

**SHAKER HEIGHTS CITY
SCHOOL DISTRICT**

TAX BUDGET

FOR THE YEAR

JULY 1, 2016 through JUNE 30, 2017

JANUARY 2016

**BOARD OF EDUCATION
SHAKER HEIGHTS CITY SCHOOL DISTRICT
Shaker Heights, Ohio**

TO: Members, Shaker Heights Board of Education
Superintendent Gregory C. Hutchings, Jr.

FROM: Bryan C. Christman, Treasurer

SUBJECT: The January 12, 2016 Public Hearing of the 2016-17 Tax Budget

DATE: January 8, 2016

Attached for your consideration is the tax budget for fiscal year 2016-17. The budget hearing will take place at the regular board of education meeting on Tuesday, January 12, 2016, at Shaker Heights High School. Ohio Revised Code requires the District to prepare a tax budget, advertise the date of the hearing, have two copies on hand for public inspection, and hold a public budget hearing all prior to adoption of the tax budget. The adoption must take place by January 15th, and must be filed by January 20th. I certify that the District is in compliance with such requirements.

The tax budget contains two basic fiscal year 2016-17 tax request figures (including homestead and rollback monies) to be submitted to the County Budget Commission. These are:

General Fund	\$78,700,000
Bond Retirement Fund	\$2,331,515

A motion will be necessary following the budget hearing instructing the Treasurer to submit the Fiscal 2016-17 tax budget containing the above figures to the County Budget Commission. The tax budget must be filed with the Cuyahoga County Budget Commission no later than January 20th.

In accordance with the provisions of Substitute House Bill No. 129, which was enacted effective in June 2002, the Cuyahoga County Budget Commission voted in October 2002 to waive the requirement for taxing authorities of subdivisions or other taxing units (including schools) to adopt a tax budget as provided under ORC Section 5705.281, but shall instead require the filing of an alternative tax budget information document on an annual basis. The attached document is that of the alternative format.

The alternative format is similar but less detailed than the original tax budget format. The purpose of the new form is still the same as the previous version. The document contains estimated balances, receipts and expenditure data for all funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

GENERAL FUND

The Tax Budget process is the preliminary step to the entire governmental budgeting process for the School District. Its function while more perfunctory than substantive in nature, is nonetheless a statutory requirement. The primary concern is that the District request a level of tax revenues that will equal or exceed the amount of tax revenue that is generated when the maximum voter-approved level of taxes are levied. The current tax budget meets such requirement. The tax budget mirrors the District's five-year forecast.

BOND RETIREMENT FUND

The basic request provides for interest and principal installments to be paid in Fiscal 2016-17 on the outstanding bonds issued in 2007, 2008, the refunding portion (the \$5.0 million partial advance refunding of the 2005 issuance) of the bonds issued in 2012, and the 2015 issue partially refunding the 2007 and 2008 issues.

OTHER FUNDS

All other funds are required to be included on the tax budget even though none of these funds receive tax revenue from taxes collected by the County Treasurer. They are included to facilitate the Budget Commission's preparation of the Certificate of Estimated Resources.

Pertinent comments concerning some of these other funds include the following:

- There is no assurance that state and federal grants approaching the levels listed in the tax budget will be received in 2016-17. However, the tax budget figures allow for that possibility and will permit new programs to begin earlier than if the federal and state appropriation limit is too low.
- Income and expense relative to student activity programs has been included in the tax budget because the Treasurer is responsible for the handling and accounting of these monies. These funds include Special Rotary, Public School Support, Student Activity Program and Athletic Funds.

LIBRARY

You may recall that the Shaker Heights Board of Education approves the Shaker Heights Public Library's tax budget. Because they are on a calendar year basis, their tax budget will be adopted and filed in July of 2016.

CONCLUSION

We will make a brief presentation on January 12th, in accordance with statutory requirements, which include opening up the floor for any questions pertaining to the Tax Budget. This "Budget Hearing" must take place prior to the Board resolution being placed in motion or voted upon. At the conclusion of the hearing, the Board vote can then take place after being duly moved and seconded by Board members.

Please feel free to call or email if you have questions.

Attachment

PUBLIC NOTICE
NOTICE OF HEARING ON
TAX BUDGET

Notice is hereby given that the tax budget of the Shaker Heights Board of Education for the period July 1, 2016 through June 30, 2017 has been prepared in tentative form. Copies of the tax budget are on file for public inspection during regular office hours in the office of the Treasurer of the Board of Education in the Administration Building, 15600 Parkland Drive, Shaker Heights, Ohio.

The Board of Education will hold a public hearing of said budget on Tuesday, January 12, 2016 at 6:00 p.m. Eastern Standard Time at the Shaker Heights High School Small Auditorium, 15911 Aldersyde Drive, Shaker Heights, Ohio, 44120 during the regularly scheduled Board meeting.

Bryan C. Christman, Treasurer
sp; dec. 24, 2015

ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit SHAKER HEIGHTS CITY SCHOOL DISTRICT

For the Fiscal Year Commencing July 1, 2016

Fiscal Officer Signature _____ Date January 12, 2016

COUNTY OF CUYAHOGA

Background

Substitute House Bill No. 129 (HB129) effective June 3, 2002, was enacted by the 124th General Assembly in part to allow a county budget commission to waive the requirement that a taxing authority adopt a tax budget for a political subdivision or other taxing unit, pursuant to Ohio Revised Code (ORC) Section 5705.281.

Ohio Revised Code Section 5705.281

Under the amended version of this section pursuant to HB 129, a county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the tax budget for any subdivision or other taxing unit. However, the commission may require the taxing authority to provide any information needed by the commission to perform its duties, including the division of the tax rates as provided under ORC Section 5705.04.

County Budget Commission Duties

The county budget commission must still certify tax rates to each subdivision or other taxing unit, by March 1 for school districts and by September 1 for all other taxing authorities under ORC Section 5705.35, even when a tax budget is waived. Also, the commission is still required to issue an official certificate of estimated resources under ORC Section 5705.35 and amended official certificates of estimated resources under ORC Section 5705.36.

Therefore, when a budget commission is setting tax rates based on a taxing unit's need, for purposes of ORC Sections 5705.32, 5705.34, and 5705.341, its determination must be based on that other information the commission asked the taxing authority to provide under ORC Section 5705.281, when the tax budget was waived. Also, an official certificate must be based on that other information the commission asked the taxing authority to provide.

County Budget Commission Action

On October 11, 2002, during the Cuyahoga County Budget Commission meeting, the commission with an affirmative vote of all members waived the requirement for taxing authorities of subdivisions or other taxing units (Including Schools) to adopt a tax budget as provided under ORC Section 5705.281, but shall require the filing of this Alternative Tax Budget Information document on an annual basis.

Alternative Tax Budget Information Filing Deadline

For all political subdivisions excluding school districts, the fiscal officer must file one copy of this document with the County Fiscal Officer on or before July 20th. For school districts the fiscal officer must file one copy of this document with the County Fiscal Officer on or before January 20th.

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION

SCHEDULE 1

The general purpose of schedule 1 is to meet the requirement of Ohio Revised Code (ORC) Section 5705.04 which requires the taxing authority of each subdivision to divide the taxes levied into separate levies. For help use the schedule B issued by the budget commission for the current year and add any new levies. This will help to ensure that no levies are missed.

In column 1 list only those individual funds which are requesting general property tax revenue. In column 2 purpose refers to the following terms, inside, current expenses, and special levy for example. In column 4 levy type refers to renewal, additional, and replacement for example. In column 9 identify the amount of general property tax you wish to request.

NOTE:

The general purpose of column 9 is to demonstrate the need to produce property tax revenues to cover the estimated expenditures for the budget year. ORC Section 5705.341 states in part;

"Nothing in this section or any section of the ORC shall permit or require the levying of any rate of taxation, whether within the 10 mill limitation or whether the levy has been approved by the electors, the political subdivision or the charter of a municipal corporation in excess of such 10 mill limitation, unless such rate of taxation for the ensuing fiscal year is clearly required by a budget properly and lawfully, adopted under this chapter or by other information required per ORC 5705.281."

Property tax revenue includes real estate taxes, personal property taxes, homestead and rollback, and the personal property 10,000 exempt monies.

SCHEDULE 2

The general purpose of schedule 2 is to produce an Official Certificate of Estimated Resources for all funds.

In column 3, total estimated receipts should include all revenues plus transfers in. All taxing authorities, except school districts, must submit a list of all tax transfers.

SCHEDULE 3

The general purpose of schedule 3 is to provide inside/charter millage for debt service. The basic security for payment of general obligation debt is the requirement of the levy of ad valorem property taxes within the 10 mill limitation imposed by Ohio law. Ohio law requires a levy and collection of ad valorem property tax to pay debt service on general obligation debt as it becomes due, unless that debt service is paid from other sources.

SCHEDULE 4

The general purpose of schedule 4 is to provide for the proper amount of millage to cover debt service requirements on voted bond issues. Major capital improvement projects are sometimes financed through the use of voted bonds. The taxing authority seeks voter approval of general obligation bonds and of the levy of property taxes outside the indirect debt limitation in whatever amount is necessary to pay debt service on those bonds.

SCHEDULE 5

The general purpose of schedule 5 is to properly account for tax anticipation notes. See schedule 5 for more details.

DIVISION OF TAXES LEVIED

(Levies Inside & Outside 10 Mill Limitation, Inclusive Of Debt Levies)

For the Fiscal Year Commencing July 1, 2016

Fiscal Officer Signature _____ Date January 12, 2016

SCHEDULE 1

I	II	III	IV	V	VI	VII	VIII	IX
Fund	Purpose	Authorized By Voters On MM/DD/YY	Levy Type	Number Of Years Levy To Run	Tax Year Begins/ Ends	Collection Year Begins/ Ends	Maximum Rate Authorized	\$ AMOUNT Requested Of Budget Commission
General Fund	Inside	N/A	Inside	Continuing	Continuing	Continuing	4.10	\$3,365,467
	Current Exps.	5/69-6/76	Additional	Continuing	1976/Continuing	1977/Continuing	58.53	10,603,351
	Current Exps.	06/07/77	Additional	Continuing	1977/Continuing	1978/Continuing	12.00	2,648,194
	Current Exps.	06/05/79	Additional	Continuing	1979/Continuing	1980/Continuing	6.00	1,324,097
	Current Exps.	06/02/81	Additional	Continuing	1981/Continuing	1982/Continuing	6.50	2,070,391
	Current Exps.	06/08/82	Additional	Continuing	1982/Continuing	1983/Continuing	6.00	1,913,741
	Current Exps.	08/02/83	Additional	Continuing	1983/Continuing	1984/Continuing	8.80	3,181,306
	Current Exps.	11/04/86	Additional	Continuing	1986/Continuing	1987/Continuing	7.50	2,889,042
	Current Exps.	05/02/89	Additional	Continuing	1989/Continuing	1990/Continuing	9.80	4,711,541
	Current Exps.	06/02/92	Additional	Continuing	1992/Continuing	1993/Continuing	9.80	5,775,501
	Current Exps.	02/07/95	Additional	Continuing	1995/Continuing	1996/Continuing	8.70	5,563,308
	Current Exps.	03/07/00	Additional	Continuing	2000/Continuing	2001/Continuing	9.40	6,403,463
	Current Exps.	05/06/03	Additional	Continuing	2003/Continuing	2004/Continuing	9.60	7,277,034
	Current Exps.	05/02/06	Additional	Continuing	2006/Continuing	2007/Continuing	9.90	7,776,714
	Current Exps.	05/04/10	Additional	Continuing	2010/Continuing	2011/Continuing	9.90	7,776,714
	Current Exps.	05/06/14	Additional	Continuing	2014/Continuing	2015/Continuing	6.90	5,420,136
TOTAL							183.43	\$78,700,000

STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

For the Fiscal Year Commencing July 1, 2016

Fiscal Officer Signature _____ Date January 12, 2016

SCHEDULE 2

I Fund BY Type	II Beginning-6/30/16 Estimated Unencumbered Fund Balance	III Property Taxes and Local Government Revenue	IV Other Sources Receipts	V Total Resources Available For Expenditures	VI Total Estimated Expenditures & Encumbrances	VII Ending-6/30/17 Estimated Unencumbered Balance
Fund 001-General Fund	31,425,321	78,700,000	19,618,045	129,743,366	95,075,775	34,667,591
Fund 002-Debt Service Fund	500,000	2,450,000	50,000	3,000,000	2,500,000	500,000
Fund 004-Capital Projects	1,500,000		200,000	1,700,000	950,000	750,000
Special Revenue Funds - State (400s):						
Fund 401-Auxiliary Services	0		1,650,000	1,650,000	1,650,000	0
Fund 451-Network Connectivity	0		14,400	14,400	14,400	0
Fund 463-Alternative Schools	0		40,000	40,000	40,000	0
Fund 499-Miscellaneous State Grants	0		50,000	50,000	50,000	0
Special Revenue Funds - Federal (500s):						
Fund 516-IDEA-Handicapped	0		1,200,000	1,200,000	1,200,000	0
Fund 536-Title I-School Improvement A	0		55,000	55,000	55,000	0
Fund 551-Limited English Proficiency&Immigrant	0		35,000	35,000	35,000	0
Fund 572-Title I-Disadvantaged Children	0		1,000,000	1,000,000	1,000,000	0
Fund 587-Preschool Handicapped	0		19,000	19,000	19,000	0
Fund 590-Title II-A-Improving Teacher Quality	0		130,000	130,000	130,000	0
Fund 599-Miscellaneous Federal Grants	0		50,000	50,000	50,000	0
Other Funds:						
Enterprise Fund - 006 Food Service	0		2,000,000	2,000,000	2,000,000	0
Fiduciary-Expendable Trust - 007 Special Trust	25,000		75,000	100,000	75,000	25,000
Enterprise Fund - 009 Uniform School Supply	0		130,000	130,000	130,000	0
Enterprise Fund - 011 Rotary	50,000		140,000	190,000	140,000	50,000
Internal Service Fund - 014 Special Rotary	50,000		100,000	150,000	100,000	50,000
Fund 018-Public School Support	100,000		250,000	350,000	250,000	100,000
Enterprise Fund -020 Shaker Merchandise	0		20,000	20,000	20,000	0
Fiduciary - Agency - 022 District Agency	1,250,000		250,000	1,500,000	250,000	1,250,000
Internal Service Fund - 024 Self Insurance	4,000,000		12,500,000	16,500,000	12,500,000	4,000,000
Internal Service Fund - 027 Workers Comp,	500,000		300,000	800,000	300,000	500,000
Fiduciary - Agency - 200 Student Activities	100,000		400,000	500,000	400,000	100,000
Fund 300-Athletics	50,000		400,000	450,000	400,000	50,000
TOTALS	39,550,321	81,150,000	40,676,445	161,376,766	119,334,175	42,042,591
				0		0

UNVOTED GENERAL OBLIGATION DEBT

(Include General Obligation Debt To Be Paid From Inside/Charter Millage Only)

For the Fiscal Year Commencing July 1, 2016

Fiscal Officer Signature _____ Date January 12, 2016

SHAKER HEIGHTS CITY SCHOOL DISTRICT			SCHEDULE 3		
I	II	III	IV	V	VI
Purpose Of Bonds Or Notes	Date Of Issue	Final Maturity Date	1/1/2017 Principal Amount Outstanding At The Beginning Of The Calendar Year	Amount Required To Meet Calendar Year-2017 Principal & Interest Payments	Amount Receivable From Other Sources To Meet Debt Payments
Energy Conservation Bonds	10/30/12	12/15/27	\$1,785,000	\$183,325	\$0
Unvoted Debt Bonds-Stadium Improvements	10/30/12	12/15/22	\$515,000	\$90,300	\$0
Bus Acquisition Bonds	10/30/12	12/15/22	\$625,000	\$112,500	\$0
Totals			\$2,925,000	\$386,125	\$0

VOTED DEBT OUTSIDE 10 MILL LIMIT

(Bonds Or Notes Must Actually Be Issued In Order To Commence Collection Of Property Taxes For Debt Service)

For the Fiscal Year Commencing July 1, 2016

Fiscal Officer Signature _____ Date January 12, 2016

SCHEDULE 4

I	II	III	IV	V	VI	VII
Purpose Of Notes Or Bonds	Authorized By Voters On MM/DD/YY	Date Of Issue	Final Maturity Date	1/1/2017 Principal Amount Outstanding At The Beginning Of The Calendar Year	Amount Required To Meet Calendar Year-2017 Principal & Interest Payments	Amount Receivable From Other Sources To Meet Debt Payments
School Improvement, S 1990(N)	05/08/90	08/29/90	12/15/10	\$0	\$0	\$0
School Improvement, S 1993 (O)	05/08/90	04/01/93	06/01/13	\$0	\$0	\$0
School Improvement, S 1999 (R)	11/05/96	03/11/99	12/01/19	\$0	\$0	\$0
School Improvement, S 2000 (S)	11/05/96	09/28/00	12/01/19	\$0	\$0	\$0
School Improvement, S 2005 (T)	11/02/04	04/05/05	12/15/14	\$0	\$0	\$0
School Improvement, S 2007 (U)	11/02/04	04/18/07	12/15/25	\$2,885,000	\$1,182,675	\$0
School Improvement, S 2008 (V)	11/02/04	11/25/08	12/15/25	\$1,074,999	\$344,895	\$0
Refunding, S 2012 (W)	11/02/04	10/30/12	12/15/25	\$3,819,310	\$584,000	\$0
Refunding, S 2015 (X)	11/02/04	03/11/15	12/15/25	\$5,275,000	\$219,945	\$0
(O) - Advance refunded 4/5/05						
(R&S) - Partially Advance refunded 4/18/07						
(T) - Partially Advance refunded 10/30/12						
TOTAL				\$13,054,309	\$2,331,515	\$0

TAX ANTICIPATION NOTES

(Schools Only)

For the Fiscal Year Commencing July 1, 2016

SCHEDULE 5

Fiscal Officer Signature _____ Date January 12, 2016

Tax anticipation notes are issued in anticipation of the collection of the proceeds of a property tax levy. The amount of money required to cover debt service must be deposited into a bond retirement fund, from collections and distribution of the tax levy, in the amounts and at the times required to pay those debt charges as provided in the legislation authorizing the tax anticipation notes. (ORC Section 133.24)

The appropriation to the fund which normally receives the tax levy proceeds is limited to the balance available after deducting the amounts to be applied to debt service.

After the issuance of general obligation securities or of securities to which section 133.24 of the ORC applies, the taxing authority of the subdivision shall include in its annual tax budget, and levy a property tax in a sufficient amount, with any other monies available for the purpose, to pay the debt charges on the securities payable from property tax. (ORC Section 133.25)

	Name Of Tax Anticipation Note Issue	Name Of Tax Anticipation Note Issue
	N/A	N/A
Amount Required To Meet Budget Year Principal & Interest Payments:		
Principal Due		
Principal Due Date		
Interest Due		
Interest Due Date		
Interest Due		
Interest Due Date		
Total		
Name Of The Special Debt Service Fund		
Amount Of Debt Service To Be Apportioned To The Following Settlements:		
February Real		
August Real		
June Tangible		
October Tangible		
Total		
Name Of Fund To Be Charged		