

OREGON-DAVIS SCHOOL CORPORATION

**Monday, November 13, 2017
Public Work Session, 6:30 PM**

Oregon-Davis Jr/Sr High School Cafeteria, 5990 North 750 East Hamlet, IN 46532

The Board of School Trustees of the Oregon-Davis School Corporation met in a Public Work Session on Monday evening, November 13, 2017 at 6:30 PM in the Susan G. Rowles Board Room of the Administration Building, pursuant to the rules of the Board.

1.0 Call to Order

1.01 Welcome

1.02 Pledge of Allegiance - Chris Lawrence. Board Members in Attendance: Chris Lawrence, Andrea McIntosh, Kurt Hayes, Shirley Budka, Annette Ferch

2.0 Agenda

2.01 - Fiscal Strategic Planning for Future Operations which includes the General Fund and Referendum Fund of the Oregon-Davis School Corporation. Time was turned over to Dr. Harman and Mr. Brock Bowsher of H.J. Umbaugh to make their presentations. Dr. Harman stated there are three main reasons schools are having financial challenges. 1. Decreased assessed valuation (AV), every school is dealing with this. 2. Decreases in student enrollment and 3. State funding changes yearly.

The referendum the voters approved in 2012 will expire in 2019. The reason to talk about it now is that 2019 is a non-election year. To have a special election just for the referendum will cause the corporation to have to fund a special election.

A history of tax rate information was reviewed as well as enrollment numbers.

Mr. Bowsher again stated the funding challenges, 1. State controlled funding-dictated by the number of students and by the state of Indiana. 2. Declining enrollment and 3. Declining net AV (taxable property within O-D boundaries). Mr. Bowsher pointed out that in 2010-2011 O-D had two grants available to them, the small schools grant and the restoration grant which provided \$500,000 to Oregon-Davis. These grants were over in 2010-11. In reviewing enrollment figures the Board and Dr. Harman have determined Oregon-Davis needs to have 60 additional students per year to restore some of that state controlled funding.

Mr. Bowsher then turned his presentation to an overview of assessed values in relation to what that would mean for taxpayers with a 19 cent, 24 cent, 29 cent and 52 cent referendum. Cash flow projections without the referendum and assuming enrollment figures stay approximately where they are now, show a deficit in 2026 of over \$8 million.

The presentation then continued with what the finances would be with four different models developed for an operating referendum. Maintaining a 19 cent tax rate would reduce the deficit in 2026 to just over \$5 million, with a 24 cent tax rate the deficit would be just over \$4 million, with a 29 cent tax rate the deficit would be reduced to \$3.2 million and with the 52 cent rate there would be a surplus of \$748,175 which would be a two month reserve.

Mr. Bowsher then presented slides showing the impact on taxpayers. If the 19 cent rate were maintained there would be no increase. With the 24 cent the median home (valued at \$101,700) the increase would be 16.93/year, for farmland it would be an increase of .93/acre per year and for commercial and rental it would be \$50/ year. For the 29 cent tax rate the taxes for a median home would go up \$33.86/year, for farmland it would be \$1.85/acre/year, and for rental and commercial properties it would increase to \$100/year. For the 52 cent tax rate the impact on the median homeowner would be \$113.75/year, for farmland it would be \$6.22/acre / year, and for commercial and rental properties it would be \$336.00/year.

Dr. Harman then outlined the areas he has been focusing on since stepping into this position. He has been looking at financial planning, a maintenance plan, and curriculum planning. Areas of focus have been safety, maintenance and technology, and he has formed a Strategic Action Team to help come up with ideas on how to address these issues.

As far as cost savings what has been done? Restructure of TAP, the teacher evaluation plan; restructure of New Tech; custodial staff reductions; reductions of teachers, reduction in food service, reduction in food service hours, reduced one bus route and installation of energy efficient lighting.

Dr. Harman also highlighted some of the positive things that are going on in the corporation and also success stories of alumni.

The meeting was then opened up for questions. After this portion of the meeting Dr. Harman told everyone that if they left and still had questions or thought of some after they left to please contact him by email and he would get in touch with them and discuss their questions with them.

Mr. Lawrence asked for a motion to adjourn the meeting. Motion was made by Mrs. Budka and seconded by Mrs. Ferch. Motion passed 5-0. The meeting adjourned at 8:05 PM.

Kurt Hayes, Secretary

Minutes recorded by Julie McLiver

