

The Amanda-Clearcreek Local Board of Education met in special session on January 19, 2018 at 6:00 PM at Amanda-Clearcreek 3-12 Meeting Room 1100 for the purpose of conducting official school business. President Reid called the meeting to order with the following members present: Denner, Kern, Reid, Saum, Sharp (arrived late).

Pledge of Allegiance was led by Ms. Kori Meyer.

APPROVE AGENDA **25.18**

Motion by Kern, seconded by Saum to approve the agenda as presented.

Ayes: Kern, Saum, Denner, Reid

APPROVE OUT OF STATE FIELD TRIP REQUEST **26.18**

Motion by Kern, seconded by Denner to approve the out-of-state field trip request from FFA. FFA is requesting to go on their annual trip to Louisville, KY on February 16, 2018, returning on February 18, 2018. They will be traveling via AC school bus.

Ayes: Kern, Denner, Saum, Sharp, Reid

APPROVE 2018-2019 VOLUNTEERS **27.18**

There was not a complete list at this time. A volunteer list will be recommended at the February regular meeting.

DISCUSSION OF LEVY **28.18**

Discussion was had on the placement of a levy on the May ballot. Mrs. Bradford communicated with the Ohio Department of Taxation and received some updated estimates on traditional and earned income taxes along with equal property tax millage. Numbers requested were based from the board approved 5-year forecast and were the following:

Passage in 2018, to be collected in 2019

- | | |
|-------------------------------|------------------------------|
| *1.75% earned income tax | *1.5% earned income tax |
| *1.25% earned income tax | *1.5% traditional income tax |
| *1.25% traditional income tax | |

Passage in 2019, to be collected in 2020

- | | |
|-------------------------------|------------------------------|
| *1.75% earned income tax | *1.5% earned income tax |
| *1.25% earned income tax | *1.5% traditional income tax |
| *1.25% traditional income tax | |

Mr. Sharp said that just looking at the numbers, we have to do something. He pointed out that even with a 1.75% earned we will still be deficit spending in year 5. Mr. Denner asked how many times we have tried this and Mr. Dick stated 5 times, but Mr. Reid stated that we had changed percentages and terms during those levies. Mr. Sharp asked if we passed a 1.5% income tax, how many positions would we have to cut to offset that

\$3 million deficit. Mr. Dick stated at least half his staff along with programs. Mr. Dick asked the Board and community who was in attendance "what kind of education do you want"? Mr. Denner doesn't believe it is the right time to run a levy. He feels that there needs to be more research on the types of levies and noted that there are more types of levies we could run besides the traditional and earned income levy. Mrs. Bradford and Mr. Dick explained the differences of the levies that Mr. Denner pointed out and why they are not options for our district. For example, a bond levy is only to build and a replacement and a renewal are not options as we currently don't have a levy to replace or renew. Mr. Denner is a fan of the traditional tax and a lower rate. Mr. Kern compared the district to other communities at the county and state levels and stated that we are not contributing at the same local level as other communities are for their schools. He stated that we need to convince the community of that and get support. He wants to zero in on what the need is and ask the community for what we need. We need to replace ½ of the revenue loss from the state and hold in check the rate of increase in personnel and benefits, then we can cut the almost \$4 million dollar deficit to close to \$2 million. Mr. Kern stated that comments made from the prior meeting from community members who attended in regard to consistency stuck with him. He agrees with Mr. Denner on the sentiment of the community, but feels that there needs to be consistency of the message of the necessity of this levy. He believes there needs to be some changes as to how the board operates and communicates with the community, but feels that it is incumbent on the board to put in place those measures and to do it quickly. He feels that we do show a necessity for the levy and that we need to take every opportunity we have to put this to the voters for approval. Mrs. Saum states that we know many of the expenditures for the next 3 years due to negotiations and contracts so she is looking at 2020 and feels that a 1.5% is appropriate. Mr. Dick explained that dependency on the community is more now than it ever has been. Our district no longer gets over 73% of its funding from the state, we are more like 55%. The state isn't going to just "fix" school funding to make our district get more money. Mr. Kern feels that a 1.25% shows consistency and is for earned income as he doesn't want to ask a person with a limited fixed income to pay that tax. Mr. Denner mentioned that those pensions are already tax deferred and also mentioned that he has heard people say they don't want to make their neighbor pay if they don't have to. Mrs. Saum also noted that there are other items on the traditional income tax that she doesn't think should be taxed like unemployment and alimony. Mr. Dick explained that something has changed for students to leave Amanda-Clearcreek and we need more students to come back and that will also help our bottom line. Mr. Denner said demographics have changed and that we need to look at that. Mrs. Saum said that they have had input from local realtors. Mrs. Bradford explained that for each forecast she looks at census data, live birth rate and Mr. Dick mentioned that he and Mrs. Bradford has went to a seminar and that our numbers were right on and have been. Mr. Reid feels that at 1.5% is what we need but thinks a 1.25% is passable. Mr. Sharp feels that even though we need a 1.75%, he is for a 1.5% for passage. He also feels that maybe we could set up endowments to help fund the district also. That way with an earned tax, the seniors are not mandated to pay the tax, but if they feel they want to give they can give to the school endowment. Mr. Dick mentioned town halls and getting community to them. Mrs. Saum also mentioned that if we pass a 1.5%, that the Board can decrease the percentage by .25%. Mr. Dick also stated that people need to take into consideration the \$1 million that was cut. When you cut that much and it compounds and then the prior levy brought in more money than what was certified, that is why we have the cash balance we have. He feels that a five year levy will give the community time to get a buy in on what we are doing and earn their trust back. Mr. Reid opened the floor to public participation. One community member said that the Board needs to ask for what we actually need. Mr. Dick agrees and stated his concern is not getting what we actually need and have to continue to cut in year 4 or 5 even with a levy. Mr. Denner asked if we were even able to balance a school budget and Mr. Dick said not with state funding. Mrs. Bradford explained that the way they get funded is on a

daily count basis and is difficult to budget when funding changes with each foundation payment. Mr. Kern stated that we need to make some changes but also need to meet in the middle with some savings. A community member explained that all board members need to be on the same page and support the levy. Another said there needs to be a united front on this from the board in the community and the board needs to trust their professionals. Another community member asked what changes we have made to the budget that he can get behind and it not be cutting salaries. The numbers he heard during this meeting really got his attention so he knows it is needed. Mrs. Saum explained that we went into a snow removal contract that allows us to do some of the work to save money. We have looked into doing the mowing in house and what we could save if anything. She also stated that we cut \$1.5 million from the budget last year mostly through salaries due to student to staff ratio. Mrs. Bradford explained that we need to do better at communicating the savings we are getting since people do not attend the town hall meetings where we give that information. One example was the copier proposals where we saved over \$50,000 annually over 5 years and we are looking to save another \$30,000 for the new contract also. A community member also stated that it is the responsibility of the whole community to help educate our kids.

Motion by Kern, seconded by Sharp to close the discussion.

Ayes: Kern, Sharp, Denner, Saum, Reid

APPROVE RESOLUTION OF NECESSITY

29.18

Discussion was had on the resolutions. Mrs. Bradford said she had the attorneys provide us with resolution wording for an earned and traditional tax. Mrs. Saum stated that she would like to see a 1.5% earned for 5 years and with the suggestions of endowments that if the board feels that they can reduce it, then it is a simple vote by the board to reduce it. Mr. Kern asked what authority the board has to reduce it. What revised code as he is not aware of it? Mrs. Saum stated that Mr. Conley from Rockmill Financial had it in his power point presentation to the board. Mr. Dick found it and read it to the board. There was no ORC, however Mr. Kern said it is a reputable source. Discussion was had on this and it would need to be researched more. Mr. Dick also stated that during this levy the bond issue of 2 mills will stop being collected and Mrs. Bradford also stated that the 1/2 mill will come off.

Amended motion by Saum, seconded by Sharp to approve the Resolution of Necessity for a 1.5% earned income tax (\$2,198,759 to be raised) to be placed on the May 2018 ballot.

Ayes: Saum, Sharp, Kern, Reid

Abstain: Denner

Motion by Saum, seconded by Sharp to approve the Resolution of Necessity for a levy. This resolution directs the Treasurer to immediately certify a copy of this resolution to the State of Ohio Department of Taxation no later than January 26, 2018.

Ayes: Saum, Sharp, Kern, Reid

Abstain: Denner

ADJOURNMENT

Motion to adjourn at 7:33 P.M. by Saum, seconded by Kern.

Ayes: Saum, Kern, Denner, Sharp, Reid

Austin Reid, President

Jill Bradford, Treasurer