

Tallmadge City School Levy Oversight Committee

September 16, 2008

Purpose

- The Tallmadge City School Levy Oversight Committee was requested by the Mayor of Tallmadge, Christopher Grimm, and the Superintendent of the Tallmadge City Schools, Jeffrey Ferguson.
- It was endorsed by Tallmadge City Council and the Tallmadge City School Board.

Purpose (cont'd)

- Review the need for a 6.9-mill five- (5) year emergency operating levy, which would bring in \$2,867M per annum
- Committee to study finances of the Tallmadge City School for 2009 and beyond
- Is an Operating Levy needed?
- Committee looked at School funding: State and Local Property Tax support
- Committee investigated the Tallmadge School Administration's funding cuts

Purpose (cont'd)

- Committee made up of:
 - Kevin O. Thompson, Chair
 - Curtis R. Brown
 - David P. DiSalvo
 - Donald J. Pavlik
 - Thomas A. DeBord
 - Carolyn A. Mackey

Is a Levy is needed?

- 2003 to 2009 State Funding for the Tallmadge School System has been flat
- In 2010 State Funding will decrease by 1.0% vs. 2009 State Funding (\$75,000)
- In 2011 State Funding will decrease 2.0% vs. 2010 State Funding (\$150,000)
- Citizens of Tallmadge have not approved additional funding for Tallmadge City Schools operating expenses since 2001

Is a Levy is needed? (cont'd)

- A school system averages an operating levy every 4 years
- Per state law, owned assets sold by the Tallmadge City Schools cannot be used for day-to-day operating expenses. These dollars will reduce future capital expenditures
- Tallmadge Schools generate significantly less dollars per millage than comparable schools that are also rated “Excellent with Distinction”. Therefore, there are less dollars generated per pupil than can be generated by schools like Copley/Fairlawn or Green

What has the school system done to reduce the funding shortfall?

- Instituted pay-to-participate fees for athletics and extra curricular activities— generated \$200K in revenue
- Increased Health Care Costs to every employee in the school district in 2008
- Administration continues to drive down cost per pupil
 - Classified staff reduction of \$177K
 - Certified Staff reduction of \$1,024M—Elimination of 55 employees since 2007
 - Supplies and texts books-- \$200K
- Outsourcing of buses in FY 2009 will save \$200K per annum
- Voluntary wage freeze for every employee in the school district in 2009
- Class size will increase by 20% per classroom
- Elimination of tutors
- Elimination of 5th grade band

School Performance

- Two consecutive years of “Excellence with Distinction”, the State of Ohio’s highest honor.
- Four consecutive years of an “Excellent” rating from the Ohio Department of Education.
- Tallmadge High School achieved the second highest performance index in Summit County (110.1) from the Ohio Department of Education for the 2008-2009 School year.
- 92% of the 2009 graduates planned on attending Post Secondary Education (a 4 year or 2 year college/technical school).
- 68% of the 2009 graduates earned a scholarship to continue their education.
- More than 67% of Summit County School Districts spend more per student than the Tallmadge City Schools.

Recommendation

The committee will recommend the approval of the 6.9-mill levy to support the operating budget of the Tallmadge School System based on the following reasons:

- Schools have operated with no new operating dollars since 2001
- State funding has been flat the past six-(6) years with decreases expected in 2010 and 2011
- Tallmadge Schools have done their part of reducing expenses since 2007, despite rising salaries and benefits from 2003 to 2008
- If not passed, future and more drastic cuts will be in order after 2009 school year
 - Reduction of AP classes
 - Further reduction of extracurricular activities
 - Further reduction of teaching jobs

Recommendation (cont'd)

- The Tallmadge Schools Fund Balance will become negative in 2011 if new revenues are not generated or drastic harmful cuts are not made
- These cuts could potentially jeopardize the Excellence with Distinction rating from the State of Ohio
- Further cuts may adversely affect the post secondary educational success of our students, as they will not be as well prepared as other students to compete for vocational or college admission
- Economic growth will be restricted in the community without excellent schools to attract new residents and potential businesses
- Property values are likely to continue to decline without excellent schools to support values.

Conclusion

In conclusion, we as a committee thank the Mayor and Superintendent for the opportunity to review the financials and academic performance of the Tallmadge Schools. Our review found the school system to be good financial managers of the taxpayer's funds. They have reduced expenses in a declining revenue environment while increasing student performance to the highest standard set by the State of Ohio. They have done this without any additional funds from the citizens for 9 years. There is truly a need for the requested 6.9 mill levy and we urge the citizens to support their excellent schools.

Bio's

Kevin O. Thompson

Kevin O. Thompson is a 35 year veteran of the financial industry. He currently serves as a President of the Akron Market of a large Regional Bank. He serves as Trustee of The University of Akron. He is a former Tallmadge City Councilman, Civil Service Commission Member, and Tallmadge Volunteer Fireman. Mr. Thompson earned his undergraduate degree in Labor Economics from The University of Akron and a MBA from Baldwin Wallace College. He is a graduate of the Stonier Graduate School of Banking.

Mr. Thompson is a life-long Tallmadge resident and Tallmadge High School graduate.

Curtis R. Brown

Curtis R. Brown is a Chief Financial Officer of a regional wholesale distribution company based in Akron. Mr. Brown is a Graduate of Tallmadge High School and 35 year resident of Tallmadge. He earned his BA from The University of Akron and MBA from Case Western Reserve University. He is licensed as a CPA in the state of Ohio.

Mr. Brown's current community service includes: Treasurer of Tallmadge Grow, Inc., a Community Improvement Corporation; Treasurer of Project LEARN of Summit County, Inc., a non-profit provider of adult literacy and English-as-a-Second-Language services; and member of Finance Advisory Board, College of Business Administration, The University of Akron.

David P. DiSalvo

David P. DiSalvo is a Vice President in the Akron Tax Services group of a regional accounting and business advisory firm. A certified public accountant, Mr. Di Salvo earned a Bachelor of Science degree in accounting and a master's degree in taxation from The University of Akron. He has over 12 years experience providing strategic tax, finance, accounting and business advisory services to companies and their owners.

Mr. DiSalvo currently serves as Treasurer of the Tallmadge Foundation, and is a board member and finance committee member of Community Support Services, Inc. of Summit County. He has resided in Tallmadge for the past 17 years, along with his wife Karin and their 3 children (Nina, Maria & Dominic).

Thomas A. DeBord

Thomas A. DeBord is a Chief Operating Officer for a large Regional Hospital. Mr. DeBord holds a Bachelor of Science in Accounting and an MBA in Finance both from The University of Akron. Mr. DeBord is also a Fellow in the American College of Healthcare Executives.

Mr. DeBord is an active board member of the American Heart Association and member and Past President, Rotary Club of Barberton. He also serves as board member of Tallmadge Grow, Inc. (Community Investment Corporation) and past Finance Committee Chair and current member of Charitable Funds Committee for Our Lady of Victory Church, Tallmadge. He was a graduate of the 25th class of Leadership Akron. He has resided in Tallmadge for the past 23 years, along with his wife Diane. Their oldest son Kyle graduated from Tallmadge in 2008 and their youngest, Ryan, is currently a freshman.

Donald J. Pavlik

Donald J. Pavlik is a Vice President / Senior Relationship Manager of Commercial & Institutional Banking at a large Regional Financial Institution for the past 10 years. Mr. Pavlik holds a Bachelor of Science in Corporate Finance and Financial Services from The University of Akron. In 2008, Mr. Pavlik was recognized as the United Way's Young Philanthropist of the Year, the very first recipient.

Mr. Pavlik currently serves as Chairman of Weaver Industries; Treasurer for Downtown Akron Partnership, Treasurer for Downtown Akron Kiwanis, Board Member for Area Agency on Aging 10b & Foundation; Board Member for University of Akron Advisory Counsel; Chair's the Cascade Capital Loan Committee; and is active as the Chair of the United Way's 2010 Akron West Division, American Heart Association, and Portage County Club Finance Committee. He has resided in Tallmadge for the past 6 years, along with his wife Jodi. They have two children, Alexandria, 3, and Avery, 1.

Carolyn A. Mackey

Carolyn A. Mackey is a life time resident of Tallmadge. She was a 1949 graduate of Tallmadge High School, and a graduate of Kent State. Carolyn has been a life member of the First Congregational Church in Tallmadge. She recently retired from H&R Block after 25 years of service, and is an active member of Tallmadge Country Study Club, Tallmadge Historical Society, Akron Women's College Club and P.E.O., a national women' educational financial support group.

Graphs/Charts

Tallmadge City Schools

State Funding SF-3

4,949

5,732

358,215,221

434,831,790

8,238,950

10,001,131

5,924,776

5,329,103

486,722

2,404,169

1,685,453

Revenue vs Expenditures

