

REGULAR SESSION
MAY 18, 2010

LITTLE MIAMI LOCAL SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING
MAY 18, 2010
7:00 P.M.

The Little Miami Board of Education of the Little Miami Local School District, Warren County Ohio met in regular session on May 18, 2010 at 7:00 p.m. in the Little Miami High School Media Center.

Call to Order and Roll Call

Mrs. Dunbar called the meeting to order at 7:05 p.m.

ROLL CALL:

Mrs. Grice	Present
Mr. Cremeans	Present
Mrs. Black	Present
Mrs. Hamburg	Present
Mrs. Dunbar	Present

Others in attendance were: Dan Bennett, Shaun Bevan, Greg Power, Pam Coates, Bill Maynor, Bob McAndrews, Troy McAndrews, Gary Boeres.

Resolution 10-58 Adopt the Agenda as Amended

Mrs. Grice moved and Mr. Cremeans seconded a motion to adopt the agenda as amended.

ROLL CALL VOTE:

Mrs. Grice	Yes
Mr. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes

MOTION CARRIED.

Resolution 10-59 Reading of Minutes

Mrs. Grice moved and Mr. Cremeans seconded a motion to approve the minutes of the April 20, 2010 regular session, the minutes of the May 5, 2010 Special Session, and the minutes of the May 8, 2010 special session.

ROLL CALL VOTE:

Mr. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes

MOTION CARRIED.

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Executive Session

Mr. Cremeans moved and Mrs. Black seconded a motion for the Board to enter into executive session.

ROLL CALL VOTE:

Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mr. Cremeans	Yes

MOTION CARRIED

The Board entered into executive session at 7:08 p.m.

Return to regular session

Mrs. Grice moved and Mrs. Hamburg seconded a motion to return to regular session.

ROLL CALL VOTE:

Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mr. Cremeans	Yes
Mrs. Black	Yes

MOTION CARRIED

The Board returned to regular session at 7:46 p.m.

Communications and/or Visitors to the Board

Mr. David Griggs updated the Board with the need for volunteers and donations for the Support Little Miami Schools November campaign.

Resolution 10- 60 Financial Reports

Mrs. Hamburg moved and Mr. Cremeans seconded a motion to approve the financial reports for April 2010.

ROLL CALL VOTE:

Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mrs. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes

MOTION CARRIED

Resolution 10-61 Contracts

Mrs. Hamburg moved and Mrs. Grice seconded a motion to approve the submitted contract with Aramark Entertainment services in the amount of \$14,608.40 for the purpose of the High School Prom with no cost to the district.

ROLL CALL:

Mrs. Grice	Yes
Mr. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes

MOTION CARRIED

Resolution 10-62 Authorizing the Transfer of Funds from the General Fund to the EMIS Fund

Mrs. Grice moved and Mr. Cremeans seconded a motion to approve the submitted resolution authorizing the transfer of funds from the General Fund to the EMIS Fund:

RESOLUTION 10-62

A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE FOLLOWING FUNDS

WHEREAS, in the interest of reconciling finances, the Treasurer has recommended that a transfer of funds be made by the Board of Education of the Little Miami Local School District (hereafter the "Board"); and

WHEREAS, the Treasurer has requested that the amount of \$5,000 be transferred from the General Fund (001) to the EMIS fund (Fund 432) for purposes of short term cash needs.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE LITTLE MIAMI LOCAL SCHOOL DISTRICT, as follows:

SECTION I

The Board hereby authorizes and approves the transfer of funds in the amount of \$5,000 from the General Fund (001) to the EMIS Fund (432) for the purpose(s) as stated above.

SECTION II

The Treasurer is authorized and directed to take all action necessary to implement this Resolution.

SECTION III

It is found and determined that all formal actions of this Board concerning or related to the adoption of this Resolution were adopted in an open meeting of this Board, and all deliberations of this Board and any of its committees that resulted in such formal actions were adopted in meetings open to the public, in compliance with all applicable requirements of the Ohio Revised Code.

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WHEREAS, the fiscal officer of this school district has heretofore certified to this board of education the estimated life of the permanent improvements hereinafter described as exceeding five (5) years and has further certified the weighted average maximum maturity of said bonds as twenty-eight (28) years; and

WHEREAS, this board of education previously issued its \$56,249,938.15 School Improvement Unlimited Tax General Obligation Bonds, Series 2006, dated as of June 29, 2006 (the "2006 Bonds") in order to get the various projects underway; and

WHEREAS, this board of education previously issued the remaining \$6,250,000 principal amount of bonds authorized by the voters in the form of bond anticipation notes; and

WHEREAS, said notes in the principal amount of \$5,990,000 are about to mature and should be renewed in the reduced principal amount of not to exceed \$5,980,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Little Miami Local School District, Warren and Clermont, Ohio:

SECTION 1. That it is necessary to issue and sell bonds of this board of education in a principal sum of not to exceed \$5,980,000 for the purpose of new construction, improvements, renovations and additions to school facilities, the acquisition of real property, providing equipment, furnishings, transportation equipment, communication technology improvements and site improvements therefor, including "financing costs" as defined in Section 133.01 of the Ohio Revised Code, under authority of and pursuant to the general laws of the State of Ohio, particularly Chapter 133 of the Ohio Revised Code.

SECTION 2. That bonds of this board of education shall be issued in said principal sum of not to exceed \$5,980,000 for the above-described permanent improvements under authority of the general laws of the State of Ohio, particularly the Uniform Public Securities Law of the Ohio Revised Code. Said bonds shall be dated approximately June 1, 2011, shall bear interest at a rate now estimated at five per centum (5%) per annum, and shall mature in substantially equal semiannual or annual installments over a period not exceeding twenty-eight (28) years after their issuance.

SECTION 3. That notes of this board of education shall be issued in anticipation of the issuance of said bonds in the principal sum of not to exceed \$5,980,000, which does not exceed the amount of the bonds remaining to be issued for the purpose aforesaid, under authority of the general laws of the State of Ohio, particularly the Uniform Public Securities Law of the Ohio Revised Code. Said notes shall be dated the date of issuance, shall bear interest at a rate of interest not to exceed five percent (5%) per annum as determined by the treasurer after negotiation (as evidenced by his execution of the notes) and without further action by this board of education, payable at maturity, and shall mature not later than twelve (12) months after the date of issuance. The notes shall be of such number and denomination as may be requested by the purchaser thereof, provided that the minimum denomination of the notes is \$5,000.

SECTION 4. That said notes shall specify on their faces the purpose for which they are issued and that they are issued in pursuance of this resolution and under authority of the general

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laws of the State of Ohio, particularly the Uniform Public Securities Law of the Ohio Revised Code. The notes shall be signed by the president and treasurer of this board of education, shall be designated "School Improvement Unlimited Tax General Obligation Bond Anticipation Notes, Series 2010", and shall be payable at such bank or trust company as is designated by the treasurer of this board of education.

The treasurer of the board of education is hereby authorized, if he determines that it would be in the best interest of the board of education, to issue the notes on a "book-entry-only" basis and to execute and deliver a letter of representation to The Depository Trust Company on behalf of the board of education in connection therewith.

SECTION 5. That said notes shall be sold to Fifth Third Securities, Inc., Cincinnati, Ohio (the "Underwriters"), in accordance with its offer to purchase. The treasurer is hereby authorized to execute a contract of purchase with the Underwriters. The proceeds from the sale of said notes, except the premium and accrued interest, shall be used for the purpose aforesaid and for no other purpose; and any premium or accrued interest shall be transferred to the bond retirement fund to be applied to the payment of the principal of and interest on said notes in the manner provided by law.

SECTION 6. That said notes shall be the full general obligation of this board of education, and the full faith, credit and revenue of this board of education are hereby irrevocably pledged for the prompt payment of the principal and interest at maturity. The par or discounted value to be received from the sale of the bonds anticipated by said notes and any excess funds resulting from the issuance of said notes, shall, to the extent necessary, be used only for the retirement of said notes at maturity, together with interest thereon, and are hereby pledged for such purpose.

SECTION 7. That for the purposes of providing the necessary funds to pay the interest on and to retire said notes promptly when and as the same fall due, during the year or years while such notes run, there shall be levied on all taxable property in this school district in addition to all other taxes, a direct tax annually not less than that which would have been levied if bonds had been issued without the prior issue of said notes.

That said tax shall be and is hereby 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 said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which shall be irrevocably pledged for the payment of the interest on and principal of said notes, or the bonds in anticipation of which said notes are issued, when and as the same fall due.

SECTION 8. That this board of education, for and on behalf of the Little Miami Local School District, hereby covenants that it will restrict the use of the proceeds of the notes hereby authorized in such manner and to such extent, if any, and take such other action as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligation the interest on which is subject to federal income taxation

or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. The treasurer, or any other officer having responsibility with respect to the issuance of the notes, is authorized and directed to give an appropriate certificate on behalf of the school district, on the date of delivery of the notes, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder. The notes are "qualified tax-exempt obligations" for the purposes set forth in Section 265(b)(3) of the Code.

SECTION 9. That the treasurer is directed to cause the distribution of a Preliminary Official Statement similar in form to the form of the Preliminary Official Statement now on file in the office of the treasurer. The form of Preliminary Official Statement relating to the notes and the distribution thereof are hereby authorized, approved, ratified and confirmed. The Preliminary Official Statement is hereby deemed "final" for purposes of Securities and Exchange Commission Rule 15c2-12, but is subject to completion or amendment in accordance with such Rule in a final Official Statement. The proposed form of Official Statement relating to the notes and distribution thereof by the Underwriters, are hereby authorized and approved. The treasurer is hereby authorized to execute and deliver the final Official Statement on behalf of the board of education, which shall be deemed to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12, his execution thereof on behalf of the board of education to be conclusive evidence of such authorization, approval and finality. The treasurer is authorized to apply for a rating on the notes from a municipal bond rating agency and execute such documents or provide such information as may be requested by the rating agency, if doing so is determined by the treasurer to be in the best financial interests of the school district.

SECTION 10. That it is hereby determined that all acts, conditions and things necessary to be done precedent to and in the issuance of said notes in order to make the same legal, valid and binding general obligation of this board of education, have been done, have happened and have been performed in regular and due form as required by law, and that the said issue of the notes and the tax for the payment of the principal and interest as the same fall due and are payable do not exceed any limitations in indebtedness or taxation as fixed by law.

SECTION 11. That the treasurer of this board of education be and is hereby directed to forward a certified copy of this resolution to the County Auditor of each county in which this school district is located, as required by law.

SECTION 12. That it is found and determined that all formal actions of this board of education concerning and relating to the adoption of this resolution were adopted in an open meeting of this board of education, and that all deliberations of this board of education and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all the law.

Mr. Cremeans seconded the motion and the roll being called upon the question of adoption of the resolution, the vote resulted as follows:

AYE: 5 NAY: 0

ADOPTED this 18th day of May, 2010.

Treasurer

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution adopted on the 18th day of May, 2010, and a true and correct copy of excerpts from the minutes of the meeting at which said resolution was adopted, to the extent pertinent to consideration and adoption thereof. The undersigned further certifies that a true and correct copy of said resolution was certified to the Warren County Auditor on the _____ day of _____, 2010.

Treasurer

RECEIPT

The undersigned hereby acknowledges receipt on this date of a certified copy of the foregoing resolution.

Warren County Auditor

Dated: _____, 2010

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CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution adopted on the 18th day of May, 2010, and a true and correct copy of excerpts from the minutes of the meeting at which said resolution was adopted, to the extent pertinent to consideration and adoption thereof. The undersigned further certifies that a true and correct copy of said resolution was certified to the Clermont County Auditor on the _____ day of _____, 2010.

Treasurer

RECEIPT

The undersigned hereby acknowledges receipt on this date of a certified copy of the foregoing resolution.

Clermont County Auditor

Dated: _____, 2010

ROLL CALL VOTE:

Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mr. Cremeans	Yes

MOTION CARRIED

Resolution 10-64 Determining to Proceed to Levy Taxes in Excess of the Ten-Mill Limitation

Mrs. Grice moved and Mrs. Hamburg seconded a motion to proceed adopt the resolution to levy taxes in excess of the ten-mill limitation

The Board of Education of the Little Miami Local School District, Counties of Warren and Clermont, Ohio, met in Regular session at 7:00 p.m., on the 18th day of May, 2010, at the Little Miami High School Media Center, Morrow, Ohio, with the following members present:

Mrs. Kym Dunbar – President
Mrs. Mary Beth Hamburg – Vice President
Mrs. Bobbie Grice – Member
Mr. Michael Cremeans – Member
Mrs. Stephanie Black - Member

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Mrs. Grice moved the adoption of the following resolution:

LITTLE MIAMI LOCAL SCHOOL DISTRICT

RESOLUTION NUMBER: 10-64

RESOLUTION DETERMINING TO PROCEED
TO LEVY TAXES IN EXCESS OF
THE TEN-MILL LIMITATION

WHEREAS, this Board of Education has heretofore declared the necessity of levying taxes in excess of the ten-mill limitation for the benefit of this School District pursuant to the provisions of Section 5705.213 of the Ohio Revised Code for current expenses; and

WHEREAS, pursuant to Section 5705.03 of the Ohio Revised Code, this Board of Education has heretofore certified to the Warren County Auditor a Resolution requesting the County Auditor to certify to this Board of Education the total current tax valuation of this School District and the dollar amount of revenue that would be generated by the phasing-in of the incremental tax levies as specified in such Resolution, and this Board of Education has received the certification of the County Auditor;

NOW THEREFORE BE IT RESOLVED by the Board of Education of the Little Miami Local School District, Counties of Warren and Clermont, Ohio, two-thirds of all the members elected thereto concurring:

SECTION 1. That pursuant to the provisions of Section 5705.213 of the Ohio Revised Code, this Board of Education has heretofore declared it is necessary to levy additional taxes in excess of the ten-mill limitation for current expenses over a period of five years as follows:

The original tax shall be initially levied in tax year 2010, collection year 2011, at an amount not exceeding \$8,318,485 and shall remain in effect for a period of five years.

The first incremental tax shall be in the amount of \$1,139,519, which is one and fifty hundredths mills (1.50) mills for each one dollar (\$1.00) of valuation, which amounts to fifteen cents (\$0.150) for each one hundred dollars (\$100.00) of valuation and shall remain in effect for a period of four years.

The second incremental tax shall be in the amount of \$1,139,519, which is one and fifty hundredths mills (1.50) mills for each one dollar (\$1.00) of valuation, which amounts to fifteen cents (\$0.150) for each one hundred dollars (\$100.00) of valuation and shall remain in effect for a period of three years.

The third incremental tax shall be in the amount of \$1,139,519, which is one and fifty hundredths mills (1.50) mills for each one dollar (\$1.00) of valuation, which amounts to fifteen cents (\$0.150) for each one hundred dollars (\$100.00) of valuation and shall remain in effect for a period of two years.

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The fourth incremental tax shall be in the amount of \$1,139,519, which is one and fifty hundredths mills (1.50) mills for each one dollar (\$1.00) of valuation, which amounts to fifteen cents (\$0.150) for each one hundred dollars (\$100.00) of valuation and shall remain in effect for a period of one year.

The year 2010 shall be the year in which the original tax shall be levied, for first collection in 2011. The year 2011 shall be the year in which the first incremental tax shall be levied, for first collection in 2012. The year 2012 shall be the year in which the second incremental tax shall be levied, for first collection in 2013. The year 2013 shall be the year in which the third incremental tax shall be levied, for first collection in 2014. The year 2014 shall be the year in which the fourth incremental tax shall be levied, for first collection in 2015.

SECTION 2. That the question of the adoption of said taxes shall be submitted to the electors of the school district at the election to be held on November 2, 2010.

SECTION 3. That the form of the ballot to be used at said election shall be substantially as follows:

PROPOSED TAX LEVY

LITTLE MIAMI LOCAL SCHOOL DISTRICT

A majority affirmative vote is NECESSARY FOR PASSAGE

Shall the Board of Education of the Little Miami Local School District, Counties of Warren and Clermont, Ohio be authorized to levy the following tax for CURRENT EXPENSES? The tax will first be levied commencing in 2010, first due in calendar year 2011 to raise \$6,057,900. In the four following years, the tax will increase by not more than \$952,500 each year, so that, during 2013, the tax will raise approximately \$9,867,900. The county auditor estimates that the rate of the tax per dollar of valuation will be ten and ninety-five hundredths (10.95) mills, which amounts to seventy-nine and five tenths cents (\$0.795) for each one hundred dollars (\$100.00) of valuation during 2009, and twelve and ninety-five hundredths (12.95) mills, which amounts to one dollar and twenty-nine and five-tenths cents (\$1.295) for each one hundred dollars (\$100.00) of valuation during 2013. The tax will not be levied after 2013.

"	"		"
"	"	FOR THE TAX LEVIES	"
"	"		"
"	"		"
"	"	AGAINST THE TAX LEVIES	"
"	"		"

SECTION 4. That the treasurer of this board of education be and is hereby directed to certify a copy of this resolution to the board of elections, not later than four o'clock (4:00) p.m. of the seventy-fifth (75th) day before the date of said election and to notify said board of elections to cause notice of the election on the question of levying said taxes to be given as required by law.

SECTION 5. That it is found and determined that all formal actions of this board of education concerning and relating to the adoption of this resolution were adopted in an open meeting of this board of education; and that all deliberations of this board of education and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Mrs. Hamburg seconded the motion, and the roll being called upon the question of adoption of the resolution, the vote resulted as follows:

AYE: Mrs. Hamburg Mrs. Dunbar Mrs. Grice Mr. Cremeans

NAY: Mrs. Black

ADOPTED this 18th day of May, 2010.

Treasurer

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CERTIFICATE

The undersigned hereby certifies that the text of the foregoing resolution is taken and copied from the record of proceedings of a meeting of said board of education held on May 18, 2010. The undersigned further certifies that the same has been compared by me with said record and it is a true and correct copy thereof, together with a true and correct copy of excerpts from the minutes of said meeting to the extent pertinent to the consideration and adoption of said resolution.

Treasurer

RECEIPT

The undersigned hereby acknowledges receipt this date of a certified copy of the foregoing resolution.

Director of Elections

Dated: May ___, 2010

112979/TAW/skk

Joint Economic Development District

This item was tabled from the agenda

Resolution 10-65 Resolution Authorizing the Little Miami School District to execute a window replacement contract per the HB 264 Energy Conservation Project.

Mrs. Dunbar moved and Mr. Cremeans seconded a motion to adopt the following resolution:

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
BOARD OF EDUCATION**

RESOLUTION NO. 10-65

**A RESOLUTION EXPRESSING INTENT TO REJECT
ALL BIDS RECEIVED RELATED TO THE WINDOW
REPLACEMENT PROJECT FOR THE SALEM AND HAMILTON-MAINEVILLE
ELEMENTARY SCHOOLS AND TO PROCEED WITH THE PROJECT PURSUANT
TO ORC § 3313.672**

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WHEREAS, the Little Miami Local School District Board of Education, County of Clermont, Ohio, has authorized the commencement of the bidding process, including the advertisement for bids for window replacements for the Salem and Hamilton-Maineville Elementary Schools (hereafter "Project"), all actions done in accordance with all applicable Ohio Revised Code provisions;

WHEREAS, bidding for said Projects was commenced in accordance with the provisions of Ohio Revised Code § 3313.46; and

WHEREAS, bids for the Project were received; and

WHEREAS, it has been recommended to the Board that all bids be rejected and that the Project be pursued as an energy conservation project pursuant to § 3313.672; and

WHEREAS, the Project qualifies as an "energy conservation measure" as defined by Ohio Revised Code § 3313.672, and

WHEREAS, energy conservation measures are exempted from the competitive bidding requirements of Ohio Revised Code § 3313.46;

NOW, THEREFORE, BE IT RESOLVED, by the Little Miami Local School District Board of Education, after careful consideration and evaluation of the information before it:

- Section 1. The Board of Education hereby accepts the recommendation and rejects all bids received.
- Section 2. The Treasurer is hereby directed to solicit proposals for the project and to take all necessary steps to obtain such proposals.
- Section 3. Having previously obtained approval from the Ohio School Facilities Commission for this energy conservation project, upon receiving a proposal which the Treasurer believes will be in the best interests of the Board of Education, the Superintendent and Treasurer are hereby authorized to enter into an installment payment contract on behalf of the Board for the purposes of financing the energy conservation measures, in accordance with the provisions of Ohio Revised Code sections 3313.672, 3313.673 and 133.06. This contract shall be presented to the Board for ratification at the meeting following its execution.
- Section 4. Pursuant to Ohio Revised Code § 3313.46, it is found and determined that the bidding requirements contained therein are inapplicable to the work to be performed in connection with the energy conservation measures, and are hereby waived.
- Section 5. That this Board hereby finds and determines that all formal actions relative to the adoption of this resolution were taken in an open meeting of this Board; and that all deliberations of this Board and its committees, if any, which resulted in formal

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action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including § 121.22 of the Ohio Revised Code.

Section 6. This resolution shall be in full force and effect from and immediately after its adoption.

Mrs. Dunbar moved and Mr. Cremeans seconded the motion that the above resolution be adopted.

AYE: Mrs. Dunbar Mrs. Grice Mr. Cremeans Mrs. Black Mrs. Hamburg

NAY:

ADOPTED this 18th day of May, 2010.

Treasurer

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution adopted at a meeting held on the 18th day of May, 2010, together with a true and correct extract from the minutes of said meeting to the extent pertinent to consideration and adoption of said resolution.

Treasurer

Resolution 10-66 Five Year Forecast

Mrs. Hamburg moved and Mrs. Black seconded a motion to adopt the submitted five year forecast as submitted by the Treasurer:

Five Year Forecast Footnotes/Assumptions

General Fund Only

Little Miami Local SD

Updated 5/13/10

The attached General Fund forecast is based upon years of historical data and a list of assumptions for revenues and expenditures for the five-year period July 1, 2009 through June 30, 2014. This forecast is adopted with the knowledge that it is a work-in progress and with the understanding that it has been adjusted for all relevant factors that the Board is aware of as of 5/13/10. The following revenue and expenditure assumptions are critical to the reader's understanding and use of this five-year forecast.

A series of assumptions were developed in order to arrive at the individual income and expense amounts presented. **These assumptions are based upon information known at the time the**

projections were developed and will lose some of their validity as we project further into the future. Extra caution is urged when analyzing the out years of these fiscal projections. Because we are attempting to look four years into the future, several significant assumptions were made that have a significant impact on the bottom line. For example, we assumed a 0% base salary raises for all staff for each of the 5 years in the forecast. There were also revenue assumptions made regarding state funding. Little Miami will receive approximately 33% of its total revenues from the state's basic aid formula in FY2010, with an additional 2% coming from federal stimulus dollars that are part of the state foundation formula for FY'10 and FY'11.

The current state budget was adopted in HB1 in July 2009 and runs through 6/30/11. Significant changes were made to the school funding formula in this bill. However, the next 2 years call for a 1% decrease and 2% decrease respectively in state funding.

In addition, assumptions are made with regard to changes in assessed property value (both real and personal tangible). The assumptions made with regard to state funding and property values significantly affect this forecast, and are made based on information known to the best of the district's knowledge as of 5/13/10.

As we look into the future and try to successfully manage the district's budget, we try to do so while knowing that some items in a school district's budget are controllable, while others are not. For example:

Non-Controllable Budget Variables:

- Inflation
- Student Enrollment
- Judicial Actions
- Legislative Actions
- Other (Natural Disaster, etc.)

Controllable Budget Variables:

- Staffing Levels (Some Legislative Restrictions)
- Salaries (Some Legislative Restrictions)
- Program Offerings (Some Legislative Restrictions)
- Transportation Services (Some Legislative Restrictions)
- Discretionary Spending (Approximately 5% of Budget)

REVENUE ASSUMPTIONS:

REAL ESTATE VALUE ASSUMPTIONS:

Property values are established each year by the County Auditor based on new construction and property value reappraisals or updates. Due to the Triennial Update/Reappraisal, property values are reappraised every 6 years, with a valuation update being performed in the third year between each reappraisal. The Little Miami Local School District encompasses parts of two counties; Warren and Clermont, with the lion share of value coming from Warren County. Of the total property valuation of the district, Warren County property values account for approximately 99%.

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The current economy is having a significant impact on the anticipated local tax revenues for the district. Historical property valuation increases are extremely different than what the district is projecting going forward. This difference is due to the downturn in economic climate from one or two years ago to today. A triennial update took place in calendar year 2009 for collection in calendar year 2010 in Warren County. The result was an 8.37% *decrease* in property valuation (compared with the last triennial update at a 13.7% *increase* in 2003). A property value reappraisal took place in Warren County in calendar year 2006 for collection in calendar year 2007 and will take place again in 2012. The 2012 reappraisal is anticipated to result in a 3% increase in property valuation (the last 2 reappraisals in 2000 and 2006 resulted in an average increase of 16.45%). In addition, new construction is anticipated to add only 1% per year into the future. This is down from the 9.42% average annual increase over the past 10 years. These expected valuation changes have been factored into the projection for district property values and the related property tax revenues.

For tax year 2009 (collection year 2010), Little Miami Local SD has full voted operating revenue millage of 31.74 mills on residential/agricultural and commercial/industrial property. However, due to the rollback effects of H.B. 920, the district is collecting property taxes for operating revenue at an effective rate of 22.1 effective mills. This is a change from tax years 2006-2008. In those 3 years, LM was at 20 mills, which is the floor/minimum in Ohio. The increase of 2.1 mills became effective in tax year 2009 (collection year 2010) as a result of the 8.37% decrease in property valuation from the 2009 triennial update. Due to the effect of HB 920, as property values increase, millage rates decrease (down to a minimum of 20 mills) in Ohio. For 2009, the opposite effect took place. As property values decreased, millage rates increased (from 20 mills to 22.1 mills). This did NOT increase the amount of revenue the district is receiving. To the contrary, the net result of the decrease in property value (even after the increase in millage) was that the district actually lost approximately \$100K in revenue per year to the general fund.

INCOME OR EARNINGS TAX:

Little Miami Local School District does not collect any income or earnings taxes.

OTHER LOCAL REVENUES:

The district receives other revenue from local sources, including interest income.

Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period and as market interest rates change. Funds are invested in low-risk investments. Predominately, the district's investments consist of government agency bonds, commercial paper that receives the highest rating possible, and certificates of deposit and interest bearing sweep accounts. Security of the public funds collected by the district is the top priority of the treasurer's office.

STATE REVENUE ESTIMATES:

State Foundation Revenue PASS Form:

As noted above, the state foundation aid calculation for schools changed significantly with the passage of HB1 in July 2009. The previous form, the SF-3, calculated funding on a per-pupil basis. The new formula is derived from the Governor's Evidenced Based Model (EBM) of

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funding and utilizes a form referred to as the PASS (Pathway to Student Success) form. This new model calls for the use of inputs/factors based on the number of students in various grade levels. For example, the formula suggests certain “optimal” levels of number of students per “organizational unit” or building. The factors include variables such as number of core teachers, counselors, administrators, secretaries, etc. amongst many other variables. It then multiplies each of those factors by a certain funding amount to determine the state aid for each school district.

As calculated per the provisions set forth in HB1, Little Miami Local SD’s Unrestricted State Grants revenue is primarily driven by four factors:

1. Student Enrollment
2. The variables including those mentioned above and more
3. Property Valuation
4. Operating on the funding “formula” vs. the funding “guarantee”

Another new provision in the PASS form is the use of caps. Districts cannot increase in revenue more than 0.75%, and they cannot decrease in revenue more than 1% in FY2010 and more than 2% in FY2011. Current versions of the PASS form show that Little Miami will decrease in state funding at the maximum allowable, 1% (or \$101K) in FY2010 and 2% (or \$202K) in FY2011. These estimates have been factored into the current 5 year forecast.

Up until the current 2009-2010 school year, the district’s Student Enrollment had been growing at a varied rate between 4.67% and 8.02% per year over the past 6 years. With the loss of services and a couple neighboring districts moving to Open Enrollment, the district’s enrollment growth is at 20 new students for FY2010. Beyond FY’10, the district is projecting 0% growth per year in enrollment for future years due to the current status of the district. Enrollment growth will most likely start again at some point in the future, but that will partially depend on how soon the district gets back on its feet financially.

The Property Valuation of the district has been projected based on data currently known, such as impact of the 2009 Triennial Update and future estimates of new construction. See the Real Estate Value Assumptions section above for more discussion.

With the continued troubles/shortfalls in the State of Ohio budget, the burden of funding is expected to continue shifting more toward the local taxpayer. Little Miami is collecting taxes at an effective rate of 22.1 mills.

Starting in FY2012, the district is anticipating a 15% decrease in state funding, with flat funding beyond that time.

Again, it is very important to note that the projections in this 5 year forecast are based on **estimates and assumptions** that are made to the best of the district’s knowledge as of 5/13/10. It is impossible to predict with certainty what the district’s financial picture will look like 3-5 years out.

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Bottom line: Many in the education community have applauded the new funding formula being used by the Ohio legislature and ODE. The formula appears to have created a vision of what it takes to provide funding for Ohio school districts that will support excellent educational opportunities for the next generation of Ohioans. At the same time, the challenge appears to be coming up with the revenues needed at the state level to provide enough dollars to fund the new formula. This is yet to be seen and only time will tell if there will be enough dollars available at the state level to fund this new formula in the next biennium, which begins July 1, 2011.

All of these factors will influence Little Miami's State Foundation revenue in the future. The district's State Foundation formulas and information can be found on the ODE website.

OTHER REVENUES:

The district anticipates multiple sources of other revenue in this forecast. The first source comes from the state and is in the form of reimbursement for property tax exemptions and rollbacks. This includes the Homestead exemption and the 10% rollback and 2.5% rollback that local taxpayers receive as a "discount" on their property taxes that the state then picks up the tab and reimburses local school districts for this loss. This is anticipated to amount to approx. \$2.6 million in FY'10 and will change as district property valuations change. The next source of other revenues is from investment earnings. The district anticipates receiving investment earnings based upon the amount of cash the district has on hand over the next 5 years.

EXPENDITURE ASSUMPTIONS

Little Miami Local School District is in the finishing stages of a locally funded construction project after a \$62.5 million bond issue was passed in May 2006. This project includes a new Junior High School, new Intermediate School, additions to the existing High School, and renovations to other Elementary buildings within the district. The renovations began in FY2008 and are anticipated to continue through FY2011. The High School addition opened in August 2008 (adding 64,499 sq. ft), while the new Junior High School (114,200 sq. ft) and Intermediate School (109,148 sq. ft) opened in September 2009. These new buildings are expected to have an effect on the district's operating expenses beginning in FY2008 and beyond. These anticipated effects have been factored into this 5 year forecast.

In addition, the operating tax levies that were on the ballot in November 2008, May 2009, November, 2009, February 2010, and May 2010 did not pass. As a result, the district further reduced operating expenses to the general fund for the 2009-2010 school year. These savings include reductions in staff, transportation services, building closures (Morrow ES and Butlerville ES), and pay to participate fees for extra curricular activities. Expense reductions will be expanded on below.

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WAGES:

The district employs 3 groups of employees; certified, classified, and exempted employees. The certified staff is represented by LMTA, the classified staff is represented by OASPE Local 516, and the exempted staff do not work with a labor union.

The labor employment contract with the classified staff (OAPSE) runs through the current fiscal year 2010. The contract for the certified staff (LMTA) expired 12/31/109. As of this writing, contract negotiations had not yet been finalized.

Annual base salary increases for FY'10 are assumed to be 0%. Commitments for FY2011 and beyond will be negotiated between the Board and labor unions. A 0% base salary increase is assumed for FY11 - FY'14 for LMTA, OAPSE, and Exempted staff.

In addition to these base salary increases, the district also pays step increases, which have been calculated at approximately 2.43%. As noted above, contract negotiations with the LMTA staff have not yet been finalized.

As noted above, the district is growing at a relatively rapid pace up until the current FY'10, increasing enrollment by between 4.67% and 8.02% over the past 6 years up. Along with this growth comes a need for additional teaching, classroom, and administrative staff. However, with the current financial condition, no additional teaching or administrative staff have been budgeted for the next 5 years.

All of the above factors play into the anticipated wage increases in this 5 year forecast. The staffing additions/deletions assumptions included in this forecast are as follows:

Additions:

- 0 new teachers per year for FY'10 – FY'14
- 1.5 new special education aides per year for FY'10 – FY'14 due to increased numbers of special education students and the requirements in the law to provide services for them.

Subtractions:

- 1 Intermediate School Principal retired and was not replaced at the end of FY'09
- The Transportation Supervisor retired 12/31/08 and an office position was not replaced

Reductions in Force (RIF) and future Subtractions after May 2009 Levy failure:

- Certified Staff:
 - Eliminate 8 new teaching staff for FY2010
 - Eliminate 8 new teaching staff for FY2011
 - Eliminate 34 existing teaching staff positions effective summer 2009 for FY2010
- Administrative/Exempted Staff:
 - 1 Central Office Secretary
 - 1 Instructional Technology staff
 - 1 Community Relations Coordinator

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- 1 Technology support staff position was eliminated in December 2008 through attrition
- 1 Treasurer's Office staff
- 1 Central Registrar/EMIS
- Classified/Support Staff:
 - 1 District/Facilities Scheduler
 - 4 Building/Department Secretaries
 - 9 Instructional Aides
 - 6 Bus Drivers and a decrease in insurances for 16 additional drivers due to their move to part time status (all due to elimination of HS busing and busing within 2 miles)
 - 2.5 Custodial positions have been eliminated effective 1/1/09 through attrition and an every other day cleaning schedule at some buildings
 - 2 Maintenance positions have been eliminated effective 8/1/09 through attrition

Additional reductions were made after the November, 2009 levy failure. These include RIF for all district library aides, and not replacing the Director of Curriculum & Instruction after this person left the district 1/1/10.

Furthermore, the district underwent a Performance Audit by the Ohio Auditor of State's office over the past few months. This report suggests that the district is currently operating at state minimum in most areas. So, the amount of items that can be cut has been significantly reduced.

FRINGE BENEFITS:

The two primary components of fringe benefits are medical insurance and retirement costs. The district provides full or partial coverage for medical, dental, vision, and life insurance.

STRS/SERS and Medicare costs are calculated as a flat percentage of wages. Medical insurance costs and increases vary year to year as a result of various factors (claims, changes in coverage, etc.).

The reductions in medical insurances, STRS/SERS charges, and Medicare charges that resulted from the staff reductions identified above have all been factored into the forecast.

Effective January 1, 2007, the certified staff changed insurance plans from a traditional fully insured plan to a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA). This change has made a positive impact on lowering the district's health insurance premiums not only for 2007 but also for years to come. The Certified, Administrative, and Exempted staff plan has a \$4,000 deductible for the family plan and a \$2,300 deductible for the single plan.

Effective March 1, 2009, the OAPSE Local 516 also changed insurance plans from a fully insured plan to a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA). This change also is anticipated to make a positive impact on lowering premiums for years to

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come. The Classified/OAPSE staff plan has a \$3,000 deductible for the family plan and a \$1,500 deductible for the single plan.

The district's medical insurance renews on January 1st each year. Effective 1/1/09, the district changed insurance carriers from Humana to Anthem. This move, in conjunction with the OAPSE staff moving to the HSA plan, enabled the district to realize a *decrease* of 1% in health insurance premiums.

After the premium rates were introduced by Anthem, they came back to the district and noted an error in their premium rate calculations had occurred. This error by Anthem, in addition to high medical claims in 2009, resulted in an increase of premiums by 48% for calendar year 2010. Once the district gets beyond this error and increase, annual premium increases are expected to return to trend at 13% per year.

The previous LMTA contract included Board contributions to the certified staff's Health Savings Accounts. The previous contributions are being carried forward until a new contract is settled. These contributions are as follows:

Type	2009
Family	\$1,000
Single	\$800

The OAPSE contract includes Board contributions to the certified staff's Health Savings Accounts, and was only a 1 year contract. These contributions are as follows:

Type	2009
Family	\$2,000
Single	\$1,100

These contributions have been factored into the total cost of health insurances in this forecast as well.

Per STRS/SERS guidelines, Little Miami pays 14% of each employee's wages into the applicable retirement system (STRS or SERS), and pays the employee share (10%) for some exempted employees as well. This percentage has been projected to remain the same for the upcoming years for purposes of this forecast. Medicare is calculated at 1.45% of wages and has been projected to continue at that rate. In addition, worker's compensation premiums have been estimated between 0.8% and 1.15% of wages, depending on the year.

PURCHASED SERVICES:

Purchased services include services such as utilities, repairs, tuition and many others. The district estimates spending \$4.5 million in FY'10 and \$8.1 million in FY'11. These estimates include annual, inflationary increases of 5%.

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As stated above, the district opened 2 new buildings (LMJH and LMIS) for the 2009-2010 school-year and closed 2 older buildings (Morrow ES and Butlerville ES). Utility cost estimates have been included for the new buildings and cost savings have been included from closing the older buildings.

Tuition is paid to other districts for LM students that desire to attend elsewhere through open enrollment or to Community Schools. Little Miami does not allow students to attend the district via open enrollment, and therefore, only loses revenues and does not gain them due to open enrollment. The district paid out \$161K for open enrollment and \$649K for Community School tuition in FY'09 (last year). Historically, these costs have grown annually, but the increase for FY'10 was larger than usual. Current projections from ODE based on FY'10 enrollment data show the district paying out \$604K for open enrollment and \$859K for community schools. When the two are combined, this is a year over year increase of \$653K. This cost increase is reflected in the forecast.

The district received an energy conservation loan in FY'08 to construct and implement permanent improvements throughout the district. These proceeds must be spent within 3 years. These improvements include roof replacements, the implementation of new heating/cooling units, and replacement of windows in the district's older facilities at Maineville ES and the Welch Road building, which is now Salem Township ES. The large increase in costs from FY'10 to FY'11 is due to the fact that the district will expend the dollars on these improvements in FY'11, which is within the required 3 year period.

SUPPLIES & MATERIALS:

Supplies and materials include teacher resources, student supplies, maintenance supplies, fuel and many other items. Little Miami expects to spend approximately \$861K in FY'10 and \$905K FY'11. The district expects inflationary increases in expenses of 5% per year through FY'14.

CAPITAL OUTLAY:

Capital outlay expenses include expenses for any item that has a useful life of 5 years or greater, including equipment, technology, school buses, etc. The district is required to spend a minimum amount on capital outlay each year. This minimum is calculated by ODE based on the requirements of S.B. 345. The minimum amount required for Little Miami for FY'10 is approximately \$664,000 and is expected to increase slightly each year going forward. If this amount is not met, the district carries either a balance or deficit from year to year. However, the district also has a Permanent Improvements Fund and anticipates that these amounts will be met and spent out of the P/I Fund rather than the General Fund. Therefore, these expenses are not included in this forecast as the forecast does not include P/I expenditures.

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INTEREST AND FISCAL CHARGES:

Little Miami anticipates paying interest on borrowings for short term cash needs annually in FY2010 – FY2014. These borrowings will take place at current market interest rates at the time of the borrowing, and interest charges have been included in this forecast.

TRANSFERS/ADVANCES:

Transfers and advances are needed from time to time to cover any other funds that may have a cash need. These transfers and advances vary from year to year and each one is approved by the Board of Education.

ENCUMBRANCES:

These are outstanding purchase orders that have not been approved for payment as goods or services were not received in the fiscal year in which they were ordered. These items are expected to be paid in the next fiscal year.

ENDING UNENCUMBERED CASH BALANCE:

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which will cause a negative unencumbered cash balance is a violation of 5705.412, ORC, punishable by personal liability of \$10,000.

FUTURE LEVIES & OUTLOOK:

Due to the multiple factors over recent years, including reduced state funding, reductions in local property values, and growth in student population, the district continues to be in need of additional revenues to fund safe and quality educational programs.

Operating tax levies in November 2008 (a 1% earnings tax), May 2009 (a 9.95 mill emergency levy), November 2009 (7.95 mill emergency levy with increments of 1.25 mills per year), February 2010 (16.95 mill emergency levy), and May 2010 (6.8 mill emergency levy and 1% earnings tax) did not pass. Therefore, the Board of Education has placed a levy on the November 2010 ballot. It is a 10.95 mill incremental, emergency property tax levy that will be in effect for 5 years. It will begin at 10.95 mills and increase by 1.5 mills per year.

In addition, with the failure of the May, 2010 levies, the district is expected to move from Fiscal Watch to Fiscal Emergency in July, 2010. This will result in a Fiscal Oversight Commission being put into place. This Commission will have final approval authority over many financial decisions of the district. This includes expenditure decisions (i.e. personnel, contracts, etc.) and revenue decisions (i.e. placement of levies on the ballot). Based upon the feedback the district has received from the Auditor of State's Office and the Ohio Department of Education, the current financial problems will not be resolved without the passage of a levy.

At this time the forecast assumes no passage of levies and no recall of expenses/services. The current forecast assumptions reflect our best estimate of how key factors will "most likely" turn out, but there is also the possibility the financial situation could turn out better or worse than this forecast shows.

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Resolution 10-67 Personnel

Mrs. Grice moved and Mr. Cremeans seconded a motion to approve the following personnel issues:

EXEMPTED PERSONNEL – RESIGNATIONS/RETIREMENTS

Shaun Bevan – resigns as Treasurer effective June 30, 2011 to be employed as Treasurer at the Warren County ESC

John Spieser – resigns as High School Principal effective July 31, 2010

Brian Bailey – resigns as Junior High School Principal effective July 31, 2010

CERTIFIED PERSONNEL – RESIGNATIONS/RETIREMENTS

Margaret Skradski – resigns as a teacher effective end of the 2009-2010 school year

Erin Ohm – resigns as a teacher effective end of the 2009-2010 school year

Grace Doran – resigns for the purpose of retirement effective August 1, 2010

Tom Broe – resigns as a teacher effective at the end of the 2009-2010 school year.

Stephanie Baur – resigns effective at the end of the 2009-2010 school year.

CERTIFIED PERSONNEL – TWO (2) YEAR CONTRACT RECOMMENDATIONS

The superintendent recommends that the following certified personnel be granted two year contracts effective with the 2010-2011 school year.

Sara Harris

CLASSIFIED PERSONNEL – RESIGNATIONS/RETIREMENTS

Linda Allphin – resigns as a cook for the purpose of retirement

SUPPLEMENTAL CONTRACTS

RESIGNATIONS

Tim Martin – resigns as Head Varsity Wrestling Coach

Melissa Wood – resigns as Junior Varsity Volleyball Coach

Robbie Begely – resigns as Freshman Football Coach

Mark Hiegl – resigns as Freshman Football Coach

EMPLOYMENT.

Anthony (Tony) Niemesh – Head Varsity Football Coach

ROLL CALL VOTE:

Mr. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes

MOTION CARRIED

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Resolution 10-68 Class of 2010 Graduates

Mrs. Dunbar moved and Mrs. Grice seconded a motion to approve the submitted list of potential graduates for the Little Miami High School Class of 2010 pending that all graduates have completed all state and local requirements as set forth by the Little Miami Board of Education and the Ohio State board of Education.

ROLL CALL VOTE:

Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mr. Cremeans	Yes

MOTION CARRIED

Resolution 10-69 Executive Session

Mrs. Grice moved and Mr. Cremeans seconded a motion for the Board of Education to enter into executive session for discussion of legal and employment of public employees.

ROLL CALL

Mrs. Hamburg	Yes
Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mr. Cremeans	Yes
Mrs. Black	Yes

MOTION CARRIED

Board entered into executive session at 9:07 p.m.

Resolution 10-70 Return to regular Session

Mrs. Dunbar moved and Mrs. Hamburg seconded a motion to return to regular session.

ROLL CALL VOTE:

Mrs. Dunbar	Yes
Mrs. Grice	Yes
Mr. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes

MOTION CARRIED

The Board returned to regular session at 10:28 p.m.

Resolution 10-71 Adjourn

Mr. Cremeans moved and Mrs. Grice seconded a motion to adjourn.

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ROLL CALL:

Mrs. Grice	Yes
Mr. Cremeans	Yes
Mrs. Black	Yes
Mrs. Hamburg	Yes
Mrs. Dunbar	Yes

MOTION CARRIED

The Board adjourned at 10:29 p.m.

Kym Dunbar, President

Shaun Bevan, Treasurer

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