

SHAKER HEIGHTS CITY SCHOOL DISTRICT
Shaker Heights, Ohio

Finance & Audit Committee
Report

May 2004

Finance & Audit Committee Members:

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EXECUTIVE SUMMARY

The schools in Shaker Heights are among the community's greatest educational and aesthetic assets. Maintaining the physical plant is an ongoing effort.

The Shaker Heights City School District has a large, complex, and aging physical plant. School buildings range in age from 46 to 90 years. The District has done a commendable job of maintaining these buildings, preserving their historic and architectural significance and maximizing the value of the public's investment.

The School District commissioned the firm of Collins Gordon Bostwick, Architects (CGB), to assess the condition of the physical plant and recommend priorities for repairs. The firm's charge was to focus on the following areas:

- o Safety and security
- o Energy savings
- o Building preservation
- o Accessibility for people with disabilities
- o Asbestos abatement

All recommendations were to reflect the District's commitment to cost-effectiveness, building preservation, realistic maintenance, and prioritized implementation.

In addition to the report on physical plant maintenance, a committee of teachers, parents and administrators conducted an assessment of the School District's information technology needs. Out of over \$30 million in identified needs, the architects and staff pared down the list to the absolute essentials. These top-priority projects total \$20 million over five years. These include window and door replacement; electrical system repairs and upgrades; replacement of outmoded lighting fixtures, computers, and school buses; safety and security enhancements; accessibility for people with disabilities; and repairs to roofing, masonry, sidewalks and stairs, and HVAC systems. The Public Library's needs and the standard construction contingency reserve bring the total to \$23.5 million.

The needs are well documented in the architectural report and its accompanying documentation examined by the Committee. These projects are critical to the preservation of our historic buildings and to the safe and efficient functioning of the schools. Undue delay would result in further deterioration and more costly future repairs .

In school districts as in businesses, information technology has become as much a part of basic infrastructure as plumbing and heating. The School District relies on its network of 1,100 computers and 36 servers to support day-to-day financial operations, data collection for both internal purposes and state reporting, and communication via e-mail and the web. In addition, information technology provides important support for instruction across the curriculum and has become particularly useful in helping teachers provide individualized instruction for children who are struggling to master basic reading and math skills.

Failure to replace outdated equipment would put District operations in some jeopardy and would deprive students of valuable technology-assisted learning opportunities.

The State of Ohio, unlike many states, does not provide direct ongoing support to school districts for capital repairs and improvements. The state has some limited capital funding programs but these do not offer funding opportunities to meet Shaker's identified needs for maintenance of physical plant.

Historically, the School District has funded capital repairs through the use of periodic bond issues. The most recent of these, in 1996, was expected to provide sufficient funds to meet repair and maintenance needs for about five years, but through an insurance windfall and careful management, the District has stretched its capital fund dollars an additional three years. The capital fund is nearing depletion and must be replenished.

As it did in 1996, the Board of Education proposes to include the Shaker Heights Public Library in a bond issue in 2004. The Library has identified \$1.5 million in needed repairs and maintenance projects. We find this to be a wise collaboration that serves the community's interests well.

The School District has exercised excellent stewardship of our historic buildings, extending their useful life for as much as 90 years. We believe that the needs identified are urgent and the amount reasonable. For these reasons, we have concluded that the District should place a bond issue on the ballot in November 2004 to provide for capital repairs and maintenance.

I. INTRODUCTION

Assuring that its schools have necessary financial resources is one of a local board of education's most important responsibilities. To meet this responsibility, the Shaker Heights Board of Education conducts a continuous assessment of both current revenues and expenditures and projections for the future.

In October 2002, the Shaker Heights Board of Education appointed a Finance & Audit Committee consisting of nine members, including two members of the Board of Education, to help assess the District's financial needs. The members of the committee were selected because of their broad range of expertise in accounting, economics, finance, public finance, law, and higher education. All are District residents. Brief biographical sketches of the committee members are included in the appendix of this report.

The Committee was charged with the following tasks:

- o Review the annual audited financial statements with management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the District's financial statements;
- o Review an analysis prepared by management and the external auditor of significant financial reporting issues and judgments made in connection with the preparation of the District's financial statements;
- o Review major changes to the District's auditing and accounting principles and practices as suggested by the external auditor or management;
- o Discuss with the external auditor the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees* relating to the conduct of the audit;
- o Review with the external auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the District's response to that letter. Such review should include any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- o Meet at least annually with the chief financial officer (Treasurer) and separately with the external auditor, if the committee deems it necessary; and
- o When requested by the Board, review the soundness of all financial assumptions relied upon in

determining the fiscal necessity and timing of any levy.

Consistent with its charge, the Committee has been meeting periodically to study the District's financial projections and review related financial information. The Committee members were provided with significant amounts of data about the sources and uses of district funds as well as background information about school finance in Ohio. Additionally, the Committee meets annually with a representative of the Auditor of State to review the District's audit. The committee as currently constituted issued its first report in December 2002, recommending an operating levy in 2003.

The Board of Education has been discussing the District's capital needs for well over a year, and has commissioned outside professional assessments to assist in its planning. At the Board's request, the Committee examined the needs and financial assumptions. The following sections summarize the Committee's observations and conclusions.

II. DISTRICT OVERVIEW

A. The Board of Education and Administration

The Board of Education of the Shaker Heights School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the District, and is, together with the School District, governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is made up of five members who are locally elected to overlapping four-year terms. The Board elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

B. The School District and its Facilities

The District is located in Shaker Heights, Ohio, Cuyahoga County. The District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

The District operates five elementary schools (K-4), one upper elementary school (5-6), one middle

school (7-8), one high school (9-12), and a pre-kindergarten Early Intervention class at the Shaker Family Center. The District's four support facilities include an administration building, transportation center, warehouse and maintenance vehicle garage, and a media and technology services facility. The District's facilities include 900,000 square feet in buildings and 95 acres of grounds.

The age of the school buildings ranges from 46 years (the Middle School) to 90 years (Boulevard). All but two were built before 1931.

The school buildings are used beyond the traditional school day and school year. The School District operates tutoring centers, after-school instructional support, co-curricular activities, and a growing number of summer initiatives. The Cleveland Clinic and Caring Communities Organized for Education also operate summer programs in District facilities.

The City of Shaker Heights uses school buildings for more than 12,000 hours of programming per year, for activities including before- and after-school child care and a variety of leisure activities, plus extensive use of District fields on weekends and during the summer. This heavy community use of school facilities provides value to taxpayers, but also increases wear and tear on buildings, fields and grounds. The City of Shaker Heights is currently engaged in a study of recreation and leisure-time needs. Every indication is that this study will result in even more demand for community use of school facilities.

The District's 51 buses transport in excess of 4,000 public and private students per day. The buses range in age from less than one year to 19 years old. Eleven buses are over 15 years old. Two buses are equipped with lifts for persons with limited mobility.

C. District Employees

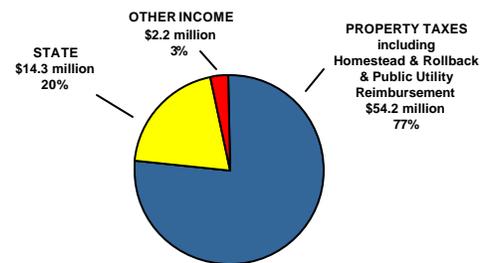
The District's instructional and support facilities are staffed by 292 classified (non-teaching) employees, 489 certificated full-time and part-time teaching and tutoring personnel, and 36 administrators who provide services to 5,600 students. The District's teachers and certain educational specialists are represented by the Shaker Heights Teachers' Association ("SHTA"). The District's teaching staff average sixteen-plus years of experience. Classified employees of the District are represented for collective bargaining purposes by two unions, Ohio Association of Public School Employees (AFSCME/AFL-CIO), Local #149 (secretarial-clerical),

and National Conference of Firemen and Oilers, (SEIU/AFL-CIO/CLC) Local #200 (custodial, maintenance, transportation and cafeteria staff).

D. District Revenues

The two main sources of revenues for school districts in Ohio are local property taxes and State support through the State Foundation program. The District's revenues for fiscal 2002-03 included approximately \$54.2 million from property taxes (including the state reimbursement for Homestead and Rollback and Public Utility reimbursement payments) which represented 77% of the District's General Fund revenues. The State contributed \$14.3 million, or 20% of total General Fund revenues. Of the District's property tax revenues,

General Fund Revenues 2002-03



Total = \$70.7 million

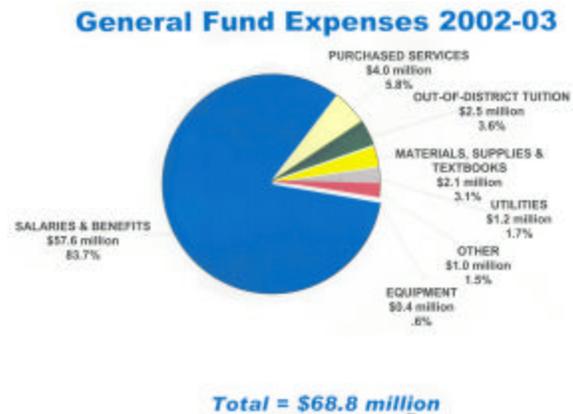
approximately 79% or \$42.8 million are derived from the taxation of residential real estate (as distinct from the taxation of either commercial real estate or commercial personal property). This heavy reliance on residential property taxes is due to the limited amount of commercial property that exists within the District boundaries.

E. District Expenses

In Shaker Heights, as in all school districts, the largest category of operational expenditures is personnel. Historically, in Ohio 80% to 85% of school district budgets consist of salaries and related employee benefits. For the fiscal year ending June 30, 2003, salaries and benefits approximated 84% of total general fund expenses in the District.

Negotiated collective bargaining agreements determine salary and related fringe benefit payments for nearly all District employees. The current SHTA contract, which expires in fiscal 2007, calls for annual cost of living adjustments averaging 3.1 percent over three years in addition to annual

experience and degree level increases. The other two collective bargaining agreements, which expire at the end of June 2004, are currently being negotiated.



For all employee groups, the two major fringe benefit costs are the state-mandated 14% of salaries for retirement contributions, and health insurance. The cost of health insurance has skyrocketed over the past few years, which plays an important role in projecting future spending increases. Although many in the healthcare industry predict higher cost increases, the District has projected only an annual 10% increase during the five-year forecast period. In addition, the Medicaid/Medicare tax expense, while only 1.45% of salaries, increases each year as salaries go up and as more of the District's workforce is subject to the tax.

Additionally, Federal and State regulations require certain mandated services, primarily special education, which have become significant cost factors for the District. Special education services are provided both within the District and externally through cooperative agreements with other educational institutions. All special education costs, especially out-of-district tuition costs, continue to soar. Not only does the cost of delivering such services continue to outpace the general inflation rate, but the proportion of students requiring special education is rising both locally and nationally. Such costs made up 14.4% of the General Fund budget in fiscal 2003 as compared to 11.0% in fiscal 1994.

New state and federal mandates also place additional financial burdens on the District. It is anticipated that these costs will continue to rise for some time into the future.

F. District Capital Outlays

The District has historically funded its major capital improvements and repair needs through the issuance of taxpayer-approved bonds. Prior to 1977, bond issues

were passed in Shaker every 4 years, on average. With the enactment of House Bill 920, which restricts revenue growth without voter approval, the Board of Education decided to focus its efforts on passing operating levies. In this transitional period, there was for several years no dedicated revenue stream for capital maintenance and repairs, although some repairs were funded by the General Fund.

In 1989, the Citizens' Finance Review Committee, the predecessor to the Finance & Audit Committee, recommended that the School District revive the use of periodic bond issues to pay for capital repairs and improvements "in order to relieve pressure on the General Fund and assure the maintenance of the physical plant."

The last two bond levies were approved in 1990 (\$10 million) and 1996 (\$12.7 million). The remaining outstanding balance of these general obligation bonds is serviced by a dedicated property tax currently approximating 2.2 mills, down from over 3 mills from 2001 through 2003.

The 1990 and 1996 bond issues were designed to provide sufficient resources to finance needed capital repairs and improvements for five years. In both cases, the District was able to stretch its resources beyond the anticipated five-year interval.

The District partially replenished its depleted capital fund in fiscal 2002 with the \$2.7 million proceeds from the sale of 46,666 shares of Anthem stock received when the District's primary health insurance carrier demutualized (converted from a mutual to a stock corporation). The Anthem proceeds permitted the District to finance capital repairs and maintenance for an additional three years, but these funds are nearly depleted.

III. CAPITAL NEEDS

The Committee began with two basic assumptions as provided by the Board of Education:

- o Stable enrollment over the next five years; and
- o Commitment to preserving and extending the life of the District's historically and architecturally significant buildings.

The School District commissioned the firm of Collins Gordon Bostwick, Architects (CGB), to assess the condition of the physical plant and

recommend priorities for repairs. The firm's charge was to focus on the following areas:

- o Safety and security
- o Energy savings
- o Building preservation
- o Accessibility for people with disabilities
- o Asbestos abatement

All recommendations were to reflect the District's commitment to cost-effectiveness, building preservation, realistic maintenance, and prioritized implementation. CGB was assisted in its work by the engineering firm of Bacik-Karpinski Associates, Inc.

The architects and engineers conducted physical surveys of the High School, Middle School, Woodbury, and one K-4 school, and used sampling techniques to arrive at some of their conclusions and cost estimates. Accordingly, the actual projects undertaken may vary somewhat from the recommendations.

In its initial needs assessment, CGB recommended maintenance projects totaling over \$30 million. In consultation with School District staff, the most critical priorities were identified, for a total of \$20 million over five years. The Shaker Heights Public Library's needs and industry standard contingency reserve bring the total to \$23.5 million.

We examined CGB's extensive report and found it to be thorough and reasonable. Below, we discuss and comment on some of the recommendations.

Window & Door Replacement

As is no surprise to anyone who owns a vintage home, window and door replacement is both the largest and most potentially cost-effective projects recommended by the architects.

Many of the windows and doors in the School District are original, and will no longer hold paint or caulk. They are costly to maintain and because they are single-paned are not energy-efficient.

Four years ago, the original windows at Woodbury were replaced with new thermal-paned windows. Custom-made, they are framed and mullioned in wood with a resin coating to resemble the original windows. In the first year after installation of the new windows, natural gas consumption at Woodbury was reduced by 8 percent, while consumption in the rest of the District increased by nearly 1 percent. Additionally, the new windows offer

ease of maintenance without compromising the architectural integrity of the building.

These qualities come at a price, primarily because standard windows do not fit or are inappropriate for our buildings. The cost of window replacement at Woodbury was approximately \$809,000.

CGB recommends extensive window replacements throughout the District. In this time of rising energy costs, we concur that it is a sound investment in energy conservation (resulting in operating cost avoidance) and also in historic preservation.

Electrical Systems & Lighting

For reasons of safety and productivity, electrical systems are in need of significant upgrades throughout the District. Schools built 50 to 75 years ago were not designed to accommodate the equipment that is essential to running schools today.

The February 2004 power outage at the High School dramatically illustrated the degree to which schools are dependent on electricity and technology to function. Not only did students miss more than a day of school while crews labored to repair an overloaded and outmoded power system, but the computer network for the entire District, which is housed at the High School, was shut down. Loss of the network affected accounting systems, e-mail, and numerous other productivity and communications functions. The backup generator at the High School, dating to the 1960s, is sufficient only to power emergency exit lighting and alarm systems.

Capacity must be added, electrical load balanced within buildings, and safety features upgraded. Additionally, the District needs robust and reliable backup generation equipment in order to maintain continuity of instruction and business functions.

Many areas of school buildings are underlit or are lit with outmoded fixtures. The new fixtures recommended for many locations are expected to result in energy conservation in the range of 6 to 10 percent as well as better illumination.

Safety & Security/ADA Compliance

In recent years, the District has done a commendable job of improving its safety and security procedures. For example, Automated External Defibrillators have

been installed at all buildings and staff members trained in their use. Computerized access control systems, operated with programmable identification cards, have been installed at two buildings, and the use of video cameras has increased. Greater investment is needed in each of these areas to protect students, staff, and property.

Of special importance are fire alarm systems. The new system installed at the Middle School in 2002 was put to the test in March 2004, when a fire started in a science laboratory. Because the new system included smoke alarms in the area, where previously none existed, the fire was quickly detected, contained to one room, and extinguished. Had it not been for the new alarm system, the loss of property would certainly have been greater, and injuries to students and staff could have occurred.

The newer fire alarms are also ADA-compliant, with flashing lights, louder audible signals, and wheelchair-accessible pulls, providing an extra measure of safety to students and adults with disabilities.

Older buildings are difficult to retrofit to provide access for people with limited mobility. The School District has power doors, elevators and/or lifts in several but not all of its buildings. More are needed to provide access to the growing number of students with disabilities, as well as to adult staff members and visitors.

It should be noted that many safety, security, and ADA upgrades place additional demand on electrical systems.

Information Technology

In school districts as in businesses, information technology has become as much a part of basic infrastructure as plumbing and heating. The School District relies on its network of 1,100 computers and 36 servers to support day-to-day financial operations, data collection for both internal purposes and state reporting, and communication via e-mail and the web. In addition, information technology provides important support for instruction across the curriculum and has become particularly useful in helping teachers provide individualized instruction for children who are struggling to master basic reading and math skills.

To ascertain where Shaker stands relative to neighboring districts in its information technology investment, the District commissioned a comparative study by members of Kent State University's department of instructional technology. The Kent experts queried the same east suburban districts that were surveyed for this Committee's December 2002 report; all but two provided

the requested data. The Kent study found that Shaker Heights falls generally in the middle among the districts surveyed with respect to its commitment to information technology.

The staff has developed a five-year information technology plan for submission to the State of Ohio, which lays out the District's technology needs. The most pressing needs are improvement of the network's reliability and security; redundancy to ensure operational continuity in the event of a system failure or power outage; and a replacement schedule for aging computers, some of which are nine years old and incapable of running current software programs.

We believe that the District has taken a reasonable approach to information technology. Failure to replace outdated equipment would put District operations in some jeopardy and would deprive students of valuable technology-assisted learning opportunities.

Other Repairs

The School District does a commendable job of preventive maintenance, so that small problems such as missing shingles do not develop into larger, more costly issues. At the same time, District employees work to keep systems functioning as long as possible. For example, three elementary schools have condensation pumps dating to the 1920s for which parts are no longer manufactured. By hand-making replacement parts, the maintenance staff has been able to prolong the useful life of these devices.

Likewise, the transportation department's drivers and mechanics do an excellent job of maintaining buses. The department's fleet routinely passes state inspections. Even so, many buses are over 15 years old and need to be replaced soon with newer, safer, more energy-efficient vehicles.

CGB's report identified many other projects that are basic to maintaining the school buildings, such as repairs to roofs, concrete and masonry, flooring, heating and ventilation systems, and site work.

Public Library

Legally, the Shaker Heights Public Library is a school district library. Its trustees and any tax requests must be approved by the Board of

Education. In the interest of limiting the number of ballot issues before the voters, the Library and School District placed a joint bond issue before the voters in 1996. For the same reasons, the Board of Education and Library Trustees contemplate a joint issue in 2004.

The Main Library, the former Moreland School, was built in 1925 and renovated in 1993. The Bertram Woods Branch was opened in 1960 and has undergone several improvements.

The Library staff and trustees have asked CGB to provide a detailed assessment of its capital needs including roof repairs, security systems, site work, and interior maintenance. The preliminary estimate is approximately \$1.5 million. This Committee has not yet had the opportunity to examine the Library’s needs.

The following is a summary, by category, of the identified top-priority needs:

Windows and Doors	\$5,506,000
Information Technology	3,178,000
Electrical	2,712,000
Vehicle Replacement	1,950,000
Interior Repairs	1,765,000
Site Repairs	1,136,000
Plumbing	975,000
Exterior Miscellaneous	682,000
Roofing	591,000
HVAC	535,000
General Code Items	439,000
Swimming Pool Repairs	175,000
Masonry	156,000
SCHOOL DISTRICT SUBTOTAL	19,800,000
Public Library Needs	1,500,000
Construction Contingency	2,200,000
TOTAL CAPITAL NEEDS	\$23,500,000

IV. SCHOOL FINANCE ENVIRONMENT

A. State Funding

The core principle in Ohio’s approach to school financing is “shared responsibility.” Under this doctrine, the State provides funding in excess of what a local 23 mill property tax generates, up to a maximum per pupil amount. The formula for determining the State’s share has three elements: 1) the number of students in the

school district, 2) the total per pupil cost of providing an “adequate” education, and 3) the amount of money provided by a local community property tax of 23 mills.

The number of students in a school district is based on enrollment counts during the first full week of October. The cost of providing an “adequate” education is determined by the State and was set at \$4,949 per pupil (the “per pupil amount”) for fiscal year 2003. Thus, annual state funding is determined by multiplying the “adequate” education per pupil amount by the number of school district students, and subtracting the calculated amount of revenue generated by a local property tax of 23 mills. The State funds this difference.

This “shared responsibility” formula results in substantial differences in the proportion of school funds provided by the State. Because Shaker relies heavily on property taxes, the District received only about 39% of the per pupil amount in fiscal 2002-03 from the State. Shaker Heights, however, spends more than twice the “adequate” education per pupil amount. Consequently, the State contributes only about 20% of the District’s revenues.

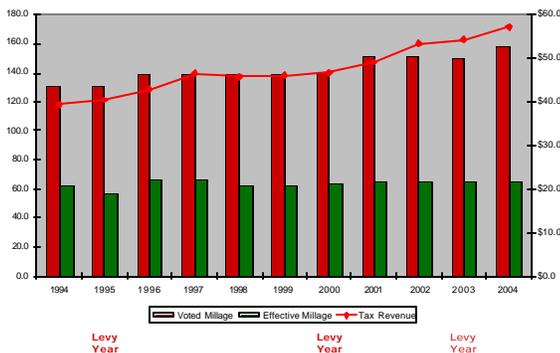
House Bill 920, which became law in 1976, prevents increases in property values from causing an increase in property tax revenues. If, during the triennial reappraisal/update process, the value of existing properties increases, then the millage rate is reduced so as to assure that total tax revenues remain fixed. This new lower tax rate is called the “effective millage.” As the accompanying figure shows, tax revenues are flat until a new levy is passed. In other words, when property owners vote for a levy, they are voting for a continuous fixed dollar amount rather than for a set number of mills.

Although the majority of property taxes in Shaker benefit the school district (about 70% in calendar 2004), the total Shaker property tax bill also includes taxes that are assessed by the City (10.6%), the County (14.4%) including RTA and others, and other entities (5%) such as the Library and the Metroparks. Because the reduction impact of H.B. 920 applies primarily to school districts, any increase in the property tax bills resulting from assessed value increases does not benefit the schools, but instead goes to the entities that are not affected by H.B. 920. Additionally, these other entities periodically place levies on the ballot, which, if passed, also increase

residents' tax bills, the proceeds of which do not go to the school district. Only through a new tax levy can school districts generate additional property tax revenues.

The end result of H.B 920 is that District revenues cannot automatically increase with the general rate of inflation. Consequently, the district's revenue stream remains flat over the years between levies, while its expenses continue to rise. In order to remain fiscally solvent, the District is forced to submit to its residents periodic requests for an increase in property taxes. Thus, despite the approval of 12 operating levies since 1976, the effective school tax rate in Shaker Heights has stayed essentially the same.

Effect of House Bill 920: Voted & Effective Millage vs. Tax Revenues



B. Accountability Requirements

School Legislation:

Since the late 1990's, significant State legislation placed new burdens upon school districts throughout Ohio. House Bill 412 requires districts to allocate a set percentage of their revenues to be spent on textbooks and other instructional supplies, capital repairs and maintenance, and on establishing a rainy day reserve. Senate Bill 55 mandated that fourth-graders be held back if they do not pass the reading portion of the fourth-grade proficiency test. Although this hold-back provision was subsequently eliminated, other provisions including increased graduation and additional testing requirements continue to impose costs on the District.

The financial impact of the federal "No Child Left Behind" act is hard to assess, but additional testing and reporting requirements are likely to impose additional costs on the District in the future.

C. Loss of Tax Revenues

Electric & Natural Gas Utility Deregulation:

Two bills enacted by the 123rd General Assembly reduced the assessment rates for some of the tangible personal property of electric utilities and all tangible personal property of gas utilities. The resulting loss of revenues is estimated to be \$300 million statewide. School districts are being reimbursed for these losses for a five-year period beginning in calendar 2002, with possible reimbursement in the subsequent ten years. After the reimbursement period (expected to be after five years for the Shaker Schools), the \$6.6 million assessed value reduction will result in an annual revenue loss of \$946,000 in current tax dollars. The District will have to make up these losses through other revenue sources.

Repeal Of Inventory Property Tax:

In mid 1999, the State Assembly approved legislation that repealed the inventory portion of the personal property tax. Under the phase-out plan, the current assessment rate of 25% will be reduced 1% per year over a 25-year period. As a component of the biennial budget bill for fiscal years 2004 and 2005, this phase-out has been accelerated from 1% to 2% per year. Additionally, the personal property tax exemption for the first \$10,000 of taxable value is also being phased out over 10 years beginning in calendar 2004. Once the phase-outs are complete, the District will lose approximately \$800,000 annually in current tax dollars.

D. Capital Funding

The District's main operating fund, the General Fund, provides for less than \$500,000 per year for capital repairs and maintenance. This relatively modest amount is nowhere near adequate for a physical plant of the size and age of the District.

The State of Ohio, through the Ohio School Facilities Commission (OSFC), currently administers multiple programs that assist Ohio school districts with their facilities needs. These programs do not offer funding opportunities to meet Shaker's identified needs.

The largest of the OSFC programs is the *Classroom Facilities Assistance Program* (CFAP), which provides funding for the entire facility needs of a school district. CFAP is focused primarily on providing new or renovated instructional space, not on repair or maintenance of existing facilities. The CFAP program assumes that a district will share in the estimated cost of its facilities needs. The OSFC

has determined that Shaker's share would be 89.1% and the state share 10.9%. Assuming that this program still exists and is fully funded, it is estimated that Shaker will be eligible for CFAP funding sometime after 2010.

The *Expedited Local Partnership Program* (ELPP) is designed to give districts not yet participating in the CFAP the opportunity to move ahead with portions of their projects. ELPP matches an OSFC assessment of the district's facilities with the district's Facilities Master Plan, using very specific renovation and/or replacement standards and criteria. The district determines which "distinct portion" of the Master Plan to fund through local funding. When the district's turn in the CFAP program arrives, the funds spent on the "distinct portion" are credited against the local share of the entire Master Plan project. As an extension of the CFAP, the ELPP assessment criteria are slanted towards major renovation or replacement of instructional space, not the ongoing upkeep needs identified in our assessment.

The *Energy Conservation Program*, created by House Bill 264 in 1985, allows districts, to borrow funds without passing a ballot issue and repay the loan through savings realized in reduced utility bills. The District has used this program in the past to replace certain inefficient light fixtures. Unfortunately, the types of maintenance issues included in the CGB assessment extend beyond energy conservation.

Other current, active OSFC funding programs are similarly not applicable to Shaker's facilities needs.

Although the state does provide some dollars for instructional technology in classrooms, the amount has declined and there are no state funds for replacement of obsolete equipment.

The District has historically used bond issues to support its capital maintenance program. One of the primary rationales for doing so is to amortize the cost over the estimated useful life of the capital projects. This approach also minimizes the impact on taxpayers.

V. RESPONSIBLE STEWARDSHIP

A. Cost Containment Efforts

Responsible stewardship requires that the Board continually pursue savings in the school budget that do not adversely influence the quality of educational programs. Indeed, the achievement of cost efficiencies is one of the performance measures the Board uses in its annual evaluation of the Superintendent and Treasurer. Some examples of how the District has contained costs are:

- o In the late 1980s, the Board of Education closed four elementary schools, resulting in significantly lower operating and capital costs.
- o In 1995, the Board of Education unilaterally adopted cost containment caps that limit the total growth in expenditures to a pre-determined formula amount based on the rate of consumer price inflation. These spending caps were renewed in 2000, and the District has successfully operated under spending limits since then.
- o The District has continuously monitored its health care benefit costs, and as a result the District added a Preferred Provider Organization choice for its employees. This option has a lower cost structure than the traditional indemnity plan. Estimated annualized savings from this change amount to \$500,000.
- o The District began electing a contingent premium option available from its primary health insurance carrier, which has enabled the District to save on average in excess of \$300,000 per year for a three-year cumulative savings approximating \$1 million.
- o The District played a lead role in establishing a prescription drug consortium for governmental entities, which saves the District an estimated \$75,000 per year by negotiating better discounts.
- o The District participates in the retrospective rating program for its workers' compensation requirements, and by so doing achieves substantial savings in premiums from 17% to 20% on an annual basis. Additionally, for the 1991, 1992, 1993, 1999, and 2000 workers' comp retrospective years, the District has saved a cumulative amount approximating \$550,000 (excluding any interest earned on the set-aside funds during the intervening years) by

participating in the retro plan versus the premium-based plan offered by the Bureau of Workers' Compensation.

- o The District participates in a purchasing consortium of school districts that leverages high volume to obtain reduced prices from suppliers. The District uses the consortium to purchase energy (including electricity and natural gas), insurance (including liability, auto, and boiler policies) and telecommunications program. Additionally, the District purchases large, commodity items such as school buses through the consortium. Estimated annual savings resulting from the District's participation in the consortium range from \$155,000 to \$200,000.
- o By continuing to maintain its older buildings, the District has avoided much higher repair or replacement costs. The District's practice has been to take care of problems such as roof patching and tuckpointing as they arise, so as to avert further damage.

B. Pursuit of Outside Funding

The District has aggressively pursued outside funding through federal, state, and foundation grants averaging about \$2 million per year. The District has been very successful at obtaining specialized grants, including over \$600,000 from the Cleveland and George Gund Foundations for expanded efforts to enhance minority student performance in the District.

The District enjoys a unique relationship with the Shaker Schools Foundation, a Section 501(c)3 nonprofit organization established with the sole purpose of benefiting the Shaker Heights City Schools. The Foundation disburses over \$15,000 annually in enrichment grants and student awards. Additionally, through the annual "Night for the Red & White" fund-raising formal event, the District schools have received annual payments averaging nearly \$100,000 earmarked to fund building level technology or arts activities.

The Foundation has embarked on an ambitious effort to raise private funds to renovate four auditoriums in the District. To date, one has been completed: The High School Small Auditorium was refurbished to become a multimedia space for teaching and learning activities.

The District has sought and received other sources of revenue including a cumulative \$345,000 of E-Rate funds. E-Rate is a federal telecommunication subsidy

payment instituted in the late 1990's dedicated for educational institutions.

Additionally, the District has aggressively pursued special education cost reimbursement avenues including Medicaid reimbursement under the Community Alternative Funding System (CAFS) and Ohio Department of Education Catastrophic Aid reimbursement programs, as well as the excess cost billing alternative for costs incurred on behalf of non-residential student enrollees. Such special education reimbursements average \$550,000 annually.

C. Financial Reporting

The District's strong financial management is reflected in its reporting, which consistently meets the highest professional standards.

The District reports its financial results in conformance with the uniform school accounting system that is mandated by Ohio Revised Code and prescribed by the Auditor of State. In accordance with state mandates, the District also undergoes an annual financial audit that has historically been conducted by the Auditor of State. The Auditor of State's unqualified (clean) audit opinion is included in the District's Comprehensive Annual Financial Report (CAFR), which has been published each year since 1998.

The District has been the recipient of awards for excellence in financial reporting from both the Government Finance Officers Association of the United States and Canada (GFOA), and the Association of School Business Officials International (ASBO) for each year since 1998. The awards are the highest form of recognition in the area of governmental financial reporting. In order to qualify for such awards, the District must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards, as well as, both generally accepted accounting principles (GAAP) and applicable legal requirements.

Recently, the Ohio Auditor of State commended the Shaker Heights City School District for its exemplary 2002 Annual Financial Report by presenting the District with the Ohio Auditor's Award. This honor is given to government entities that publish a comprehensive financial report according to a strict set of standards. Less than 3

percent of public bodies audited by the Auditor of State's office receive this award.

D. Assessment Process

The District has undertaken a thorough assessment process to ensure that capital dollars are well spent. This assessment included a review of facilities by an outside architectural firm and a survey of information technology by Kent State University, both of which were examined by this Committee.

Out of over \$30 million in identified needs, the architects and staff pared down the list to the absolute essentials, totaling \$20 million over five years.

VI. CONCLUSIONS & RECOMMENDATIONS

The schools in Shaker Heights are among the community's greatest assets, both educationally and aesthetically. They house top-notch instructional programs and numerous community recreational activities. They provide visual and social anchors for our neighborhoods.

In the 90 years since Boulevard School opened, some schools in other districts have been torn down and replaced twice. The Shaker schools were built to last. They continue to provide good service to students and good value to taxpayers, but they require careful, ongoing maintenance.

Unlike many states, the State of Ohio does not provide direct funding for schools' ongoing maintenance and repair needs. The Shaker Heights schools have stretched the proceeds of the last bond issue several years longer than expected, and it is now time to replenish the source of funds for this purpose.

As is shown in Table 1, the District's forecasted growth rate of 5.1% in operating costs compares very favorably with the neighboring district statistics. These funds do not, and were not intended to, allow for an adequate program of capital repairs and maintenance.

The need for renewed investment in maintenance has been clearly documented in the architects' report. Similarly, the Kent State information technology survey and other documents provided to this Committee by the staff make the case for necessary investments in this vital area.

We note that the bond issue we are recommending is larger than those approved in 1990 and 1996. There are two major reasons for this:

- o The projects to be funded from this issue are substantial but cost-effective. For example, replacement of lighting fixtures, windows and doors will result in lower ongoing energy costs.
- o Information technology plays a much larger role in the operation of the School District today than it did in 1990 or 1996.

We are convinced that it would be irresponsible to wait longer to secure funding and commence work on the repairs and other capital projects. Experience shows that deferred maintenance often results in much more costly future repairs, or even irreparable damage.

- 1. The Committee concluded that the process by which needs were identified and costs assessed was inclusive and systematic.***
- 2. The Committee concluded that the repairs and other capital projects identified are reasonable and necessary.***
- 3. The Committee concluded that neither General Fund revenues nor state support can provide sufficient funds for these capital needs.***
- 4. For these reasons, the Committee concluded that the District should place a bond issue on the ballot in November 2004 to provide for capital repairs and maintenance.***

APPENDIX

A1. ABOUT THE MEMBERS OF THE FINANCE & AUDIT COMMITTEE

Marilyn Eisele is the chief financial officer of Five Star Technologies, a company that creates and produces advanced materials. Ms. Eisele received a bachelor's degree in business administration from Bowling Green State University and worked for 15 years for Coopers & Lybrand, now known as PricewaterhouseCoopers. During the past eight years, she has served as chief financial officer for both private and public companies.

Kirby Freeman is in business banking with ShoreBank, Cleveland. A graduate of Howard University with a bachelor's degree in print journalism, he holds an MBA in finance from New York University. He worked as a reporter for Reuters News Agency before moving into the business world. Mr. Freeman worked for four years at Standard & Poor's, where he gained experience in rating school districts and had an opportunity to become familiar with school finance in Ohio. Mr. Freeman represents Huntington on the loan review committee of the Cleveland Citywide Development Corporation.

Edward Hemmelgarn is the chief investment officer of Shaker Investments, a portfolio management firm based in Cleveland. He holds a bachelor's degree in chemistry and an MBA from Case Western Reserve University and worked at both Ernst & Young and Ameritrust prior to founding Shaker Investments in 1991. He is a trustee of the Shaker Schools Foundation and served previously as chair of the Citizens' Finance Review Committee.

Anthony Lockhart recently retired from First Energy Corporation, where he worked as sales director. He holds a degree in industrial technology from Miami University, as well as a master's in industrial economics from Case Western Reserve University and a law degree from Cleveland State University. A former member of both the Citizens' Finance Review Committee and the Shaker Heights Board of Education, Mr. Lockhart is a trustee of the Shaker Schools Foundation and Summa Hospital and past board chair of the Cuyahoga Plan, a fair housing organization.

James Rebitzer, Committee Chair, is Carlton Professor of Economics and chair of the economics department at the Weatherhead School of Management, Case Western Reserve University, with expertise in organizational economics, the economics of the labor markets, and the economics of negotiation and conflict resolution. Prior to coming to Cleveland, he was a faculty member at MIT's Sloan School of Management and at the University of Texas-Austin. Dr. Rebitzer holds a bachelor's degree from the University of Illinois at Urbana, and a doctorate from the University of Massachusetts at Amherst.

Karen Schuele is an associate professor in the department of accountancy in the Boler School of Business at John Carroll University. She holds a bachelor's degree from Case Western Reserve University, a master's from the University of Texas-Austin, and a doctorate from Kent State University. Prior to joining the John Carroll faculty, she worked for two years at Price Waterhouse, now PricewaterhouseCoopers. Dr. Schuele recently served on the executive board of the Ohio Society of Certified Public Accountants.

Steve Strnisha is chief financial and development officer of the Greater Cleveland Partnership, a group of corporate leaders who are committed to improving the long-term economic vitality of the region. A former finance director for the City of Cleveland, he earned a bachelor's degree in history from the University of Virginia and a master's in public administration from Syracuse University. Mr. Strnisha worked at Society Bank and as an analyst for Moody's, where he covered public entities. He is a citizen member of the City of Shaker Heights Finance Committee and a former member of the City of Cleveland's audit committee.

Two Board of Education members are also serving on the Committee:

F. Drexel Feeling, a member of the Shaker Heights Board of Education, is an attorney with the Cleveland firm of Jones Day practicing in the area of intellectual property. Trained as an electrical engineer, he spent eight years in engineering and management positions in the U.S. Air Force. Mr. Feeling holds a bachelor's degree from the University of Pennsylvania, a master's in electrical engineering from Wright State University, and a law degree from The Ohio State University. He has volunteered with the Ohio Reads Program.

Steven S. Kaufman, President of the Board of Education, is a partner in the Cleveland firm of Thompson Hine with a specialty in business litigation. He was founding shareholder of Kaufman & Cumberland, a Cleveland firm that merged with Thompson Hine in 2002. President-elect of the Cleveland Bar Association, Mr. Kaufman is a graduate of Colgate University and the Case Western Reserve University College of Law. He served as special counsel to the Ohio Attorney General from 1991-98 and is a graduate of Leadership Cleveland.

A2. COMMITTEE REFERENCE MATERIAL LISTING

Shaker Heights City School District Capital Needs Assessment, Collins Gordon Bostwick Architects, January 2004

Northeastern Ohio Technology Benchmarking Project, Kent State University College and Graduate School of Education, February 2004

Shaker Heights City School District Five-Year Technology Plan

Shaker Heights City School District Comprehensive Annual Financial Report

December 2002 Report of the Finance & Audit Committee

Monthly Financial Statements

Shaker Heights City School District Fact Book

Bus Replacement Schedule – Shaker Heights City School District Transportation Department

Five-Year Forecast

Annual Appropriation Report (Budget)

Levy History – Operating and Capital

Ohio Department of Taxation – Business Tax Incentives

Ohio Department of Taxation – Property Taxation and School Funding

Ohio Department of Taxation – Inventory Personal Property Tax Information

Ohio Department of Taxation – Public Utility Deregulation Information

Website Reference List

**TABLE 2
SHAKER HEIGHTS CITY SCHOOL DISTRICT
FINANCE + AUDIT COMMITTEE REPORT**

BUILDING DATA											
SOURCE	MEASURE	SHAKER	BEACHWOOD	CHAGRIN FALLS	CLEVE HTS - UNIV HTS	MAYFIELD	ORANGE	RICHMOND HEIGHTS	SOLON	SOUTH EUCLID - LYNDBURST	WARRENSVILLE
SECTION 1											
OHIO	FY 04 SCHOOL BUILDING DATA:										
EDUCATIONAL											
DIRECTORY	# OF ELEMENTARY-K thru 5 or 6	6	3	2	8	4	1	1	5	7	4
2003-04											
	# OF MIDDLE - 6 or 7 thru 8 or 9	1	1	1	3	1	1	1	1	1	1
	# OF HIGH - 9 thru 12	1	1	1	2	1	1	1	1	1	1
	TOTAL # OF SCHOOL BUILDINGS	8	5	4	13	6	3	3	7	9	6
SF 3 - May#1,FY04	AVERAGE DAILY MEMBERSHIP	5,631	1,439	1,947	7,116	3,758	2,250	1,129	5,105	4,488	2,801
	AVG ADM PER BUILDING	704	288	487	547	626	750	376	729	499	467
SECTION 2											
ODE	CAPITAL EXPENDITURES/PUPIL:										
FINANCIAL	1988	\$95	\$820	\$281	\$101	\$1,051	\$209	\$109	\$448	\$96	\$222
PROFILES	1989	\$88	\$450	\$832	\$104	\$1,489	\$622	\$164	\$735	\$88	\$223
	1990	\$208	\$1,000	\$2,920	\$129	\$505	\$232	\$744	\$765	\$107	\$130
	1991	\$670	\$880	\$1,059	\$338	\$373	\$401	\$378	\$899	\$421	\$146
	1992	\$215	\$1,602	\$508	\$255	\$423	\$564	\$635	\$4,006	\$30	\$185
	1993	\$199	\$1,001	\$551	\$167	\$180	\$353	\$376	\$2,208	\$184	\$145
	1994	\$369	\$1,071	\$598	\$550	\$206	\$361	\$391	\$378	\$194	\$126
	1995	\$92	\$540	\$436	\$447	\$330	\$356	\$337	\$682	\$1,056	\$547
	1996	\$123	\$777	\$236	\$564	\$201	\$576	\$338	\$425	\$1,235	\$229
	1997	\$187	\$608	\$561	\$430	\$372	\$1,316	\$244	\$878	\$857	\$332
	1998	\$377	\$2,677	\$2,756	\$480	\$424	\$873	\$220	\$764	\$552	\$379
	1999	\$986	\$223	\$468	\$374	\$236	\$318	\$163	\$265	\$63	\$152
	2000	\$909	\$297	\$89	\$405	\$157	\$888	\$506	\$335	\$206	\$366
	2001	\$375	\$274	\$53	\$488	\$141	\$643	\$148	\$468	\$19	\$80
	2002	\$167	\$10,982	\$22	\$379	\$499	\$161	\$137	\$418	\$791	\$167
	2003	\$379	\$469	\$18	\$1,303	\$919	\$72	\$153	\$1,873	\$997	\$221
	16-YEAR AVERAGE/PUPIL	\$340	\$1,479	\$712	\$407	\$469	\$497	\$315	\$972	\$431	\$228
ODE Report Card	BUILDING OPS EXPEND./PUPIL:										
	Fiscal 1997	\$1,904	\$3,044	\$1,549	\$1,816	\$1,606	\$2,225	\$1,478	\$1,633	\$1,559	\$1,383
	Fiscal 1998	\$2,138	\$3,128	\$1,509	\$2,041	\$1,539	\$2,270	\$1,456	\$1,682	\$1,909	\$1,529
	Fiscal 1999	\$2,833	\$2,919	\$1,560	\$2,599	\$1,687	\$2,415	\$1,670	\$1,614	\$2,119	\$1,468
	Fiscal 2000	\$2,937	\$3,373	\$1,798	\$2,456	\$1,846	\$2,451	\$1,947	\$1,698	\$1,985	\$1,754
	Fiscal 2001	\$2,620	\$3,772	\$1,890	\$2,270	\$2,046	\$2,797	\$1,857	\$1,914	\$2,106	\$1,979
	Fiscal 2002	\$2,580	\$3,888	\$1,960	\$2,658	\$2,138	\$2,910	\$1,940	\$1,923	\$2,447	\$2,169
	Fiscal 2003	\$2,884	\$3,834	\$2,029	\$3,229	\$2,231	\$3,137	\$1,968	\$2,029	\$2,498	\$2,471
	7-YEAR AVERAGE/PUPIL	\$2,557	\$3,423	\$1,756	\$2,438	\$1,870	\$2,601	\$1,759	\$1,785	\$2,089	\$1,822

**TABLE 3
SHAKER HEIGHTS CITY SCHOOL DISTRICT
FINANCE + AUDIT COMMITTEE REPORT**

SCHOOL BUILDING FACILITIES

Building	Grade Level	Year Built	# of Students	Square feet	Classrooms	Labs & Other Special Facilities	Cafeteria	Auditorium	Athletic Facilities	Other Facilities
Boulevard Elementary	K-4	1914	407	48,000	21 plus 1 art room 1 music room 1 library	Computers	No	Yes (doubles as indoor gym)	Soccer field Indoor Gym Ball field Playground	Multipurpose Room
Fernway Elementary	K-4	1927	296	29,925	17 1 library	Computers	No	Yes (doubles as art & music rooms)	Blacktop play area Playground Indoor gym	
Lomond Elementary	K-4	1928	509	65,075	25 plus 1 art room 1 music room 1 library	Computer Lab (1)	No	Yes	Soccer field Playground 2 Baseball fields 1 Large indoor gym (divisible into two gyms)	Learning Garden
Mercer Elementary	K-4	1952	404	70,640	25 plus 1 art room 1 music room 1 library	Computers	No	Yes	Soccer field Indoor gym 2 Baseball fields Playground	
Onaway Elementary	K-4	1923	368	63,700	24 plus 2 art rooms 1 music room 1 library	Computers	No	No	Playground Indoor gym	Multipurpose Room
Woodbury Elementary	5-6	1918	860	138,350	43 plus 2 art rooms 3 music rooms 1 library	Computer labs (4) Science labs: 1 for 5-6 1 for K-4	Yes 67,069 lunches served	Yes	Locker rooms 2 Indoor gyms Track & Field Hockey/soccer/ Indoor pool lacrosse fields	Multipurpose room Band classroom Choir classroom
Shaker Heights Middle School	7-8	1957	932	133,400	33 plus 7 science 3 art rooms 3 music rooms 1 library	Computer labs (3) Science labs (7)	Yes 48,760 lunches served	Yes	Locker rooms 2 Indoor gyms Indoor pool Indoor pool Soccer field 2 Tennis courts Football field Track 2 Baseball fields	Band classroom Choir classroom Domestic science classrooms
Shaker Heights High School	9-12	1930	1725	304,400	60 plus 10 science 4 art rooms 2 music rooms 1 library	Computer labs (4) Science labs (10)	Yes 27,319 lunches served	Yes One large, one small	Locker rooms 2 Indoor gyms Track Fencing Playing field Weight room Football field 9 Tennis courts 2 Baseball fields	Planetarium Band classroom Choir classroom Dance studio Fencing room Weight room

**TABLE 4
SHAKER HEIGHTS CITY SCHOOL DISTRICT
FINANCE + AUDIT COMMITTEE REPORT**

INFORMATION TECHNOLOGY								
MEASURE	SHAKER	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	DISTRICT 8
DISTRICT DATA:								
ENROLLMENT	5619.00	1540	6992	4129	2361	4417	3024	5046
COMPUTERS PER 100 STUDENTS	21.71	51.95	50.06	43.60	21.18	29.43	21.49	39.64
DATA PROJECTORS PER 100 STUDENTS	0.44	0.78	0.57	0.97	0.64	0.45	0.33	0.40
% of BUILDINGS WITH WIRELESS ACCESS	0	75	10	15	100	0	0	100
% of FACULTY USING AUDIO-ASSISTED INSTRUCTION	5	0	0	6	10	10	0	8
PHONES IN ALL CLASSROOMS?	No	Yes						
HUBS OR SWITCHES FOR NETWORK CONNECTIVITY?	60%Hubs/40% Switches	NA	SWITCHES	SWITCHES	SWITCHES	BOTH	BOTH	SWITCHES
REPLACEMENT SCHEDULE FOR COMPUTERS	BY BLDG/ DEPT	33%/YEAR	AS NEEDED	20%/YEAR	20%/YEAR	20%/YEAR	1%/YEAR	14-15%/YEAR
TECHNOLOGY EXPENDITURE PER STUDENT, AY 2002-03	\$73.16	\$227.27	\$11.44	\$242.19	\$133.42	NA	\$13.89	\$95.12
TECH INFRASTRUCTURE EXPENDITURE PER STUDENT, AY 2002-03	\$42.58	\$29.22	\$357.55	\$48.44	\$21.18	NA	NA	\$30.72
HARDWARE EXPENDITURE PER STUDENT, AY 2002-03	\$38.96	\$152.80	\$28.60	\$84.77	\$42.35	NA	\$1.65	\$76.30
SOURCE: Northeastern Ohio Technology Benchmarking Project, Kent State University College and Graduate School of Education								
NOTE: All districts used for comparison purposes elsewhere in this Finance & Audit Committee report were invited to participate in the technology benchmarking survey. Eight								
accepted. Districts are not identified at their request.								

TABLE 5
SHAKER HEIGHTS CITY SCHOOL DISTRICT
FINANCE + AUDIT COMMITTEE REPORT

BUS INVENTORY

Bus #	Year	Age	Mileage	Condition
33	1985	19	142328	POOR (*)
3	1987	17	126483	POOR (*)
4	1987	17	143152	POOR (*)
23	1987	17	163186	POOR (*)
2	1987	17	163249	FAIR
9	1987	17	139644	FAIR
12	1987	17	166729	FAIR
20	1987	17	156249	FAIR
5	1988	16	173651	GOOD
7	1989	15	143951	FAIR
18	1989	15	149651	FAIR
21	1989	15	148624	GOOD
10	1990	14	127706	FAIR
17	1990	14	145521	FAIR
27	1990	14	139792	GOOD
25	1990	14	162273	GOOD
22	1991	13	153593	FAIR
26	1991	13	146273	FAIR
11	1991	13	125231	FAIR
14	1991	13	138034	FAIR
19	1993	11	77226	GOOD
41	1993	11	102884	GOOD
43	1993	11	91959	GOOD
45	1993	11	88909	GOOD
48	1993	11	87811	GOOD
47	1993	11	90701	GOOD
49	1993	11	86866	GOOD
40	1993	11	85049	GOOD
42	1993	11	82723	GOOD
44	1993	11	80178	GOOD
46	1993	11	86718	GOOD
55	1997	7	87229	GOOD
51	1997	7	72998	GOOD
54	1997	7	66139	GOOD
57	1997	7	75429	GOOD
56	1997	7	76413	GOOD
50	1997	7	68453	GOOD
52	1997	7	62794	GOOD
59	1997	7	71346	GOOD
58	1997	7	63547	GOOD
53	1997	7	49465	GOOD
28	1997	7	53963	GOOD
29	1997	7	45224	GOOD
24	2000	4	28091	EXCELLENT
31	2003	1	7778	EXCELLENT
32	2003	1	6354	EXCELLENT
34	2003	1	8105	EXCELLENT
35	2003	1	10214	EXCELLENT
30	2003	1	6958	EXCELLENT

Revised March 2004

*Scheduled to be traded in as part of 2004 new bus purchase.