



March 2010

Financing and Facilities FAQ

At their February 11 meeting, the Mariemont Board of Education approved a combination bond issue/operating levy for the May 4 ballot in order to implement the board-approved Master Facilities Plan and to finance continued district operations.

Why is the bond issue on the ballot at one amount and collected at a smaller amount?

The financing request is on the ballot as a 5.15 mill operating levy and a 5.28 mill bond issue. However, the bond issue will be collected at 3.6 mills. The state uses a set formula to determine the millage that must be stated on the ballot, however, schools often use a different repayment schedule in order to best meet the needs of their individual districts. The Mariemont Board of Education in consultation with its bond underwriters has selected a repayment plan that will require an additional 3.6 mills for the bonds.

Why are these levies combined?

The two issues are combined because they are interdependent. By implementing the entire Facilities Master Plan (FMP) now the district will realize operational savings of approximately \$1 million dollars a year. This savings allows for a lower operating levy of 5.15 mills as opposed to a much larger operating levy that would be needed if the FMP were not implemented all at once.

How much will the combination bond issue/operating levy cost?

The combined bond issue/operating levy represents new funds of 8.75 mills and will cost homeowners \$268 per year per \$100,000 of value as assigned by the County Auditor.

Why doesn't the school build just one building now as opposed to doing everything at once?

Implementing the entire Facilities Master Plan (FMP) is the most cost effective approach. If only a portion of the FMP were implemented the district would need to continue to spend more operating money to fix failing building systems which would be more expensive both in the short term and the long term. This approach threatens to drain dollars from the academic program.

Why doesn't the Board of Education wait until the economy is better before implementing the Facilities Master Plan?

Interest rates and construction prices are at historic lows, and the federal government is providing stimulus programs through 2010 that greatly reduce the cost of borrowing for schools. Now is the least expensive time to build.

Have any business leaders looked at this plan? What do they think?

The Board of Education formed a Financial Advisory Board made up of business leaders who reside in the school district. They reviewed the financing plan and issued their findings to the Board of Education in December. They found the plan to be a reasonable approach for the

district. (Find the complete FAB report at www.mariemontschools.org/facilities DEC 2009 "Financial Advisory Board (FAB) Review")

Why is the school district on the ballot so often - - when will this stop?

The way public school funding is currently structured in Ohio requires districts like Mariemont to return to the ballot every few years. As property values increase, tax rates are reduced so that the schools receive the same amount of money. That's right, the schools do not receive additional dollars from voted tax levies as property values increase. School districts like Mariemont must go the ballot every few years in order to meet cost of living increases.

I think the schools need to make budget reductions before asking for this levy – this is a time for belt tightening. Has the school made any cuts?

The Board of Education has reduced the budget by \$1.8 million dollars in the last two years - 9% of the annual budget. These reductions have included 26 staff positions, 14 of them teaching.

What happens if the levy does not pass?

If the levy does not pass, the Board of Education will need to reduce another \$3 million dollars over the next two years. The first half of those reductions has been identified and may be found on the district website. The reductions include elimination of elementary art, music, and physical education and the implementation of a full pay to participate system in the district that would cost athletes, musicians, and actors an estimated \$450 - \$1000 per high school activity. A full list of the planned reductions may be found on the district website. In total the reductions would translate to an elimination of approximately 30% of district staff. (Find the complete report at www.mariemontschools.org/facilities FEB 2010 "Budget Reduction Recommendations".) In addition, without implementing the Facilities Master Plan, the district would still contend with the financial and logistical challenges of repairing aging infrastructures and systems.

Why are all of these reductions needed?

The state of Ohio has been reducing the funding for Mariemont Schools since 2002. In addition, the state voted to eliminate the Tangible Personal Property Tax which, at its peak, provided \$2 million dollars per year for the Mariemont Schools. The state is currently providing reimbursement for a portion of this revenue, but will phase out the reimbursement between 2014 and 2017.

How does our total property tax rate compare to other communities – I heard someone say we have the highest taxes in the area.

Tax rates do vary throughout the Mariemont School District. However, tax rates in this school district are not the highest in the county. For a complete list of tax rates you may visit the Hamilton County Auditor's web site (www.hamiltoncountyauditor.org).

Will Fairfax Elementary close this year no matter what? Why?

The Board of Education will retire the Fairfax Elementary School building regardless of the outcome of the levy. Reducing the number of schools in operation in the district is a key component of the Facilities Master Plan and the savings that it will provide. If the levy is unsuccessful, the Board of Education will need to reduce the budget by an additional \$3 million dollars and keeping the building open would not be feasible.

What about the high school? When are you going to ask me for money for the high school?

The Board of Education has chosen to continue the ongoing maintenance program at the high school and re-evaluate the building in ten years.

What is going to happen to the junior high building?

The Board of Education has committed to working with the Village of Mariemont and the Mariemont Preservation Foundation to sell the building to a party that will maintain the historic nature of the building.

What about all of the land surrounding the junior high?

The land surrounding the junior high is not owned by the school district.

How can I get involved?

Currently there are residents from every community volunteering on teams on the design and transition planning of the Facilities Master Plan. If you'd like to join those efforts, contact a school principal.