**



**Prior Forecast FY 2010 Unreserved Fund Balance = \$213,075**



**Revised Forecast FY 2010 Unreserved Fund Balance = \$43,874**



# Maintaining Excellence

## Legal and Contractual Obligations

- Ohio CORE curricula
- Intervention
- Class size and growth

## Best Practices of High Performing Districts

- Early Intervention
- Choice
- Encore



# Operating Needs

- **The key assumptions used:**
  - **No property tax growth**
  - **10% total state funding reduction (FY10/FY11 biennium budget only)**
  - **Phase out of tangible personal property tax replacement (per current law – HB 66)**
  - **Project 10 additional FTE per year for legal and/or compliance requirements**
  - **Maintain current program offerings only**
  - **Balanced budget through FY 2012 (06/30/12) = \$648,894**



# Master Facility Needs

## Capital Improvements

- A capital improvements levy generates funds for capital expenses that have a life of five years or more (ex. curriculum materials, computers, buses, building equipment repairs/replacement)

## Additional Needs

- We have identified needs in the facility master plan that extend beyond current funding levels that are provided by the expiring capital improvement levy



# Master Facility Needs

| Category                                 | Need<br>FY11/FY15   | Renewal<br>FY11/FY15 | % of Total    |
|--|---------------------|----------------------|---------------|
| Building & Equipment Repairs/Replacement | \$31,958,716        | \$7,229,719          | 24.4%         |
| Technology Replacement                   | \$7,894,098         | \$7,894,098          | 26.6%         |
| Instructional Materials Replacement      | \$7,350,000         | \$7,350,000          | 24.8%         |
| Bus Replacement                          | \$6,350,100         | \$6,350,100          | 21.4%         |
| Furniture Replacement                    | \$600,000           | \$450,000            | 1.5%          |
| Tax Collection Fees                      | \$375,000           | \$375,000            | 1.3%          |
| <b>Capital Total</b>                     | <b>\$54,527,914</b> | <b>\$29,648,917</b>  | <b>100.0%</b> |
| Bond (additional capital needs)          |                     | \$24,878,997         |               |
| Bond (growth needs)                      |                     | \$10,363,690         |               |
| <b>Bond Total</b>                        |                     | <b>\$35,242,687</b>  |               |
| <b>Grand Total</b>                       |                     | <b>\$64,891,604</b>  |               |



# Original Recommendation

**Place a combined issue on the May 5, 2009 ballot for the following:**

- **New operating levy in the amount of 9.9 mills for a continuing period of time to begin collections in calendar year 2010**
- **Renewal of the expiring 2.7 mill capital improvement levy (no new millage)**
- **Bond issue in the amount of \$36 million (no new millage)**



# Recent Events & Decisions

- Board Retreat on 1/29/09
- Special Board Meeting on 2/2/09
  - Will not be placing operating levy on May ballot
  - Approved resolutions seeking county auditor certification of millage/revenue for three capital improvements levy structures
    - All include renewal of expiring 5-year capital improvements levy
    - Approval of any of the three would result in no new millage



# First Option for May

- Renewal of expiring five-year capital improvements levy for another five years
  - Same millage rate already being collected.
  - No millage increase to residents' tax bills
  - District would receive approximately \$29.6 million for its capital improvement needs



# Second Option for May

- Renewal of expiring five-year capital improvements levy for a continuing period of time.
  - Would no longer need to be replaced or renewed every five years
  - Provides ongoing revenue stream of approximately \$6 million per year dedicated to capital improvements projects around the district
  - No millage increase to residents' tax bills



# Third Option for May

- Renewal of expiring five-year capital improvements levy with additional 1.25 mills
  - Issue would be for a continuing period of time
  - Will be structured so there is no millage increase to residents' tax bills
    - Made possible due to a restructuring of the district's bond debt in December of 2006
  - Will provide funds for another \$35.2 million in facilities projects around the district.





**Comments/Questions**