

The Twinsburg City School District Board of Education met in REGULAR session on the above date at the Twinsburg Government Center in Council Chambers at 7:00 p.m. The following board members were present: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Shebeck, and Mr. Stuver. Recordings of the meeting are made and kept in the Superintendent's Office.

Also present at the meeting were Mr. Marlow, Mr. Lenzo, and Mr. Aho.

Mr. Shebeck moved and Mr. Andrews seconded that the Twinsburg Board of Education meet in Executive Session at approximately 7:25 p.m. for the purpose of discussing:

The appointment, employment, dismissal, discipline, promotion, demotion, or compensation of public employees and negotiations.

Upon a unanimous vote the Board moved into executive session.

The Board reconvened from Executive Session at 8:12 p.m. The following members were present: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.

**Mr. Stuver moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education adopt resolutions 10-169 to 10-170.**

**10-169 Five-Year Forecast**

That the Twinsburg Board of Education approves the Five-Year Forecast as submitted to the ODE on May 26, 2010; upon the recommendation of the Treasurer. See pages 217-225

**10-170 Library Tax Budget**

That the Twinsburg Board of Education, as statutory taxing authority for the Twinsburg Public Library, approves the attached tax budget for the Twinsburg Public Library.

See pages 226-233

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

**10-171 Accept Donation**

Mr. Andrews moved and Mr. Crosby seconded that the Twinsburg Board of Education accepts a Donation from the Charles E. & Mabel M. Ritchie Memorial Foundation for Project Star in the amount of \$800; upon the recommendation of the Superintendent.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

**10-172 TEA Negotiated Contract**

Mrs. Cain-Criswell moved and Mr. Stuver seconded that the Twinsburg Board of Education enters into a *Master Agreement* with the Twinsburg Education Association, effective September 1, 2010 through August 31, 2013.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

**10-173 TSS Negotiated Contract**

Mr. Stuver moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education enters into a *Master Agreement* with the Twinsburg Support Staff Association, effective January 1, 2009 to December 31, 2011.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

**Mr. Stuver moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education adopt resolutions 10-174 to 10-175.**

**10-174 NEOLA Policy First Reading**

That the Twinsburg Board of Education approves the First Reading of the following NEOLA Policies; upon the recommendation of the Superintendent.

Bylaws:	0160	Meetings
Policy: Program	2260.01	Section 504/ADA Prohibition Against Discrimination Based on Disability
	2370	Educational Options
Professional Staff	3122.02	Nondiscrimination Based on Genetic Information of the Employee
	3430.01	FMLA Leave
Classified Staff	4121	Criminal History Record Check
	4122.02	Nondiscrimination Based on Genetic Information of the Employee
	4430.01	FMLA Leave
Finances	6320	Purchases
Operations	8210	School Calendar
	8462	Student Abuse and Neglect
Relations	9143	Family and civic Engagement Team

**10-175 Roofing Management Contract**

That the Twinsburg Board of Education approves a contract with Roth Bros., Inc. 3847 Crum Road, PO Box 4209, Youngstown, Ohio 44515 for a Roof Management Program for the district, in the amount of \$15,897.30, to be paid for with Permanent Improvements funds; upon the recommendation of the Superintendent

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motion approved.*

**Mr. Crosby moved and Mr. Andrews seconded that the Twinsburg Board of Education adopt resolutions 10-176 to 10-184.**

**10-176 Employment**

That the Twinsburg Board of Education approves the employment of the following staff for the 2010-2011 school year; Jessica Toth, Teacher at Bissell Elementary, BA, Step 2, one-year non-renew, effective August 16, 2010, upon the recommendation of the Superintendent

**10-177 Employment**

That the Twinsburg Board of Education approves the following Supplemental Contracts for the 2010-2011 school year; upon the recommendation of the Superintendent.

**Football**

Varsity Head Coach – Mark Solis  
Asst. Head Coach - Scott Amstutz  
Asst. Head Coach – Joe Schiavone  
Asst. Head Coach – Jim Lipinski  
JV Coach – Jeff Tomko  
JV Coach – Mark Mole  
Freshman Coach – Matt Mullett

**Soccer** (Boys)

Varsity head Coach – Michael Lally  
Asst. Head Coach – John Garber  
JV Coach – Gus Crichlow  
9th Gr Coach – Josh Sladick

**Cross Country**

Varsity Head Coach – Sarah Kmet  
Asst. Head Coach – Jason Hunter

**Golf** (Boys)

Varsity Head Coach – Gary Sorace

**Golf** (Girls)

Robert Pacsi

**Team Leaders**

Kindergarten – Kelli Sutton  
1st Grade – Kim Fink

**High School Guidance**

Melanie Bushey, Rick Dye  
Jackie Krajcik, Bob Pacsi

**H.S. Class Advisors**

Senior: Nicole Swinning  
Juniors: Allison Schilling  
– Teri Jenks and Nancy Drain  
Sophomores: Kathy Repp  
Freshman: Jessica Mason

**Cheerleading****Football**

Varsity Advisor – Stephanie Schultz  
JV Advisor – Miranda Krzeminski  
9th Gr Advisor – Ashley Davis

**Weightlifting** (Summer @ Fall)

Scott Amstutz

**Soccer** (Girls)

Varsity Head Coach – Lauren Wilson  
JV Coach – Kacey White

**Assistant Athletic Director**

High School: Gary Sorace

**Tennis** (Girls)

Varsity Head Coach – Michael Porinchak  
Asst. Head Coach – Laura Ross

**Site Coordinator**

Gus Crichlow

**Academic Competitions**

HS Academic Challenge – Dave Stebbins

**National Honor Society**

Brian Insley

**Interactive Video Production**

Casey Kirtley

**Yearbook**

Casey Kirtley

**Orchestra**

THS Orchestra – Damon Conn

**Auditorium Manager**

Nancy Slife

**Band**

HS Marching/Concert Band Dir  
–Mike Hasinski  
HS Asst. Marching Band Dir – Bob Davet  
HS Majorette/Drill Team Advisor  
– Lisa Davet  
HS Jazz Band Director – Mike Hasinski  
HS Pep Band Director – Mike Hasinski

**Clubs**

HS Foreign Language Club  
– Allison Schilling/Nancy Drain  
HS Key Service Organization/Senior Exp  
– Donna Houston  
HS Pep Club – Melanie Bushey  
HS SADD – Trish Baran  
HS Ski Club Advisor – Molly Manley  
HS Science Club – Scott Amstutz

**Graduation Advisor** – Rick Dye**High School Department Heads**

Business Ed – Donna Houston  
English – Lisa Milano  
Foreign Language – Dave Stebbins  
Health/Phys Education – Al Hodakievic  
Industrial Tech/OWE Consumer Science  
Sharon Misako  
Math – Joe Schiavone  
Science – Shannon Scott  
Social Studies – Mike Lally  
Special Education – Kim Sevier

**Vocal Music**

HS Swing Choir – Randall Lanoue  
HS Vocal Director – Nancy Slife

**10-178 Employment**

That the Twinsburg Board of Education approves the following listing of staff for summer staff development/curriculum work at the daily curriculum rate (\$166.95), for one (1) day each; upon the recommendation of the Superintendent.

<b>Dodge RTI Reading - June</b>	<b>to be paid from</b>	<b>Title 1 FY 10 or Title 1 ARRA FY 10</b>		
Booker, Sharon	Cardaman, Sharon	Feichter, Ann	Hill, Connie	McHugh, Jennifer
Palmer, Christine	Recker, Holly	Schultz, Don	Dawn Luetze	
<b>Dodge RTI Reading - August</b>	<b>to be paid from</b>	<b>Title 1 FY 11 or Title 1 ARRA FY 11</b>		
Recker, Holly	Williams, Kelly			
<b>Wilcox Reading CIP-OIP</b>	<b>to be paid from</b>	<b>Title 1 FY 10 or Title 1 ARRA FY 10</b>		
Knisely, Mindy				

**10-179 Employment**

That the Twinsburg Board of Education approves the following staff for ESY tutoring services at their hourly rate; Kurt Kelly, Beth Wells, Patrick Eustace, to be paid from IDEIA funds; upon the recommendation of the Superintendent.

**10-180 Employment**

That the Twinsburg Board of Education approves the following Summer Work Schedule for the Transportation Department; upon the recommendation of the Superintendent.

**Cleaning & Steam Cleaning:** June 1<sup>st</sup> until completed or up to July 19, 2010-6 hrs daily.

Ken Fisco and Robert Ramsey

**2010 Project Star, Summer Reading Program:** July 19-23; July 26-30; Aug 2-6, 4 hrs daily for 15 days (4-drivers depending on enrollment) Joe Csipke, Kathy Kolar, Janice Graham, Karen Lindsey

**2010 ESY Summer Program at Wilcox:** July 20-22; 27-29 & August 3-5, 4 hrs daily for 9 days (depending on enrollment) Don Craddock, Patt Fondale, Mary Hollifield Aides: Lynn Kunsman, Lisa Hill and Janet Venesky

**Coverage for Private Schools/Programs**

**Monarch School:** June 21-July 23; 4-hrs per day - Darlene Leroy

**Leap Program:** May 28-June 2; 4-hrs per day – Lori Monroe

**Private Schools:** May 28-June 11, 2010

St. Rita's, May 28-June 4; Desiree Philpott, Jane Wagner, Robin Green, Don Yokam- 4-hrs per day

1-Extra Driver – St. Joan, June 7-8; Desiree Philpott, 2-hrs per day

VCA – May 28-June 4; Karen Lindsey, Rick Bowers – 4-hrs per day

Seton/St. Joan – May 28-June 8; Dan Kearney 4-hrs per day

Hudson Mont/Seton – May 28-June 11; Mona Muntain – 4-hrs per day

Walsh/CVCA – May 28-June 4; Kathy Kolar – 4-hrs per day

CVCC – May 28-June 8; Driver-Darlene Leroy Aide-Valerie Foster 2-hrs per day

Driver-Nina Jones Aide-Valerie Foster 4-hrs per day

**Summer Drivers & Aides for Trips, Substitutes & On-Board Instructor Trainers**

Tracy Abbott, Wendy Barnes, Tammy Black, Jennifer Bochik, Rick Bowers, Roy Brewster, Michelle Cabell, Desiree Churn-Philpott, Don Craddock, Joe Csipke, Ron Dalzell, Steve Dennis, Dawn Drnek, Denise Ferguson, Ken Fisco, Joseph Floyd, Patt Fondale, Valerie Foster, Janice Graham, Robin Green, Joe Haberek, Donna Hartman, Lisa Hill, Mary Hollifield, Nina Jones, Dan Kearney, Stacey Keyes, Kathy Kolar, Lynn Kunsman, Kathy Lahman, Darlene Leroy, Amy Lindas, Karen Lindsey, Dave Mariola, Jason Mihaljevic, Karen Miller, Lori Monroe, Tom Mooney, Anna Moore, Mona Muntain, Sandra Perrin, Robert Ramsey, Yvette Schilling, Missy Shaw, Mike Solinski, Matt Turman, Janet Venesky, Nichol Verbic, Jane Wagner, Don Yoakum

**Summer Work in the Transportation Department:** Judy Hyde, Transportation Secretary, as needed

Mike Solinski – June 14-August 16, 7.5-hours daily

Substitute when Mike Solinski is off – Judy Hyde or driver from sub list

10-181 **Employment**

That the Twinsburg Board of Education approves the employment of the following staff for *Project Star*; upon the recommendation of the Superintendent.

- Lead Teacher:** Cathy Holiday – maximum 22 days, 4 hours per day, \$22 per hour
- Teachers:** Rhonda Albers, Michelle Anderson, Amanda Bova, Lisa Butler, Allison Dodeci, Caitlin Dodeci, Drina Jolly, Josh Labus, Jacquelin Vivacqua, Aisha Washington, Dana Wolf , Abigail Peltz, Kristin Hoover – 15 days, 3 hours per day, \$22 per hr.
- Instructional Assistants:** Georgiana Beni, Sharon Barry, 15 days, 3 hours per day, at their hourly rate of pay per the salary schedule

10-182 **Employment**

That the Twinsburg Board of Education approves the employment of the following summer help; Quentin Keyes and Shawn Taylor, at \$7.35 per hour, per time sheet, for approximately thirteen (13) weeks, upon the recommendation of the Superintendent.

10-183 **Employment**

That the Twinsburg Board of Education approves extended-time for the following staff; upon the recommendation of the Superintendent.

Before School	After School	<b>Guidance Counselors:</b>
10 days	5 days	Richard Dye, Robert Pacsi, ,Melanie Bushey, Jackie Krajcik, David Rowbotham
5 days	5 days	Matt Hoffmann, Virginia Kelleher
7 days	8 days	Monica Wallace, Jacquelyn Knoch
10 days	none	Gary Sorace – <b>Career Based Intervention Specialist</b>

10-184 **Resignations**

That the Twinsburg Board of Education accepts the following staff resignation; Christine Sitzenstock, Janitor at RBC effective May 27, 2010, upon the recommendation of the Superintendent.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the motions approved.*

10-185 **Adjournment**

Mr. Shebeck moved and Mr. Stuver seconded that the Twinsburg Board of Education adjourn at 8:31 p.m.

*Ayes: Mr. Andrews, Mrs. Cain-Criswell, Mr. Crosby, Mr. Stuver, and Mr. Shebeck.  
The Board President declared the meeting adjourned.*

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Treasurer

**TWINSBURG CITY  
SCHOOL DISTRICT**



***FIVE-YEAR FORECAST***

**For Fiscal Years 2010-2014**

**FY 2010**

MAY 30, 2010

Minutes of REGULAR Meeting

June 02, 2010

		Actual			Forecasted				
		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
<b>Submitted May 26, 2010</b>		2007	2008	2009	2010	2011	2012	2013	2014
	<b>Revenues</b>								
1.010	General Property Tax (Real Estate)	\$ 23,137,045	\$ 21,995,385	\$ 23,185,615	\$ 23,742,000	\$ 23,400,000	\$ 20,900,000	\$ 18,400,000	\$ 18,400,000
1.020	Tangible Personal Property Tax	8,793,252	5,203,363	3,430,151	4,762,000	25,000	12,000	0	
1.030	Income Tax	0	0	0					
1.035	Unrestricted State Grants -in-Aid	2,793,587	3,069,549	4,710,144	4,098,000	4,080,000	4,080,000	4,080,000	4,080,000
1.040	Restricted State Grants -in-Aid	36,274	13,986	13,171					
1.045	Restricted Federal Grants -in-Aid - SFSF	0	0	0	274,053	274,053			
1.050	Property Tax Allocation	6,324,826	7,871,788	8,826,732	10,100,000	9,352,859	9,352,859	9,352,859	5,852,859
1.060	All Other Revenues	1,748,057	1,446,001	921,310	601,000	600,000	575,000	575,000	575,000
1.070	<b>Total Revenues</b>	<b>42,833,041</b>	<b>39,600,072</b>	<b>41,087,123</b>	<b>43,577,053</b>	<b>37,731,912</b>	<b>34,919,859</b>	<b>32,407,859</b>	<b>28,907,859</b>
	<b>Other Financing Sources</b>								
2.050	Advances -In	112,940	0	0	40,000	40,000	40,000	40,000	40,000
2.060	All Other Financing Sources	0	0	0					
2.070	<b>Total Other Financing Sources</b>	<b>112,940</b>	<b>0</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>42,945,981</b>	<b>39,600,072</b>	<b>41,087,123</b>	<b>43,617,053</b>	<b>37,771,912</b>	<b>34,959,859</b>	<b>32,447,859</b>	<b>28,947,859</b>
	<b>Expenditures</b>								
3.010	Personal Services	21,737,203	23,357,825	24,199,210	25,142,788	26,700,000	28,085,000	29,300,000	30,600,000
3.020	Employees' Retirement/Insurance Benefits	8,147,831	7,837,006	9,054,321	9,367,245	9,900,000	10,587,000	11,232,000	11,727,000
3.030	Purchased Services	2,967,015	2,704,738	2,901,734	3,550,272	3,900,000	4,100,000	4,200,000	4,200,000
3.040	Supplies and Materials	1,065,021	1,260,883	998,184	1,200,141	1,500,000	1,650,000	1,725,000	1,750,000
3.050	Capital Outlay	2,930	1,218	5,613	4,934	6,000	6,500	6,675	7,100
	Debt Service:								
4.020	Principal-Notes	1,020,000	0	0					
4.050	Principal-HB 264 Loans	69,000	72,543	75,000	78,000	81,000	85,000	89,000	93,000
4.060	Interest and Fiscal Charges	72,695	44,043	41,559	37,400	33,875	30,074	26,089	21,900
4.300	Other Objects	760,058	642,352	868,779	889,220	1,025,000	1,050,000	1,075,000	1,080,000
4.500	<b>Total Expenditures</b>	<b>35,841,753</b>	<b>35,920,608</b>	<b>38,144,400</b>	<b>40,270,000</b>	<b>43,145,875</b>	<b>45,593,574</b>	<b>47,653,764</b>	<b>49,479,000</b>
	<b>Other Financing Uses</b>								
5.010	Operating Transfers -Out	0	1,007	0					
5.020	Advances -Out	165,000	0	165,000-	40,000	40,000	40,000	40,000	40,000
5.040	<b>Total Other Financing Uses</b>	<b>165,000</b>	<b>1,007</b>	<b>165,000-</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>36,006,753</b>	<b>35,921,615</b>	<b>37,979,400</b>	<b>40,310,000</b>	<b>43,185,875</b>	<b>45,633,574</b>	<b>47,693,764</b>	<b>49,519,000</b>
6.010	<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>6,939,228</b>	<b>3,678,457</b>	<b>3,107,723</b>	<b>3,307,053</b>	<b>5,413,963-</b>	<b>10,673,715-</b>	<b>15,245,905-</b>	<b>20,571,141-</b>
7.010	Cash Balance July 1- Excluding Proposed Renewal/Replacement and New Levies	11,428,854	18,368,082	22,046,539	25,154,262	28,461,315	23,047,352	12,373,637	2,872,268-
7.020	<b>Cash Balance June 30</b>	<b>18,368,082</b>	<b>22,046,539</b>	<b>25,154,262</b>	<b>28,461,315</b>	<b>23,047,352</b>	<b>12,373,637</b>	<b>2,872,268-</b>	<b>23,443,409-</b>
8.010	Estimated Encumbrances June 30	471,090	452,927	543,259	400,000				
10.010	<b>Fund Balance June 30 for Certification of Appropriations</b>	<b>17,896,992</b>	<b>21,593,612</b>	<b>24,611,003</b>	<b>28,061,315</b>	<b>23,047,352</b>	<b>12,373,637</b>	<b>2,872,268-</b>	<b>23,443,409-</b>
	<b>Revenue from Replacement/Renewal Levies</b>								
11.010	Income Tax - Renewal								
11.020	Property Tax - Renewal or Replacement	0	0				2,500,000	5,000,000	5,000,000
11.300	Cumulative Balance of Replacement/Re	0	0	0			2,500,000	7,500,000	12,500,000
12.010	<b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>17,896,992</b>	<b>21,593,612</b>	<b>24,611,003</b>	<b>28,061,315</b>	<b>23,047,352</b>	<b>14,873,637</b>	<b>4,627,732</b>	<b>10,943,409-</b>
15.010	<b>Unreserved Fund Balance June 30</b>	<b>17,896,992</b>	<b>21,593,612</b>	<b>24,611,003</b>	<b>28,061,315</b>	<b>23,047,352</b>	<b>14,873,637</b>	<b>4,627,732</b>	<b>10,943,409-</b>
	<b>ADM Forecasts</b>								
20.010	Kindergarten - October Count	315	271	287	300	310	315	320	325
20.02	Grades 1-12 - October Count	3,860	3,976	3,981	4,070	4,120	4,175	4,230	4,280
	<b>State Fiscal Stabilization Funds</b>								
21.030	Purchased Services SFSF				\$ 274,053	\$ 274,053			
21.060	<b>Total Expenditures - SFSF</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>274,053</b>	<b>274,053</b>	<b>0</b>	<b>0</b>	<b>0</b>

**INTRODUCTION:**

A prudent reader should not make assumptions or believe that this forecast by its nature conveys anything more than an indication of a probable future financial position of the School District. Events and circumstances frequently do not occur as expected and will significantly alter the outcomes and results of the forecast and assumptions. Therefore, professional sophistication, due diligence, caution, and care are required when using and interpreting forecast information.

The Five-year Forecast is a critical planning document for the Twinsburg City School District. Forecasts are built on assumptions and current state and federal laws that *can, will* and *do* change over time. The forecast, numbers and assumptions while made in good faith cannot be guaranteed.

The Five-year Forecast is designed to provide the administration, board of education and the public a **general indication** of a probable future financial position of the School District based on information currently available to the School District. The reasonableness and accuracy of this forecast and assumptions rest with the district administration and the Board of Education.

The Five-year Forecast is a necessary tool focusing management's attention on future financial needs while facilitating strategic planning and discussion. The financial plan should provide for the optimal allocation of scarce resources in the delivery of services to our kids. What follows is our attempt to create a forecast using professional judgment within the philosophical base rooted in four key concepts. It is a look into the future through a snapshot of today.

- **REALISTIC** - We all want the best for our children. Yet there are economic realities that dictate what is possible for our school district. Our future should be realistic given our unique circumstances.
- **CAUTIOUS** – A cautious approach is neither overly optimistic nor pessimistic. It seeks the prudent path in predicting revenues and expenditures.
- **PROBABLE** – Given the current circumstances and the goals of our school district, this is the forecast that is most likely to occur.
- **SUPPORTABLE** – A good set of projections needs to include the rationale for assumptions. This is a combination of historical trends, current conditions and professional judgment about the trends.

It's important to note the Ohio Supreme Court has ruled and reaffirmed its ruling through appeal that the current method of funding public education in Ohio is *Unconstitutional*. The legislature has made attempts to comply with the DeRolph decisions and correct the funding method that overly relies on local property taxes, but to date the ruling has not been satisfied.

During these uncertain economic times the administration and Board of Education endeavor to contain expenditures and continue to examine areas to make future resource reallocations. Our goal is to create dynamic curriculum and learning environments that challenge all students' creative, analytical and critical thinking abilities and skills beyond standardized requirements. Our focus on student achievement has garnered multiple "Excellent with Distinction" ratings from the Ohio Department of Education. Our focus on fiscal responsibility has earned the "Making Your Tax Dollars Count Award" for excellence in financial reporting as presented by Auditor of State Mary Taylor and numerous Certificates of Achievement for Excellence in Financial Reporting as awarded by the Governmental Finance Officers Association.

In 1999 House Bill No. 412 mandated that school districts annually produce a five-year forecast by December 31 and update the forecast as necessary. Current statute requires the five-year forecast be submitted by October 31 with an update due in April or May.



**RECENT EVENTS:****CHRYSLER PLANT CLOSING:**

The Twinsburg School District (the School District) was informed on May 1, 2009, that the Chrysler Stamping Plant located in Twinsburg will be closing March 2010. While the closing was not completely unforeseen the timing of the closing was unexpected. This plant is the largest employer in Twinsburg and among the largest in Summit County. Chrysler has annually paid approximately \$450,000 in real property taxes to the School District. To preserve cash, Chrysler may withhold payment of taxes until compelled by the County. On March 10, 2010 the facility was sold to Maynards Industries, a firm that dismantles and sells off industrial facilities and equipment. The property's valuation and real estate taxes are expected to be substantially reduced.

**STATE OF THE STATE:**

Governor Ted Strickland in his January 28<sup>th</sup> 2009 State of the State address proposed sweeping changes to the way schools are funded in the State of Ohio. This is a comprehensive reform of the current funding model to a new Ohio Evidence Based Model (OEBM). The intent is to increase the State's share of educational funding and increase aid to low-wealth districts. The concern for the School District is that a portion of the reimbursements for the loss of Tangible Personal Property Tax may fall under the new funding model caps, resulting in reduced funds for the Twinsburg Schools.

**FINANCIAL CRISIS:**

The federal government's efforts to stem the tide of the financial meltdown have added hundreds of billions of dollars to an already staggering national debt. Hundreds of billions to bail out the banks and other financial institutions; tens of billions more for the auto industry; \$275 billion for homeowners and mortgage lenders; and a giant \$787 billion stimulus package to jump-start an economy spiraling downward. The Economic Stimulus is shifting us from an economic crisis to a debt crisis! The national debt is \$12.6 Trillion. Nearly fifteen percent of federal revenues are used to pay interest on federal debt, second only to spending for the social programs of Health and Human Services, HUD and food stamps. It is doubtful the federal government's economic stimulus packages can be sustained at current levels going forward. The State of Ohio is facing a multi-billion dollar budget shortfall. Consequently, talk around Columbus is the State will need to make substantial cuts to the next biennium budget of approximately 22% and schools will not be spared the ax.

**HOUSE BILL 66:**

State legislation, House Bill 66 (HB66), enacted July 1, 2005 eliminates the taxation of *Tangible Personal Property* (TPP). Real Property Taxes along with Tangible Personal Property Taxes, which includes local revenues and state reimbursements, are the major source of funding for our school district, accounting for approximately 83% of revenues while state foundation support provides about 8%. The School District will receive no increases in these key sources of funding. The Ohio Department of Education (ODE) and the Ohio Department of Taxation (ODOT) have jointly developed spreadsheets, see HB66 at [http://tax.ohio.gov/divisions/personal\\_property/PPT\\_law\\_changes\\_070303.stm](http://tax.ohio.gov/divisions/personal_property/PPT_law_changes_070303.stm), to assist with the TPP phase out. Visit the ODE web site [www.ode.state.oh.us](http://www.ode.state.oh.us) for further documentation.

According to ODOT information the School District was scheduled to lose approximately \$1.4 million as the phase out begins in tax year 2011, followed by \$1.7 million and \$2.2 million and so on until the phase out is completed and the District is faced with a Fiscal Emergency. The most recent biennium budget forestalls the phase out until 2013 when the district will lose \$3.7 million. The \$3.7 million increases by approximately \$1 million per year until the base year TPP taxes of \$9,758,263 are eliminated by 2018.

**STRATEGIC PLANNING:**

The Twinsburg School District has undertaken a Strategic Planning process. The process sought input from parents and community members and also from staff and administration. Community surveys gathered data about the issues most concerning to stakeholders. Several issues seemed to surface consistently. These issues were academic excellence, shared financial responsibility, safety, student services and opportunities, communications, and quality fiscal assets. A Vision, Mission Statement and a set of common Beliefs were developed. Continuing the process, six Goals along with action steps and a time line were produced. The Strategic Plan received Board of Education approval May 7, 2008.

**BUDGETARY COST CUTTING:**

The School District has and continues to make substantial efforts to contain and reduce costs. Through attrition and cost cutting measures the School District has permanently cut over one million dollars, on an annual basis, from the District's budget. Renegotiating service contracts, upgrading equipment, consortium buying, grant opportunities, and scrutinizing hiring practices, for example, have reduced overall costs.

It is important to note the May and October forecasts will differ. October assumptions are derived from estimates based on historical trends and information available at the time of the filing. The May forecast takes into consideration nine months of actual revenue and expenditures and estimates for the last three months of the fiscal year, thereby providing a clearer picture of this fiscal year. The current forecast as presented is used as the base year to which future year projections are based.

**LEVY:**

The Twinsburg School Districts appreciate the support of our local community. At the November 6, 2007 elections voters renewed a 6.9 mill current expense operating levy and a 2.75 mill permanent improvement levy. In November 2004, voters approved a 4.65 mill Emergency levy, generating four million dollars annually. Fiscal year 06 was the first full year of collections for this Emergency levy. This levy was overwhelmingly renewed at the November 2008 elections. Lastly, a 6.9 mill Emergency levy originally approved in 2001 will be eligible for renewal at the November 2010 election.

**JOB WELL DONE:**

For the second consecutive year, Twinsburg City School District received the highest academic rating, "Excellent with Distinction", on the Ohio Department of Education Report Card. Three times the School District has received the prestigious "Making Your Tax Dollar Count Award" given by Auditor of State, Mary Taylor, CPA. While attaining these ratings and awards, the School District has closely watched expenditures looking for ways to reduce costs and getting the most for each tax dollar. As a result, our current per pupil expenditures are below the state average.

**REVENUES:**Line 1.010 - Real Estate Taxes (56.4%)

The Housing Market/Home Mortgage fiasco has prompted Ohio Department of Taxation Officials to warn districts that Real Estate Valuations may not increase and could actually decrease. We are projecting flat and/or declining revenues over the next several years. Previously noted, on March 10, 2010 the Chrysler facility was sold to Maynards Industries, an industrial liquidator. As the property is dismantled and disposed, its taxable value of \$450,000 is expected to be reduced. The reduction is reflected in the real property taxes. Monitoring of real property tax collections is crucial as it represents over 56% of revenues.

HB 66 shifted a half mill of the tangible collections to real property, eliminated the 10% discount on commercial real estate and HB119 gives senior citizens a \$25,000 exemption. HB920 states that tax collections on voted millage may not increase due to inflation or reappraisal unless the district would be below the 20-mill floor. For Twinsburg the calendar years for reappraisal and updates are 2008 and 2011 for collection in the calendar years 2009 and 2012. The current negative economic outlook in the housing

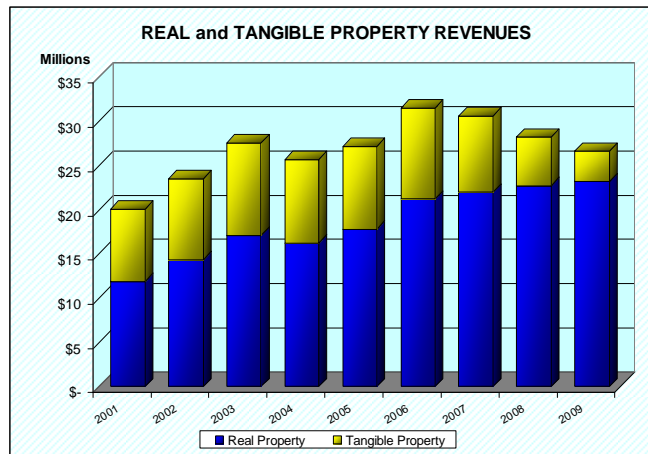
and credit markets will not only effect the current reappraisal cycle but also future reappraisals. Reappraisals, even though they are completed at the county level, are directed by the Ohio Department of Taxation with housing data averaged over a three year period.

Line 1.020 – Tangible Personal Taxes (8.4%)

Tangible Personal Property (TPP) taxes have been perhaps the most volatile of the revenue elements. Assessment rates that were as high as 88% in the 1960’s will be zero in 2010. Initially, the State of Ohio enacted legislation to eliminate the tax on business-inventories over a twenty-five year period. Subsequent State Budget Bill HB95, passed June 2003, doubled the reduction rate. Additionally, HB95 phases out over a ten year period the reimbursement school districts receive for the \$10,000 tangible personal property tax exemption. The School District loses \$226,800 in annual revenues as this exemption is phased out.

State Budget Bill HB66 is legislation to eliminate the tax that businesses pay on virtually all Tangible Personal Property. For fiscal year 2005, TPP tax collections represented \$9.8 million or approximately 28% of revenues the School District received. To lessen the impact of this catastrophic loss the State will reimburse districts for five years the amount of lost revenues and then incrementally eliminate this reimbursement by 2018. The reimbursement is frozen based on tax year 2004 values and will come to the School District via a combination of state’s education fund payments and direct payments.

Tangible Personal Property had historically been a growing source of revenue that helped the School District to keep pace with inflation and increasing costs. In the decade prior to 2001 TPP values nearly doubled. Not only will the local revenues of \$9.8 million be eliminated, but also any additional revenues from future growth will go unrealized. By 2018 at a conservative 3.5% growth rate, this could equate to about a \$16 million loss. Combining the reductions in TPP with utility deregulation reductions, the State of Ohio has put this School District and many others in the precarious position of contemplating deep reductions in services to our kids and pursuing additional funding at the local level.



Line 1.035 – Foundation Program (11.5%)

The Foundation Program is the State’s aid program for school district operations. HB 1 renamed the SF-3 Foundation form to the PASS (PATHway to Student Success) form for fiscal year 2010. The purpose of the PASS form is to identify each of the components and the programs in the evidence-based model and the resources provided for implementation of the model. The State’s latest biennium budget runs through June 2011. The State does not provide budgetary data beyond fiscal year 2011. Due to the School District’s relatively high ratio of property value per pupil, foundation aid from the State is and will remain a relatively minor portion of total revenue.

In July 2008 a posting error resulted in a \$252,789 overstatement in 09 and understatement in 08. June 08 Foundation was not posted until July 08 when the error was found. Since the school district is considered a high wealth district, oftentimes, the STRS/SERS deductions on the School Foundation

Settlement Report exceed state aid and Total Net Distribution Less Deductions and Adjustments equals zero. Consequently, there are many months the School District does not receive any funds from the state and foundation is only a journal entry.

As the TPP tax is phased out, the State will provide limited reimbursements (time and amount) to school districts through the foundation program and direct payments. Tangible revenues will decrease, Foundation revenues will increase, and Homestead and Rollback revenues will rise then fall to original levels. The flow of these revenues will come via a Commercial Activity Tax. Interestingly, revenues that once flowed from local sources will now flow from the State, appearing as if the State has increased funding to education. The net effect is an overall reduction of revenues to the Twinsburg School District and many Ohio schools.

*Instead of speculating on the percentage of reimbursement to flow through the foundation payments, we show the reimbursements as direct payments to line 1.050 going forward.* As funds are received and posted to the appropriate line, the total amount of funds from the State will be the same but may be allocated in different proportions between line 1.035 and line 1.050.

Eroding local resources, charter schools, EdChoice and autism scholarships draw State Foundation Aid right off the top and not the per pupil allocation the School District actually receives. Furthermore, charter schools never have to pass levies and operate outside many of the legal requirements and unfunded mandates placed on public schools. Future years are very speculative in light of recent State budget shortfalls and some State officials stating they feel public education is adequately funded.

Line 1.050 – Homestead and Rollback including Direct TPP payments (21.5%)

Homestead and Rollback payments come from the State. These payments represent the reimbursement of a 10% discount given property owners and an additional 2.5% discount is given to owner occupied parcels. Because of the relationship between the discount and Real Estate taxes, Homestead and Rollback payments will mirror Real Estate taxes themselves.

Direct payments from the State to reimburse for TPP tax revenue losses will flow through this line as required by the Auditor of State. As TPP valuations are eliminated, State foundation funding increases and direct payments are reduced by this amount. Because of the changes in the law, this line will not be comparable to prior years. [http://tax.ohio.gov/divisions/personal\\_property/PPT\\_law\\_changes\\_070303.stm](http://tax.ohio.gov/divisions/personal_property/PPT_law_changes_070303.stm)

Line 1.060 – All Other Sources (2.2%)

All other revenues include interest on investments, tuition, rental fees, and miscellaneous receipts. As the Federal Reserve keeps interest rates at historic lows in response to the sub-prime home mortgage fiasco, interest on investments will lag .

**EXPENDITURES:**

Line 3.010 – Personal Services (63.5%)

Salaries for fiscal 2010 are based upon the current contracts for staff. Future salaries and wages are estimated from several items. Over the past three years a typical teacher has received an average 4% step increase and a 3% wage increase per union contract. An estimate via state software of the average certified step increase is added to the current estimate of historical trends. Student population is projected to continue to grow around 40 kids per year increasing staffing needs. After postponing for several years the hiring of additional certificated staff, five new certificated positions were filled for the 2008 fiscal year. Expansion of class offerings also increases staffing demands. The School District currently offers Chinese as a foreign language to help graduates compete in the global economy. Classified staff estimates are soft because their collective bargaining negotiations concluded at the end of 2007. Settlement of this contract impacted this line item as two years of retro-active wage increase were distributed in January 2008, in addition to the current years wage increase. This contract expired December 31, 2008 and has not been settled.

With the past fiscal challenges, staffing has been and continues to be closely scrutinized. Several positions including two assistant principals, a business manager, director of technology and special projects coordinator to name a few, have not been filled. In light of looming deficits and with salaries and benefits accounting for nearly 87 cents of every dollar spent in fiscal year 09 the School District may fall short of future staffing expectations.

Line 3.020 – Employee Retirement and Insurance (23.7%)

Fringe benefits are calculated as a percentage of total salaries and wages. Costs for benefits include 14% for retirement (STRS and SERS), 1.45% for Medicare (for employees hired after 1986). Worker's comp premiums are on the rise and Health Care costs continue to increase at about 10% annually. Since 1999, health care costs have nearly tripled and continue to out-pace inflation. The School District via labor negotiations has been able to join the Stark County COG Health Care Plan. The plan is designed to provide cost containment to participating members. The program now includes 47 member school districts, educational service centers and related agencies and insures over 11,000 employees.

Line 3.030 – Purchased Services (7.6%)

Purchase Services represent items from insurance to copier leases to legal fees to health/nursing related services to tuition costs for students educated by other districts. Increases in utility costs are a major factor increasing this line item. The School District utilizes the buying power of the Ohio School Council Consortium. Vendor agreements with OSC for electricity and natural gas have resulted in districts receiving favorable pricing and reduced market place volatility. The School District has a utility sharing agreement with the city's fitness center. We budget the entire utility cost and are subsequently reimbursed by the city. Also increasing are the costs for services for special needs students, test scoring, and professional development. Purchased Services are projected to increase slightly as we search for ways to reduce expenditures.

Line 3.040 – Supplies and Materials (2.6%)

This includes educational supplies and consumables, as well as cleaning supplies. The instability of bus-fuel prices may have a detrimental impact on this line. The recent volatility of fuel prices make the cost of this item very difficult to foresee. Additionally, tires and repair parts for the School District's fleet of buses are incorporated in this category. The School District participates in several purchasing consortiums to reduce expenditure costs on routine purchases. Increases for future years are projected to cover ADM growth, inflationary movement and possible price gouging on fuel purchases.

Line 3.050 – Capital Outlay (0%)

The Permanent Improvement fund is used for capital expenditures. The School District has not budgeted substantial resources for equipment, fixtures, furniture and textbook purchases from the General fund.

Line 4.300 – Other (Expenditures) (2.3%)

The major expenditures for this category are non-discretionary fees associated with the Summit County tax collection process in addition to fees the State charges. These fees are set by laws and cannot be changed by school districts. Also included in this category are audit costs, county educational service center costs, membership fees, etc.

Lines 4.020 to 4.060 – Repayment of Debt Service (0.3%)

January 2003 the School District began a House Bill 264 Energy Conservation Project. The School District financed the \$1.2 million project through the OASBO Asset Pool borrowing funds for fifteen years. Payments of these obligations are to be made from the reductions in utility expenditures realized by this energy conservation initiative. Currently, we are exploring the feasibility of a similar project at the high school. The Debt for the June 2001 Tax Anticipation Note was paid off in December 2006 (fiscal year 07).

**CONCLUSION:**

Future revenue streams are very soft numbers in light of the State's reluctance and inability to fully fund education in Ohio. The State budget is for two years and the State does not provide any reliable budget data beyond June 2011. Furthermore, HB66 demonstrated the State's ability and willingness to significantly alter the collection of Local Tax Revenues upon which the Twinsburg School District depends. The State Budget Bill HB66 is still causing uncertainty and increasing the level of forecasting difficulty.

This forecast is developed using the current fiscal year's expenditures, weighted appropriations and estimates of expenditures for the next four years. The School District's major sources of revenue for the current fiscal year are property taxes as certified by the Summit County Fiscal Officer and State Foundation Aid from the new PASS funding document. As part of the administrations fiduciary duties, continual efforts are made to reduce expenditures below trend and to find additional sources of revenues. These efforts manifest themselves in the forecast as variations and fluctuations over time and are not indicative of miscalculations but longitudinal dynamics.

Public education is facing a difficult road ahead. The challenges are to provide an ever increasing level of services to children with diverse abilities, needs, backgrounds, cultures, and requirements. This must be done with a level of funding that is neither stable nor predictable. The OEBM model, HB66, Charter Schools, and expanding voucher programs are perniciously nibbling away at public education funding. Oftentimes stakeholders are more concerned with their own special interests than what is best for the education of all students.

Twinsburg City School District continues to face significant challenges. During the 1990's there was significant residential and business growth. Prior reports reflect property value growth and a considerable increase in student population. However, as the State struggles with a recessionary economy, state support of schools, libraries and the like, has been reduced. State budget shortages and elimination of tangible personal property taxes negatively impacts our prognostication.

Some day could there be communities in Ohio where public schools do not exist? In many communities the local school district is the largest employer.



**The State Budget Bill HB66 is having a Tremendous Impact on Twinsburg Schools as the Tangible Personal Property Tax revenue is phased out by 2018. That will require *major budget cuts*, including staff reductions unless replacement revenues can be obtained.**

Respectfully Submitted  
Martin Aho, Treasurer/CFO