



Levy Discussion

4/25/22

Guiding Principal

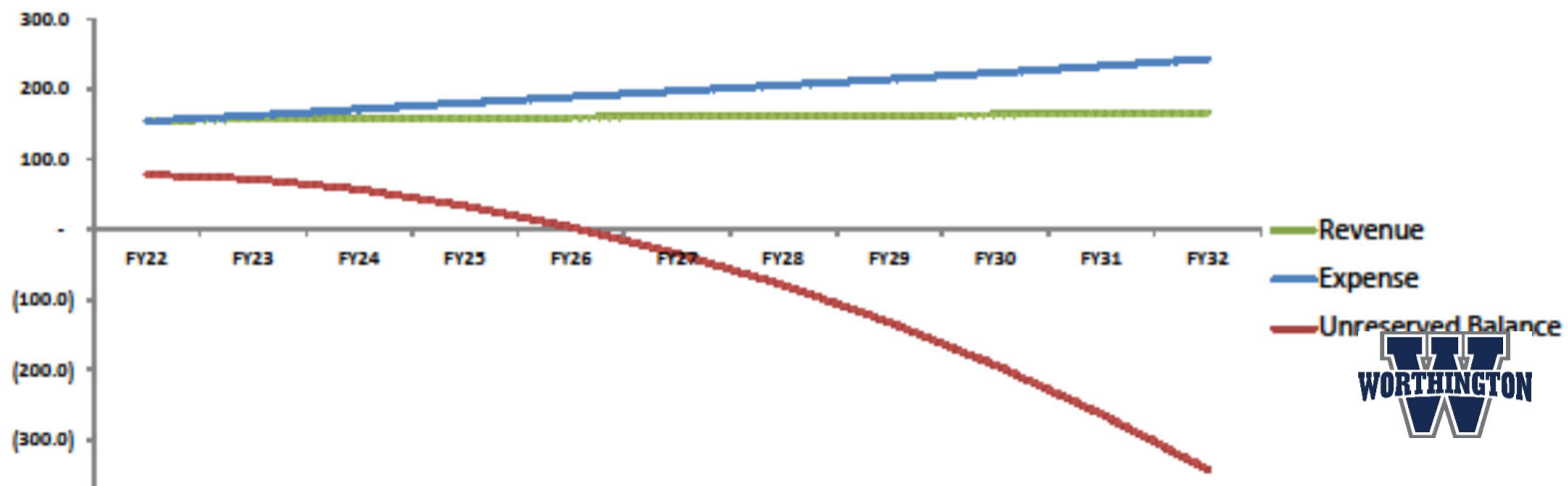
- TAC: Planning should focus on size and interval, as they are interrelated
- Must look at both fund balance and deficit spending rate

Reasonable Levies at Reasonable Intervals



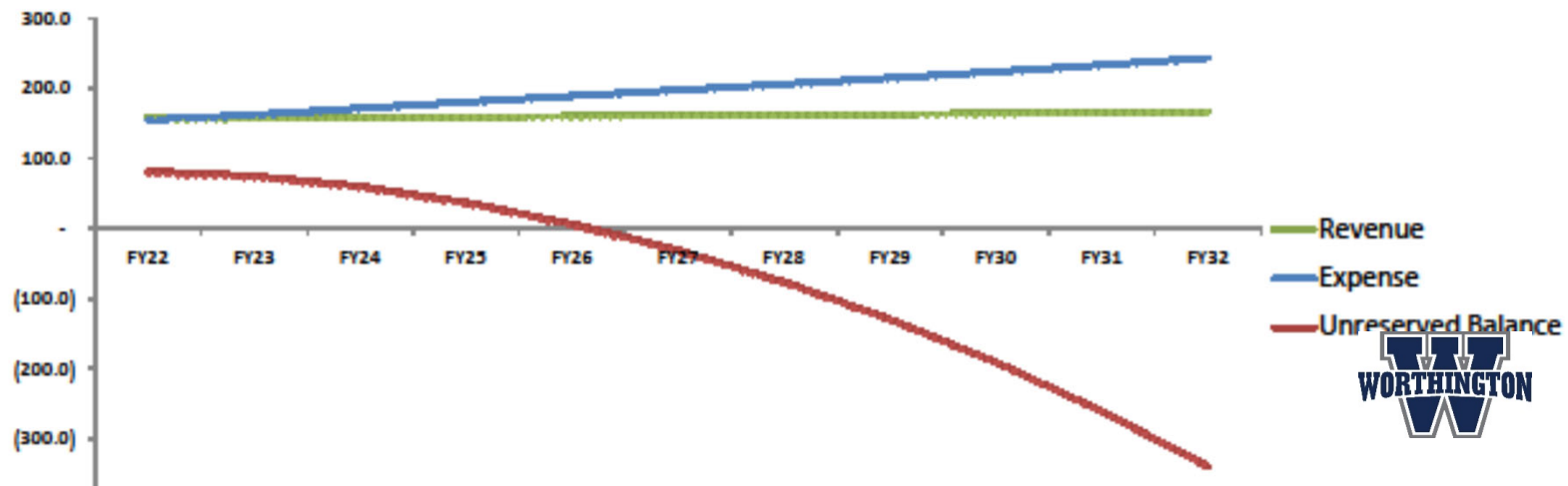
Current Outlook as shown 3/28/22

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Total Projected Revenue	155.6	157.2	158.0	159.0	159.9	160.9	161.9	162.9	163.9	164.9	165.9
Total Projected Expenditures	<u>154.9</u>	<u>162.3</u>	<u>171.3</u>	<u>180.6</u>	<u>189.1</u>	<u>197.2</u>	<u>205.7</u>	<u>214.5</u>	<u>223.5</u>	<u>233.2</u>	<u>243.3</u>
Surplus (Deficit)	0.7	(5.1)	(13.3)	(21.7)	(29.2)	(36.3)	(43.8)	(51.6)	(59.6)	(68.2)	(77.4)
Beginning Cash Balance Less Enc.	103.3	104.0	98.9	85.7	64.0	34.8	(1.5)	(45.3)	(96.9)	(156.4)	(224.7)
Ending Cash Balance Less Enc.	104.0	98.9	85.7	64.0	34.8	(1.5)	(45.3)	(96.9)	(156.4)	(224.7)	(302.0)
Budget Reserve	(25.7)	(27.0)	(28.5)	(30.0)	(31.5)	(32.9)	(34.3)	(35.8)	(37.3)	(38.9)	(40.6)
Ending Unreserved Balance	78.3	71.9	57.2	34.0	3.3	(34.4)	(79.6)	(132.6)	(193.7)	(263.5)	(342.6)



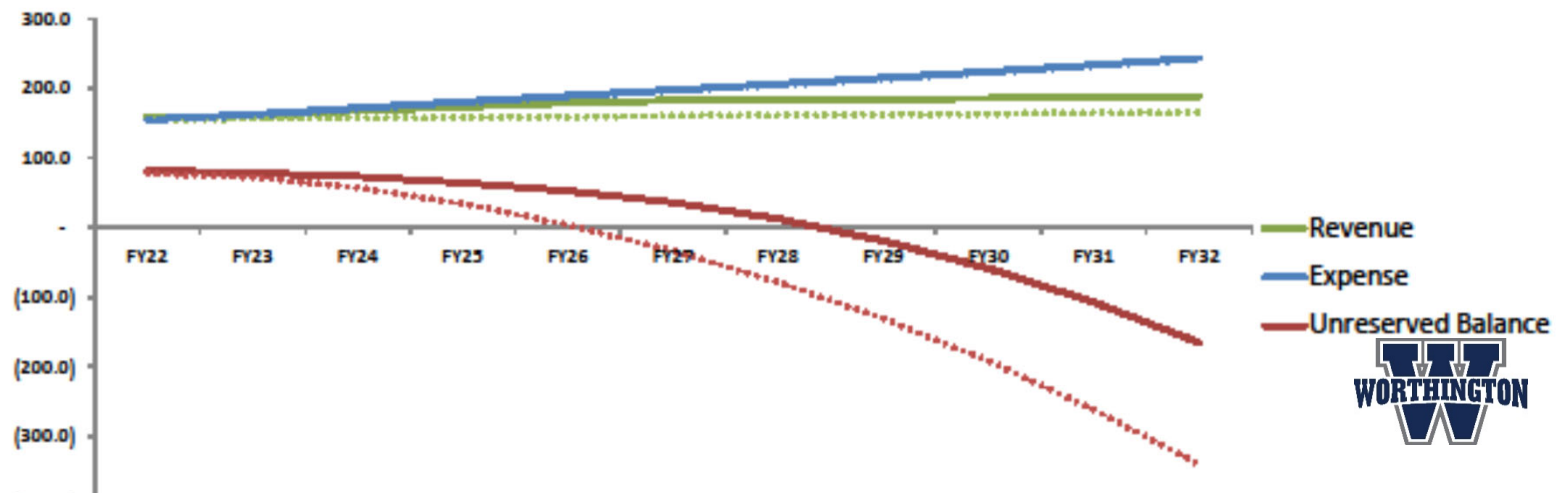
Current Outlook Updated Forecast

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Total Projected Revenue	159.8	156.8	158.5	159.5	160.3	161.3	162.3	163.3	164.3	165.3	166.3
Total Projected Expenditures	<u>155.3</u>	<u>162.6</u>	<u>171.5</u>	<u>181.0</u>	<u>189.6</u>	<u>197.7</u>	<u>206.2</u>	<u>215.0</u>	<u>223.9</u>	<u>233.6</u>	<u>243.7</u>
Surplus (Deficit)	4.5	(5.8)	(13.0)	(21.6)	(29.3)	(36.4)	(43.8)	(51.7)	(59.6)	(68.3)	(77.4)
Beginning Cash Balance Less Enc.	103.3	107.8	102.0	89.0	67.4	38.1	1.7	(42.1)	(93.8)	(153.4)	(221.7)
Ending Cash Balance Less Enc.	107.8	102.0	89.0	67.4	38.1	1.7	(42.1)	(93.8)	(153.4)	(221.7)	(299.1)
Budget Reserve	(25.8)	(27.0)	(28.5)	(30.1)	(31.6)	(33.0)	(34.4)	(35.8)	(37.3)	(38.9)	(40.6)
Ending Unreserved Balance	82.0	75.0	60.4	37.3	6.5	(31.2)	(76.5)	(129.7)	(190.8)	(260.7)	(339.8)



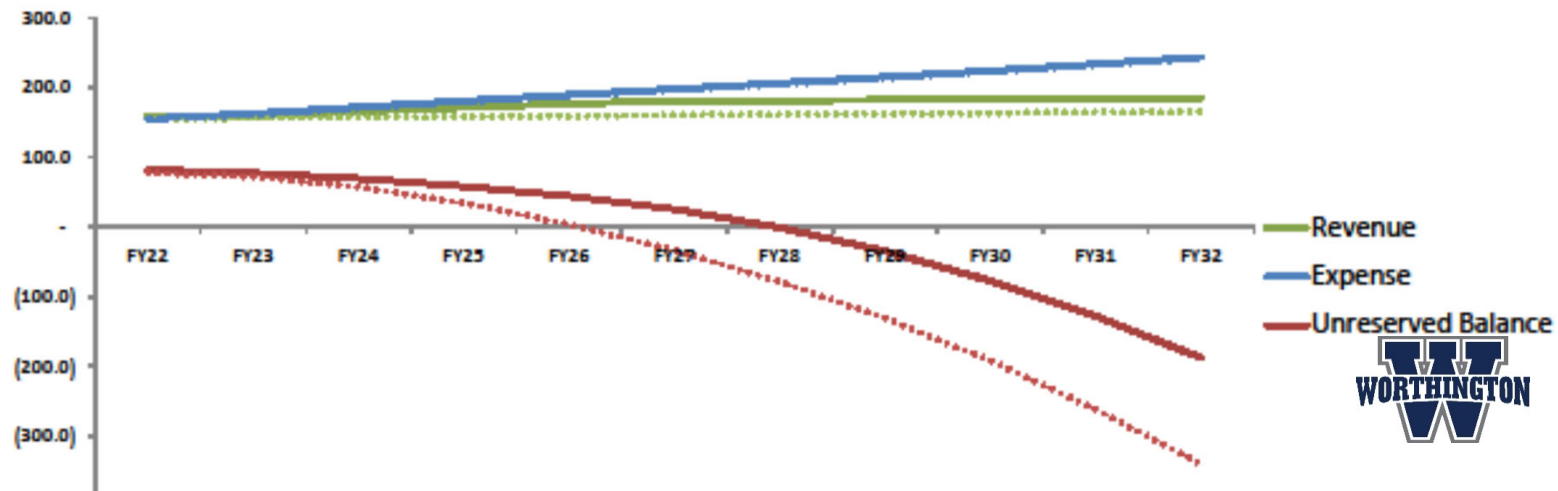
Incremental 2.9 Mills 2022, +2+2+2

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Total Projected Revenue	159.8	160.2	167.9	173.6	179.3	182.8	183.8	184.8	185.8	186.8	187.8
Total Projected Expenditures	155.3	162.6	171.5	181.0	189.6	197.7	206.2	215.0	223.9	233.6	243.7
Surplus (Deficit)	4.5	(2.4)	(3.7)	(7.4)	(10.3)	(15.0)	(22.4)	(30.3)	(38.2)	(46.9)	(56.0)
Beginning Cash Balance Less Enc.	103.3	107.8	105.5	101.8	94.4	84.1	69.1	46.7	16.4	(21.8)	(68.6)
Ending Cash Balance Less Enc.	107.8	105.5	101.8	94.4	84.1	69.1	46.7	16.4	(21.8)	(68.6)	(124.6)
Budget Reserve	(25.8)	(27.0)	(28.5)	(30.1)	(31.6)	(33.0)	(34.4)	(35.8)	(37.3)	(38.9)	(40.6)
Ending Unreserved Balance	82.0	78.4	73.3	64.3	52.5	36.2	12.3	(19.4)	(59.1)	(107.6)	(165.3)



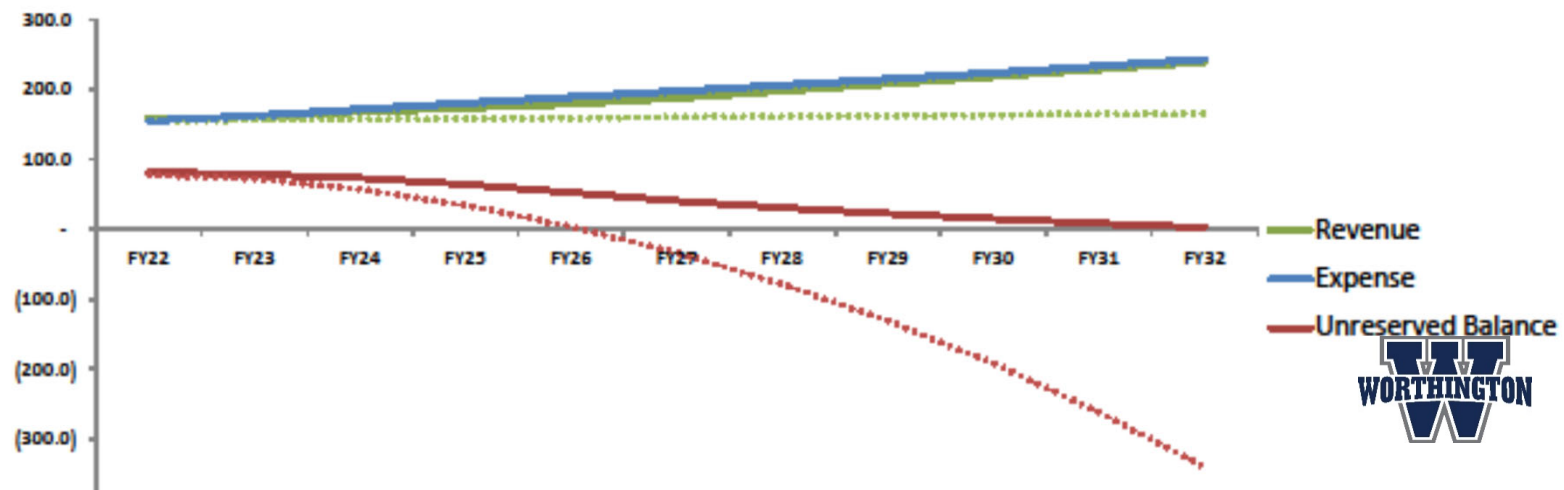
Incremental 1.9 Mills 2022, +2+2+2

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Total Projected Revenue (2.9)	159.8	160.2	167.9	173.6	179.3	182.8	183.8	184.8	185.8	186.8	187.8
Total Projected Revenue	159.8	159.1	165.5	171.2	176.9	180.4	181.4	182.4	183.4	184.4	185.4
Total Projected Expenditures (2.9)	155.3	162.6	171.5	181.0	189.6	197.7	206.2	215.0	223.9	233.6	243.7
Total Projected Expenditures	155.3	162.6	171.5	181.0	189.6	197.7	206.2	215.0	223.9	233.6	243.7
Surplus (Deficit) (2.9)	4.5	(2.4)	(3.7)	(7.4)	(10.3)	(15.0)	(22.4)	(30.3)	(38.2)	(46.9)	(56.0)
Surplus (Deficit)	4.5	(3.6)	(6.1)	(9.8)	(12.7)	(17.4)	(24.8)	(32.7)	(40.6)	(49.3)	(58.4)
Beginning Cash Balance Less Enc.	103.3	107.8	104.3	98.2	88.4	75.7	58.3	33.5	0.9	(39.7)	(89.0)
Ending Cash Balance Less Enc.	107.8	104.3	98.2	88.4	75.7	58.3	33.5	0.9	(39.7)	(89.0)	(147.4)
Budget Reserve	(25.8)	(27.0)	(28.5)	(30.1)	(31.6)	(33.0)	(34.4)	(35.8)	(37.3)	(38.9)	(40.6)
Ending Unreserved Balance (2.9)	82.0	78.4	73.3	64.3	52.5	36.2	12.3	(19.4)	(59.1)	(107.6)	(165.3)
Ending Unreserved Balance	82.0	77.2	69.7	58.3	44.1	25.4	(0.8)	(35.0)	(77.0)	(127.9)	(188.0)



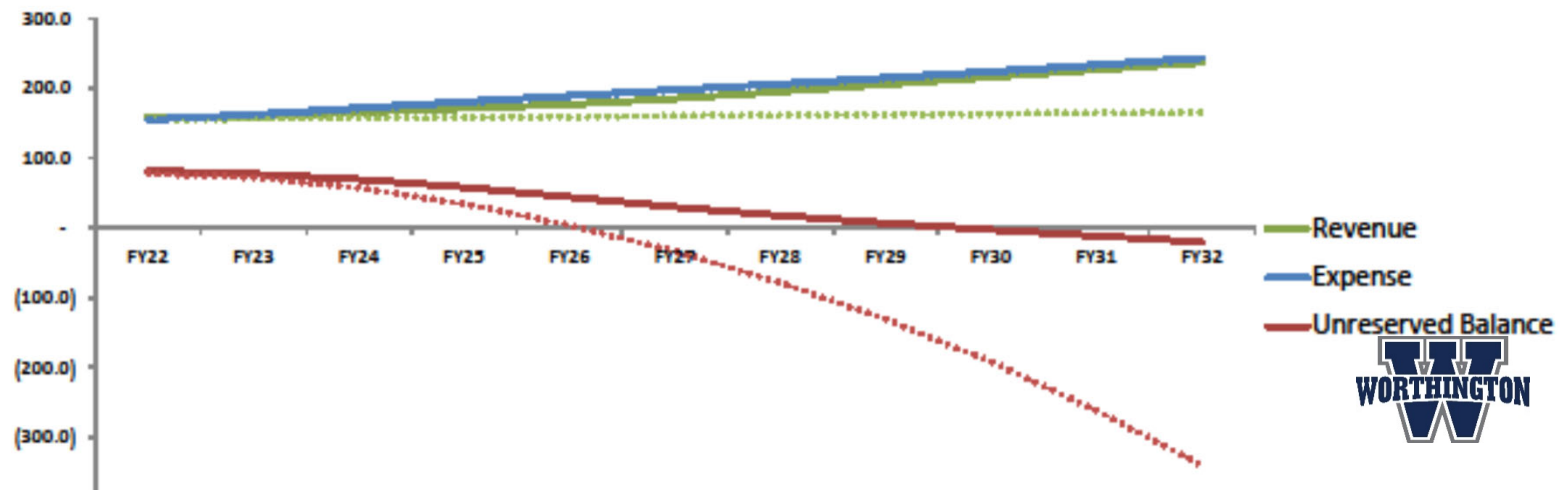
Incremental 2.9 in 2022, 3.8 annually 2026

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Total Projected Revenue	159.8	160.2	167.9	173.6	179.3	187.4	197.7	208.0	218.3	228.7	239.2
Total Projected Expenditures	<u>155.3</u>	<u>162.6</u>	<u>171.5</u>	<u>181.0</u>	<u>189.6</u>	<u>197.7</u>	<u>206.2</u>	<u>215.0</u>	<u>223.9</u>	<u>233.6</u>	<u>243.7</u>
Surplus (Deficit)	4.5	(2.4)	(3.7)	(7.4)	(10.3)	(10.3)	(8.5)	(7.0)	(5.6)	(4.9)	(4.6)
Beginning Cash Balance Less Enc.	103.3	107.8	105.5	101.8	94.4	84.1	73.7	65.2	58.2	52.6	47.7
Ending Cash Balance Less Enc.	107.8	105.5	101.8	94.4	84.1	73.7	65.2	58.2	52.6	47.7	43.1
Budget Reserve	(25.8)	(27.0)	(28.5)	(30.1)	(31.6)	(33.0)	(34.4)	(35.8)	(37.3)	(38.9)	(40.6)
Ending Unreserved Balance	82.0	78.4	73.3	64.3	52.5	40.8	30.9	22.3	15.2	8.8	2.5



Incremental 1.9 in 2022, 3.8 annually 2026

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Total Projected Revenue	159.8	159.1	165.5	171.2	176.9	185.0	195.3	205.6	215.9	226.3	236.8
Total Projected Expenditures	<u>155.3</u>	<u>162.6</u>	<u>171.5</u>	<u>181.0</u>	<u>189.6</u>	<u>197.7</u>	<u>206.2</u>	<u>215.0</u>	<u>223.9</u>	<u>233.6</u>	<u>243.7</u>
Surplus (Deficit)	4.5	(3.6)	(6.1)	(9.8)	(12.7)	(12.7)	(10.9)	(9.4)	(8.0)	(7.3)	(6.9)
Beginning Cash Balance Less Enc.	103.3	107.8	104.3	98.2	88.4	75.7	63.0	52.1	42.6	34.6	27.4
Ending Cash Balance Less Enc.	107.8	104.3	98.2	88.4	75.7	63.0	52.1	42.6	34.6	27.4	20.4
Budget Reserve	(25.8)	(27.0)	(28.5)	(30.1)	(31.6)	(33.0)	(34.4)	(35.8)	(37.3)	(38.9)	(40.6)
Ending Unreserved Balance	82.0	77.2	69.7	58.3	44.1	30.0	17.7	6.8	(2.7)	(11.6)	(20.2)



Capital Recommendation

- Consider \$234M bond issue combined with 1.9 mill continuing Permanent Improvement levy
 - Funds major HS Construction via long term bonds
 - Secures permanent funding for bus, vehicle, and equipment replacement as well as technology infrastructure and some deferred maintenance
 - Over long term, PI keeps taxes lower compared to bond issues: many districts have them
 - Need 3.5-4 mills of PI eventually



Operating Recommendation

- Consider incremental operating levy in 2022 similar to last one (2.9 mills with three 2 mill increments)
 - Smaller than 3.4-3.8 mills necessary for true balance
 - Gradually brings down fund balance, no cliff
 - Consistent with planning in 2018
 - Timing aligns with Master Facilities Plan, secures operating needs when buildings open
 - Good position in 2026 when growth/elementary phase is better known



Recommendation

Operating

Collection Year	Additional Mills	Additional Cost per \$100,000 Appraised Value
2023	2.9	\$101.50
2024	2.0	\$70.00
2025	2.0	\$70.00
2026	2.0	\$70.00

Capital

\$234 Million Bond Issue combined with 1.9 Mill continuing PI	
\$234 Million Bond Issue	4.6 Mills
Projected Existing Debt Millage Decrease	(3.6) Mills
New Continuing Permanent Improvement Levy	<u>1.9</u> Mills
Net Projected 2023 Millage Increase	2.9 Mills
Net Additional Cost Per \$100,000 Appraised Value	\$101.50

- \$217 Million for High School Construction
- \$17 Million for Cont./Deferred Maint. Other Bldgs.
- PI projected to provide \$4.2 million annually for buses, tech infrastructure, furnishing/equipment, and other deferred maintenance projects
- Current bond millage 5.60, projected to go to 6.60

Timeline

	Legal Deadline	Meeting Deadline	Suggested Date
Resolution of Necessity for Bonds & PI	July 11, 2022	June 27, 2022	May 9, 2022
Resolution of Necessity for Operating	July 11, 2022	June 27, 2022	May 9, 2022
Resolution to Proceed with Bonds/PI	July 25, 2022	July 25, 2022	June 27, 2022
Resolution to Proceed with Operating	July 25, 2022	July 25, 2022	June 27, 2022



Millage Considerations

- Ohio's funding model necessitates most Districts like ours to periodically return to voters
- Size and interval are interdependent

4-5% avg. annual expense growth \$9M

HB920 effect/low state funding growth \$1M

Annual increase in local support needed \$8M (3.5 mills)

- Currently have cash balance to subsidize, but not long
- Less now requires more later, but time = more unknown
- Interest rates are putting pressure on bond millage
- Bullish on economic development in Worthington
- State revenues far exceeding projections

Questions/Discussion

Reasonable Levies at Reasonable Intervals

