RECORD OF PROCEEDINGS
Special Meeting
January 14, 2010

The Shelby City Schools, Board of Education met in special session on Thursday, January 14, 2010 at 6:00 P.M. in the Professional Development and Technology Center, 39 S Gamble St, Shelby Oho 44875.

1. Meeting called to Order

1.1 The meeting opened with the Pledge of Allegiance to the flag.

1.2 The following board members were present; Bruce Briggs, JoAnn Nelson, Doug DeVito, Steve McLaughlin and Lorie White. Administrative personnel present included Bryan Neff, Superintendent; Diane Ervin, Assistant Superintendent; and Elizabeth Anatra, Treasurer.

1.3 Those present affirmed the district's vision statement.

The Shelby City Schools will be a place:

- where all students are proud to attend
- where the staff is proud to work
- where parents are proud to send their children
- that the community is proud to support

2. Public Concerns/Acceptance of Agenda

Mr. Briggs advised those present that anyone wishing to address the Shelby City Board of Education on school matters may do so by being recognized by the chairperson. Persons are requested to identify themselves and give their address before speaking. A maximum of thirty minutes is established for public input. If there are several speakers, each one should be concise and limit remarks to three minutes.

2.1 Visitors were recognized. A request was made that anyone wishing to comment on any agenda item notify the president so that an opportunity to speak on the item during discussion could be given. No one requested an opportunity to speak.

2.11 A request was also made that anyone wishing to comment or make suggestions on items not on the agenda notify the president so that a time now or later in the agenda could be assigned for discussion. No one requested an opportunity to speak

2.2 Additions or corrections to the agenda were requested. None were suggested.

3. New Business

Resolution of Necessity for Bond issue – May 2010 ballot

3.1 A motion was made by Mrs. White and seconded by Mr. DeVito to act on a resolution of necessity for a Bond issue on the May 2010 ballot.

Mrs. Anatra presented three financing choices for the ballot and explained the relative merits of each. The options were a standard bond issue for the district's debt limit of $19,000,000, a similar issue for $18,000,000 and a combined issue of a $17,000,000 bond and a 1 mill Permanent Improvement Levy. Mr. Neff explained that after discussion by the Building Advisory Committee and the CORE Committee the district would like the Board and the voters to consider construction of a new high school for grades 9-12, the middle school would then move to the current high school, with grades K-5 housed in the existing elementary schools, Auburn, Dowds and a re-opened Russell School. After some discussion, at Mr. Briggs' suggestion the $18,000,000 issue was eliminated. Mr. Briggs explained his preference for the combination Bond and Permanent Improvement option based on cleaner utilization of funds for new construction and continuing maintenance of the older buildings that would remain in service. He also commented that he felt the current plan would provide a better fit with the district's educational programming, and would allow for the provision of amenities expected in new buildings while allowing for better maintenance of older buildings. It was stressed that feedback from the Building Advisory Committee to the CORE Committee was positive for the facilities plan. After further discussion it was suggested that the above motion be amended.

Voting Yes to amend: Mr. DeVito, Mrs. Nelson, Mr. Mc Laughlin, Mrs. White and Mr. Briggs

10-10

An amended motion was made by Mr. DeVito and seconded by Mr. Mc Laughlin to approve the following Resolution:

RESOLUTION DECLARING THE NECESSITY OF SUBMITTING TO THE ELECTORS OF THE SCHOOL DISTRICT THE SINGLE QUESTION OF THE ISSUANCE OF SCHOOL FACILITIES IMPROVEMENT BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF $17,000,000 AND THE LEVY OF AN ADDITIONAL 1.0-MILL TAX TO PROVIDE FUNDS FOR THE ACQUISITION, CONSTRUCTION, ENLARGEMENT, RENOVATION, AND FINANCING OF GENERAL PERMANENT IMPROVEMENTS, PURSUANT TO SECTION 5705.218 OF THE REVISED CODE.

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Motion 10-10 Continued

WHEREAS, pursuant to Chapter 3318 of the Revised Code, this Board has submitted an application for the conditional approval of the Ohio School Facilities Commission (the Commission) to participate in the Commission's Classroom Facilities Assistance Program (the CFA Program) by constructing, acquiring, reconstructing or making additions to classroom facilities (as defined in Section 3318.01(B) of the Revised Code) described in the District's master facilities plan (the Project); and

WHEREAS, at its meeting on July 23, 2009, the Commission conditionally approved, this Board's application to participate in the CFA Program; and

WHEREAS, this Board has subsequently determined that it is appropriate to pursue at this time a discrete segment of the Project instead of the entire Project described in the master facilities plan; and

WHEREAS, after consulting with Commission officials, this Board anticipates that, consistently with its policy on segmenting projects, the Commission will honor this Board's request and approve its segment facilities plan and refer it to the State Controlling Board for conditional approval in the near future; and

WHEREAS, the basic project cost (as defined in Section 3318.01(L) of the Revised Code) of the Project segment with which the Board now proposes to proceed (which segment is a "project" as defined in Section 3318.01(C) of the Revised Code) has been estimated by the Commission to be $22,162,395, of which the State's portion is estimated to be $11,081,197.50 and the School District's portion, as calculated in accordance with Section 3318.032 of the Revised Code, is also estimated to be $11,081,197.50; and

WHEREAS, the Board has determined to supplement and enhance the Project with certain improvements all of the costs of which must be funded locally by the District (the LFIs); and

WHEREAS, at an election on November 7, 2000, the electors of this School District approved an additional 2.0-mill ad valorem property tax (the Existing Levy) outside of the ten-mill limitation for the purpose of general permanent improvements for a continuing period of time pursuant to Section 5705.21 of the Revised Code; and

WHEREAS, this Board has determined that, if the question referred to in Section 1 of this Resolution is approved by the electors of the District, it will agree to earmark, apply and pledge for the purpose of paying costs of maintaining the classroom facilities that are part of the Project that portion of the proceeds of the Existing Levy that is necessary and sufficient to meet the maintenance levy requirements of Chapter 3318 of the Revised Code; and

WHEREAS, pursuant to Section 5705.218 of the Revised Code and as provided in this resolution, this Board has determined to submit to the electors of this School District, at an election to be held on May 4, 2010, a single proposal consisting of the question of (i) issuing bonds for the purpose stated in Section 1 of this resolution (in order to provide funds that are intended to pay the local share of the basic project cost of the Project segment with which the Board now proposes to proceed and the cost of the LFIs), and levying a tax to pay debt charges on such bonds and any securities issued in anticipation thereof, and (ii) levying a tax outside the ten-mill limitation to provide funds for the acquisition, construction, enlargement, renovation, and financing of general permanent improvements (which may be applied, in part, to the payment of debt service on unvoted general obligation bonds issued to pay part of the local share of the basic project cost of the Project segment with which the Board now proposes to proceed);

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Shelby City School District, Richland County, Ohio, two-thirds (⅔) of all members elected thereto concurring, that:

Section 1. Declaration of Necessity of School Facilities Improvement Bonds. This Board finds, determines and declares that it is necessary to issue general obligation bonds of the School District in the aggregate principal amount of $17,000,000 for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving School District buildings and facilities and improving and

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Motion 10-10 Continued

equipping real estate for school purposes (the Bonds), and to levy a tax outside of the ten-mill limitation imposed by Section 2 of Article XII of the Ohio Constitution to pay the debt charges on the Bonds and any anticipatory securities. The approximate date of the Bonds will be July 1, 2010, and it is estimated accordingly that the tax for debt charges will first be levied in 2010 and first be collected in calendar year 2011. The maximum number of years over which the principal of the Bonds may be paid is thirty-five, and the Bonds will bear interest at a rate now estimated at 4.25% per year, payable semiannually.

Section 2. Declaration of Necessity of Tax Levy for General Permanent Improvements. This Board finds, determines and declares that the amount of taxes that may be raised within the ten-mill limitation by levies on the tax list and duplicate will be insufficient to provide an adequate amount for the present and future requirements of the School District, and that it is necessary to levy, for a continuing period of time, an additional 1.0-mill ad valorem property tax outside of the ten-mill limitation to provide funds for the acquisition, construction, enlargement, renovation, and financing of general permanent improvements, commencing in tax year 2010, for first collection in calendar year 2011.

Section 3. Submission of Single Question to the Electors. Pursuant to Section 5705.218 of the Revised Code, the single question of (i) the issuance of the Bonds and levy of the tax to pay debt charges and (ii) the levy of an additional 1.0-mill tax levy to provide funds for the acquisition, construction, enlargement, renovation, and financing of general permanent improvements for a continuing period of time shall be submitted to the electors of the School District at an election to be held in the School District on May 4, 2010.

Section 4. Certification and Delivery of Resolution to County Auditor. The Treasurer of this Board is directed to certify a copy of this Resolution to the Richland County Auditor, and, in accordance with Sections 5705.03(B) and 5705.218 of the Revised Code, this Board hereby requests the County Auditor to certify to it (i) the total current tax valuation of the School District, (ii) the estimated average annual property tax levy, expressed in dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, that the County Auditor estimates to be required throughout the stated maturity of the bonds to pay debt charges on the bonds, assuming that they are all issued in one series bearing interest and maturing in substantially equal principal amounts in each year over the maximum number of years over which the principal of the bonds may be paid, both as stated in Section 1, and that the amount of the tax valuation of the School District for the current year (or, if that amount is not determined, the estimated amount of that tax valuation submitted by the County Auditor to the County Budget Commission) remains the same throughout the maturity of the bonds (except as otherwise provided in Section 133.18(C)(2) of the Revised Code providing that, when considering the tangible personal property component of the tax valuation of the School District, the County Auditor shall take into account the assessment percentages prescribed in Section 5711.22 of the Revised Code, and further provides that the Tax Commissioner may issue rules, orders, or instructions directing how the assessment percentages must be utilized) and (iii) the dollar amount of revenue that would be generated annually by the additional 1.0-mill tax levy referred to in Section 2.

Section 5. Consents. In accordance with Section 133.06(C) of the Revised Code, this Board hereby requests the consents of the State Tax Commissioner and the State Superintendent of Public Instruction to the submission of this question, as the School District's net indebtedness after the issuance of the Bonds will exceed an amount equal to 4% of the School District's tax valuation. The Treasurer is directed to certify copies of this Resolution to the State Tax Commissioner and State Superintendent of Public Instruction, together with such other information as they may require for the purpose.

Section 6. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 6. Effective Date. This Resolution shall be in full force and effect from and immediately upon its adoption.

Vote Yes; Mr. DeVito, Mrs. Nelson, Mr. Mc Laughlin, Mrs. White and Mr. Briggs

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4. <u>Old Business</u> 4.1 A meeting to act on a Resolution to Proceed was set for February 4, 2010 at 5:00 pm at the Professional Development & Technology Center. **5. <u>Adjournment</u>** A motion was made by Mrs. White to adjourn at 6:45 pm and seconded by Mrs. Nelson. Vote Yes; Mrs. White, Mr. DeVito, Mrs. Nelson, Mr. McLaughlin and Mr. Briggs. _____ Bruce Briggs, Board President _____ Elizabeth Anatra, Treasurer	Special Board meeting Feb. 4, 2010, 5:00 p.m.