

**Prepared Notes for Board Meeting – Levy**

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I plan to support both the incremental levy issue and the bond issue and I'll briefly go over the reasons why.

The first topic in any levy discussion is whether or not a levy is justified or whether it is possible to live within the confines of current revenue. As our treasurer pointed out in 40+ community conversations, total revenues in FY13, the last year which can be forecasted with any accuracy given the vagaries of the state budget, are all of 3% higher than total revenues in FY08 and could reasonably be projected to decrease after that. We also see an increase in expenditures of around 2.6% annually from FY08 to FY12 and around 2.7% annually for the life of this forecast, or just a few basis points ahead of projected inflation. You simply cannot objectively look at these numbers and conclude that the district is wasting money or that the levy need isn't real.

My fiscally conservative brethren will doubtless look at salaries and benefits. When they do, they will see base pay freezes in some years, step freezes in some years and in those years where raises are given, they are minimal. They will see employees paying more for health care and if they are really paying attention, they will see that Worthington is one of the first, if not the first, district in the state to have negotiated a health care cap with its employees. If people are thinking of rejecting the levy because of salary/benefit concerns, I invite them to take a closer look and really, I want to commend all staff on their continuing acknowledgement of this period of economic uncertainty that is now entering its 5<sup>th</sup> year.

This could be considered the "Goldilocks" levy. Some, including me, thought we could go a little lower. Some thought we should go a little higher. The resulting compromise leaves our district by GFOA standards in sound financial condition through FY16 at a taxpayer cost that is reasonable for the time and affordable for most residents. For me, the levy is a mathematical representation of the revenue that must be generated to balance the forecast. This levy does that without going too far beyond that and in any event, the district is not currently planning on spending the excess if there should be any.

I've also talked about our commitment to a planned, three year levy cycle and despite the ebb and flow of school funding in the state, thanks primarily to fiscal conservatism and employee sacrifice, we have managed to do just that with a bond issue in 2006, an incremental levy in 2009, this levy in 2012 and the next levy planned for 2015. I can't say it often enough. It wasn't that long ago that we were looking at a double digit millage levy every other year in perpetuity so getting to a reasonable millage at a reasonable interval is an accomplishment that this district's staff should be proud of.

I'll mention just a word or two about process. It was messy. I admit it. But so what? I've said over and over again that one strength of this board is that we do bring different perspectives to the table and on occasion, have minor disagreements with one another. Personally, I think this is healthy and I think the resulting decisions are probably reflective of what a majority of our community wants.

Now, with regards to bond component, as I mentioned a few weeks ago, the \$40 million dollar figure was more a function of what can be obtained with no additional millage than a rigorous definition of wants vs. needs, however, due to the nature of how bond issues work in Ohio, whether the right number is 30 million or 40 million isn't as important as how that money is managed. This issue deserves support for three reasons. First, the need is real. We can quibble about whether a given facility improvement or repair can wait 2 years or 5 years, but infrastructure must be maintained, we need safe reliable transportation and while I look forward to a fully vetted technology plan sometime in the not to distant future, it's not hard to imagine the transformative impact that technology will, and should, have on public education in the next 5 to 10 years. Second, this administration doesn't issue bonds under the authority granted by the voters all at once. It proceeds cautiously. The bonds will be issued over the next 3 to 5 years and Worthington residents don't start paying interest on those bonds until they are issued. Finally, as much as I wish it were otherwise for the sake of our seniors living on fixed incomes, we are living through a remarkable period of low interest rates. If there was ever a time for a local political subdivision to issue debt, this is it. If this wasn't enough to warrant support, Worthington residents will get plenty of additional opportunity to express themselves on the issue. The board will have to vote on the issuance of new debt after the voters have authorized said issuance, and the board will have to vote again on individual items to be purchased with that debt. Finally, and I point to this as a source of pride – the board and the administration in 2006 made plenty of promises and representations to the community vis-à-vis the bond issuance. We did exactly what we said we were going to do and if the bond issue passes in November, Worthington residents should expect nothing less.

As always, I appreciate the indulgence of the room.