

ACROSS THE BOARD



Board of Education Meeting • May 18, 2016



2016 BOARD CALENDAR

6 p.m. except where noted (*)

Wed.	June 22	6:00 p.m.
Wed.	June 29	*1:00 p.m.
Wed.	Aug. 3	*1:00 p.m.
Wed.	Aug. 17	6:00 p.m.
Wed.	Sept. 21	6:00 p.m.
Wed.	Oct. 19	6:00 p.m.
Wed.	Nov. 9	6:00 p.m.
Wed.	Dec. 21	6:00 p.m.

Saturday Board Work Sessions

Sat.	June 11	*8:00 a.m.
Sat.	Sept. 17	*8:00 a.m.
Sat.	Dec. 17	*8:00 a.m.

Evaluations

Superintendent

Wed.	June 8	*5:00 p.m.
------	--------	------------

Treasurer

Tues.	Aug. 16	6:00 p.m.
-------	---------	-----------

Superintendent Search Special Meetings

Second Round Interviews

Mon.	May 23	*5:00 p.m.
Tues.	May 24	*5:00 p.m.

Candidate Night Meet and Greet at Whitmer's Nightingale Center

Wed.	May 25	6:00 p.m.
------	--------	-----------

Board Discussion and Possible Decision Announcement

Tues.	May 31	*5:00 p.m.
-------	--------	------------



Washington Local Schools Board of Education

President David Hunter
 Vice President..... Lisa Canales
 Members Patricia Pedro Carmean
 Eric Kiser
 James Langenderfer

Superintendent Cherie Mourlam
 Treasurer Jeffery S. Fouke

Editor Wendy Krouse

Approved:

- Board Minutes from April 20, 2016
- Financial Reports and Investments and Payment of Legal Fees
- Resignation and Re-Employment of Jeffery S. Fouke as Treasurer
- Purchases over \$25,000:
 - ★ *SchoolsIn* \$61,199.33
District Wide Furniture Order
 - ★ *Schools Outfitter* \$14,805.87
District Wide Furniture Order
- Change orders for The Spieker Company for the 2016 Stacy Field Improvements Project -- \$18,259.01 and \$19,128.68
- Adoption of the May 2016 Five Year Forecast (*attached*)
- School Calendar Resolution for 2016-2017 and 2017-2018
Add a Teachers' Work Day [K-6] on March 27, 2017
Add a Teachers' Work Day [K-6] on March 26, 2018
- Payment for Parental Contracts in Lieu of Transportation
- Textbook Adoption:
 - A History of Western Society, Since 1300* \$9,099.30
70 books (\$129.99 each), 11th Edition
- Course of Study Resolution for Whitmer CTC Programs
- School Lunch Prices for 2016-2017

Lunch / Junior High and High School	\$3.00
Lunch / Elementary	\$2.75
Breakfast / Elementary	\$1.50
Breakfast / Junior High and High School	\$1.75
- OHSAA 2016-2017 Membership Resolution
- Purchases over \$25,000:
 - ★ *GovConnection* \$29,266.19
122 Lenovo N22 Chromebooks,
122 Google OS Licenses, 3 Spectrum Cloud 32 Carts,
4 Black Box Cabinets
- Participation in 2016 Commencement without passage of all parts of the OGT if seniors have completed credit requirements; passage of the OGT will still be required to receive a diploma
- Resignations, Nominations, Leaves of Absence, Changes of Contracts, and Re-Employment of Personnel

Adopted:

- Board of Education Policy 6560 - Vendor Relations

Special Presentation: Recognition of Compassion



Superintendent **Cherie Moulam** presented certificates to **Karly Jagodzinski** and **Madison Scalise**.

On April 28, a young student from Robinson Elementary School in the Toledo Public School District went missing from school around 11:00 a.m. That same day, on their way home from school, Whitmer juniors **Madison Scalise** and **Karly Jagodzinski** noticed a young boy walking alone near Alexis and Secor roads. They approached the boy thinking he was a Washington Local student, and they found out that he was lost. They had no idea that he had walked all the way from Robinson. They proceeded to call the police and sat down in the wet grass and waited with the little guy for 45 minutes until the police arrived. The young man had wandered from Robinson and became lost. He just kept on walking; he didn't know what to do. He had been missing for **FOUR HOURS**. Can you imagine how many adults had passed by this young boy and never stopped or realized something was amiss with this student being alone on the side of the road?

What Karly and Madison did was heroic in responding to a situation and acting with a servant's heart. I am so proud of them, and I am sure their parents are as well. I want to thank Karly and Madison for reaching out, helping this young boy and offering comfort to a stranger who was in need. Because of their compassion, this little boy was safely returned home.

Accepted:



Gifts and Donations:

Two cubic feet of Scotts Earthgo Brown Mulch and a 10.5x7 Rumblestone bench including hardware and weathershield from Home Depot whose employees will install the mulch in Jackman's flower beds
Cisco equipment to the CTC Computer Networking program from the Social Security Administration
Video Production equipment to be used with the Media Arts program, WTMR STudio, WHS Theater, and Central Office from John Gallon

Changed:



Board Meeting Times from 5:00 p.m. to 6:00 p.m. beginning with the June 22, 2016 meeting

Special thanks are extended to the Monac Choir which sang the National Anthem under the direction of music teacher **Dusty Selman**:

Christopher Adams
Kaely Aschim
Ivy Blossom
Samantha Broka
Amyah Cooper
Josie Evans
Leyla Ewing
Autumn Jackson
Savannah Kowalinski
Zachary Langenderfer
Alexia Longoria
Mackenzie Monroe
Hannah Mudse
Alexus Osberger
Siera Snyder
Alycin Stalhood
Chariti Winzeler
Sarah Wheeler



The Board will be requesting that a representative of the Trilby Youth Sports Foundation update them at the June 11 Saturday Work Session meeting regarding the Suder Avenue property.

Report & Communications

Cherie Mourlam, Superintendent



Special Welcome Home

Josh Close, a Whitmer JV baseball player, got the surprise of a lifetime when not only his dad, **Master Sgt. Mark Close**, but also his sister, **Airman First Class Asia Close**, arrived at his Whitmer baseball game on April 20th just hours after arriving home from a three-month deployment to Guam with the 180th Fighter Wing. We learned about this heartwarming event after it had occurred, and we appreciated that this video of the reunion was forwarded to us:

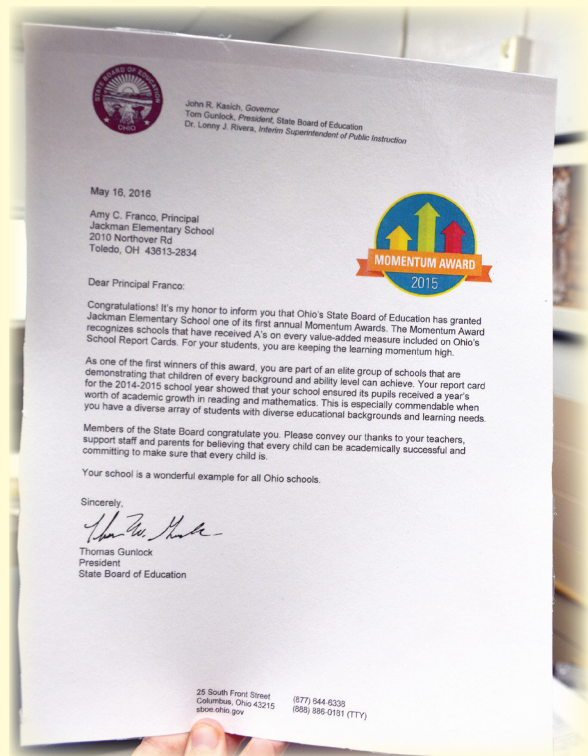
<https://www.facebook.com/bluto180/videos/823286824442178/>

On behalf of the Washington Local Schools, I want to thank Master Sgt. Mark Close and Airman First Class Asia Close for their service in protecting our country and our freedom.

Extraordinary Teacher of Year

I want to congratulate **Mindi Hazuda** for being named Sun Federal Credit Union's Extraordinary Teacher of the Year for Washington Local Schools.

Mindi works as an Inclusion Specialist at Greenwood. In addition to her awesome teaching, her leadership abilities and influence within the school setting were highlighted by nominees. Mindi was honored at the credit union's annual meeting and received \$500.



Jackman Receives Momentum Award

The Momentum Award is a new award presented by the State Board of Education which recognizes schools for exceeding expectations in student growth for the year. To receive this award, the school must earn straight A's on all Value-Added measures on the report card and the school have at least two Value-Added subgroups of students, which includes gifted, lowest 20% in achievement, and students with disabilities.

I'm very pleased to announce that Jackman Elementary has received this award for the 2014-2015 school year which shows that their students received a year's worth of academic growth in reading and math.

Congratulations to Dr. Amy Franco, Jackman Principal, and the entire staff at Jackman Elementary for their hard work and commitment to providing an excellent education to every child in their building.



Whitmer Prom Assembly

Whitmer's Prom and AfterProm were held May 21. On May 18, seniors attended a Prom Assembly reminding them that the choices they make today will impact their tomorrow.

Fifth graders from each elementary school read letters they had written to our seniors about the importance of staying alcohol- and drug-free.

Melissa Ramirez, a former M.A.D.D. officer, shared her very personal story of surviving an accident caused by a drunk driver and losing a friend in the same accident. Melissa put the students into her position as she relived the night, and her words were very impactful.

At the conclusion of the program, our seniors had the opportunity to sign a banner to pledge to remain drug- and alcohol-free for prom.

The Prom Assembly had a visible effect on our students. Thank you, **Becky Swisher** and **Tina Dake**, for coordinating the program.



Fifth graders **Camden Dings**, Shoreland; **Ronnie Hoag**, Wernert; **Deric Jaynes**, Greenwood; **Addison Stopher**, Monac; **Jeffrey Smith**, Hiawatha; **Sydney Smith**, Jackman; **Franki Powlesland**, Meadowvale; **Jaceylin Martens**, McGregor.

Read2Win Volunteer Recognition



Our Read2Win program is concluded for the school year. This was the second year for the district literacy program which pairs trained community volunteers with first graders who are struggling to read.

A recognition event was held on Friday, May 20th to thank our volunteers for their consistent presence each week with our students.

Superintendent **Cherie Mourlam** thanked the district's Read2Win coordinators **Molly Henry** and **Rebecca Strand** and Curriculum Consultant **Dolores Swineford** for their work with the literacy program.



Superintendent **Cherie Mourlam**, Monac Principal **Bill Magginis**, and Board President **David Hunter** welcomed guests.



Monac Elementary celebrated its 60th Birthday on May 20th.



The festivities featured free food, face painting, fun music, and fellowship with students, staff, families, retirees, and alumni. The children enjoyed bouncy houses and a large inflatable slide.

Monac 60th Birthday Celebration

Greenwood sixth grader **Selena Heck**



Greenwood 6th Grade Mural at Manos Community Garden

The sixth grade students at Greenwood Elementary made pieces of a ceramic tile mural which was dedicated at Manos Community Garden (at 14th and Jackson Street) on May 20th. Greenwood was selected out of all of the schools in the area by local area artist **Annette Fink** in cooperation with Cornell University's Ornithology Department and the Toledo Zoo to create the mural. We are so proud of **Amy Hannan**, our visual arts educator at Greenwood, and the work she is doing with our students. After the dedication, the students assisted Zoo staff with planting a seed garden for development of bird propagation.



Safety Patrol Picnic at General Motors Park

May 20th was also the day of the district's annual Safety Patrol Picnic which rewards our student volunteers for the time and commitment they make throughout the year to help keep their classmates safe.

Popsicles for Praiseworthy



Popsicles for Praiseworthy events at Jackman (above) and Meadowvale (below).



"Popsicles for Praiseworthy" honors students in grades K-3 who achieve All Praiseworthy marks for the first three quarters.

Events were scheduled across the district at every elementary school during the last full week of May.

WASHINGTON LOCAL BOARD OF EDUCATION - 2016



DAVID HUNTER
President



LISA CANALES
Vice President



PATRICIA PEDRO CARMEAN



ERIC KISER



JAMES LANGENDERFER

Visit our Facebook and Twitter pages and get updates on great things happening in Washington Local Schools!



District-wide Facebook:
<https://www.facebook.com/wls4kids>



Superintendent Mourlam's Twitter:
<https://twitter.com/CherieMourlam>



District-wide Twitter:
<https://twitter.com/wls4kids>

Board Meeting - Audio Recording:
<http://www.wls4kids.org/District/Department/12-Board-Information/Podcasts/8342-2016-05-19.html>



**WASHINGTON LOCAL SCHOOL DISTRICT
FIVE-YEAR FORECAST – MAY 2016 - ASSUMPTIONS**

REVENUE

Real Estate Taxes

2016 and future years does reflect an entire year's collection from the November 2014 levy. In calendar year 2015 (for calendar year 2016 tax collections) the three-year county-wide valuation update took place. We had a decrease of less than 1% in our total valuation. This is actually good news as our residential valuation decreased by 19% and our commercial valuation decreased by 4% in 2012 and previously in 2009, residential valuation was decreased by 15% and commercial valuation was unchanged.

We received \$34.0 million in 2013, \$32.1 million in 2014, and \$35.2 million in 2015. 2014 reflects a full year of tax collection of the valuation decrease from the 2012 reappraisal as well as a larger than usual taxpayer refunds (\$1.0 million). We are forecasting \$36.9 million in 2016 (full year of November 2014 levy) and all future years.

The estimating of delinquent taxes to be paid is difficult to forecast as payments will fluctuate year to year, and settlement to settlement. Washington Local is still experiencing significant successful commercial tax appeals. These tax appeals not only cause tax refunds but also lower future property tax collections. On the contrary, we are also receiving a few increases in valuations as commercial property is sold within our district.

This spring, we have received numerous first time commercial property tax appeals requesting significant reductions in their valuations. Mainly at the Franklin Park Mall parcels and the large department and Grocery stores located within our district. If many of these tax appeals are successful, it will have a significant negative impact on our revenue.

Our total assessed valuation has decreased from \$1.25 billion in calendar year 2006 to \$908 million in calendar year 2011 to \$778 million in calendar year 2012 (and 2013) and declined again to \$766 million in calendar year 2015. **This not only reduces our annual real estate tax revenue but also will require an increase in future millage requests to raise the same amount of revenue that our previous levy requests raised.**

Personal Property Taxes

Personal property tax revenue was \$11.8 million in 2005, \$10 million in 2006, \$8.9 million in 2007, \$7.3 million in 2008, \$3.3 million in 2009, \$30,870 in 2013, \$1,325 in 2014 and \$25,598 in 2015 and we are forecasting only \$1,500 in 2016. The significant decline in personal property tax payments is directly due to the affects of HB 66. This revenue source is now insignificant. Since it is subject to delinquencies only and any payments are sporadic, we are projecting \$0 in 2017 and future years for delinquent personal property tax collections.

State Aid

Our ADM increased the past five years; increasing from 6,569 in 2010, to 6,669 in 2011, 6,738 in 2012, 6,836 in 2013, 6,865 in 2014, and 6,928 in 2015. We expect our ADM to increase in 2016 to over 7,000 students. However the State has

changed how ADM is calculated. The ADM will be more of an average than a fixed number determined in October. This will have no impact on our funding as we were \$11.1 million over the state mandated cap in 2014 and \$10.2 million in 2015, **and we are forecasting to be \$13.3 million over the cap in 2016. Over three years, our state aid was reduced by over \$34 million because of the cap.**

Under past school funding legislation, these additional students combined with the decreasing assessed valuation **would have resulted in a significant increase in state aid revenue for the past few years.** However, as the State was developing a new school funding model, our state aid was less than if the previous school funding formula was being utilized. There was a new school funding formula in 2014 (currently in use) for public schools in Ohio that recognizes our increasing enrollment and significant property valuation decreases. However, the increase in our funding based on the new state aid formula system **is capped** at 6.25% in 2014, 10.5% in 2015, 7.5% in 2016 and 7.5% in 2017. **The effect of the cap reduced our state aid by \$11.1 million in 2014, \$10.2 million in 2015, and \$13.1 million in 2016. Over three years, our state aid was reduced by over \$34 million. This is nearly equivalent to one year of our taxpayers' real estate taxes.**

Unrestricted State Aid

Based on **current legislation**, ODE's estimates and what we have received this year, we are forecasting \$25.8 million in 2016, and are forecasting to receive \$27.6 million in unrestricted state aid (includes casino revenue of \$355,000) in 2017 and all future years. Based on the combination of our steady or even increasing enrollment the past few years, the significant decline in WLS' property values, annual cap increases, **AND IF** the current funding systems continues, it is likely we will receive continual increases in our state aid in 2018 and future years. However, it is also likely that our personal property tax loss payments will continue to be reduced offsetting the increases in state aid.

Based on the current funding formula and without legislation in place for 2018 or future years, we have forecasted our state funding to increase by 3% from 2017 to 2018 and 3% in 2019 and unchanged in 2020. **As we are capped, we are hopeful that 2018 and future years will have an increase more than 3%, however as any future legislation is unknown, the 3% increase is forecasted for state aid.**

Casino revenue is also recorded as State aid. Two casinos began operating in Ohio in the spring of 2012, another in October 2012, and the fourth casino began operation in March 2013. The public school districts' share of this revenue is distributed in January and August of each year; the first payment was made in January 2013. The payment is based on the public school's enrollment. Until all four casinos are in operation for an extended length of time, it is difficult to forecast what the exact payment will be for each public school student.

We received casino revenue of \$143,330 in 2013, \$349,166 in 2014, \$345,493 in 2015, and we are forecasting \$353,000 in 2016 and \$355,000 in 2017 and future years based on estimates that we have received. Again, this revenue is very difficult to forecast and is expected to fluctuate until the casino market matures. Racinos (new casinos at race tracks) will affect the casino revenue in future years. The racinos have begun operations in Ohio and will continue to expand in Ohio. These funds will not go directly to schools and may decrease casino revenue in future years.

Restricted State Aid

A new funding source has been created with the new state funding system. The economic disadvantaged funding was \$1.1 million in 2014, \$875,000 in 2015, and forecasted to be \$865,000 in 2016 and \$970,000 in 2017 and forecasted to increase by 3% in future years. Our overall funding did not increase. **This additional funding just reduced our unrestricted state funding.**

Restricted state aid includes Career-Tech funding of \$762,832 in 2014 and \$904,745 in 2015, and forecasted at \$975,000 in 2016 and \$1,015,000 in 2017 and forecasted to increase by 3% in all future years. This is an increase from 2013's Career Tech funding of \$456,091. Again, our overall funding did not increase. **Like the economic disadvantaged funding, this additional funding just reduced our unrestricted state funding.**

Catastrophic Cost

This funding is for reimbursing the expenses for special education students that exceed a certain dollar amount threshold to educate each year, which is generally near \$30,000 per year. We received \$69,155 in 2011, \$59,645 in 2012, \$103,811 in 2013, and \$0 in 2014. The 2014 payment of \$230,000 was received in 2015. When added to the 2015 payment of \$153,000, we received a total of \$383,000 in 2015. We are forecasting \$0 in 2016 as the 2016 funding of \$150,000 is not expected to be received until 2017. Therefore we are forecasted \$300,000 in 2017 and \$150,000 in all future years. These reimbursements were only a small percentage of what the actual costs were that we had incurred.

Property Tax Allocation

Property tax allocation includes the personal property tax loss (hold harmless) payments being made to the district from the State. These payments are **only partially** replacing the personal property taxes we would have received prior to HB 66. These personal property tax loss payments are based on the calendar year 2004 personal property tax values. Any personal property put in use in calendar year 2005 or later is not taxable and therefore personal property tax revenue and personal property tax loss payments will not be received for these purchases.

As our personal property tax revenue was significant, the personal property tax loss payments are also significant. We received \$8.7 million in 2011. HB 1 extended the hold harmless provisions of HB 66 until 2013 and we were expected to receive \$8.7 million in 2012 and 2013. However, due to legislative changes, these payments were reduced to \$7.4 million in 2012 and \$6.1 million in 2013. Again due to recent legislative changes, these payments were reduced another time to \$5.2 million in 2016 and \$4.3 million in 2017. These payments will continue to decrease each by approximately \$500,000 each year until they are eliminated. We are forecasting \$3.9 million in 2018 and \$3.4 million in 2019.

Homestead exemption and rollback receipts are recorded in Property Tax Allocation. The homestead and rollback was \$4.1 million in 2013, \$4.2 million in 2014, 2015, and 2016 and forecasted at \$4.2 million in 2017 and all future years.

Other Revenue

Abatement Revenue

Due to the elimination of the personal property tax, abatement revenue pertaining to personal property was also eliminated. Abatement revenue was \$3.3 million (\$1.9 million from DaimlerChrysler) in 2005, \$2.7 million (\$1.7 million from DaimlerChrysler) in 2006, \$1.8 (\$1.2 million from DaimlerChrysler) in 2007, \$1.1 million in 2008, \$430,000 in 2012, \$230,000 in 2013, \$233,000 in 2014, and \$253,000 in 2015. In 2012 we did receive a delinquent payment of \$180,000. Abatement revenue is forecasted to be \$315,000 in 2016 and \$300,000 for all future years. The majority of abatement payments we received were previously based on personal property. As the personal property tax has been eliminated, less abatement payments are being made. **The State is not reimbursing for these lost abatement payments.**

Tax Increment Financing (TIF) Payments

We receive payments for the DaimlerChrysler plant expansion and Westfield Franklin Park Mall for Tax Increment Financing (TIF) abatements. We received \$3.75 million in 2013, \$3.9 million in 2014, and \$4.2 million in 2015, and are forecasting \$4.3 million in 2016 and future years.

Other Financing Sources

Transfers In

In 2016 a transfer (cash subsidy) was needed for the Food Service Fund in the amount of \$185,000. As our Food Service Fund continues to experience losses, I have forecasted a permanent transfer \$150,000 in 2017 and all future years.

We had a self-funded health insurance fund with a balance of \$792,769. In order to self-fund our health insurance in 2014, these funds were required to be transferred from the self-funded health insurance fund to the General Fund and then transferred to the new self-funded health insurance fund that was established in 2014. This increased our revenue by \$792,769 and increased our expenditures by the same amount in 2014. This transfer-in and transfer-out had no effect on our fiscal year-end General Fund balance.

We do have annual transfers to High School Student Activity Funds (\$18,000) and for our Employee Recognition Fund (\$20,000).

Advances

We annually make advances to the Food Service Fund and the Federal Funds to maintain a positive fund balance. As these advances are loans, they are returned each year. As the Food Service Fund had a large operating deficit in 2014 (\$185,000), we were required to increase the advance (\$115,000) in 2015 and future years. We are hopeful with the cash transfer of \$185,000 in FY 2016 and in future years the Food Service Fund will be able to maintain a positive fund balance and not require an increase in the advance.

EXPENDITURES

We have estimated encumbrances outstanding on June 30, 2015 at \$1,000,000 and unchanged from future years. **Any change in the June 30, 2016 outstanding encumbrances from \$1,000,000 will impact the surplus for 2015/2016.**

We will continue to annually appropriate (budget) at 100 percent. However as we do not expend 100 percent of our budget, we reduced individual line items between .5% and 5% to reduce our total forecasted expenditures by a total of 1.5% for 2016 and all future years. We are forecasting to expend 98.5% of our budget in 2017 and all future years. We have maintained 2020 expenditures (and revenue) unchanged from 2019 based upon the difficulty of forecasting expenditures (and revenue) four years from 2016.

Personal Services

The 2012 and 2013 payroll reflects a 0.0% base wage increase and in 2014 there was a 3.0% base wage increase. In 2015 there was another 0.0% base increase. Also in 2015, OAPSE members received a one-time stipend of \$250 (\$75,250).

In 2016, per the negotiated agreement, teachers will receive a 1.5% increase (offset by increase in monthly healthcare contributions) and non-teaching staff will receive a 1.25% base increase (no change in monthly healthcare contributions) as well as the normal steps and longevity increases.

The negotiated agreements expired on June 30, 2016. Based on these negotiated agreements, we are forecasting an increase of 5.5% (3.0% wage increase and a 2.5% step increase) in 2017, a 5.0% (2.5% wage increase and 2.5% step increase) in 2018. We have forecasted 3.75% (1.25% wage increase and 2.5% step increase) and future years.

In addition to 2014 teaching staff reductions that were made (4 junior high teachers), in 2015 we reduced 4 more junior high teachers, business manager, power plant operator, ½ secretary, and in 2016, a reduction in classroom aides' hours from eight hours per day to seven hours per day will occur. However these 2015 reductions were offset by hiring additional classroom aides. In 2016 we have added 2 part time secretaries, 3.4 tutors and more classroom aides as well as bus monitors during the school year. In 2017 we forecasted an increase in 1 Junior High teacher, 1 High School ED Unit, 1 Proficiency Tutor, 1 Instructional Tutor, and 1 classroom aide. We are also making a \$250 payment in 2017 to all employees.

Due to the dramatic increase in ESC costs (\$2.0 million in 2013 to \$3.6 million in 2014) we began to administrator a few of the programs in house that were previously administrated by the ESC. This required us to hire additional teachers, psychologists, speech therapists, and occupational therapists. These additional positions will be offset by a reduction in other objects' expenditures related to the ESC contract.

State Teachers Retirement System (STRS) made significant changes to retiree benefits for retirees who retire after June 30, 2015. We had more retirees than normal (16) in 2015 and only two in 2016. As the STRS changes evolve in future years, it is likely we will begin to see less annual teacher retirements than we have had in the past. **As a beginning teacher makes less than half of an experienced**

teacher, the lower teacher retirements will begin to have an effect (increase) on future salaries as teachers will be extending their working years.

Benefits

Healthcare costs were stable the past few years; however in 2013 we had a 6.5 percent increase in healthcare, in 2014 we had an increase of 13.8% in 2015 we had an increase of 8.22%, and in 2016 we had an increase of 3.74%. In 2014 we became partially self-insured for our healthcare. We were hopeful that our healthcare cost would begin to stabilize; however due to the Affordable Care Act we are expecting more enrollees (over-age dependents). Based on negotiated agreements we have made changes to our benefits and increased the employees' monthly contributions. We have forecasted an increase of 4% in 2017 and future years. We kept 2020 healthcare cost unchanged from 2019. We are hopeful as we saw positive results by switching to self-funding in 2014, that the trend will continue into 2017 and the increases in 2018 and future years will be less than currently forecasted.

We are self-funded for dental insurance. We incurred a 10% increase in dental premiums for 2013, 20% increase in 2014, 10% increase in 2015, and are increase of 10% in 2016 and 7.5% increase in 2017 and all future years. These increases reflect the higher claim costs we were (and are) experiencing. **Our dental claims have been increasing significantly in previous years but appear to be stabilizing.**

The Workers' Compensation projected expenditures had a significant decrease in 2013 for our retrospective paid claims. Our retrospective paid claims were \$366,163 in 2010, \$218,000 in 2012, \$75,000 in 2013, \$130,912 in 2014, and \$37,422 in 2015 and in 2016 actually received a credit of \$10,810 due to subrogation of a few claims. We have been very proactive with our workers' compensation in the past few years and it appears our efforts are beginning to show savings to the district.

The payments (premiums and paid claims) made to Bureau of Workers' Compensation have been steadily declining the past few years. Our total worker's compensation costs were \$804,676 in 2010, \$427,302 in 2012, \$283,484 in 2013, \$291,143 in 2014, and \$182,200 in 2015. We are forecasting our workers' compensation costs at \$254,000 in 2016 (BWC billing changes) and \$200,000 in 2017 and all future years.

We also received \$153,298 (all funds) for a one-time rebate in 2014 and \$161,781 (all funds) in 2015 for past workers' compensation costs. This has been recorded as other revenue. It is possible that we may also receive another rebate, but that is not included in our forecast.

School Employee Retirement System (SERS) charges were always paid in arrears. SERS will have the arrears brought to current over a six year period of time. This annual payment is estimated to be approximately an additional \$136,000 and will be completed in 2017.

Purchased Services

Our charter school expenditures were \$2.6 million in 2013, \$2.7 million in 2014, and \$2.7 million in 2015. We have forecasted charter school expenditures to be \$2.4 million in 2016, \$2.6 million in 2017, \$2.7 million in 2018, and \$2.8 million in 2019 and future years.

Electric and natural gas charges were \$1.9 million in 2009, \$1.4 million in 2010, \$1.1 million in 2011, \$1.0 million in 2012, \$950,000 in 2013, \$1.2 million in 2014, and \$1.5 million in 2015. We are forecasting electric and natural gas charges of \$1.4 million in 2016, \$1.6 million in 2017 and \$1.65 million in 2018 and \$1.75 million in 2018 and future years.

We are hopeful that beginning in 2017 our electric charges will begin to decrease from the 2016 levels due to the undertaking of the HB 264 project in 2016. However as we are just beginning the project, it is too early in the project to determine the future savings as well as our energy supplier has been approved for an increase in their rates.

Supplies

We continue to review and/or reduce our budgets each year which have resulted in lower actual expenditures in these budgets than anticipated.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instructional Supplies	\$544,000	\$546,000	\$616,000	\$603,000
Software Expenditures	\$179,000	\$144,000	\$169,000	\$174,000
Maintenance Supplies	\$714,000	\$634,000	\$708,000	\$686,000
Bus Maintenance & Fuel	\$577,000	\$539,000	\$588,000	\$531,000
Textbooks	\$ 75,000	\$496,000	\$175,000	\$148,000

We are forecasting our instructional supplies to be \$750,000, software to be \$120,000, maintenance supplies to be \$730,000, and bus maintenance supplies and fuel to be \$480,000 in 2016 and future years. We are forecasting our textbook expenditures to be \$370,000 in 2016 and \$435,00 in 2017 and in future years.

Capital Outlay

Capital outlay expenditures, on this forecast, are used for technology equipment and career-technical equipment. Our capital outlay was \$792,000 in 2011, \$690,000 in 2012, \$558,000 in 2013, \$522,000 in 2014, and \$1,176,000 in 2015. We have forecasted \$1.2 million in 2016 and \$1.1 million in 2017 and all future years.

In 2016, 2017, and 2018 we are forecasting \$800,000 per year for HB 264 projects which includes lighting, boiler replacements, and chiller replacements. As these are HB 264 projects, we expect these energy conservation projects to pay for themselves over a period of time. Also, unlike most energy conservation projects, we are funding these projects with current cash instead of borrowing the funds.

We are also purchasing in 2016 an adjacent property to Shoreland Elementary (\$215,000) for school and community parking.

Due to the previous budget deficits and restraints to our budgets, buses, motor vehicles, and equipment purchases (except technology and CTC equipment) have been moved to the Permanent Improvement Fund. Current capital outlay

expenditures are being monitored and may be moved to the Permanent Improvement Fund in future years due to our ongoing budget deficits and declining fund balance. **The movement of other capital outlay (buses, vehicles, and equipment) from the General Fund to the Permanent Improvement Fund reduced the amount of funds available for district building projects and site improvements. Also, based on the scheduled projects in the Permanent Improvement Fund, the possibility of moving General Fund expenditures to the Permanent Improvement Fund is unlikely.**

Our district does not have bonded debt and we have been improving and repairing our buildings instead of replacing our buildings. We did borrow \$10 million in FY 2013 for the replacement of the Whitmer High School HVAC system. The debt service on this debt is being paid from the Permanent Improvement Fund. Due to the low interest rate we are earning on our investments and the higher interest rate on our debt, as well as our large cash balances, consideration will be given to refinance the our outstanding debt. This could be a shortening of term or the General Fund just paying off the debt.

Other Objects

These are mainly Lucas County auditor/treasurer fees and Lake Erie West Educational Service Center charges that are deducted from our State foundation payments.

Our auditor/treasurer fees were \$648,000 in 2012, \$628,000 in 2013, and \$594,000 in 2014, and \$626,000 in FY 2015. We have forecasted that these fees will be \$665,000 in 2016, and \$700,000 in 2017 and future years.

The Education Service Center (ESC) charges were \$2.1 million in 2012 and 2013 and \$3.6 million in 2014. Based on changes in state funding that reduced the funding to all ESCs in Ohio, our ESC charges were increased significantly in 2014. We made the decision to employ our own personnel for psychologists, speech therapists, occupation therapists, and teaching staff that previously was supplied by the ESC. We are also making other changes to the contract and are forecasting the ESC contract to be \$1.7 million in 2016 and future years. **Based on additional students being serviced by the ESC and the contracting of an Occupational Therapist, the ESC contract is expected to be \$2.0 million in 2017 and 2018 and \$2.1 million in 2019 and 2020.**

Other Financing Uses

Transfers

We annually make transfers to various high school activity funds and the Employee Recognition Fund. These two transfers totaled \$38,000 in 2015. As mentioned in the revenue section, the transfer of the self-funded insurance fund balance of \$792,769 increased our revenue by \$792,769 and increased our expenditures by the same amount in 2014. This transfer-in and transfer-out had no effect on our fiscal year-end General Fund balance.

In 2016, based on the losses experienced in the Food Service Fund, we permanently transferred \$185,000 from the General Fund to the Food Service Fund. **Based on the continued expected losses in the Food Service Fund, we are forecasting a transfer of \$150,000 in 2017 and all future years.**

Advances - Out

The Food Service Fund has experienced annual losses and surpluses but in total, has experienced a loss since 2012. We experienced a loss in 2014 of \$185,000. This was caused by a base wage increase, more employees employed in dual positions which increases their work hours increasing the healthcare enrollment, increase in healthcare premium, and 15 calamity days in 2014 (salaries paid but no revenue). In 2015 Food Service Fund did have a surplus of \$30,000. However this surplus was caused by a Federal payment made in June, instead of the usual July payment. Therefore we are expecting another deficit in 2016.

Based on the increase in Food Service Fund revenue due to the significant increase in free and reduced lunches being served (reimbursed by the Federal Government), we only needed to only advance \$75,000 in 2013, however based on the Food Service loss in 2014, we advanced \$115,000 in 2014 and will maintain that advance amount in future years.

We continue to make advances to Grant Funds to maintain a positive fund balance in these funds.

Budget Reserve (Rainy Day Fund)

The Board of Education has previously authorized a Budget Reserve in the amount of \$1,800,000. **After the passage of our November 2014 levy, the Board increased the Budget Reserve to \$3,625,000 in 2015.** This Budget Reserve is maintained for all future years. Washington Local Schools are one of the few districts in Northwest Ohio, and possibly the State, that still maintains a rainy day fund.

WASHINGTON LOCAL SCHOOL DISTRICT

LUCAS COUNTY

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2013, 2014 and 2015 Actual;
Forecasted Fiscal Years Ending June 30, 2016 Through 2020

	Actual				Average Change	Forecasted				
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015			Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Revenues										
1.010	General Property Tax (Real Estate)	\$34,027,089	\$32,125,064	\$35,244,842	2.1%	\$36,915,000	\$36,900,000	\$36,900,000	\$36,900,000	\$36,900,000
1.020	Tangible Personal Property Tax	30,870	1,325	25,598	868.1%	1,500				
1.030	Income Tax									
1.035	Unrestricted State Grants-in-Aid	20,868,106	21,491,013	23,835,879	6.9%	25,828,000	27,600,000	28,420,000	29,260,000	29,260,000
1.040	Restricted State Grants-in-Aid	559,902	1,843,103	2,162,474	123.3%	1,840,000	2,285,000	2,195,000	2,255,000	2,255,000
1.045	Restricted Federal Grants-in-Aid - SFSF									
1.050	Property Tax Allocation	10,282,487	10,299,688	10,316,914	0.2%	9,463,896	8,519,336	8,036,927	7,554,518	7,554,518
1.060	All Other Revenues	1,105,421	1,465,354	1,839,398	29.0%	1,540,400	1,623,000	1,553,000	1,553,000	1,553,000
1.070	Total Revenues	66,873,875	67,225,547	73,425,105	4.9%	75,588,796	76,927,336	77,104,927	77,522,518	77,522,518
Other Financing Sources										
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In		792,769							
2.050	Advances-In	485,000	440,000	400,000	-9.2%	400,000	400,000	400,000	400,000	400,000
2.060	All Other Financing Sources	3,975,284	4,102,094	4,407,311	5.3%	4,627,000	4,610,000	4,610,000	4,610,000	4,610,000
2.070	Total Other Financing Sources	4,460,284	5,334,863	4,807,311	4.9%	5,027,000	5,010,000	5,010,000	5,010,000	5,010,000
2.080	Total Revenues and Other Financing Sources	71,334,159	72,560,410	78,232,416	4.8%	80,615,796	81,937,336	82,114,927	82,532,518	82,532,518
Expenditures										
3.010	Personal Services	42,043,336	43,299,514	44,184,018	2.5%	44,662,405	47,013,008	48,756,135	50,493,199	50,493,199
3.020	Employees' Retirement/Insurance Benefits	14,995,514	16,122,737	17,152,589	7.0%	18,046,521	17,942,317	18,441,563	19,131,730	19,131,730
3.030	Purchased Services	8,268,212	8,526,569	8,667,224	2.4%	9,052,054	9,348,300	9,541,000	9,752,500	9,752,500
3.040	Supplies and Materials	2,723,511	2,609,259	2,589,574	-2.5%	2,535,553	2,842,400	2,866,150	2,889,900	2,889,900
3.050	Capital Outlay	557,781	521,702	1,175,948	59.5%	2,187,533	1,844,119	1,844,119	1,053,500	1,053,500
3.060	Intergovernmental									
Debt Service:										
4.010	Principal-All (Historical Only)									
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal-HB 264 Loans									
4.055	Principal-Other									
4.060	Interest and Fiscal Charges									
4.300	Other Objects	2,887,064	4,415,753	3,076,049	11.3%	2,579,097	2,952,077	2,952,077	3,053,500	3,053,500
4.500	Total Expenditures	71,475,418	75,495,534	76,845,402	3.7%	79,063,163	81,942,221	84,401,044	86,374,329	86,374,329
Other Financing Uses										
5.010	Operating Transfers-Out	46,000	835,769	38,000	810.7%	223,000	200,000	200,000	200,000	200,000
5.020	Advances-Out	465,000	440,000	400,000	-7.2%	400,000	400,000	400,000	400,000	400,000
5.030	All Other Financing Uses									
5.040	Total Other Financing Uses	511,000	1,275,769	438,000	42.0%	623,000	600,000	600,000	600,000	600,000
5.050	Total Expenditures and Other Financing Uses	71,986,418	76,771,303	77,283,402	3.7%	79,686,163	82,542,221	85,001,044	86,974,329	86,974,329
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	652,259-	4,210,893-	949,014	211.5%	929,633	604,885-	2,886,117-	4,441,811-	4,441,811-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	33,005,084	32,352,825	28,141,932	-7.5%	29,090,946	30,020,579	29,415,694	26,529,577	22,087,766
7.020	Cash Balance June 30	32,352,825	28,141,932	29,090,946	-4.8%	30,020,579	29,415,694	26,529,577	22,087,766	17,645,955
8.010	<i>Estimated Encumbrances June 30</i>	967,492	1,105,353	979,229	1.4%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve	3,450,000	3,450,000	3,625,000	2.5%	3,625,000	3,625,000	3,625,000	3,625,000	3,625,000
9.040	PBA									
9.045	Fiscal Stabilization									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	Subtotal	3,450,000	3,450,000	3,625,000	2.5%	3,625,000	3,625,000	3,625,000	3,625,000	3,625,000
10.010	Fund Balance June 30 for Certification of Appropriations	27,935,333	23,586,579	24,486,717	-5.9%	25,395,579	24,790,694	21,904,577	17,462,766	13,020,955
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	27,935,333	23,586,579	24,486,717	-5.9%	25,395,579	24,790,694	21,904,577	17,462,766	13,020,955
Revenue from New Levies										
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	Cumulative Balance of New Levies									
14.010	Revenue from Future State Advancements									
15.010	Unreserved Fund Balance June 30	27,935,333	23,586,579	24,486,717	-5.9%	25,395,579	24,790,694	21,904,577	17,462,766	13,020,955
ADM Forecasts										
20.010	Kindergarten - October Count	572	516	533	-3.2%	540	540	540	540	540
20.015	Grades 1-12 - October Count	6,264	6,349	6,395	1.0%	6,497	6,497	6,497	6,497	6,497
State Fiscal Stabilization Funds										
21.010	Personal Services SFSF									
21.020	Employees Retirement/Insurance Benefits SFSF									
21.030	Purchased Services SFSF									
21.040	Supplies and Materials SFSF									
21.050	Capital Outlay SFSF									
21.060	Total Expenditures - SFSF									

See accompanying summary of significant forecast assumptions and accounting policies
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt