

## FINANCE & AUDIT COMMITTEE

The following is a summary of the Committee's meeting held on November 27, 2006.

In attendance from the Committee were Chris Bell, David Black, Jeff Boothman, Dimon McFerson, Sue Mahler, Ron Mucha, and Mike Tracy. Also in attendance were School Board members Barry Jamieson and Julie Feasel, district Treasurer Becky Jenkins, and Superintendent Scott Davis.

The Committee welcomed Dimon McFerson, retired CEO of Nationwide Insurance and previous president of the Olentangy Board of Education, as our newest member.

The Committee discussed the pros and cons of a May 2007 operating levy/bond issue package vs. a November 2007 or Spring 2008 operating levy/bond issue package. The comprehensive discussion included both financial and qualitative considerations. As a result of this discussion, the Committee unanimously agreed to make the following recommendation to the Board of Education:

*The Finance & Audit Committee recommends that a school ballot issue not be placed before voters in May, 2007.*

*First, based on the current 5-year forecast, the District is anticipating a positive fund balance through fiscal year 2008. The Olentangy Board of Education has recently stated that it intends to continue its policy of asking the community for money only when it is needed. Therefore there is no urgency in asking voters for a tax increase this May.*

*Second, there are several unknowns for the District right now that make it difficult to determine an appropriate levy amount. This puts the District at risk of asking the community for too much or too little funding. For example, Superintendent Dr. Scott Davis is currently working on a broad-based cost restructuring plan that he will bring to the School Board in the upcoming months that should reduce the next millage request, thus saving taxpayers' money. When those reductions are approved, the District can adjust its forecast to reflect those changes and determine the timing and appropriate amount of the next levy request. Furthermore, within the next few months, the district will know the outcome of the new state budget and how that might affect the financial forecast. Within the next six months the district will know what the new governor and his administration plans to do regarding education, and in one year the district should know the outcome of the proposed constitutional amendment intended to address school funding. All of these factors could affect the millage request made to the community.*

*Finally, with regard to the Development Committee's facilities recommendations for a bond issue, it is our understanding that these facilities can be built as scheduled if put on the ballot at a later date. For planning purposes, postponing the bond issue is not ideal; however, in the interest of not being on the ballot so often coupled with*

*the Board's intention to continue its policy of only asking voters for money when it is needed, we recommend that the bond issue be delayed as well.*

*Therefore, given Olentangy's forecasted positive fund balance and the ability to wait on the facilities' approval, the Finance & Audit Committee recommends that the District not place a school issue on the May 2007 ballot.*

The Committee began discussions regarding types of levies available to the District. The Committee anticipates that the most viable option is a general, continuous levy, which has been approved by the voters and utilized by the District for many years. However, in an effort to make a more informed decision, Becky Jenkins will research specific aspects of an earned income tax and provide this information at our next meeting.

The next meeting of the Committee is set for Wednesday, January 17<sup>th</sup> at 7pm.