

Minutes of REGULAR Meeting

November 05, 2014

The Twinsburg City School District Board of Education met in REGULAR session on the above date at the Twinsburg Government Center in Council Chambers, 10075 Ravenna Rd, Twinsburg, Ohio, at 7:00 p.m. The following Board Members were present: Mrs. Cain-Criswell (Vice-President), Mrs. Davis, Mr. Felber, Mrs. Turle-Waldron, and Mr. Stuver (President). Recordings of the Board of Education meeting are made and kept at the Board Office. Video recordings and Board approved Minutes are available on the District's web site.

**Mrs. Cain-Criswell moved and Mrs. Davis seconded that the Twinsburg Board of Education adopt resolutions 14-379 to 14-381.**

14-379 **Minutes**

That the Twinsburg Board of Education approves the Minutes for the following meetings:

**Regular Meeting:** October 15, 2014

14-380 **Five Year Forecast**

That the Twinsburg Board of Education approves the Five-Year Forecast for School Year 2014-2015. See pages 533-541

14-381 **Financing HB264**

That the Twinsburg Board of Education approves a resolution providing for the issuance and sale of bonds, in an aggregate principal amount not to exceed \$753,519, for the purpose of paying costs of installations, modifications and remodeling of school buildings to conserve energy (HB 264). See pages 541-549

*Ayes: Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.  
The Board President declared the motions approved.*

**Mr. Felber moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education adopt resolutions 14-382 to 14-384.**

14-382 **Employment**

That the Twinsburg Board of Education accepts the Certificated/Licensed Personnel and/or contract recommendations detailed in the attached Exhibit as per the dates, terms, and other applicable conditions specified, pending satisfactory ORC background check.

CONTRACTS					
Certificated Staff Recommendations					
Name	Position	Bldg(s)	Rate	Effective	Notes
Booker, Sharon	Teacher	Dodge	\$23.37	11/05/14	PBIS work; 8 hrs. to be paid from Title 2A funds
McHugh, Jennifer	Teacher	Dodge	\$23.37	11/05/14	PBIS work; 8 hrs. to be paid from Title 2A funds
Murphy, Megan	Teacher/ Speech Debate Advisor	THS	\$23.37	10/18/14, 11/08/14, 11/15/14	Novice Speech & Debate competitions (3); not to exceed 20 hours total. To be paid from the Renaissance Account.
Reich, Kelly	Teacher	Dodge	\$23.37	11/05/14	BLT work; 8 hrs. to be paid from Title 2A funds
Towns, Brandon	Teacher	THS	Masters/ Step 2	10/22/14	Science Academic Coach

Minutes of REGULAR Meeting

November 05, 2014

<b>LEAVE OF ABSENCE</b>					
<b>Certificated Staff Recommendations</b>					
<b>Name</b>	<b>Position</b>	<b>Bldg(s)</b>	<b>Effective</b>	<b>Days</b>	<b>Notes</b>
Murray, Marilyn	Psychologist	Dodge	9/30/14 – 6/15/15	60	Intermittent FMLA, concurrent with sick leave
Parke, John	Teacher	Dodge	1/8/15 – 4/14/15	60	FMLA concurrent with sick leave
Popovich, Alex	Assistant Principal	THS	11/19/14 – 12/4/14	10	FMLA concurrent with sick leave

<b>SUBSTITUTES</b>				
<b>Certificated Staff Recommendations</b>				
<b>Name</b>	<b>Classification</b>	<b>Effective</b>	<b>Rate</b>	<b>Notes</b>
Brown, Sherrie	Administrative Substitute, High School, 7-12	11/06/14	\$345/day	On an as needed basis

14-383 **Employment**

That the Twinsburg Board of Education accepts the Classified Personnel and/or contract recommendations detailed in the attached Exhibit as per the dates, terms, and other applicable conditions specified, pending satisfactory ORC background check.

<b>CONTRACTS</b>						
<b>Classified Staff Recommendations</b>						
<b>Name</b>	<b>Position</b>	<b>Bldg(s)</b>	<b>Rate/Step</b>	<b>Effective</b>	<b>Hours/ Days</b>	<b>Notes</b>
Eshelman, Barry	Mechanic	Trans.	\$21.49/hr. Step 6	11/06/14	8 hrs/day 260 days	Increase from Step 4 to Step 6 due to industry credentials
Tanner, Kara	Instructional Assistant	Wilcox	\$14.06/hr. Step 2	10/20/14	7 hrs/day 193 days	Replaces Val Manzo who retired.
Valentine, Nicholas	Interim Transportation Supervisor	Trans.	\$300/day	11/01/14	TBD	Temporary replacement of Transportation Supervisor

<b>LEAVE OF ABSENCE</b>					
<b>Classified Staff Recommendations</b>					
<b>Name</b>	<b>Position</b>	<b>Bldg(s)</b>	<b>Effective</b>	<b>Days</b>	<b>Notes</b>
Curwin, Vickie	Instructional Assistant	Wilcox	10/14/14 through 10/27/14	9	FMLA concurrent with sick days
Dezort, Debbie	Lunchroom/ Playground Assistant	Wilcox	10/21/14 through 11/04/14	56	Extended Unpaid Administrative Leave originally approved through 10/21/2014
Durst, Susan	Cook	Dodge	10/07/14 through 1/22/15	60	FMLA concurrent with sick days
Hearst, Kathy	Transportation Supervisor	Trans	10/31/14	TBD	Paid Administrative Leave as assigned by the Superintendent

<b>SUBSTITUTES</b>			
<b>Classified Staff Recommendations</b>			
<b>Name</b>	<b>Classification</b>	<b>Effective</b>	<b>Rate</b>
Baker, Jerrie	Library Assistant	11/06/14	\$7.95
Baker, Jerrie	Lunchroom/Playground Assistant	11/06/14	\$7.95
Baker, Jerrie	Paraprofessional	11/06/14	\$8.60
Delphia, Gayle	Lunchroom/Playground Assistant	11/06/14	\$7.95

RESIGNATIONS		Classified Staff Recommendations		
Name	Position	Bldg(s)	Effective	Notes
Marcovitz, Terry	Lunchroom/Playground Assistant	Wilcox	1/05/15	Resignation for purposes of retirement
Rendine, Brenda	Instructional Assistant	RBC	11/30/14	Resignation for purposes of retirement

14-384 **Employment**

That the Twinsburg Board of Education accepts the Supplemental Contract recommendations detailed in the attached Exhibit as per the dates, terms, and other applicable conditions specified, pending satisfactory ORC background check.

EXTRACURRICULAR					
Name	Contract	Bldg(s)	Effective	% of Base	Notes
Ambrose, Stephanie	Advisor Cheerleading Basketball JV	THS	2014-2015	0.77%	
Baker, Al	Game Announcer	THS	2014-2015	\$20 per game	Fall sports – revision of previously approved amount on 9/03/14 BOE Agenda.
Baker, Al	Game Announcer	THS	2014-2015	\$20 per game	Winter sports – revision of previously approved amount on 9/03/14 BOE Agenda.
Berlin, Harvey	Scoreboard Operator	THS	2014-2015	\$20 per game	Fall sports – revision of previously approved amount on 9/03/14 BOE Agenda.
Berlin, Harvey	Scoreboard Operator	THS	2014-2015	\$20 per game	Winter sports – revision of previously approved amount on 9/03/14 BOE Agenda.

Bennett, Erin	Drama - Set Construction	THS	2014-2015	5.50%
Byrd, Anthony	Bowling Boys' Head Coach	THS	2014-2015	5.00%
Cahalane, Marc	Swimming Assistant Head Coach	THS	2014-2015	0.77%
Conaway, Patty	Cheerleading Basketball Varsity Advisor	THS	2014-2015	5.00%
DiRosa, James	Hockey Varsity Coach	THS	2014-2015	14.00%
Fruscella, Ron	Bowling Girls' Head Coach	THS	2014-2015	5.00%
Huelsman, Kurtis	Swimming Varsity Head Coach	THS	2014-2015	14.00%
Jones, Donald	Basketball Boys' JV Coach	THS	2014-2015	0.77%
Labry, Marc	Volunteer Wrestling Coach	THS	2014-2015	N/A
Lepp, Alexandra	Basketball Girls' Volunteer Asst. Coach	THS	2014-2015	N/A
Lipnos, Edward	Wrestling, Varsity Assistant Coach	THS	2014-2015	0.77%
Luca, Jeff	Basketball Sideboard Operator	THS	2014-2015	\$20/game
Mariola, Dave	Wrestling Varsity Head Coach	THS	2014-2015	15.00%
Miller, Kara	Swimming Assistant Head Coach	THS	2014-2015	0.77%
Mole, Mark	Wrestling JV Coach	THS	2014-2015	0.77%
Murdock, Greg	Wrestling Volunteer Coach	THS	2014-2015	N/A
Pacsi, Robert	Basketball Boys' Varsity Head Coach	THS	2014-2015	15.00%
Peper, Ryan	Swimming Scoreboard Operator	THS	2014-2015	\$20/game
Salzinger, Gary	Football Statistician	THS	2014-2015	\$10/hour
Simon, Jeff	Basketball Sideboard Operator	THS	2014-2015	\$20/game
Solis, Julie	Basketball Girls' Varsity Coach	THS	2014-2015	15.00%

Minutes of REGULAR Meeting

November 05, 2014

Springer, Don	Basketball Boys' 9 <sup>th</sup> Grade Coach	THS	2014-2015	0.75%
Thomas, Randy	Basketball Girls' Assistant Varsity Coach	THS	2014-2015	0.77%
Williams, Chuck	Basketball Girls' Junior Varsity Coach	THS	2014-2015	0.77%
Sanders, Dominique	Basketball Boys' JV Assistant Coach	THS	2014-2015	0.385% 0.5 Contract

*Ayes: Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.  
The Board President declared the motions approved.*

**Mr. Felber moved and Mrs. Davis seconded that the Twinsburg Board of Education adopt resolutions 14-385 to 14-396.**

14-385 **Camp Fitch Trip**

That the Twinsburg Board of Education approves a *Proposal for Overnight/Extended Student Trip* to Camp Fitch for 6<sup>th</sup> grade students at George G. Dodge Intermediate School leaving on May 21, 2015 and returning on May 22, 2015.. The cost of this trip is being paid in full by the students.

14-386 **Washington DC Trip**

That the Twinsburg Board of Education approves a *Proposal for Overnight/Extended Student Trip* for the 8<sup>th</sup> grade students at R.B. Chamberlin Middle School to Washington D.C. leaving on May 27, 2015 and returning on May 29, 2015. The cost of this trip is being paid in full by the students.

14-387 **Show Choir Competition**

That the Twinsburg Board of Education approves a *Proposal for Overnight/Extended Student Trip* for the Twinsburg High School Show Choir to compete in the Ada Show Choir Invitational in Ada, Ohio leaving on November 8, 2014 and returning on November 9, 2014. The cost for this trip is being paid in full by the students.

14-388 **Cuyahoga Co. ESC**

That the Twinsburg Board of Education approves an *Educational Service Center of Cuyahoga County Inter-district Service Area Contract for the 2014 – 2015 School Year*. This contract provides the following services: one (1) Orientation and Mobility Trainer for up to 10 hours.

14-389 **Beachwood School**

That the Twinsburg Board of Education approves an agreement with Beachwood School District for *Admission of Tuition Pupil for the 2014– 2015 School Year* for the purposes of special education.

14-390 **Accept Donation**

That the Twinsburg Board of Education accepts a donation of 22 Viewsonic Flat Panel Monitors and 10 Planar Flat Panel Monitors at an estimated value of \$2,240. from Emdeon Corporation, 2045 Midway Drive, Twinsburg, OH.

14-391 **Gym World Agreement**

That the Twinsburg Board of Education approves the Gymnastics Facility Use Agreement with Gym World of Twinsburg, 9085 Dutton Drive, Twinsburg, Ohio 44087 for the use of

the gymnastics facility for the Twinsburg High School Gymnastics Team from November 1, 2014 through March 1, 2015 per the terms and conditions set forth in the Agreement.

14-392 **Hockey Ice Time**

That the Twinsburg Board of Education approves the Ice Rink Facility Use Agreement with the City of Garfield Heights, Ohio, A Municipal Corporation, c/o Dan Kostel Recreation Center, 5411 Turney Road in Garfield Heights, Ohio for the use of the ice rink and facility for the Twinsburg High School Hockey Team from September 15, 2014 through February 22, 2015 per the terms and conditions set forth in the Agreement.

14-393 **Online Learning**

That the Twinsburg Board of Education adopts and purchases *Gizmos* (online learning subscription) for George G. Dodge Intermediate School and R.B. Chamberlin Middle School. The proposal is for \$5,228.50. The adoption was approved by the District Curriculum/Technology Committee on October 27, 2014.

14-394 **Organizational Chart**

That the Twinsburg Board of Education approves the revised *Twinsburg City School District Organizational Chart, 2014/2015*.

14-395 **Sub Rates**

That the Twinsburg Board of Education approves the Classified Substitute wage rates which are being increased \$0.15 per hour, because of the Ohio House Bill 502 minimum wage increase, effective January 1, 2015 as follows:

<i>Substitute Position</i>	<i>Current Hourly Rate</i>	<i>New Hourly Rate</i>	<i>Substitute Position</i>	<i>Current Hourly Rate</i>	<i>New Hourly Rate</i>
Bus Attendant Assistant	\$7.95	\$8.10	Maintenance/Grounds	\$9.25	\$9.40
Bus Driver	\$12.10	\$12.25	Mechanic	\$14.10	\$14.25
Cook	\$7.95	\$8.10	Paraprofessionals	\$8.60	\$8.75
Custodian	\$9.25	\$9.40	Secretary	\$8.10	\$8.25
Janitor	\$9.25	\$9.40	Lunchroom/Playground Assistant	\$7.95	\$8.10
Library Assistant	\$7.95	\$8.10			

14-396 **Senior Option**

That the Twinsburg Board of Education approves Twinsburg High School Senior Tre-Vell Swanson to exercise BOE Policy #5111/Optional Tuition-Free Education (F) and remain a student at Twinsburg High School through the end of the 2014/2015 school year.

*Ayes: Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.  
The Board President declared the motions approved.*

**Mrs. Davis moved and Mr. Felber seconded that the Twinsburg Board of Education adopt resolutions 14-157 to 14-161.**

14-397 **Change Orders**

That the Twinsburg Board of Education approves change orders from Lauren Building Company, LLC, 84 N. Main Street, Suite B, Chagrin Falls, Ohio 44022 for the purpose of new computer labs at George G. Dodge Intermediate School and Twinsburg High School at a cost not to exceed \$2,304.00. Change Order 8 compensates the District for custodial

overtime related to the project, Change Order 9 addresses a necessary adjustment to the soffit in one of the Dodge Computer Labs for a projector and Change Order 10 addresses unforeseen relocations of heating piping and exhaust duct at Dodge. This expense will be paid for with Permanent Improvement funds.

14-398 **Textbook Purchase**

That the Twinsburg Board of Education adopts and purchases *CCSS Text Set Grade 4 Matter and Energy* from Scholastic (ISBN 9780545513821) to be used at Samuel Bissell Elementary School. The proposal is for \$1,406.10. The adoption was approved by the District Curriculum/Technology Committee on October 27, 2014; as sent to the Board under separate cover. This is Permanent Improvement expenditure.

*Ayes: Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.  
The Board President declared the motions approved.*

14-399 **EXECUTIVE SESSION**

Mr. Stuver moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education meet in Executive Session at 8:30 p.m. to consider the employment of a public employee and to consider the discipline of a student and employee as per Board of Education Policy #0166(A).

*Ayes: Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.  
The Board President declared the motion approved.*

The Board reconvened from Executive Session at approximately 9:58 p.m.

The following members were present:

Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.

14-400 **Adjournment**

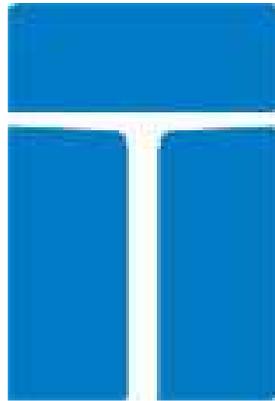
Mr. Stuver moved and Mrs. Cain-Criswell seconded that the Twinsburg Board of Education adjourn at 9:59 p.m.

*Ayes: Mrs. Cain-Criswell, Mrs. Davis, Mr. Felber, Mr. Stuver, and Mrs. Turle-Waldron.  
The Board President declared the meeting adjourned.*

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

\_\_\_\_\_  
Treasurer

**TWINSBURG CITY  
SCHOOL DISTRICT**



***FIVE-YEAR FORECAST***

**For Fiscal Years 2015-2019**

**FY 2015**

**October 31, 2014**

**TWINSBURG CITY SCHOOLS**

SUMMIT COUNTY

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2012, 2013 and 2014 Actual;  
Forecasted Fiscal Years Ending June 30, 2015 Through 2019

	Actual			Forecasted				
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
<b>Revenues</b>								
1.010 General Property Tax (Real Estate)	\$23,805,428	\$25,319,752	\$27,421,627	\$27,249,886	\$27,200,000	\$27,200,000	\$27,200,000	\$27,200,000
1.020 Tangible Personal Property Tax	24,536	5,527	602					
1.030 Income Tax								
1.035 Unrestricted State Grants-in-Aid	4,056,405	4,114,401	4,538,221	4,150,008	4,300,000	4,400,000	4,400,000	4,400,000
1.040 Restricted State Grants-in-Aid	654		12,006					
1.045 Restricted Federal Grants-in-Aid - SFSF	187,697	32,505						
1.050 Property Tax Allocation	9,465,570	8,925,023	9,140,996	9,096,530	8,596,530	8,050,000	6,400,000	5,900,000
1.060 All Other Revenues	877,807	1,283,957	1,071,195	1,070,000	1,200,000	1,200,000	1,200,000	1,200,000
1.070 <b>Total Revenues</b>	<b>38,418,097</b>	<b>39,681,165</b>	<b>42,184,647</b>	<b>41,566,424</b>	<b>41,296,530</b>	<b>40,850,000</b>	<b>39,200,000</b>	<b>38,700,000</b>
<b>Other Financing Sources</b>								
2.010 Proceeds from Sale of Notes								
2.020 State Emergency Loans and Advancements (Approved)								
2.040 Operating Transfers-In			23,537					
2.050 Advances-In			21,000	244,400	20,000	20,000	20,000	20,000
2.060 All Other Financing Sources	4,099		132,025					
2.070 <b>Total Other Financing Sources</b>	<b>4,099</b>		<b>176,562</b>	<b>244,400</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>38,422,196</b>	<b>39,681,165</b>	<b>42,361,209</b>	<b>41,810,824</b>	<b>41,316,530</b>	<b>40,870,000</b>	<b>39,220,000</b>	<b>38,720,000</b>
<b>Expenditures</b>								
3.010 Personnel Services	25,541,768	24,373,159	24,593,902	25,862,626	26,644,000	27,444,000	28,264,000	29,984,000
3.020 Employees' Retirement/Insurance Benefits	9,276,999	8,828,821	9,341,781	9,990,800	9,999,000	10,350,000	10,650,000	10,950,000
3.030 Purchased Services	3,059,337	3,287,965	3,852,881	4,304,039	4,605,000	4,675,000	4,745,000	4,800,000
3.040 Supplies and Materials	1,307,325	818,774	963,171	1,120,375	1,340,000	1,475,000	1,500,000	1,550,000
3.050 Capital Outlay	1,893	963	1,294	5,283	6,500	6,500	6,500	6,500
3.060 Intergovernmental								
4.020 Debt Service:								
Principal-Notes	687							
4.050 Principal-HB 264 Loans	167,180	170,000	170,000	170,000	170,000	170,000	175,000	175,000
4.055 Principal-Other								
4.060 Interest and Fiscal Charges	134,837	125,775	116,938	107,500	98,363	89,225	79,953	70,550
4.300 Other Objects	850,239	901,445	1,149,535	1,200,440	1,150,000	1,160,000	1,160,000	1,170,000
4.500 <b>Total Expenditures</b>	<b>40,340,265</b>	<b>38,506,902</b>	<b>40,189,502</b>	<b>42,761,063</b>	<b>44,012,863</b>	<b>45,369,725</b>	<b>46,580,453</b>	<b>48,706,050</b>
<b>Other Financing Uses</b>								
5.010 Operating Transfers-Out								
5.020 Advances-Out		21,000	244,400	40,000	20,000	20,000	20,000	20,000
5.030 All Other Financing Uses								
5.040 <b>Total Other Financing Uses</b>		<b>21,000</b>	<b>244,400</b>	<b>40,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>40,340,265</b>	<b>38,527,902</b>	<b>40,433,902</b>	<b>42,801,063</b>	<b>44,032,863</b>	<b>45,389,725</b>	<b>46,600,453</b>	<b>48,726,050</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>(1,918,069)</b>	<b>1,153,263</b>	<b>1,927,307</b>	<b>(990,239)</b>	<b>(2,716,333)</b>	<b>(4,519,725)</b>	<b>(7,380,453)</b>	<b>(10,006,050)</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	26,930,242	25,012,173	26,165,436	28,092,743	27,102,504	24,386,171	19,866,446	12,485,993
7.020 <b>Cash Balance June 30</b>	<b>25,012,173</b>	<b>26,165,436</b>	<b>28,092,743</b>	<b>27,102,504</b>	<b>24,386,171</b>	<b>19,866,446</b>	<b>12,485,993</b>	<b>2,479,943</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>496,791</b>	<b>738,605</b>	<b>638,288</b>	<b>638,288</b>				
10.010 <b>Fund Balance June 30 for Certification of</b>	<b>24,515,382</b>	<b>25,426,831</b>	<b>27,454,455</b>	<b>26,464,217</b>	<b>24,386,171</b>	<b>19,866,446</b>	<b>12,485,993</b>	<b>2,479,943</b>
<b>Revenue from Replacement/Renewal Levies</b>								
11.010 Income Tax - Renewal								
11.020 Property Tax - Renewal or Replacement								
11.300 Cumulative Balance of Replacement/Renewal Levies								
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>24,515,382</b>	<b>25,426,831</b>	<b>27,454,455</b>	<b>26,464,217</b>	<b>24,386,171</b>	<b>19,866,446</b>	<b>12,485,993</b>	<b>2,479,943</b>
15.010 <b>Unreserved Fund Balance June 30</b>	<b>24,515,382</b>	<b>25,426,831</b>	<b>27,454,455</b>	<b>26,464,217</b>	<b>24,386,171</b>	<b>19,866,446</b>	<b>12,485,993</b>	<b>2,479,943</b>
<b>ADM Forecasts</b>								
20.010 Kindergarten - October Count	271	287	310	315	320	325	330	335
20.015 Grades 1-12 - October Count	3,976	3981	4120	4145	4175	4230	4280	4300
<b>State Fiscal Stabilization Funds</b>								
21.010 Personal Services SFSF								
21.020 Employees Retirement/Insurance Benefits SFSF								
21.030 Purchased Services SFSF	\$139,250							
21.040 Supplies and Materials SFSF								
21.050 Capital Outlay SFSF								
21.060 <b>Total Expenditures - SFSF</b>	<b>139,250</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 planning document for the Twinsburg City School District. The purpose is to increase the level of communication regarding the school’s fiscal status. 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’s administration and the Board of Education.

<b>COMMITMENT TO FISCAL RESPONSIBILITY</b>	Cost per Pupil	
An educated reader knows that forecasts are not built with the precision of a Swiss time piece. One just has to look at the front page of the Wall Street Journal to see that “XYZ” Company adjusts their yearly forecast to meet market pressures. Even CEOs with salaries over \$10 million and premier accounting departments have to make changes to their prognostications. The Benchmark for Twinsburg School District to measure Fiscal Responsibility is reported by the ODE. It is the cost to educate each student. According to the FY13 CUPP Report Twinsburg spends \$9,452 per pupil. This is below State Average, Similar Districts and many of our neighboring school districts. And while Twinsburg School District spends less than other comparable districts, the Twinsburg School District is recognized by the state as a high performing school district. It could be said that we provide “bang for the buck”.	Hudson	\$13,083
	Bedford	13,077
	Solon	12,860
	Aurora	10,704
	Similar Districts	10,582
	<b>State Avg.</b>	10,446
	Nordonia	10,259
	<b>Twinsburg</b>	<b>9,452</b>

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.

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. The Forecast documents and provides the transparency necessary to keep all stakeholders informed of the District's projected financial position. If a district entered Fiscal Emergency, one could not claim "I did not know". Current statute requires the Forecast be submitted by October 31 with an update due in April or May.

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 reduce 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.

## RECENT EVENTS:

**JOB WELL DONE:** Twinsburg City School District continues to receive the highest academic ratings. Our focus on student achievement has garnered multiple "Excellent" and "Excellent with Distinction" ratings from the Ohio Department of Education. The Board of Education and Administration are constantly looking at the data searching for areas to enhance educational results. In addition, the School District has received thirteen straight Certificates of Achievement for Excellence in Financial Reporting since 2001 and numerous Awards with Distinction given by Auditor of State's Office. While attaining these ratings and awards, the School District has closely monitored expenditures looking for ways to reduce costs. As a result, Twinsburg School District's current per-pupil expenditures are about \$1,000 below the State's average.

**LEVY:** The Twinsburg School District has long appreciated the support of our local communities. On November 6, 2012 voters approved a 4.9 mill levy generating approximately \$3.8 million annually. This levy was necessary to fill the hole created by the State of Ohio reducing the TPP payments/reimbursements. A 6.9 mill current expense levy, originally approved in 1993, was renewed at the November 2013 ballot.

**LEGISLATION:** There has been two important pieces of state legislation that has either capped the amount of tax dollars a school district can receive, or has completely eliminated it. In 1976, House Bill 920 (HB 920) was signed into law, and this legislation caps the amount of property tax dollars collected. These property taxes cannot increase as a home's value increases. More importantly, House Bill 66 (HB66) was enacted July 1, 2005 eliminating the taxation of *Tangible Personal Property* (TPP). The TPP tax was a local source of revenue from local businesses to school districts. **High performing school districts with a large commercial/industrial base like Twinsburg, Solon, Berea and Cuyahoga Heights are experiencing markedly reduced revenues.** For Twinsburg School District this lost revenue accounted for \$9.8 million annually or approximately 28% of revenues. As the School District's revenues continue to fall below expenditures, the Board of Education will need to seek additional levy dollars to offset the financial tornado to thus ensure future viability.

**STATE OF THE STATE:** Prior Governor Strickland in 2009 proposed a comprehensive reform of the then current school funding model with the intent of increasing the State's share of educational funding via targeted assistance. Current Governor John Kasich discarded the Strickland model and has redesigned the funding mechanism. At the same time bureaucrats have embraced legislation under the guise of educational choice to siphon away approximately 1 billion in tax dollars to charter schools, electronic schools, and other profit based educational enterprises. Charter Schools lack the transparency and accountability of traditional public schools and the Charter schools are operated by the likes of Michael Milken, the "Junk Bond King", who according to an April

**26, 1990 New York Times article** “ in U.S. District Court Tuesday he (Michael Milken) pleaded guilty to six felonies and agreed to put up \$600 million, \$200 million of that in fines, to settle the biggest fraud case in the history of the securities industry”.

**FINANCIAL UNCERTAINTY:** The federal government’s efforts to stem the 2008 financial meltdown added hundreds of billions if not trillions of dollars to an already staggering national debt. Hundreds of billions paid to bail out corporations that were deemed “Too Big to Fail” and a giant \$787 billion stimulus package. The nation’s economy is shifting from an economic crisis to a debt crisis! The national debt is over \$17 Trillion. Nearly fifteen percent of federal revenues are used to pay interest, second only to spending for the social programs of Health and Human Services, HUD and food stamps.

**FEDERAL STAGNATION:** the Budget Control Act of 2011 and the Federal Legislative bodies’ continued inability to work together may ultimately lead to deep cuts to the Federal budget. This would impact Federal programing by reducing funding to grants for special education, reading intervention, nutritional programs, etc. Federal rebates for the HB264 energy conservation project’s interest payments have been reduced. Consequently, the Twinsburg School District has had to pay these program short falls from their general operating revenues further stressing the Districts’ budgets.



**THE FORECAST** should be thought of as a Barometer showing the rise and fall in financial pressure. It is not an unwavering course with exacting routes and distances. Think if it more as a Navigation device, Garmin if you will. The Forecast will show you your route and “Recalculates” when obstacles and detours are encountered.

The current fiscal year’s forecasted expenditures include encumbrances and appropriations. Estimates of expenditures for the next four years are developed using the current year’s data and trend analysis of past results. 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 ODE. As part of the administrations fiduciary duties, continual efforts are made to reduce expenditures and to find additional sources of revenues. It is important to note that forecasts will differ. Decisions made at the Federal, State and local levels, unknowns such as energy unit costs, health care premiums, the number of sick days taken, and special education requirements impact the future years presented in the forecast.

The School District has made substantial efforts to contain and reduce costs. Through attrition and other cost cutting measures the School District cut \$2.6 million dollars from the 2013 budget and future budgets. Negotiating labor contracts, upgrading equipment, consortium buying, grant opportunities, and scrutinizing personnel will help reduce overall costs. In addition the School District has instituted Pay-to Participate fees, extracurricular fees and academic course fees, similar to neighboring districts.

## **REVENUES:**

### Line 1.010 - Real Estate Taxes

After decades of increases, Real Estate Valuations actually decrease following the Housing Market/Home Mortgage fiasco 2008/2009. The Chrysler facility, at one time the City’s largest employer closed March 2010. Subsequently, it was dismantled reducing taxable values from \$33.3 million to \$5.7 million and a loss to the School District of over \$350,000 in property taxes. The Summit County Fiscal Officer notified the School District that overall property valuations declined by \$70 million resulting in a reduction of property tax collections. Monitoring of real property tax collections is crucial as it represents over 64% of FY14 revenues.

Line 1.020 – Tangible Personal Taxes (TPP)

Prior State Budget Bill HB66 legislation eliminated the tax businesses paid on virtually all Tangible Personal Property. This legislation set forth that the State would reimburse districts for five years the amount of lost revenues. Starting in tax year 2011 the State would incrementally eliminate this reimbursement by 2018. The TPP tax collection in the base year 2004 was \$9.8 million and on line 1.020. The TPP reimbursement on line 1.050 was \$6.2 million – a reduction of \$3.6 million or equivalent to a 4.65 mill levy. These dollars are used to back fill the State’s coffers at the expense of Local Governments

A tax once under local control has been eliminated and replaced by a State controlled Commercial Activity Tax. The State’s biennium budgets have, for the fourth time, changed the laws governing the loss of TPP. The continued reimbursement of TPP taxes is VERY speculative given the economic and political climate. The result could be that Twinsburg School District will lose approximately \$9.8 million and will potentially be faced with a *FISCAL EMERGENCY*.

Line 1.035 – Foundation Program

The Foundation Program is the State’s aid program for school district operations and since September 2010, there has been FOUR State enacted School-Funding Models (SF-3, PASS, Bridge, and SFPR). In 2009 HB 1 renamed the SF-3 Foundation and redesigned the calculations. The State in 2011 again redesigned the calculation and replaced it with a third funding mechanism. And yet again HB59 in 2013 redesigned the calculation. These redesigns have cost Twinsburg Schools a significant amount of money. The SFPR indicates that Twinsburg School District should receive over \$9.1 million however, after legislative prestidigitation state funding is capped at \$4.4 million.

Foundation aid from the State will remain flat and a relatively minor portion of total revenue. Future year revenues are very speculative in light of recent State budget pressures and some State officials stating they feel public education is adequately funded.

Eroding local resources further are charter schools, EdChoice and the various “scholarships”. State Foundation Aid is deducted at a higher rate from the school district and not at the per pupil allocation the school district actually receives. Moreover, charter schools do not have to pass levies, operate outside many legal requirements and unfunded mandates placed on public schools while most receive dismal results on the Ohio Department of Education’s Report Card. Also the misuse of funds was uncovered by the State of Ohio Auditor. “April 23, 2013 Special Audit of Charter Schools in Cleveland Racks Up \$1.3 Million in Findings.”

Casino Money: Ohioans have approved the establishment of four Casinos in Ohio. There are estimates from differing sources that Ohio Schools would receive approximately \$50 per pupil from casino generated revenues. For FY13 Twinsburg Schools received \$90,229 in revenue and \$217,963 in FY14.

Line 1.050 – Homestead and Rollback including Direct TPP payments

Homestead and Rollback payments represent the reimbursement of a 10% discount given property owners and an additional 2.5% discount is given to owner occupied parcels and come from the State. When the State proposed the income tax in 1972, taxpayers were promised Real Estate tax relief if the income tax was approved. The Current biennium budget, HB59, ends this promise by denying the discount and reimbursement on all new levies. Direct TPP reimbursement payments from the State flow through line 10.050 as required by the Auditor of State. HB59 holds in place the TPP reimbursements at fiscal year 2013 levels for two subsequent years. Anything beyond that is very sketchy.

Line 1.060 – All Other Sources

All other revenues include interest, tuition, student fees, rental charges, and miscellaneous receipts.

**EXPENDITURES:**Line 3.010 – Personal Services

Salaries for fiscal year 2015 are based upon the current contracts for teachers and staff. The recent changes to the State retirement systems have prompted additional retirements and the associated retirement payouts. The Operational Change Plan cut approximately \$2.6 million in salaries and benefits from the FY13 budget. Regrettably as part of the Operational Change Plan, several teachers and staff members were laid-off to reduce expenditures. Some positions remained unfilled as staff retired and left the School District. In light of economic pressures and with salaries and benefits accounting for nearly 86 cents of every dollar spent the School District may fall short of future staffing expectations as class size grows.

*Increasing pressure on staffing as a result of OTEs, Third Grade Reading Guarantee, High Stakes Testing (PARCC, OAA, OGT, End-of-Course Exams) and Next Generation Testing has necessitated the addition of specialized staffing. FY 14 saw the addition in the elementary grades two reading specialists to support struggling readers transcend the third grade reading guarantee and three-point-five administrative staff to facilitate the ever-increasing state directed mandates. Currently, efforts to support student achievement throughout the district have resulted in bringing additional staff on board. Five teachers were hired as academic coaches to support student learning across the entire curriculum. The increasing demands for on-line testing resulted in the addition of three technology staff members. Furthermore, as the number of children with disabilities and with Autism grows the demand for additional staff and supports are put into place to service this population.*

Line 3.020 – Employee Retirement and Insurance

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. Health Care costs typically increased at about 10% annually and have tripled since 1999 and continue to out-pace inflation. The School District is a member of a HC Consortium that covers over 13,000 lives (shared services). It is self-funded and has a set amount of cash reserve they are required to maintain. When the Consortium has a favorable claims experience for a year, the reserve will exceed the required amount. The Consortium then rebates the excess reserves to the member districts via “Premium Holiday”. While typically there is one premium holiday, last year there were two. There is no assumption there will be Premium Holidays for future years – so numbers reflect the full burden of HC payments without Premium Holidays.

Line 3.030 – Purchased Services

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. The costs for services for special needs students, test scoring, and professional development are increasing. Tuition encompasses State deductions for Charter and electronic Schools, Peterson deductions, Autism deductions and direct payments for outplaced special needs students. These expenditures have increased from approximately \$400,000 in FY09 to over \$1.2 million in FY14.

The School District utilizes the buying power of the Ohio School Council Consortium for electricity and natural gas buying power. FY 12 saw a significant reduction in natural gas cost and usage. The energy conservation project at the high school, the mild temperatures over the winter and the drop in natural gas pricing has reduced energy expenditures by over two hundred thousand dollars. The School District and the City’s fitness center have a utility sharing agreement. We budget and pay the entire utility cost and are subsequently reimbursed by the City for their portion of the cost.

There has been costs increase for computer software programs as technology becomes a greater partner of learning. These programs are for expanded learning opportunities and to facilitate student assessments.

Line 3.040 – Supplies and Materials

This includes educational supplies and consumables, as well as cleaning supplies. Additionally, fuel, tires and repair parts for the School District's fleet of 44 buses are incorporated in this category. The School District participates in several purchasing consortiums to reduce expenditure costs on routine purchases.

Line 3.050 – Capital Outlay

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

Line 4.300 – Other (Expenditures)

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 or altered by the School District. Also in this category are audit costs, ESC costs, membership fees, etc.

Lines 4.020 to 4.060 – Repayment of Debt Service

August 2010 the School District undertook a House Bill 264 Energy Conservation Project at the high school replacing lighting, boilers and HVAC controls. The \$2.6 million project is financed via reductions in utility costs. A Federal Government program rebates a large portion of the interest expense back to the School District. The Purchased Services line 3.030 decreased as a result of this initiative.

## WHERE HAS ALL THE MONEY GONE?

A Cleveland Plain Dealer editorial from Sunday October 24, 2010 entitled "Schools need long-term FIXES, MONEY today" states "public schools are in deep, deep trouble." It continues with "... excellent districts are imperiled by a shrinking tax base, rising number of needy and disabled students, galloping costs for special education, equipment, textbooks and services and a tide of new unfunded state mandates." "These problems are likely to get worse as Ohio grapples with ... budget deficit(s)."

At the national level, Federal spending has inflated the national debt to over \$17 trillion. At some point the Federal Government will reach the limits of deficit spending. At the local level voters are frustrated with the overall level of taxation. Voter fatigue manifests itself in ever increasing push back as districts attempt to obtain additional levy funding to offset State reductions. Unfortunately, a school levy is one of the few places voters can voice their frustration with the political system.

Twinsburg School District currently has a significant fund balance. This is one-time money that will be used to balance the budget over the next several years. **THEN IT WILL BE GONE!!!** The TPP Phase out model leaves the huge funding GAP as TPP Phase-out Dollars are reduced and eventually eliminated. Fund balance precipitously falls as TPP reimbursements are systematically eliminated.

***Note:** The significant fund balance as of June 30, 2014 will be gone in a very short period of time. Fund balance dollars will fill the GAP left by the loss of TPP and mask the structural operating deficit as the School District receives fewer and fewer dollars from the State.*

**CONCLUSION:**

Future revenue streams are very soft numbers in light of the State's reluctance to fully fund its share of education in Ohio. The State's budget is for two years and the State does not provide any budget data beyond June 2015. Furthermore, HB66 demonstrates the State's ability and willingness to significantly alter the collection of Local Tax Revenues upon which Twinsburg Schools depend. The State Budget Bill HB66 enacted July 1, 2005, is still causing uncertainty and increasing the level of forecasting difficulty as legislators keep changing the TPP phase-out timing and method.

Twinsburg City School District continues to face significant challenges. 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. Numerous funding models, HB59, HB66, Senate Bill 5, Charter Schools, and expanding voucher programs are perniciously nibbling away at public education funding and negatively impacting our prognostication. Oftentimes factions are more concerned with their own special interests than what is best for the education of all students.

**The State backfills its coffers by shifting the tax burden from the State to the local level via cuts to local funding. At the local level, Boards of Education must make decisions that could require *major budget cuts* including staff reductions and decide if replacement revenues will be requested.**

If corporate sponsored political think tanks are permitted to continue to rewrite educational policies, someday there may be communities in Ohio where public schools as we know them do not exist.

Respectfully Submitted  
Martin Aho, Treasurer/CFO

**A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$753,519, FOR THE PURPOSE OF PAYING COSTS OF INSTALLATIONS, MODIFICATIONS AND REMODELING OF SCHOOL BUILDINGS TO CONSERVE ENERGY.**

WHEREAS, this Board previously approved an energy conservation study from CCG Energy Solutions, Inc., and, thereafter, on September 17, 2014, received approval from the Ohio Facilities Construction Commission to incur indebtedness to carry out the program of energy conservation outlined therein; and

WHEREAS, the Treasurer, as fiscal officer of the School District, has certified that the estimated life or period of usefulness of the improvement described in Section 1 is at least five years and that the maximum maturity of the bonds described in Section 1 is 15 years;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Twinsburg City School District, County of Summit, Ohio, that:

Section 1. It is necessary to issue bonds of the School District in an aggregate principal amount not to exceed \$753,519 for the purpose of paying costs of installations, modifications and remodeling of school buildings to conserve energy (the Bonds). The principal amount of the Bonds to be issued shall be the amount certified by the Treasurer in the certificate awarding the Bonds and setting certain terms thereof pursuant to Section 7 (the Certificate of Award). The Bonds shall be designated "Energy Conservation Improvement Bonds, Series 2014" or otherwise as determined by the Treasurer in the Certificate of Award, shall be issued in one lot, shall be the first installment of bonds issued under the authority referred to in the preambles hereto, and shall be issued only as fully registered bonds. Anticipatory securities have not been issued.

The Bonds shall bear interest (computed on the basis of a 360-day year consisting of 12 30-day months, unless otherwise determined by the Treasurer in the Certificate of Award), payable on June 1 and December 1 (or such other semiannual dates or annual dates as are determined by the Treasurer in the Certificate of Award) of each year (the Interest Payment Dates), commencing on the initial Interest Payment Date determined by the Treasurer in the Certificate of Award (which initial Interest Payment Date shall not be later than one year from the issuance date of the Bonds), until the principal amount has been paid or provided for. As referred to herein, "Principal Payment Dates" means December 1 (or such other semiannual dates or annual dates as are determined by the Treasurer in the Certificate of Award) in each of the years in which principal on Bonds is payable, at maturity or pursuant to mandatory sinking fund requirements or mandatory sinking fund redemption requirements, in each of the years 2015 through 2028, provided that the Treasurer may establish different years that do not exceed the 15-year limitation set forth in Section 133.20 of the Revised Code.

The Bonds shall be dated as of their issuance date or, as of such other date not more than 60 days prior to the issuance date as is determined by the Treasurer in the Certificate of Award. Any provision herein notwithstanding, the entire principal amount of the Bonds may be represented by a single certificate with multiple payments of principal listed on a principal payment schedule attached thereto.

The Bonds shall be issued in a denomination or denominations specified in the Certificate of Award, as may be reflected in the aforementioned principal payment schedule, but in no case as to a particular maturity date exceeding the principal amount of Bonds maturing on that date. The Bonds shall mature, or be payable pursuant to mandatory sinking fund requirements or mandatory sinking fund redemption requirements (as described in Section 2), on such Principal Payment Dates and in such amounts as shall be determined by the Treasurer, subject to the provisions hereinbelow set forth, in the

Certificate of Award, consistent with the Treasurer's determination of the best interest of and financial advantages to the School District. The Bonds shall bear the rate or rates of interest per year as shall be determined by the Treasurer in the Certificate of Award, provided that such rate or rates shall result in a net interest cost for the Bonds that does not exceed four percent (4.00%) per year. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date.

The rate or rates of interest per year to be borne by any Bonds, and the principal amount of Bonds maturing or payable pursuant to mandatory sinking fund redemption requirements or mandatory sinking fund requirements (each as defined in Section 133.01 of the Revised Code) on each Principal Payment Date, shall be such that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is no more than three times the amount of those payments in any other fiscal year in which principal is payable.

The Treasurer of this Board may adjust the Interest Payment Dates and Principal Payment Dates within the parameters set forth in this Section and based on the Treasurer's judgment as to the best interest of the School District. Any adjustments made by the Treasurer pursuant to the authorizations set forth in this Section and this Resolution shall be set forth in the Certificate of Award.

Section 2. The Bonds may be subject to redemption prior to stated maturity as follows:

(a) Mandatory Sinking Fund Redemption. If determined by the Treasurer in the Certificate of Award to be advantageous to and in the best interest of the School District, the Bonds maturing in any year shall be subject to mandatory sinking fund redemption and (unless retired by optional redemption pursuant to the provisions of this Resolution) may be redeemed pursuant to mandatory sinking fund redemption requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, in the principal amounts and on the Principal Payment Date or Dates specified in the Certificate of Award (the Term Bonds). The aggregate of the moneys to be deposited with the Bond Registrar (as defined in Section 4) for payment of principal of and interest on the Term Bonds shall include amounts sufficient to redeem the principal amount plus interest accrued to the redemption date of any Term Bonds subject to mandatory sinking fund redemption requirements on the dates specified for such mandatory redemption (less the amount of any credit as provided below).

This Board shall have the option to deliver to the Bond Registrar for cancellation Term Bonds in any aggregate principal amount and to receive a credit against the then current or any subsequent mandatory sinking fund redemption requirement (and corresponding mandatory redemption obligation) of the School District, as specified by the Treasurer, for Term Bonds stated to mature on the same principal payment date and bear interest at the same rate as the Term Bonds so delivered. That option shall be exercised by this Board on or before the 45<sup>th</sup> day preceding any mandatory redemption date with respect to which this Board wishes to obtain a credit, by furnishing the Bond Registrar a certificate, signed by the Treasurer, setting forth the extent of the credit to be applied with respect to the then current or any subsequent mandatory sinking fund redemption requirement for Term Bonds stated to mature on the same principal payment date and bear interest at the same rate. If the certificate is not timely furnished to the Bond Registrar, the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current or any subsequent mandatory sinking fund redemption requirement (and corresponding mandatory redemption obligation), as specified by the Treasurer, also shall be received by this Board for any Term Bonds which prior thereto have been redeemed (other than through the operation of the applicable mandatory sinking fund redemption requirements) or purchased for cancellation and canceled by the Bond Registrar, to the extent not applied theretofore as a credit against any mandatory sinking fund redemption requirement, for Term

Bonds stated to mature on the same principal payment date and bear interest at the same rate as the Term Bonds so redeemed or purchased and canceled.

Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Bond Registrar at 100% of the principal amount thereof against the then current or subsequent mandatory sinking fund redemption requirements (and corresponding mandatory redemption obligations), as specified by the Treasurer, for Term Bonds stated to mature on the same principal payment date and bear interest at the same rate as the Term Bonds so delivered, redeemed or purchased and canceled.

(b) Optional Redemption. If determined by the Treasurer in the Certificate of Award to be advantageous to and in the best interest of the School District, the Bonds specified in the Certificate of Award shall be subject to optional redemption by and at the sole option of this Board, in whole or in part (as selected by this Board) on any date and at the redemption prices specified in the Certificate of Award (expressed as a percentage of the principal amount redeemed) plus, in each case, accrued interest to the redemption date, provided the redemption price for any optional redemption shall not be greater than 102% and the earliest optional redemption date shall not be later than 10½ years from the date of issuance of the Bonds.

If optional redemption is to take place on any mandatory redemption date identified in paragraph (a) of this Section, the Term Bonds, or portions thereof, to be redeemed by optional redemption shall be selected by lot prior to the selection by lot of the Term Bonds to be redeemed on the same date by operation of the mandatory redemption provisions of paragraph (a). Bonds to be redeemed pursuant to this paragraph (b) shall be redeemed only upon written notice from the Treasurer of the Board to the Bond Registrar, given upon the direction of this Board by adoption of a resolution. That notice shall specify the redemption date and the principal amount of each maturity of Bonds to be redeemed, and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Bond Registrar. In the event that notice of redemption shall have been given by the Bond Registrar to the registered owners as hereinafter provided, there shall be deposited with the Bond Registrar, on or prior to the redemption date, funds which, in addition to any other moneys available therefor and held by the Bond Registrar, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds for which notice of redemption has been given.

(c) Partial Redemption. If fewer than all of the Bonds of a single maturity are to be redeemed, the selection of Bonds to be redeemed, or portions thereof, shall be made by lot by the Bond Registrar in any manner which the Bond Registrar may determine.

(d) Notice of Redemption. The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Bond Registrar on behalf of the School District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption, to the registered owner of each Bond subject to redemption in whole or in part at the registered owner's address then shown on the Bond Register maintained by the Bond Registrar and to any municipal bond insurance company which has issued a policy insuring the Bonds. The failure of any registered owner of any Bond to be redeemed to receive notice by mail or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

(e) Payment of Redeemed Bonds. Notice having been mailed in the manner provided in paragraph (d) hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and, upon presentation and surrender thereof at the place or places specified in

that notice, shall be paid at the redemption price, plus interest accrued to the redemption date. If moneys for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, are held by the Bond Registrar on the redemption date, so as to be available therefor on that date and, if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption. All moneys held by the Bond Registrar for the redemption of particular Bonds shall be held in trust for the account of the registered owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds, provided that any interest earned on the moneys so held by the Bond Registrar shall be for the account of and paid to the School District to the extent not required for the payment of the Bonds called for redemption.

Section 3. The Bonds shall be signed by the President or Vice President and Treasurer of this Board, in the name of the School District and in their official capacities, provided that any or all of those signatures may be facsimiles. The Bonds shall be delivered in the denominations and numbers requested by the Original Purchaser (as defined in Section 7) and approved by the Treasurer, shall be numbered as determined by the Treasurer, and shall express upon their faces the purpose, which may be in summary terms, for which they are issued and that they are and shall be issued pursuant to Chapter 133 of the Revised Code including particularly Section 133.06(G), the aforesaid approval by the Ohio Facilities Construction Commission, this Resolution and the Certificate of Award. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under the Bond proceedings (for purposes of this Resolution, meaning this Resolution, the Certificate of Award, the Registrar Agreement (if any), and such other proceedings of this Board, including the executed Bonds, that provide collectively for, among other things, the rights of holders and beneficial owners of the Bonds) unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under, and is entitled to the security and benefit of, this Resolution. The certificate of authentication may be signed by any authorized officer or employee of the Bond Registrar or by any other person acting as an agent of the Bond Registrar and approved by the Treasurer on behalf of this Board, or by the Treasurer if the Treasurer is to be the Bond Registrar pursuant to Section 4. The same person need not sign the certificate of authentication on all of the Bonds.

Section 4. As used herein, "Bond Registrar" means the person or entity appointed pursuant to this Section 4 as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds and until a successor Bond Registrar shall have become such and, thereafter, "Bond Registrar" shall mean the successor Bond Registrar. In the Certificate of Award, the Treasurer shall appoint the initial Bond Registrar, who may be the Treasurer; provided that, if the Bond Registrar is to be a bank or trust company: (a) the Treasurer shall first determine that said bank or trust company will not endanger the funds or securities of the School District; (b) the Treasurer shall sign and deliver, in the name and on behalf of the School District, a Bond Registrar Agreement between the School District and the Bond Registrar (the Registrar Agreement) after having obtained the approval of this Board of said Registrar Agreement; and (c) unless paid from other sources, the Treasurer shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Registrar Agreement from the proceeds of the Bonds to the extent available and then from other money lawfully available and appropriated or to be appropriated for that purpose.

Section 5. The debt charges on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Principal of a

Bond shall be paid on each Principal Payment Date upon presentation and surrender of the Bond, and interest shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered, and to that person's address appearing, on the Bond Register (as defined in Section 6) at the close of business on the 15<sup>th</sup> day preceding that Interest Payment Date. Furthermore, if all of the principal amount of the Bonds is represented by a single certificate, as authorized hereinabove, payment of principal and interest shall be made by presentation of said certificate to the Bond Registrar, and by presentation and surrender of said certificate to the Bond Registrar at final maturity.

Section 6. So long as any of the Bonds remain outstanding, the School District will cause the Bond Registrar to maintain and keep, at an office satisfactory to the Treasurer and the Bond Registrar, all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the Bond Register). Subject to the provisions of Section 5, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the debt charges on any Bond shall be made only to or upon the order of that person; neither the School District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the School District's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Bond Registrar designated in the Certificate of Award or, if not so designated, then at the principal corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the designated office of the Bond Registrar, together with an assignment signed by the registered owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the registered owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the School District are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the School District. In all cases of Bonds exchanged or transferred, the School District shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. The exchange or transfer shall be without charge to the registered owner, except that the School District and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The School District or the Bond Registrar may require that those charges, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued and authenticated upon any exchange or transfer shall be valid obligations of this Board, evidencing the same debt, and entitled to the same security and benefit under this Resolution, as the Bonds surrendered upon that exchange or transfer. Neither the School District nor the Bond Registrar shall be required to make any exchange or transfer of (i) Bonds then subject to call for redemption between the 15<sup>th</sup> day preceding the mailing of notice of Bonds to be redeemed and the date of that mailing, or (ii) any Bond selected for redemption, in whole or in part.

Section 7. In accordance with this Resolution, the Bonds shall be awarded and sold at private sale at a price of not less than 97% of par plus any accrued interest to the original purchaser as determined by the Treasurer in the Certificate of Award (the Original Purchaser) in accordance with the Certificate of Award. The Treasurer is authorized to and shall sign and deliver the Certificate of Award. The Treasurer shall, in the Certificate of Award, determine the principal amount of the Bonds, designate the interest rate

or rates the Bonds shall bear, establish the Original Purchaser and the purchase price of the Bonds, set the Interest Payment Dates and Principal Payment Dates and amounts, set any mandatory redemption provisions and optional redemption provisions, and make all of the other designations herein authorized and directed to be made, all within the parameters set forth herein, and shall execute the Certificate of Award and shall cause the Bonds to be prepared, signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Original Purchaser upon payment of the purchase price. The President, Vice President and Treasurer of this Board, the Superintendent and other School District officials, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Resolution.

Section 8. The proceeds from the sale of the Bonds, except any premium actually received by the District, capitalized interest, and accrued interest, shall be paid into the proper fund or funds of this School District, and those proceeds are appropriated and shall be used for the purpose for which the Bonds are being issued, including without limitation but only to the extent not paid by others or with other available funds of the School District, the payment of the costs of issuing and servicing the Bonds, printing and delivery of the Bonds, legal services including obtaining the approving legal opinion of bond counsel, any registrar and paying agent fees and expenses, any rating agency fees and expenses, and all other financing costs (as defined in Section 133.01 of the Revised Code) and costs incurred incidental to those purposes. All amounts necessary to pay those costs and fees are hereby appropriated from the proceeds of the Bonds, and the Treasurer is hereby authorized and directed to make appropriate certifications as to the availability of funds for those costs and fees, to the extent they shall be obligations of this Board, as the amounts thereof become known and shall encumber those amounts immediately upon such certification, but not in excess of the appropriation made herein, and to issue an appropriate order for their timely payment as the same shall become due and payable. Any portion of those proceeds representing premium actually received by the School District, capitalized interest, or accrued interest shall be paid into the Bond Retirement Fund and used to pay interest on the Bonds.

Section 9. There shall be levied on all taxable property in the School District, in addition to all other taxes, a direct tax annually during the period the Bonds are outstanding in an amount sufficient to pay the debt charges on the Bonds when due, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. The tax shall be within the ten-mill limitation imposed by law, shall be and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof; provided, however, that in each year in which funds resulting from energy conservation savings, or otherwise, are available for the payment of the principal of and/or interest on the Bonds, the amount of the tax shall be reduced by such amounts available and appropriated for that payment. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Bonds when and as the same fall due.

Section 10. This Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the Code), or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as an item of tax preference under Section 57 of the Code.

This Board and the School District further covenant that: (a) they will take or cause to be taken such actions that may be required of them for the interest on the Bonds to be and to remain excluded from

gross income for federal income tax purposes; (b) they will not take or authorize to be taken any actions that would adversely affect that exclusion; and (c) they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purposes of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Treasurer, as the fiscal officer, or any other officer of this Board or the School District having responsibility for the issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of this Board or the School District with respect to the Bonds as this Board or the School District is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting the favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of this Board and the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of this Board and the School District, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of this Board regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds. The Treasurer is specifically authorized to designate or otherwise determine the Bonds to be "qualified tax-exempt obligations" if such designation or determination is applicable and desirable, and to make any related necessary representations and covenants.

Section 11. The Treasurer is directed to deliver a certified copy of this Resolution and a signed copy of the Certificate of Award to the Summit County Fiscal Officer.

Section 12. This Board determines that all acts and conditions necessary to be performed by this Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the School District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 9) of the School District and Board are pledged for the timely payment of the debt charges on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds; and that the Bonds are being authorized and issued pursuant to Chapter 133 of the Revised Code, this Resolution, the Certificate of Award and other authorizing provisions of law.

Section 13. The legal services of Squire Patton Boggs (US) LLP, as bond counsel, are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Bonds and the rendering of the necessary legal opinions upon the delivery of the Bonds. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the School District in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the School District or any other

political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services. The Treasurer is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 14. As long as any of the Bonds are outstanding and if and to the extent required by law, this Board shall monitor the energy consumption and resultant operational and maintenance costs of buildings in which installations or modifications have been made or remodeling has been done and shall maintain and annually update a report, in accordance with Section 133.06(G) of the Revised Code, documenting the reductions in energy consumption and resultant operational and maintenance cost savings attributable to such installations, modifications and remodeling. Such cost savings shall be certified by the Treasurer. That report shall be submitted annually to the Ohio Facilities Construction Commission.

Section 15. This Board finds and determines that all formal actions of this Board and any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 16. This Resolution shall be in full force and effect from and immediately upon its adoption.