May 31, 2019

Dear B-C-S Stakeholders:

We are proud to work with all of you in making B-C-S a strong institution for our current and future students—and to be a strong asset for this community. Recently, we have faced challenging decisions regarding our financial future due to devastating cuts in operating revenue beyond our control—the de-valuation of Davis-Besse Nuclear Power Station and the phase out of a key payment (PUTPP) from the state. Together these cuts result in an annual loss of $6 Million, or 30% of our overall budget!

Since May 2018, we have been on the ballot three times to help fill a little more than half of these losses. A property tax passed, which we are thankful for, but the income tax was rejected three times. The property tax that passed brings in approximately $1.4 Million per year and the income tax would have brought in approximately $1.9 Million per year. If both passed, these would have brought in $3.3 Million out of the $6 Million loss—just a little more than half the loss. The rest of the losses will be made up by staying fiscally conservative and making internal reductions.

The B-C-S Board chose to go on the August 6, 2019 ballot with a property tax based on our urgent need to replace the lost operating revenue described above. The Board chose to do a property tax because the 1% income tax was defeated three times, and because the Board was prohibited by state law to put the income tax on the ballot again until November. See www.bcssa.com for more information on the August 6th levy.

As a result of our urgent financial situation, we have been forced to make decisions about cuts and increased fees that we have been trying to avoid. Below is a summary of the cuts and increased fees:

#1) For the 2019—2020 school year, there will be NO school bus transportation of students in grades 9—12. For example, if you have a 5th grader and a 10th grader, we will transport the 5th grader to school, but not the 10th grader. We will provide a bus for students attending Penta Career Center, which will leave from OHHS. There will be no home pick up of Penta students. However, we will transport grades 9—12 students if the August 6th levy passes. You are encouraged to call the Bus Garage at (419) 898-6214 if you have questions.

#2) For the 2019—2020 school year, there will be NO school bus transportation for students who live within roughly 2 miles of our schools as permitted by state law. See the enclosed map for more information on this. However, if the August 6th levy passes, we will transport in a similar manner as the 2018—2019 school year while continuing to make bussing more efficient.

#3) The Acorn Alley child care program will be eliminated for the 2019—2020 school year. However, if the August 6th levy passes we will restore the program.

HOME OF THE OAK HARBOR ROCKETS

Guy L. Parmigan, Ph.D.
Superintendent

Cajon H. Keeton
Treasurer
#4) The Athletics pay-to-participate fee will be increased to $75 per sport with a $300 Family Cap to be effective during the 2019—2020 school year. Currently this fee is $50 per sport with a $200 Family Cap. We will restore the fee back to $50 per sport with a $200 Family Cap if the August 6th levy passes.

#5) Effective July 1, 2019, there will be a District Property Use Fee charged to all non-school sponsored athletic activities including, but not limited to biddy athletics, travel teams, and club teams as determined by the Superintendent, or designee. The fee will be $10 per participant, per activity. All groups will be required to complete a Facilities Use Request. This fee will continue regardless of the levy passage, but will likely increase if it fails.

#6) There will be a charge for all field trip and extra activity trips to be invoiced to the appropriate clubs, principal funds, parent groups, camp accounts, etc. as follows: $2.44 per mile plus $20/hour. We are also looking into other ways to reduce transportation costs, including not sending the band to away football games, and reducing the number of buses sent to away athletic contests.

#7) The Sampler (newsletter) will be eliminated. It will be restored if the August 6th levy passes. The Weekly Rocket Report (with updates and news about the district) will continue to be sent weekly via email. If you do not receive the Rocket Report and would like to, please email ksprouse@bcssd.com. Back to school supply lists and fees will be posted on the district website.

#8) Third Grade Swim lessons will be eliminated for the 2019—2020 school year. However, if the August 6th levy passes, this will be restored.

#9) We increased 2019—2020 lunch prices for all students by 20 cents as follows:

- R.C. Waters: $2.55
- OHMS: $2.80
- 8th Grade: $2.80
- OHHS: $3.05

#10) We reduced summer coaching supplemental contracts by 25%.

#11) We will suspend the use of all B-C-S facilities by adult groups including the indoor high school track, the noon adult swim, and tennis courts. These may be restored if the August 6th levy passes. The use of these facilities will be limited to student use.

#12) Pre-school fees will increase from $130 to $160/month.

#13) We will eliminate all professional development/clinic/training costs from the general fund for the 2019—2020 school year. We will utilize only grant funds for these expenditures.

#14) Fees for high school parking stickers will increase from $10 to $13 per year effective with the 2019—2020 school year.
#15) All B-C-S teachers and support staff are going into the next school year with a 0% base pay increase. Administrative positions have been reorganized for a $100,000 savings going into next year.

All of these changes will increase revenue and/or reduce district costs. Deeper cuts and increased fees will have to be made if the levy fails on August 6th. It is important to emphasize that we have worked tirelessly to avoid this situation because we know that all increases in fees and cuts have an impact.

Also, you may have read that HB 6, Ohio’s Clean Energy Bill, which will provide a financial lifeline to keep Davis-Besse operating, recently passed the Ohio House of Representatives. B-C-S School District strongly supported this bill because the closure of the plant would have a catastrophic economic and social impact on our region. However, make no mistake: The passage of HB 6 will not provide any direct financial benefit to the district, or in any way fix the revenue problem we are facing caused in large part by the de-valuation of Davis-Besse.

Enclosed you will find information concerning the August 6th levy. Enclosed you will also find information concerning school bus transportation for the 2019-2020 school year.

Sincerely,

Members of the Benton-Carroll-Salem Board of Education
Superintendent Guy Parmigian
Treasurer Cajon Keeton

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**August 6th Levy Informational/Q & A Meetings:**

*Facebook Live on District Facebook Page: 6/5/19 at 12 Noon  
*Coffee Connections at Hartford House: 6/5/19 at 2 PM  
*Community Meeting: 6/5/19 at 6 PM at the OHHS Auditorium  
*Coffee Connections at Evolve Café: 6/11/19 at 8:30 AM  
*Coffee Connections at Blackberry Corners: 7/25/19 at 10 AM  
*Facebook Live on District Facebook Page: 7/25/19 at 5:30 PM  
*Community Meeting: 7/25/19 at 6:15 PM at the OHHS Auditorium  
*If you would like a Board member to come to your home to talk with you about the levy, please call the Board Office at (419) 898-6210 to arrange this.  
*You can also call or email your questions at anytime to:  
Superintendent Guy Parmigian: gparmigian@bcssd.com, or (419) 898-6210  
Treasurer Cajon Keeton: ckeeton@bcssd.com, or (419) 898-6210

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**HOME OF THE OAK HARBOR ROCKETS**

Guy L. Parmigian, Ph.D.  
Superintendent  
Cajon H. Keeton  
Treasurer
The yellow highlighted area shows areas that will not receive B-C-S school bus transportation for the 2019—2020 school year. See the back of this page for a detailed listing of streets that correspond with the yellow highlighted areas on this map. If the August 6th levy passes, school bus transportation will be restored to this area. If you have any questions please call the Bus Garage at (419) 898-6214.
AREA NOT PROVIDED WITH TRANSPORTATION

NORTH/SOUTH ROADS

TOUSSAINT PORTAGE RD. – SR 105 TO CHRISTIANSEN RD
BENTON ST. - ALL
N. TOUSSAINT ST. - ALL
CHURCH ST. - ALL
LOCUST ST. – ALL
N. SR 19 – SALEM CARROLL RD. TO LOCUST ST.
S. SR 19 – LOCUST ST TO 1776 S. SR 19
OAK RIDGE DR. - ALL
DONSHIRE BLVD. – ALL
RED HAWK RUN – ALL
S. GORDON DR. - ALL
S. ROBINSON DR. – ALL
HARVEST LANE - ALL
PLANTATION LANE – ALL
BEHLMAN RD. – SR 163 TO PARK ST.
LOCUST ST. – ALL
FINKE RD. – ALL
MAPLE ST. – ALL
ERIE ST. – ALL
BROOKLYN ST. – ALL

EAST/WEST ROADS

W. DRESSLER ST. - ALL
W RIVER LANE RD. – ALL
SR 105 – 12689 SR 105 TO BENTON ST./WATER ST.
SR 163 – VOGEL RD TO BEHLMAN RD
W. PORTAGE RIVER SOUTH RD. – SALEM TWP BUILDING TO SR 19
W. CHRISTIANSEN RD. – ALL
PARK ST. – ALL
COOPERS TRAIL – ALL
WEST AVE. – ALL
S. BROOKSIDE DRIVE – ALL
W. BOWER COURT – ALL
BURDINE DRIVE – ALL
PORTAGE ST. – ALL
PIKOSPECT ST. – ALL
MAIN ST. – ALL
OTTAWA ST. – ALL
OAK ST. – ALL
PARK ST. – ALL
WALNUT ST. – ALL
WASHINGTON ST. – ALL
JEFFERSON ST. – ALL
TOWNLINE ST. – ALL
HOUGHTON ST. – ALL
BANK ST. – ALL
RAILROAD ST. (NORTH & SOUTH) – ALL
W. LAKE ST. – ALL
BROAD ST. – ALL
WATER ST. - ALL
Q & A on the B-C-S Emergency Levy on the August 6th Ballot

The Basics:

The issue is a yes or no vote on approving a 3.9 mill property tax to be paid by all property owners for a period of 5 years, and subject to renewal. If passed, the property tax would cost an additional $135 per $100,000 of value for each parcel of property annually. This property tax issue would generate approximately $1.5 Million per year for the district to be used for operating expenses.

These funds are needed because the district is losing $4 Million in revenue out of a current budget of approximately $20 Million. This represents about 20% of the budget being lost. This loss is happening through no fault of the district.

The Why:

There are two reasons for this unprecedented drop in revenue. First, there is the phase out of public utility tangible personal property (PUTPP) reimbursement payments from the state at the rate of approximately $278,000 per year, which began in 2015; and this loss is compounding. This phase out continues each year through 2030, which is a total loss of $4.5 Million when the phase out is complete.

The second reason for the revenue loss stems from the recent de-valuation of the Davis-Besse Nuclear Power Station by its owner, First Energy, through the Ohio Department of Taxation. De-valuation means that the Ohio Department of Taxation reduced the taxable value of the electric generation equipment at the plant. The de-valuation results in an annual loss of $4.6 Million beginning in 2018.

Q: What is the district making up all of its losses through these levies?
A: No. This levy will raise $1.5 Million annually, and the one passed in May 2018 will raise $1.4 Million annually for a total of $2.9 Million. Thus, we are not making up the full loss of $6 Million annually.

Q: How do our current taxes compare with our neighbors?

<table>
<thead>
<tr>
<th>School District Name</th>
<th>Income Tax</th>
<th>Homeowner</th>
<th>NEW 3.9 MILL Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>DABCSUN squirrel</td>
<td>27.3%</td>
<td>744.04</td>
<td>744.04</td>
</tr>
<tr>
<td>PORT CLINTON CSD</td>
<td>37.0%</td>
<td>904.80</td>
<td>904.80</td>
</tr>
<tr>
<td>BOWDO-CARR-SALCO CSD</td>
<td>26.0%</td>
<td>859.51</td>
<td>950.01</td>
</tr>
<tr>
<td>GEDDIA AREU S</td>
<td>35.0%</td>
<td>1,156.70</td>
<td>1,156.70</td>
</tr>
<tr>
<td>WOODMORE CSD</td>
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<td>1,280.80</td>
</tr>
<tr>
<td>FREINDST CSD</td>
<td>27.7%</td>
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<td>1,472.30</td>
</tr>
<tr>
<td>OREGO CSD</td>
<td>44.50</td>
<td>1,543.47</td>
<td>1,543.47</td>
</tr>
</tbody>
</table>

Q: Has Benton-Carroll-Salem made any cuts?
A: Yes. Over the past 7 years, the Board has prided itself on being fiscally conservative by looking at every job vacancy, and asking if staffing can be more efficient and effective. This has led to the reduction of several hundred thousand dollars in salary expenses in the areas of administration, teachers, and support staff. The Board's fiscally conservative actions can be seen when looking at payroll expenses (which account for about 70% of the total budget). In Fiscal Year 2012, payroll was $11.5 Million. In that year, the Board made large cuts to staffing levels (40 positions). As a result, in Fiscal Year 2013, payroll was $9.7 Million. Six years later, in Fiscal Year 2018, payroll expenses remain the same at $9.7 Million. This has been done while being innovative, adding services for students, and being one of the top performing school districts academically in the state.

Staffing cuts that have been made include:
- Reorganization of Athletic Director and Maintenance Director responsibilities for a savings of $100,000 in administrative salaries
- Reduction of a Gifted/Talented Teacher, Reading Teacher, French Teacher, and High School English Teacher, Special Education Teacher
- Reduction of one maintenance staff member, one bus mechanic, classroom assistants

These efficiency measures will continue, but the magnitude of the annual revenue losses mean that the school district simply cannot cut its way out of the situation without drastically reducing educational opportunities for students. The school board is always looking for ways to always be fiscally conservative for our voters, and not just when money is needed.

Q: What if the levy fails?
A: The District would be forced to make reductions effective with the start of the 2019—20 school year. A list of these reductions will be published on or before June 1.

Q: Would HB 6 or similar legislation being proposed have helped the B-C-S revenue issue?
A: Proposed HB 6 legislation (the Ohio Clean Air Bill) would have no impact on B-C-S revenue losses due to devaluation of Davis-Besse. In other words, passage of HB 6 would provide no new funds that B-C-S lost due to First Energy's decision to seek devaluation. This legislation was targeted to help First Energy remain competitive in the energy market. The school district has testified in support of HB 6 legislation to help keep Davis-Besse in operation.

Q: Why is this called "emergency" levy?
A: This means the levies will bring in a fixed amount of money for the duration of the levy. It is not uncommon for school districts to pass "emergency" levies.
Q: What is the fiscal impact of allowing the Open Enrollment of students from other districts?

A: Open enrollment is a revenue generator for B-C-S. We lose $504,000 to other districts, but gain $805,000 with the students we accept for open enrollment. Open enrollment allows us to maximize the efficiency of our current teachers. We do not hire new teachers to deal with open enrolled students.

Q: What facts can you give about the farm land purchased by the district in 2015?

A: It was purchased upon the recommendation of the Facilities Planning Committee.
   - It was 13 acres purchased at the cost of $130,000.
   - The district collects an annual rent from the land in the amount of $1,430.

Q: Does the district pay anything to those who have retired from the district?

A: No. The district makes contributions to the retirement plans of each employee as required by state law and contract agreements while they are active employees. Once they are retired the district has zero liability for the employee's retirement.

Q: When and how do I vote?


Absentee Voting (Early Voting) begins on July 9, 2019 at the Ottawa County Board of Elections office located at 8444 West SR 163 in Oak Harbor (just west of the Ottawa County Fairground). Voters can show up in person at their office at the following times:
   Monday through Friday from July 9 through July 26 from 8-5. From Monday, July 29 through Friday, August 2 the Board of Elections is open from 8–7 for early voting. On Saturday, August 3 they are open from 8–4; on Sunday, August 4 they are open from 1–5; and on Monday, August 5 they are open from 8–2.

Q: Where can I get more information; how will the district communicate?

A: We have dedicated a page on our website to information about this issue:

http://www.bcsd.com/bullet-issues

*We will be hosting 3 Facebook Live sessions to provide information and answer questions on: 6/5/19 at 12 Noon, 6/28/19 at 10 AM, and 7/25/19 at 5:30 PM—all on the district Facebook page.

*We will be hosting 2 Face-to-Face meetings to provide information and answer questions on: 6/5/19 at 6 PM, and 7/25/19 at 6:15 PM. Both will be held in The Hub at Oak Harbor High School.

*We will be holding 3 Coffee Connections with the Superintendent and Treasurer for citizens to ask questions and provide feedback:
   6/5/19 at 2 PM at Hartford House
   6/11/19 at 8:30 AM at Evolve Café
   7/25/19 at 10 AM at Blackberry Corners

*Citizens are also encouraged to call the Board Office at (419) 898-6210; or email Superintendent Guy Parmigian at gparmigian@bcsd.com, or Treasurer Keaton Keeton at ckeeton@bcsd.com.