

**RECORD OF PROCEEDINGS**

MINUTES OF THE GRANDVIEW HEIGHTS CITY BOARD OF EDUCATION

Special Meeting January 26, 2008

The Grandview Heights City School Board met in special session pursuant to the rules section 3313.16 of the Ohio Revised Code at the Grandview Heights High School in the Board of Education conference room with President Suzanne McLeod in the Chair. This meeting was established by resolution at their last regular meeting on January 8, 2008. Due notice of this meeting was issued to members of the Board and to the media.

Call to Order (I): President McLeod called the meeting to order at 8:00 a.m.

Roll Call (II): The following persons were present:

Members Present: Suzanne McLeod, President  
Gary Heydinger, Member  
Anita Keller, Member  
Kathy Lithgow, Member  
Joanne Peters, Member (5)

Others Present: Ed O'Reilly, Superintendent  
Patrik Bowman, Grandview Heights Development Director  
Ray DeGraw, Grandview Heights Mayor  
Steve Grassbaugh, School District Attorney  
Marc Kamer, School District Attorney  
Tammy McCune, Assistant Treasurer  
Alan Froman, Grandview ThisWeek  
Greg Jones, Tri-Village News  
David Knisley, Treasurer

Retirement Date Change (III-A-1): The superintendent recommended the approval of one item of personnel at this time.

**MOTION 08-015**: Dr. Heydinger moved to change the effective date of Bill Brown's retirement from January 22 to the end of the day on January 28, 2008. Ms. Lithgow seconded the motion.

On roll call, the members voted as follows: Keller, yes; Lithgow, yes; McLeod, yes; Peters, yes; Heydinger, yes. Five yes.  
The president declared the motion carried.

Superintendent's Goals (III-B-1): President McLeod said that she has met with Mr. O'Reilly to develop goals for 2008. Mr. O'Reilly described the goals, particularly developing and implementing a plan to evaluate school climate. Upon his suggestion, the Board added a goal to review and evaluate the developmental review process.

Mr. O'Reilly fielded questions from members of the Board. Dr. Heydinger said he would like to ensure that the course offerings are considered regularly for appropriateness. Possibly foreign language and math currently need to be enhanced or restructured. Ms. Peters noted her desire to see foreign language offered in lower grades. Mr. O'Reilly said that AP course offerings versus courses taken for college credit need to be reviewed.

**MOTION 08-016:** Ms. Lithgow moved to adopt the Superintendent's Goals for 2008 as follows:

#### School Funding/Finance

- Work with the Board and treasurer to determine the best plan for local funding using information from the District's current five-year forecast, State biennial budget, and other state, local and federal funding, finance, and program information.
- Present a comprehensive annual review and recommendations for staffing levels, academic program, and extracurricular program.
- Represent the District in matters relating to Grandview Yard and other City development, utilizing other District staff and board members as needed, and report regularly to the board.

#### Curriculum and Instruction

- Continue to use student data to make changes in program, staffing, and instruction to maximize and personalize every student's education.
- Work with administrators to plan professional development to address specific content areas of concern.
- Review and evaluate the current developmental review process. Recommend changes as needed.

#### School and Community

- Develop and implement a plan for evaluating school climate.

Ms. Peters seconded the motion.

On roll call, the members voted as follows: Lithgow, yes; McLeod, yes; Peters, yes; Heydinger, yes; Keller, yes. 5 yes.  
The president declared the motion carried.

Financial Discussion (III-B-2): Mr. Knisley reviewed the District's current five-year forecast with the Board. He said that although the District is currently in good financial condition, that is a temporary situation. Collective bargaining agreements are in place only through the 2008-09 school year. The personal property tax "hold harmless" reimbursements from the state are expected to peak in FY-10 and then begin being phased out completely by 2018. The direct reimbursements from the state to offset local tax revenue lost due to electricity and natural gas utility deregulation are expected to be eliminated by 2016 or sooner under certain circumstances. The state school foundation formula transitional aid guarantee is contained in temporary law and could therefore disappear with the next biennial budget. Various commercial properties within the School District could be razed resulting in a smaller real property tax collection. Nisource (formerly Columbia Gas System Service Corp.) and Nationwide Realty Investors (formerly Big Bear warehouses) are the largest commercial properties currently undergoing various changes in ownership and uses.

The School District's effective residential property tax rate currently ranks seventh out of sixteen Franklin County school districts. This is the 2007 tax rate being collected in 2008. Mr. Knisley described how it is possible for a Grandview Heights School District property tax levy to be placed on the election ballot during a year of a triennial update or reappraisal and still reflect a LOWER tax rate the following year. Various operating tax levy scenarios were discussed ranging from about one mill to

double-digit millage rates depending upon the timing of the next tax levy anywhere between 2008 and 2011.

Mr. O'Reilly briefly noted some highlights of Jarod's Law that was recently enacted. The new law could result in significant expenditures mandated for health, safety and capital improvements. Many aspects of Jarod's Law may depend upon local interpretation by county governments. Ms. Lithgow noted that health and safety issues would probably be considered to be more important than building modifications. Mr. O'Reilly reported that the Bruner Corporation prepared an audit of the School District's facilities and recommended improvements costing over \$5 million to save on energy costs for various payback periods of between four and three hundred nineteen years. (See the addendum item to these minutes.) He noted that HVAC items tend to be the most expensive. Dr. Heydinger said that Mr. Lamb has done a good job of sequencing the large number of permanent improvement projects in the District during the past few years. Two addendum items to these minutes provide additional information regarding permanent improvement projects.

President McLeod asked members of the Board to consider the process by which they wish to continue their consideration of the School District's financial situation and any future tax levies. Dr. Heydinger said that voters probably are not familiar with a "levy cycle" referring to the fact that the District has recently been on a three-year levy cycle that coincides with the length of collective bargaining agreements and revaluations. He and Ms. Peters said that the District currently does not need an additional operating tax levy. Ms. Lithgow said she is not ready to say if a School District property tax levy should be placed on the election ballot in 2008. With the passage of time, more will be known about the future of the District's finances and about the Grandview Yard development by Nationwide Realty Investors on the old Big Bear warehouse properties. Mr. Knisley (and later Mr. DeGraw) said it would be a number of years before the School District could see any revenue from that development and that is without TIF's and tax abatements. President McLeod suggested that the Board continue to consider the financial condition of the District with another review possibly in May, 2008.

Proposed School Funding Amendment (III-B-3): Mr. O'Reilly reported that the proposed state constitutional amendment for Ohio school funding did not die when an insufficient number of signatures was collected for the last general election. An effort is continuing to place the proposed amendment on the ballot. He and Dr. Heydinger briefly outlined the various components of the proposed amendment. (See the two addendum items to these minutes.) They said that no other viable proposal to fix school funding in Ohio is under consideration by anyone at this time. Dr. Heydinger said he believes that the proposed state constitutional amendment would be good for the State of Ohio.

Mrs. McLeod said that the Ohio Legislature has become much more involved with the content of instruction in Ohio schools while remaining disconnected from the funding of Ohio schools. She and Dr. Heydinger encouraged the Board to actively support placing the proposed state constitutional amendment for Ohio school funding on the ballot so that private citizens would have a chance to vote on the matter. Ballot placement does not necessarily equate to issue passage. About 200,000 additional signatures are needed across the state to place the issue on the ballot. The Board at their next regular meeting will consider a resolution.

Grandview Yard (III-B-4): Grandview Heights Mayor Ray DeGraw provided a brief update to the Board regarding the proposed development of the former Big Bear

warehouse properties by Nationwide Realty Investors (NRI). The development has been named the Grandview Yard. Mr. DeGraw said that a significant public investment would need to be made for the project. Other public agencies will need to contribute. The county has indicated that it will assist since the retail development will provide county sales tax. The state is interested in providing assistance because of additional job creations. The project will have a regional impact. Mr. DeGraw fielded questions from members of the Board and others. He said that he intends to present a development package to City Council and to the Board of Education that should be easy to consider. Between 600 and 800 residential units plus retail and office space will cost about \$600 million of private investment and create about 5,000 jobs. A centerpiece and two outparcels will begin the project with completion around 2010 or 2011. He said that NRI intends to raise the market value of the property from around \$30 million to about \$40 million before the TIF is put in place. Therefore the School District will not suffer any loss in revenue. NRI will be issuing the bonds so the city of Grandview Heights will not have exposure to that debt risk.

Mr. Grassbaugh said the legal documents to put the TIF in place would be the first step of the Grandview Yard project. There will probably be immediate activity to begin this step since 2010 is not that far away. NRI should want the TIF in place before turning ground on the project. Mr. DeGraw said there would be multiple TIF's as parts of this project over time. Mr. Grassbaugh continued that once the public infrastructure has been paid for, the TIF goes away even though there might be additional years left in - the TIF language. There is a possibility that all parties (School District, City of Grandview Heights, NRI) can come out of this project as winners. He said that TIF management is all about analyzing numbers. He fielded questions from members of the Board and others at this time. He suggested that the Board appoint a spokesperson for the project that might include a school administrator and/or attorney. President McLeod noted that Ms. Lithgow and the superintendent have already been appointed to represent the Board on the project. Mr. Grassbaugh recommended being conservative when preparing numbers because nobody is ever upset if more money becomes available. Mr. O'Reilly said his priorities regarding the management of this project are: 1) Pass the next School District tax levy; 2) Maintain a positive relationship with the City of Grandview Heights; and 3) Make sure the community members know that School District tax levies were necessary when Big Bear was here and they will still be necessary after the Grandview Yard is here. Mr. Grassbaugh suggested that the School District team meet with him soon. Then he and the School District team should meet with Mr. DeGraw and Mr. Bowman in an effort to remain educated about the progress of the project. He also recommended that the Board quickly negotiate with NRI that the developer pay for the School District's costs (e.g., attorney fees) of the project from this point forward. This should speed negotiations along. Mr. Bowman said that the School District's main question regarding this development project should be what it takes to pass the next school tax levy. Mr. DeGraw said the Grandview Yard should stimulate additional development in surrounding areas of the City of Grandview Heights and neighboring communities. Mr. Bowman said it is possible that the City may have another property tax levy on the ballot in 2009. He said it should be everyone's goal to lessen dependence on residential property taxpayers in the Grandview Heights community.

Dr. Heydinger said the possibility exists that NRI may be able to finance projects that could benefit the School District and the City of Grandview Heights that might fall outside of the District's Permanent Improvement Fund budget and plans. Mr. O'Reilly said that just because the

School District is living within its current means does not mean that there are not other needs. President McLeod said that the School District needs to determine the desired level of involvement that its attorney should have throughout this development process.

Adjournment (V): President McLeod called for a motion to adjourn.

**MOTION 08-017**: Ms. Lithgow moved to adjourn.

Dr. Heydinger seconded the motion.

On roll call, the members voted as follows: Lithgow, yes; McLeod, yes;

Peters, yes; Heydinger, yes; Keller, yes. 5 yes.

The president declared the motion carried and the meeting adjourned at 12:14 p.m.

ATTEST: \_\_\_\_\_  
President

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Treasurer