

PLEASANT LOCAL SCHOOLS

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Mrs. Vicki Kimmel, *President*
Mr. Gary Sims, *Member*

9/18/2022

To the community of Pleasant Local Schools,

We greatly appreciate those of you who attended our first community meeting on Monday, the 12th of September 2022. We want to continue to keep the lines of communication open and would like to clarify a few points that have been raised in the last couple of days due to the recent posting in the Marion Star. This is certainly a complex issue, and we would like to try to explain this situation in greater detail.

In 2018 Pleasant Local Schools partnered with Ohio Facilities Construction Commission (OFCC/state) to enter into an Expedited Local Partnership Program (ELPP) agreement to construct a new K-12 building; 40% funded by the OFCC/state (not yet received), and 60% funded by the community via a 30 year bond levy. This milage was calculated by the Marion County Auditors (MCA) office based off of the estimated annual bond (debt) payment and is being collected to make these payments. We built the 5-12 portion of the building with the community portion (60%) of the project; however, we are still waiting for the OFCC portion (State funding - 40%) to complete our elementary school.

This lag in the elementary school construction is causing our school district to maintain our elementary building beyond its intended life expectancy. There are major repairs and maintenance that are needed immediately to give our students and staff a safe learning environment, and this is having an adverse impact on our district's general operating budget. We also have an aging bus fleet (two buses have broken down in the past two weeks), and some athletic facilities that are also in desperate need of repairs. We estimate that it will cost approximately \$350,000 to repair the elementary roof, and every year we need to replace 1.5 buses (at approximately \$90,000 each). In the athletic world, we currently cannot host a track meet at Pleasant due to the condition of our track. Maintenance estimates for the upkeep of our football field, track, and field house is approximately \$500,000.

In November 2021, the MCA contacted Pleasant Schools to inform us that based upon property values going up AND the fact that the estimated bond payment was slightly less than expected, that the milage collection could be reduced by 1.65 mills. Given the timing of the notice, the only option for the Pleasant Schools was to reduce the full 1.65 mills, or part of it. Pleasant chose to reduce the bond collection by one (1) mill, which went back to the community for tax year 2022. For tax year 2023, Pleasant is expected to reduce the bond collection by a minimum of .65 mills, bringing the total bond reduction to 1.65 mills.

Over the past ten months we have been tasked with reducing some of our bond collection, while also being asked by our community to improve our facilities. This brings us to the decision of asking our Board of Education at 5pm on September 26th to consider "Shifting this 1.65 inside milage" to help with this unique situation.

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Pleasant Local School District
Distribution of Milage (1 mill = \$35/year @ \$100k home value)

	2021	2022	2023
30-Year Bond Levy (5-12 building)	9.5	8.5	7.85
Operating (inside and outside)	42.9	42.9	42.9
Permanent Improvement Levy	.5 \$100k	.5 \$100k	2.15 \$430k
Total levy Milage	52.9	51.9	52.9

Bullet Points to help explain this table.

1. Tax year 2021, PLSD collected a total of 52.9 mills, which includes the 30 year bond levy.
2. Tax year 2022, PLSD reduced our bond collection by 1 mill, bringing the total milage collection to 51.9 mills.
3. Tax year 2023, PLSD will reduce our bond collection by a minimum of .65 mills
 - a. In conjunction to the .65 mill reduction, PLSD is proposing to reduce our operating inside milage by 1.65 mills (to move to our Permanent Improvement Fund), equaling our total bond reduction over the last two (2) tax years. Doing this equates to a 3.3 mill reduction over the last two (2) tax years.
 - b. Reducing the operating inside milage by 1.65 mills will put PLSD under the 20-mill floor (HB920), which means the state will also increase our milage by 1.65 mills (back to the 20-mill floor), as this is the legal threshold the state has established for public school districts (HB920).
 - c. In conjunction, PLSD is proposing to move this new 1.65 milage to our Permanent Improvement fund to take care of the critical needs with our facilities.
4. Tax year 2023, PLSDS milage collection will be the same as 2021 (net neutral).

A couple of key takeaway points:

When people say that this shift will raise their taxes, they are referring to 1 out of 2 scenarios.

- 1. From 2022 to 2023 PLSD tax collection will increase by 1 mill. However, what they may not know is that from 2021 to 2022, their tax collection was reduced by 1 mill.**
- 2. The fact that in 28 years when the bond for the new building will expire, the 1.65 mills that we shifted (1 mill = \$35/year @ \$100k home value) will remain. This shift, however, will allow us to create a Permanent Improvement Fund that will generate \$320,000 each year for the proactive maintenance of our campus.**

We hope that this information will be helpful in understanding the unique situation that we are facing at this time.

Respectfully,

Tom McDonnell
Superintendent

James Corbeil
Treasurer/CFO