

**REGULAR MEETING  
OF THE EVERGREEN BOARD OF EDUCATION  
MAY 18, 2020, 6:00 P.M.**

President Nora Kiefer called the meeting to order. Members in attendance were Nora Kiefer, Jason Miller, Zach Murry, Don Smith and Matt Vaculik. Due to the COVID-19 restrictions, the meeting was live streamed on You-Tube.

President Nora Kiefer asked if anyone wished to add, delete, or separate any items of the consent agenda as proposed. The following additions and deletions were made to the agenda under Other Business:

- Under the Personnel Consent Agenda, Letter H, Continuing Contract for Classified Employees, remove Julie Flint (Cook).
- Under Other Business, add Letter D. Approve Resolution of Urgent Necessity.

Zach Murry moved, supported by Jason Miller to approve the meeting agenda as presented for the Regular Board meeting on May 18, 2020. **62-20**

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nays: None Motion Carried

Don Smith moved, supported by Matt Vaculik to approve the minutes of the Regular Board Meeting held on April 20, 2020. **63-20**

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nays: None Motion Carried

**PUBLIC PARTICIPATION**

None.

**FINANCIAL**

**Treasurer's Report**

Treasurer Denise Leu reviewed the Five-Year Forecast, noting that while the district has a healthy cash balance currently, the COVID-19 pandemic crisis has significantly changed the financial outlook of the district. She reported that there would be a \$266,000 reduction in state foundation funding for the current fiscal year, which had not been expected. She also stated that the forecast reflects a 10%

reduction in both foundation funding and income tax revenue for FY21, continuing into FY22 due to projected losses because of the COVID-19 crisis. She cautioned that at this point, it is not known what the actual size of any reduction will be to either of these two revenue streams, but that school business associations and state agencies are suggesting the possibility of at least a 10% reductions in both, and possibly more. Mrs. Leu reported that the forecast does not reflect any potential budget cuts at this time but that discussions are already underway, and that she expects cuts will need to be made that will likely be reflected in the FY21 budget and the October filing of the forecast. Mrs. Leu also reported that because of the expected decline in revenue, she did not include the potential for any transfers to Capital Projects Funds. She reported that it would be necessary to make a transfer of approximately \$120,000 to the Food Service Fund and a small transfer of approximately \$4,000 to \$5,000 to the Athletic Department prior to the end of the fiscal year.

#### **FINANCIAL CONSENT AGENDA**

- A. Approve April 2020 financial reports including the Cash Reconciliation, Cash Summary Report, Financial Summary Report, and Annual Spending Plan.
- B. Approve the following FY20 appropriation modifications:
  - Increase 003-2700-420-000 P.I. Purchased Services - \$20,000.00
  - Increase 300-4511-510-9511 Baseball FR Supplies - 2,700.00
  - Increase 300-4516-510-9516 Football FR Supplies - \$300.00
  - Increase 300-4533-510-9533 Girls Soccer FR Supplies - \$120.00
  - Increase 300-4535-510-9535 Volleyball FR Supplies -11,000.00
- C. Approve the following state grants for the 2019-2020 school year and to amend resources and modify appropriations accordingly:
  - 499-9320 BWC Safety Grant - \$39,810.75
  - 499-9020 Ohio Safety Training Grant - \$5,286.54
- D. Approve the following federal grant fund reallocation for FY20 and to amend resources and modify appropriations accordingly:
  - Increase 551-9020 Title III LEP – FY20 - \$126.82
- E. Approve the Five-Year Forecast to be submitted to the Ohio Department of Education by May 31, 2020 (Appendix A).

F. Accept the following donations:

- \$200.00 anonymous donation to Evergreen Food Service Fund to assist with the cost of student lunches during COVID-19 crisis.
- \$100.00 from Steve Ford to 007-9099 Jennifer Ford-Babcock Scholarship Fund
- \$100.00 from Mark & Nancy Pappas to 007-9099 Jennifer Ford-Babcock Scholarship Fund
- \$100.00 from Robin Ford-Parker to 007-9099 Jennifer Ford-Babcock Scholarship Fund
- \$100.00 from Sharon Ford to 007-9099 Jennifer Ford-Babcock Scholarship Fund
- \$100.00 from Richard & Kay Ford to 007-9099 Jennifer Ford-Babcock Scholarship Fund
- \$500.00 from Evergreen After-Prom Committee to 200-9370 Class of 2021

G. Approve the following Fund-to-Fund Transfers

- Transfer \$12,764.50 from 003-7200-910-0000 P.I. Transfers-out to 002-5100-9011 HB264 Energy Conservation Project – Transfers-in (for June 1, 2020 interest payment).
- Advance \$20,000.00 from 001-7410-921 – Advances to 006-5210 Food Service Advance-In.

H. Approve the following bond and note interest payments due June 1, 2020.

- 1) Series 1999 General Obligation Bonds – \$43,400.93
- 2) Series 2002 Classroom Facilities Improvement Bonds – \$15,025.50
- 3) Series 2010 HB264 Energy Conservation Bonds – \$12,764.50

Zach Murry moved, supported by Don Smith to approve the April 2020 financial reports and other financial items.

**64-20**

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nayes: None Motion Carried

**PERSONNEL CONSENT AGENDA**

A. Accept the following resignations effective on July 31, 2020.

Mandy Rupp, Intervention Specialist  
Elizabeth Niese, Intervention Specialist  
Janette Cooper, Spanish Teacher

- B. Offer the following teachers a one-year limited teaching contract, effective with the start of the 2020 – 2021 school year:

Shane Bergman	Heather Christensen	Kristi Hennessy
Jillian Hergenreder	Adrian Meier	Abby Pennington
Jessica Root	Luke Rosen	Danett Setmire
Danielle Urbanski	Tori Wright	

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent.

- C. Offer the following teachers two-year limited teaching contract, effective with the start of the 2020– 2021 school year:

Kelley Carmean      Robert Stierman

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent.

- D. Offer the following teachers a three-year limited teaching contract, effective with the start of the 2020 – 2021 school year:

Caitlin Adamczak	Alicia Ford	Ana Ford
Meranda Kelley	Emily Loeffler	Chris Lyons
Amanda Matyi	Katie Pierce	Audra Roesti
Aaron Schmidt	Dan Steel	Jonathan Torrence
Chelsea Truckor	Stacey Wyse	Melanie Yoder

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent.

- E. Offer the following teachers a continuing teaching contract, effective with the start of the 2020 – 2021 school year:

Jennifer Burkholder	Lucas Burkholder	Brittaney Cymbolin
Kelsey Ford	Matthew Seifert	

All other pay and benefits will be according to Board adopted policy and agreements with work assignments delegated by the Superintendent.

- F. Offer the following a one-year limited non-teaching, non-bargaining unit contract, commencing on July 1, 2020 and ending June 30, 2021.

Jennifer Conrad (Director of Communications)  
 Betty Bieber (Assistant Treasurer)  
 Megan Ansted (District Attendance/Student Outreach Officer)

\*All other pay and benefits will be according to Board adopted policy and agreements.

- G. Offer the following non-teaching two-year limited contracts, effective at the start of the 2020 – 2021 school year:

Brian Kuney (Custodian)  
Jason Leu (Custodian)  
Lindsey Piskac (Bus Driver)

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent.

- H. Offer the following non-teaching continuing contracts, effective at the start of the 2020 – 2021 school year.

Tami Bonamino (Aide)  
Cathleen Elvey (Aide)

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent.

- I. Offer 3-year administrative contract, effective August 1, 2020 to:

Dan Curtis (High School Principal)

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent.

- J. Approve the following additional days:

- Derrick Stoup (Athletic Director) - up to five (5) extra days for transition into new position at his per diem rate of pay.

All other pay and benefits will be according to Board adopted policy and agreements, with work assignments delegated by the Superintendent

- K. Approve the substitute teacher and classified substitute reasonable assurance of employment list for school year 2020-2021 (Appendix B).

As recommended by Eric J. Smola, Superintendent, Matt Vaculik moved, supported by Zach Murry to approve the above listed personnel positions. **65-20**

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nays: None Motion Carried

## OTHER BUSINESS

- 66-20** Jason Miller moved, supported by Matt Vaculik to approve the MOU between the Evergreen Education Association and the Evergreen Board of Education modifying evaluation changes as a result of the COVID-19 pandemic.

This Memorandum of Understanding (“MOU”) is entered into by and between the Evergreen Education Association (the “EEA”) and the Evergreen School Board of Education (the “Board”). The Board and the EEA are parties to a Collective Bargaining Agreement (the “Agreement”) having a term from July 1, 2018, through June 30, 2021. The EEA and the Board agree to the following:

1. The Board and the EEA recognize the unique circumstances presented by the Coronavirus (COVID-19) Outbreak and the passage of HB 197.
2. The Board and the EEA agree that this MOU supersedes Article XI.
3. The Board and the EEA recognize that the students of Evergreen Schools need to continue the learning process during the time of building closure to students through remote learning.
4. The Board and the EEA recognize that all educators, regardless of their position, will continue to teach remotely to support and service Evergreen students.
5. Any teacher with an incomplete evaluation must choose one of the following options by May 18, 2020, to meet the OTES 1.0 legal requirement of observations.
  - a. The teacher may choose to complete the required components of the evaluation. In this case, evaluation and meeting components must be completed through remote technology. The manner and content of observation must be agreed upon by the teacher and the evaluator. If this option is selected, the teacher’s evaluation will be completed as usual for 2019-2020 and the teacher will continue in their 2020-2021 OTES cycle on track.
    - i. The teacher, with a student growth measure (SGM) consisting of 40% value-added data and 10% SLO, may choose to have the SGM be changed to 50% value-added data. If the teacher chooses to change their SGM, they must notify the evaluator in writing of this change.
  - b. The teacher may choose not to complete the required components of the evaluation. In this case, the evaluator may not request or require any observation requirements. If this option is selected, the teacher’s OTES cycle will repeat the subsequent year, which means that the stage of the cycle originally planned for 2019-2020 will now take place in 2020-2021. All steps of the evaluation process must be repeated in this case. In this situation, the educator will maintain the rating and evaluation cycle that were in place at the start of the 2019-2020 school year when school begins in the fall of 2020.
6. The selection of one of the two options must be communicated in writing to the evaluator. The evaluator will communicate with each teacher informing them of

their status and requesting a decision. The response to this decision must be made by May 18, 2020. In the case of no decision, the second option will be selected.

7. These options refer to any type of evaluation for any educator. This includes OSCES evaluations, OTES evaluated educators, and non-OTES evaluated educators.
8. Evaluations and conferences being conducted through remote technology may be completed through any reasonable and effective tool available. Such tools could include Google Hangouts Meet, Zoom, Google Classroom, or telephone. Any failure of the technology that occurs outside of the teacher's control may not harm a teacher's evaluation.
9. Teachers choosing to complete their evaluations must ensure they are completed by May 22, 2020. Evaluators must provide a written report of the results of the evaluation by May 29, 2020.
10. The provisions of this MOU expire on June 15, 2020.
11. The Board and the EEA agree that they may not rely on the memorandum as a precedent or past practice.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nays: None Motion Carried

Don Smith moved, supported by Matt Vaculik to approve a resolution to maintain employment and compensation of employees, contracted service providers and consultants for the remainder of the fiscal year 2020 to support continued operations as a result of the COVID-19 pandemic.

67-20

**WHEREAS**, the Governor has declared a state of emergency with respect to the spread of the novel coronavirus and the Ohio Department of Health has ordered that all K-12 schools be closed to students through June 30, 2020; and

**WHEREAS**, the Board of Education of the Evergreen Local School District ("Board") has determined to retain its regularly employed personnel, including contracted service providers and consultants deemed necessary by the Superintendent, in order to ensure continued business operations and facilities for the remainder of the fiscal year ending June 30, 2020; and

**WHEREAS**, under the recently enacted Federal stimulus legislation, the Coronavirus Aid, Relief and Economic Security Act (CARES Act), specifically SEC. 18006, which states; "A local educational agency, State, institution of higher education, or other entity that receives funds under "Education Stabilization Fund," shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus"; and

**WHEREAS**, additional state and federal laws, regulations and executive orders authorize this action during the epidemic; and

**WHEREAS**, the Board wishes to authorize the Superintendent to assign duties and work locations for employees, contracted service providers and consultants deemed necessary in furtherance of maintaining facilities and operations.

**NOW THEREFORE BE IT RESOLVED**, by the Evergreen Local School District Board of Education, as follows:

**Section 1.** For the period beginning March 17<sup>th</sup>, 2020 through the remainder of the fiscal year ending June 30<sup>th</sup>, 2020, the Board will continue to compensate all regularly employed personnel, as well as contracted service providers and consultants deemed necessary by the Superintendent to maintain operations and facilities. Payment for said individuals will be at the regular and/or contracted rates including overtime pay if applicable/required, subject to any collective bargaining process, and further includes payment of any stretch pay that is remitted after June 30<sup>th</sup> in accordance with board policy. This action does not include substitute teachers and substitute nonteaching staff unless otherwise determined necessary by the Superintendent.

**Section 2.** The Superintendent is hereby authorized to assign duties and work locations for employees, contracted service providers and consultants in order to maintain operations and facilities for the remainder of the fiscal year. The Superintendent and Treasurer are hereby further authorized to take any and all actions as are necessary to comply with state, federal and/or local laws, regulations and executive orders as they relate to the maintenance of a safe work environment for all employees.

**Section 3.** The Board 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 of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including R.C. Section 121.22, and any amendments included in HB 197.

**Section 4.** This resolution shall be in full force and effect from and immediately after its adoption and shall supersede any prior resolution or act of this Board that may be inconsistent or duplicative with the provisions of this resolution.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nayes: None Motion Carried

68-20 Zach Murry moved, supported by Don Smith to approve the following Resolution of Urgent Necessity to dispense with statutory bidding procedures:

**WHEREAS**, the Board of Education of the Evergreen Local School District (the "Board" or "Board of Education") has determined that there is an urgent need to modify the Elementary, Middle School, High School, and Bus Garage school facilities specifically to replace each building's fire panel (the "Project"); and

**WHEREAS**, the Project was initially included as part of a larger renovation project and such work was submitted for bids in accordance with state law and board policy; and

**WHEREAS**, the District has since experienced an unexpected and significant budget cut which jeopardizes the Board's ability to complete all of the renovations; and



**WHEREAS**, work on the Project must nonetheless occur to ensure safety and compliance with state building and fire codes, and such work must commence immediately so as not to interfere with the start of the 2020-2021 school year or otherwise interfere with District operations; and

**WHEREAS**, compliance with the procedures for the advertisement of bids prescribed by Ohio Revised Code section 3313.46 will unduly delay the Project and interfere with the normal operations of the Board.

**BE IT HEREBY RESOLVED AS FOLLOWS:**

- Section 1. Pursuant to Ohio Revised Code section 3313.46, it is found and determined that there is an urgent necessity and need for entering into a contract or contract(s) for the Project to replace the Elementary, Middle School, High School, and Bus Garage building's fire panels.
- Section 2. It is further found and determined that compliance with the bidding procedure contained in Ohio Revised Code section 3313.46 will unduly delay the Project and will jeopardize the Board of Education's ability to continue operations in the school building.
- Section 3. The Superintendent and Treasurer are directed to seek out quotes for supplies and services necessary to complete the Project and further to work with selected vendors who will provide the lowest total cost to the Board to develop proposed contracts that will be presented to the Board for ratification. The Board authorizes commencement of the work prior to ratification of the contracts due to the conditions of urgent necessity present with respect to the Project.
- Section 4. The 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 action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.
- Section 5. This Resolution shall be in full force and effect from and immediately after its adoption and shall supersede any prior resolution or act of this Board which may be inconsistent with or duplicative of this resolution.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nayes: None Motion Carried

**DISCUSSION AND INFORMATION**

Superintendent Eric Smola reported on the following items:

A. 2020 – 2021 School Year

It is still not known what guidelines and mandates will be imposed regarding how we begin the next school year, but guidance should be sent to schools by the end of May. Initial drafts provide regulations covering four areas: Health & Safety Considerations, Education Considerations, Social Emotional Considerations, and Operational Considerations. Superintendents across the state are pushing for local control for how districts should operate in the fall. Mr. Smola stated that he supports on-campus instruction for our students in August. He believes parents should have the option not to send their children to school if there are health issues or they do not feel safe, and that the district should provide remote learning to these families. He stated that he does not support returning under any type of blended learning approach for a variety of reasons, including transportation, ability to clean and sanitize teacher expectations, etc. He said that options and what the return to school looks like will become much clearer in the near future and that we will plan accordingly once we receive more information.

B. State Education Funding Cuts

For the current school year, the State of Ohio has cut \$355 million from K-12 education. For Evergreen, that means an unexpected cut of a little over \$266,000.00. Mr. Smola stated that although this is a significant reduction, we are able to absorb the budget hit and close out this fiscal year without any major modifications. Unfortunately, we are being told to expect much larger funding cuts for 2020-2021, potentially a 10% to 20% reduction. As a result, potential cost saving measures for next school year are being explored. Our goal is not to directly impact instruction if at all possible. We are considering scaling back equipment purchases including not buying any buses, postponing planned projects and potential staffing cuts. Items for the Board to discuss:

- Elementary Roof Project: This project is needed now and money has been set-aside in a capital improvements account to cover the cost. Mr. Smola asked if the Board supported moving forward with this project and all indicated that it was necessary and needs to be completed.
- District Fire Panels are an immediate need before the next school year. The panel needs to be upgraded since parts are obsolete and are no longer available for the current system. Mr. Smola asked if the Board supported moving forward with this project and all indicated that it was necessary and needs to be completed. Mrs. Leu noted that some of this project could probably come from the Permanent Improvements.
- LED Lighting Upgrades: The elementary, high school and exterior lights are already being completed. The middle school has not yet been bid. First Energy rebates are still available for this project until the end of the year if

The return on investment is one and half to two years. The Board indicated that they were in favor of moving forward with this project as well.

- **High School Locker Room and Weight Room Renovation and Expansion:** After consulting with the Finance Committee of the Board, Mr. Smola stated that he does not recommend moving forward with this project at this time due to the uncertainty of the amount of state funding cuts for the 2020-2021 school year, as well as the long-term effects of the pandemic on the economy. To move forward with this project as scheduled, would require a significant transfer from the general fund. He stated that all of the planning is complete and the project is ready to be re-bid at a later time if needed. The Board expressed their agreement with Mr. Smola's recommendation not to proceed with the project.

## **ADMINISTRATIVE REPORT**

Mr. Smola presented the following report on behalf of Angela Infante, Technology Coordinator:

- The Technology Committee is currently updating the District Technology Plan. The committee plans to present the revised Technology Plan to the Board for approval at the June or July Board of Education meeting.
- All student Chromebooks are being returned and checked in through the High School Media Center this week.
- New Chromebooks for next school year have arrived for grades 3, 6, and 9. They have been inventoried and will be uploaded into the Library circulation system. The 6th grade and 9th grade Chromebooks will be set up over the summer so that they are ready for students to pick up in the fall.
- New laptops for the middle school and high school teachers have arrived and they are being formatted for teacher use and should be ready for delivery by the end of next week. We have secured recycling with Second Life Mac to purchase all of the middle school and high school teacher laptops and desktops as well as some desktops at the Elementary.
- We are in the process of configuring all teacher and lab computers to work with our new filtering system.
- The new server at NWOCA is up and running.

**ADJOURNMENT**

**69-20** Matt Vaculik moved, supported by Jason Miller to adjourn the May 18, 2020 Regular Meeting of the Evergreen Local Board of Education.

Ayes: Miller, Smith, Vaculik, Murry, Kiefer  
Nays: None Motion Carried

---

Nora Kiefer, Board President

---

Denise Leu, Treasurer

**Evergreen Local School District**

APPENDIX A

Fulton

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;  
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

MAY	Actual				Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$3,881,592	\$3,863,121	\$3,811,756	-0.9%	\$3,927,964	\$3,852,366	\$3,852,366	\$3,852,366	\$3,852,366
1.020 Tangible Personal Property Tax	576,498	491,989	1,288,118	71.5%	1,437,551	1,881,477	1,841,487	1,883,286	1,846,723
1.030 Income Tax	4,114,611	4,166,746	3,802,461	-2.5%	4,093,945	3,289,364	3,355,172	3,237,679	2,983,345
1.035 Unrestricted State Grants-In-Aid	5,214,976	5,218,677	5,181,934	-0.2%	4,863,380	4,857,346	4,665,216	4,811,277	4,867,786
1.040 Restricted State Grants-In-Aid	86,634	93,671	92,724	2.3%	83,010	86,409	86,409	86,409	86,409
1.045 Restricted Federal Grants-In-Aid - SFSF									
1.050 Property Tax Allocation	574,589	575,326	575,085	0.0%	578,493	578,493	578,493	578,493	578,493
1.060 All Other Revenues	935,444	1,078,832	1,186,621	11.7%	1,193,335	1,028,274	954,849	931,441	933,050
1.070 Total Revenues	15,256,344	15,489,452	16,058,709	2.5%	16,267,978	16,429,749	16,434,902	16,320,931	16,256,174
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In									
2.050 Advances-In	2,139	313	41,834	999.9%	593				
2.060 All Other Financing Sources	80,286	39,593	82,795	37.9%	100,652				
2.070 Total Other Financing Sources	82,425	39,906	124,629	56.3%	101,245				
2.080 Total Revenues and Other Financing Sources	15,442,771	15,529,278	16,183,338	2.2%	16,369,223	16,429,749	16,434,902	16,320,931	16,256,174
<b>Expenditures</b>									
3.010 Personal Services	7,287,206	7,512,798	8,069,346	5.4%	8,437,768	8,674,077	8,948,234	9,208,755	9,487,655
3.020 Employees' Retirement/Insurance Benefits	3,045,233	3,100,501	3,317,572	4.4%	3,833,186	3,750,009	3,866,812	3,894,085	4,133,682
3.030 Purchased Services	2,327,238	2,835,198	2,821,220	6.4%	2,682,455	2,783,383	2,809,860	2,945,138	3,003,422
3.040 Supplies and Materials	833,819	853,763	815,203	-1.4%	595,988	584,085	585,980	618,528	637,629
3.050 Capital Outlay	465,582	589,983	285,801	-11.8%	584,138	644,725	478,586	513,984	529,403
3.060 Intergovernmental									
Debt Service:									
4.010 Principal-Ad (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	199,454	178,872	198,385	0.8%	201,019	216,028	226,030	236,171	250,080
4.500 Total Expenditures	13,927,532	14,078,095	16,107,507	4.1%	16,344,532	16,832,297	16,827,212	17,515,662	18,042,951
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	28,131	25,160	2,080,518	999.9%	125,000				
5.020 Advances-Out	479	42,527		999.9%		60,000	60,000	60,000	60,000
5.030 All Other Financing Uses	551								
5.040 Total Other Financing Uses	27,161	67,687	2,080,518	999.0%	125,000	60,000	60,000	60,000	60,000
5.050 Total Expenditures and Other Financing Uses	13,954,693	14,746,783	17,188,025	11.1%	16,469,532	16,892,297	16,887,212	17,575,662	18,102,951
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,484,072	782,489	1,054,587	-141.0%	60,610	1,208,546	1,653,210	2,185,731	3,243,177
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	8,718,494	10,202,572	10,985,067	12.3%	9,830,480	9,849,871	8,841,323	7,088,113	4,902,382
7.020 Cash Balance June 30	10,202,572	10,985,067	8,250,480	-1.0%	9,849,871	8,841,323	7,058,113	4,802,382	2,059,505
8.010 Estimated Encumbrances June 30	306,397	83,423	323,772	107.7%					
<b>Reservation of Fund Balances</b>									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advances									
9.070 Bus Purchases									
9.080 Subtotal									
10.010 Fund Balance June 30 for Certification of Appropriations	9,898,176	10,901,844	9,308,708	-0.9%	9,849,871	9,941,323	7,058,113	4,902,382	2,059,505
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal								183,569	496,329
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies								183,569	679,898
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	9,898,176	10,901,844	9,308,708	-0.9%	9,849,871	9,941,323	7,058,113	4,902,382	2,059,505
<b>Revenue from New Levies</b>									
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	9,898,176	10,901,844	9,308,708	-0.9%	9,849,871	9,941,323	7,058,113	4,902,382	2,059,505
<b>ADM Forecasts</b>									
20.010 Kindergarten - October Count					88	88	88	88	88
20.015 Grades 1-12 - October Count					1033	1033	1033	1033	1033
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

**EVERGREEN LOCAL SCHOOL DISTRICT**  
**5-YEAR FORECAST**  
**FY2020 - FY2024**  
**FY20 – May**

**REVENUES:**

**Line 1.01 - General Property Tax**

*Property tax revenues will be the second largest source of tax revenue and the third largest source of overall General Fund revenue, accounting for approximately 20% of total revenues in FY20.*

FY20 property tax revenues increased by 3.6% in Fulton County, and 1.49% in Lucas County over the previous fiscal year. Fortunately, C.A.U.V. formula adjustments have not resulted in a significant decline in revenue. It is unknown at this time, whether or not the COVID-19 crisis will significantly impact real estate values or revenues. There is the possibility that delinquency rates may be higher for at least the next year, which could reduce revenues. Additionally, there is the possibility that tax collection deadlines could be extended, which would in turn delay the receipt of revenues by the district. Given the uncertainty of the current situation, real estate tax revenue has been flat-lined at FY20 amounts throughout the forecast.

**Line 1.02 - Tangible Personal Property Tax**

*Typically, PUPP revenues account for approximately 3-4% of total General Fund revenues, however due to Rover pipeline revenues, will account for approximately 9% of total GF revenues.*

Two natural gas pipelines run through the Evergreen Local School District. The smaller of the two, the Rover pipeline, first generated revenue in FY19, with Evergreen receiving a full year's tax payment in February 2019. In October 2019, valuations calculated by Ohio Department of Taxation came in significantly higher than original projections. Both pipelines appealed these valuations at significantly reduced valuations in December 2019, and these appeals are still pending. At the February, 1<sup>st</sup> half 2019 collection, Rover paid one-half of a full year's collection based on the higher ODT valuation and stated their intent to pay only a set dollar amount at the August collection which will result in total tax year collections roughly equivalent to a full year's collection at the lower appealed valuation. In February, NEXUS pipeline revenue was collected for the first time. NEXUS paid one-half of a full year's collection based on the lower appealed amount. While the Tax Commission has indicated its intent to expedite this process, it is unknown at this time, when a decision will be made, although the County Auditor and other related organizations are hopeful that it may be decided as early as June 2020. Fortunately, because both pipelines will have paid based on the lower appealed valuations, the district has not been placed in the difficult position of potentially having to return tax revenue.

Until the appeals have been resolved, all future years of this forecast reflect expected revenues based on the lower appealed valuation estimates.

*\*Note: Under current funding methodology, In FY22, the district will likely start to see the impact of the increase in valuation from the Rover and NEXUS pipelines in the Foundation calculation, resulting in a reduction in state funding. This reduction will increase each year until approximately FY25, at which point the full impact of reduced state funding will be realized. At this point in time, NO reduction has been included in this forecast, as it is impossible to estimate the amount of this impact until 1) valuation is known, and 2) any changes to future funding formulas/methodology is known.*

**Line 1.04 - Restricted Grants in Aid**

Restricted grants-in-aid include career tech weighted funding, special education catastrophic aid, and economically disadvantaged aid. There is the potential that all of these revenue sources could be reduced by state funding cuts due to the COVID-19 crisis, but no reductions are reflected in this forecast.

**Line 1.05 - Property Tax Allocation**

*Property Tax Allocations accounted for about 3% of total General Fund Revenues in FY20.*

Property Tax Allocation includes Homestead & Rollback Taxes.

**Line 1.06 - All Other Revenues**

*All Other Revenue sources accounted for approximately 7.2% of GF revenues in FY19.*

All Other Revenue includes items such as tuition, open enrollment, interest, student fees, rent, contributions in lieu of taxes, other contributions, sale of assets and Medicaid reimbursement, etc. The single largest source of revenue included in this line item for FY20, accounting for nearly 46%, is tuition for open enrollment, followed by interest/investment income at nearly 26%. Open Enrollment and Community School income is based on a per-pupil amount, which could potentially be decreased in FY21 due to state funding cuts. No reduction in tuition revenue has been factored into the forecast at this time. In addition, investment income will steadily decline due to the combination of a declining cash balance and lower rates of return available for reinvestment as issues mature. This decline in revenue has been included throughout the forecast.

**Line 2.05 - Advances In – 6,606.0%**

**Line 2.06 – All Other Financing Sources**

This line item includes amounts classified as refunds of prior year's expenditures, such as reimbursements and other receipts from the prior year received in the current year.

### **Line 1.03 - Income Tax**

*The income tax has been the district's largest source of tax revenue for several years, accounting for approximately 25% of the district's total General Fund revenue in FY20.*

Evergreen Local Schools has three separate income tax levies:

- 1) A .75% continuing traditional income tax levy
- 2) A five-year .50% traditional income tax levy (renewed at a reduced rate from .75% to .50% in November 2018 to begin collection in 2020 through 2024.
- 3) A five-year .25% traditional income tax levy renewed at a reduced rate (from .50% to .25%) in November 2017 that began collection at the reduced rate in calendar years 2018 through 2022.

The sudden and widespread unemployment and underemployment caused by the COVID 19 epidemic statewide shutdown will definitely have a negative impact on the districts income tax revenues in FY21 and possibly beyond. This situation is truly unprecedented, and the closest basis of comparison we have to evaluate it against, is the great recession of 2008-2010, during which the district experienced an 8.5% loss in income tax revenue. The current crisis appears to have had a more drastic immediate effect on the economy than the great recession. However, until we have a better idea of the breadth and depth of the current economic situation, this forecast conservatively reflects a 10% reduction in income tax revenues in FY21, with a very modest recovery of revenues beginning in FY22 and continuing through the remainder of the forecast.

Since the five-year .25% income tax levy will expire at the end of 2022 and will need to be renewed within the timeframe of this forecast, line 1.03 reflects the tapering off of collections starting in FY23, and the corresponding assumption that the levy will be renewed at the rate of .25% on line 11.01.

### **Line 1.035 - Unrestricted Grants in Aid**

*FY20 State Foundation funding accounted for 30% of Evergreen's total General Fund revenues, and was the single largest source of income.*

FY20 is the first year of a new two-year biennial budget cycle, during which funding was essentially flat-lined to FY19 levels. Due to massive projected revenue losses at the state level due to the COVID-19 crisis, the governor announced \$300 million in cuts to K-12 for the current fiscal year. Evergreen will lose \$266,311 in state funding, and FY20 revenues have been adjusted to reflect that loss. While FY21 reductions have not yet been announced, it is widely expected that foundation funding will be significantly impacted. During the great recession of 2008-2010, the district experienced a decrease in funding of nearly 10%, and until further information is available, that is the amount of reduction factored into this forecast in both FY21 and FY22. FY23 and FY24 begin to show a recovery of funding.



buildings and well as to outdoor lighting, at a total cost of approximately \$283,000 of which approximately 40% was funded by the General Fund, and the remainder was paid from the P.I. fund. In addition to expected savings in electric usage, the district will receive rebates from First Energy to help offset some of the cost of this project. The district signed on to a new two-year Power4Schools agreement, effective 1/1/20, and is already seeing savings in electric costs as a result of the terms of that agreement. Special education purchased services will account for approximately \$700,000 or 25% of all purchased service costs in FY20. Approximately \$943,000, or 32% of total purchased services will be spend for open enrollment, community school, and tuition to other districts, all of which are deducted from the district's foundation payments. A 3% to 4% inflationary factor has been used to forecast most other purchased services.

#### **Line 3.04 - Supplies and Materials**

*FY20 expenditures for supplies and materials will account for about 3% of General Fund expenditures.*

Over the past several years, the district has made a concerted effort to establish a curriculum replacement/update schedule, and purchased new science math, and social studies curriculum in FY17, FY18, and FY19 respectively. In FY20, total curriculum expenditures were \$160,000, including new English/language arts curriculum. Fuel costs will be between 20% and 25% lower than anticipated as a result of the school shutdown due to the COVID-19 crisis. Because of the potential for price volatility, diesel fuel has been conservatively forecast for FY20-FY24. A 3% inflationary factor was used to forecast most other material and supplies items.

#### **Line 3.05 - Capital Outlay**

*Capital expenditures (equipment, computers, buses, etc.) accounted for just under 3% of general fund expenditures in FY20.*

The majority of capital outlay was used for the purchase of school buses and computers. Two new propane-fueled buses were purchased in August, 2019, and two diesel buses were bid and ordered this spring, but will not be delivered until August. As a result, this expenditure will now fall into FY21. FY21-FY24, include provisions for two buses to be funded each year, which will keep the district on a fifteen-year replacement cycle. FY20 and future years reflects the ongoing implementation/replacement of the district's one-to-one Chromebook initiative. Due to timing of Chromebooks purchases, FY20 reflects a doubling up of expenditures. Although unplanned, a number of mobile hotspots, and some additional Chromebooks had to be purchased to support on-line learning during the COVID-19 school shutdown.

#### **Line 4.30 - Other Objects**

*In FY20, expenditures for Other Objects accounted for 1.0% of General Fund expenditures.*

Other Objects includes expenditures for memberships, dues, annual audit fees, county auditor and state tax department fees, and liability insurance. Future year projections include a 5% inflationary factor.

**EXPENDITURES:**

**Line 3.01 - Personal Services**

*Historically, salaries and wages account for a little more than half of total General Fund expenditures; the largest single category of the budget. Salaries/wages will be approximately 51% of general fund expenditures in FY20, and benefits will account for approximately 22% of general fund expenditures in FY20.*

FY20 is the second year of three-year contracts with both the Evergreen Education Association (certified) and O.A.P.S.E. Local #528 (classified), which granted a 2.3% increases for the 2019-20 school year, and a 2.0% increase for FY21. For the 2019-20 school year, several new positions, including an Attendance/Social Worker, In-School/Online Education Teacher, and three new Special Education teachers were added. In addition, a part-time Curriculum Director position was increased to full-time. For the current school year, the salary of the Attendance/Social Worker was paid by the Student Wellness & Success Grant. Due to the COVID-19 crisis, it is unlikely that funding for that grant will be available in FY21, and the cost of that position has been included in the forecast for FY21-FY24. At the end of the 2019-2020 school year, one teacher, and one classified employee will retire. Estimates for potential future retirements and corresponding replacement costs have been factored into the remaining years of the forecast.

**Line 3.02 - Employees Retirement/Insurance Benefits**

*Employee benefits including retirement, Medicare, Workers Compensation, medical, dental, vision, life insurances, and tuition reimbursement will account for about 22% of the General Fund budget in FY20.*

The district has moved away from the traditional percentage share of employee health insurance and now offers a monthly employee allocation for insurance benefits based on 130% of the cost of a HDHP for Family Plans, and 160% of the cost of a HDHP for Single Plan in each plan year. While medical insurance premiums increased by 8% for CY2020, and dental and vision premiums increased by 4%, the provisions of both negotiated agreements cap the Board's share of any increase to the allocation at an amount that equates to approximately 2% per year.

STRS, Medicare and Worker's Compensation are forecast at the rates currently in effect by statute.

**Line 3.03 - Purchased Services**

*In FY20, purchased services will account for approximately 17% of all general fund expenditures. The largest areas of expenditure within this category are for special education, maintenance, tuition payments (open enrollment & community schools).*

FY20 expenditures for purchased services will be approximately 8% higher than in FY19 due to maintenance projects such as refurbishing athletic practice fields, parking lot patching and repaving. The largest project was an LED lighting upgrade in the elementary and high school

predictions at this time, of what the full impact might be, this forecast assumes that the reductions in both income tax and foundation funding will be at least as much as they were during the Great Recession of 2008-2010. Information at the national, state, and local level changes almost daily, and while the Board may very well need to impose budget cuts at some point, no reductions in expenditures are reflected in this forecast. The district will need to examine current and future budget needs and may need to make some difficult decisions in the coming months, as we get a clearer picture on how severely this economic crisis will reduce state tax revenue as well as our own local income tax revenues.

While this forecast has been prepared as conservatively as reasonably possible, it is often difficult to forecast with a high degree of accuracy even during normal times. The crisis in which we currently find ourselves, is far from normal, and it is possible that some major adjustments will need to be made for the October 2020 filing.

**Line 5.01 Operating Transfers-Out – 4,082.7%**

In FY19, the Board approved the establishment of three Capital Project Funds:

1. **Roof Replacement Capital Project Fund**, into which \$1,300,000 was initially transferred.
2. **HVAC Improvement Capital Project Fund**, into which it \$200,000 was initially transferred.
3. **Athletic Facilities Capital Project Fund** (specifically for locker room and weight room renovations), into which \$500,000 was initially transferred.

A total of \$2,000,000 was transferred to the capital project funds in FY19, and based upon how pipeline revenue came in, plans were to transfer additional amounts each year. However, due to expected revenue losses in FY20 and beyond, caused by the COVID-19 crisis, the Board will need to re-evaluate the feasibility of making any such transfers this year.

For the past couple of years, the food service fund has been running steadily deeper into the red, which has continued throughout FY20. Unfortunately, the loss of two months revenue due to the COVID-19 shutdown has dealt a devastating blow to an already serious fund balance shortfall. It will be necessary to transfer approximately \$120,000 to the food service fund in order to end the year in the black.

A transfer of \$4,000 to \$5,000 to the Athletic Department will also be necessary to end FY20 in the black.

**Line 5.02 Advances-Out – 4,339.1%**

**Line 5.04 – Total Other Financing Uses - 1,561.5%**

**Line 20.01 – Kindergarten Enrollment – MAY 2020: 88**

**Line 20.015 – Grades 1-12 Enrollment – MAY 2020: 1,033**

**CONCLUSION:**

Evergreen is extremely fortunate to have been able to build the healthy cash balance it currently has. However, Fiscal Year 2020 is ending on a much less positive note than anyone could have imagined at the beginning of the year, and that cash balance, much like a “rainy day fund”, will be needed to help meet the revenue losses and other financial challenges brought about by the COVID-19 pandemic crisis. No one, including at the state level, currently knows the actual depth or breadth of the COVID-19 health and economic crisis, and there is no truly similar past event against which to measure it. Both income tax and state foundation funding, which together account for 55% of the district’s total general fund revenue, will likely be seriously impacted for at least the next year, and very possibly longer. In the absence of any clear guidance or