



Findlay City Schools Tax Policy, Levy Options And Sustainability Plan

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Rockmill Financial Consulting

- David J. Conley, President
- Governmental Financial Consultant
- Advise and consult on various matters, including:
 - Developing Financial Sustainability Plans
 - Financial Budgets and Projections
 - Tax Levy Management and Reduction Strategies
 - Asset (Cash) Utilization Analysis
 - Facility Financing and Debt Issuance
- 34 years working with Ohio Governments

Primary Responsibilities

- Assess the financial condition of the District
- Identify financing options that can improve sustainability
- Assist in determining goals that achieve sustainability and tax fairness
- Communicate those options and goals to the Board
- Develop a strategy and plan that accomplishes those goals
- Always uphold the District's/taxpayers' financial best interests

Your Circumstances

- Preliminary assessment shows stable financial strength
 - Five-year history and forecast indicate strong performance and management
- Operating funds are adequate, but slowly declining
- Local operating revenues (taxes) are not keeping pace with inflation
- Capital needs and repair costs will continue to grow over time
 - Last major facility spending was over a decade ago in 2010

What is a Taxation Policy?

- A taxation policy is a set of principles, rules, and guidelines that a school district follows in imposing and collecting taxes from individuals and businesses within its jurisdiction. This policy outlines the behaviors that impact the various types of taxes, tax rates and other rules that govern the taxation system.

Why have a Taxation Policy?

- Governments use taxation policies as a crucial tool to manage their finances, **develop sustainable operations**, and address social and economic challenges. The specifics of taxation policies can vary widely from one community to another and are subject to periodic revisions based on changing economic, demographic, and legislative conditions and policy (Board) goals.

Objectives of a Taxation Policy?

- The primary objectives of a taxation policy typically include establishing targets and guidelines that are used to direct the process of generating revenue to fund school district activities, while promoting social or economic fairness and equity among the various types of taxpayers of a school district.

4th Lowest

District Tax Cost Comparison

Rank	District	2022 Value of		2024 Effective		Income Tax			Affordability Index
		Owner Occupied Homes	2022 Median Family Income	Class I Property Tax Rate	2024 Income Tax Rate	Median Property Tax	Payment per Family	Total Cost	
1	Tiffin City SD, Seneca	\$131,900	\$70,348	24.56	0.00%	\$1,133.91	\$0.00	\$1,133.91	1.612%
2	Fostoria City SD, Seneca	\$90,700	\$69,357	37.39	0.00%	\$1,187.06	\$0.00	\$1,187.06	1.712%
3	Bluffton Ex Vill SD, Allen	\$178,100	\$97,596	24.21	0.50%	\$1,508.88	\$487.98	\$1,996.86	2.046%
4	Findlay City SD, Hancock	\$168,800	\$77,803	29.29	0.00%	\$1,730.16	\$0.00	\$1,730.16	2.224%
5	Rossford Ex Vill SD, Wood	\$167,700	\$89,783	34.90	0.00%	\$2,048.55	\$0.00	\$2,048.55	2.282%
6	Hopewell-Loudon Local SD, Seneca	\$163,500	\$83,847	26.80	0.50%	\$1,533.63	\$419.24	\$1,952.87	2.329%
7	Carey Local SD, Wyandot	\$146,900	\$80,603	25.22	1.00%	\$1,296.69	\$806.03	\$2,102.72	2.609%
8	Upper Sandusky City SD, Wyandot	\$159,300	\$82,208	21.69	1.25%	\$1,209.60	\$1,027.60	\$2,237.20	2.721%
9	New Riegel Local SD, Seneca	\$170,300	\$97,321	20.00	1.50%	\$1,192.10	\$1,459.82	\$2,651.92	2.725%
10	Liberty Benton SD, Hancock	\$237,200	\$119,934	28.71	0.75%	\$2,383.70	\$899.51	\$3,283.21	2.738%
11	Van Buren Local SD, Hancock	\$241,800	\$114,972	24.14	1.00%	\$2,042.61	\$1,149.72	\$3,192.33	2.777%
12	Arcadia Local SD, Hancock	\$199,900	\$88,468	24.20	1.00%	\$1,693.15	\$884.68	\$2,577.83	2.914%
13	Lakota Local SD, Sandusky	\$139,300	\$77,852	23.30	1.50%	\$1,135.99	\$1,167.78	\$2,303.77	2.959%
14	Vanlue Local SD, Hancock	\$184,800	\$86,705	26.46	1.00%	\$1,711.68	\$867.05	\$2,578.73	2.974%
15	Bowling Green SD, Wood	\$203,700	\$78,449	27.92	0.50%	\$1,990.45	\$392.25	\$2,382.69	3.037%
16	Washington Local SD, Lucas	\$131,500	\$72,855	48.98	0.00%	\$2,254.35	\$0.00	\$2,254.35	3.094%
17	Sylvania City SD, Lucas	\$239,800	\$115,864	43.15	0.00%	\$3,621.47	\$0.00	\$3,621.47	3.126%
18	Maumee City SD, Lucas	\$166,900	\$86,731	49.31	0.00%	\$2,880.43	\$0.00	\$2,880.43	3.321%
19	Clyde-Green Springs Local, Sandusky	\$134,300	\$70,134	27.90	1.50%	\$1,311.54	\$1,052.01	\$2,363.55	3.370%
20	Perrysburg, Ex Vill, SD	\$274,200	\$135,529	44.02	0.50%	\$4,224.98	\$677.65	\$4,902.62	3.617%
21	Arlington SD, Hancock	\$177,400	\$94,211	30.37	1.75%	\$1,885.67	\$1,648.69	\$3,534.37	3.752%
Sample Median		\$168,800	\$86,705	27.90	0.50%	\$1,711.68	\$677.65	\$2,363.55	2.777%
Sample Average		\$176,571	\$90,027	30.60	0.68%	\$1,903.65	\$616.19	\$2,519.84	2.759%



Last New Operating Taxes

19.5 years

New Operating Revenue Funds Comparison



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Rank	District	Last New Operating Money Granted	Years Since Last New Money
1	Arlington SD, Hancock	11/8/2022	1.50
2	Clyde-Green Springs Local, Sandusky	3/17/2020	4.00
3	Van Buren Local SD, Hancock	3/17/2020	4.00
4	Washington Local SD, Lucas	11/5/2019	4.50
5	Perrysburg, Ex Vill, SD	11/5/2019	4.50
6	Maumee City SD, Lucas	5/8/2018	6.00
7	Sylvania City SD, Lucas	11/8/2016	7.50
8	Rossford Ex Vill SD, Wood	5/5/2015	9.00
9	Fostoria City SD, Seneca	5/7/2013	11.00
10	Tiffin City SD, Seneca	3/6/2012	12.00
11	Bowling Green SD, Wood	11/2/2010	13.50
12	Arcadia Local SD, Hancock	5/5/2009	15.00
13	Liberty Benton SD, Hancock	5/5/2009	15.00
14	Upper Sandusky City SD, Wyandot	5/5/2009	15.00
15	Lakota Local SD, Sandusky	11/6/2007	16.50
16	Bluffton Ex Vill SD, Allen	5/2/2006	18.00
17	Hopewell-Loudon Local SD, Seneca	5/2/2006	18.00
18	New Riegel Local SD, Seneca	5/2/2006	18.00
19	Vanlue Local SD, Hancock	8/2/2005	18.75
20	Carey Local SD, Wyandot	11/2/2004	19.50
21	Findlay City SD, Hancock	11/2/2004	19.50
		Average	11.92



Fixed Income Taxpayers

31.4%

Demographic Trends*

American Community Survey 5-Year Estimates	2022	2020	2015	2010
Total Population	41,395	41,964	42,061	41,563
Average Family Size	2.94	2.95	2.82	2.80
Total Housing Units	17,900	18,252	17,735	17,863
Households with Children 6 to 17	57.3%	53.0%	57.7%	48.9%
Median Age (Years)	36.9	36.5	36.0	36.2
0-19 Years	24.7%	24.8%	25.7%	26.6%
20-44 Years	34.9%	34.9%	34.9%	34.5%
45-64 Years	23.5%	24.3%	24.1%	25.2%
65 Years and older	16.9%	16.0%	15.2%	13.7%
Median Household Income	\$55,344	\$49,917	\$46,054	\$43,128
Mean Household Income	\$80,721	\$69,746	\$59,843	\$58,159
Households Earning \$100,000 or more	23.8%	\$0	15.9%	12.5%
Median Home Value	\$168,800	\$140,900	\$124,200	\$123,700
Percent below poverty level	13.1%	11.5%	18.5%	18.4%
Renter Occupied Housing	41.6%	41.3%	37.6%	36.1%
Average Employment of people 20 to 64	78.5%	79.5%	80.7%	79.7%
% Bachelor Degree or Higher 25 and over	29.1%	28.9%	28.1%	NA
Taxpayers receiving Social Security	31.4%	30.8%	30.7%	25.7%
Taxpayers receiving Retirement Income	23.1%	20.9%	19.2%	16.2%



Minimum Days of Operating Cash

83.33 days

General Fund Sensitivity Analysis

Stress Level	Revenues		Expenses		GF Balance as		
	Min Test	Revenue %Δ	Max Test	Expenses %Δ	Ending Balance	% of Revenues	True Days Cash
0.25	\$61,232,230	-1.00%	\$60,946,004	1.26%	\$14,499,663	23.68%	86.84
0.50	\$60,611,258	-2.01%	\$61,702,700	2.51%	\$13,121,996	21.65%	77.62
0.75	\$59,990,286	-3.01%	\$62,459,395	3.77%	\$11,744,328	19.58%	68.63
1.00	\$59,369,314	-4.02%	\$63,216,091	5.03%	\$10,366,661	17.46%	59.86
1.25	\$58,748,342	-5.02%	\$63,972,786	6.29%	\$8,988,993	15.30%	51.29
1.50	\$58,127,370	-6.02%	\$64,729,482	7.54%	\$7,611,326	13.09%	42.92
2.00	\$56,885,426	-8.03%	\$66,242,873	10.06%	\$4,855,991	8.54%	26.76

Break Even Calculation

GF Balance needed to break even at a 1.00 times stress level ("perfect storm"):						\$3,846,777	
Stress Level	Revenues		Expenses		GF Balance as		
	Min Test	Revenue %Δ	Max Test	Expenses %Δ	Ending Balance	% of Revenues	True Days Cash
0.25	\$61,232,230	-1.00%	\$60,946,004	1.26%	\$4,133,003	6.75%	24.75
0.50	\$60,611,258	-2.01%	\$61,702,700	2.51%	\$2,755,335	4.55%	16.30
0.75	\$59,990,286	-3.01%	\$62,459,395	3.77%	\$1,377,668	2.30%	8.05
1.00	\$59,369,314	-4.02%	\$63,216,091	5.03%	\$0	0.00%	0.00
1.25	\$58,748,342	-5.02%	\$63,972,786	6.29%	-\$1,377,668	-2.35%	-7.86
1.50	\$58,127,370	-6.02%	\$64,729,482	7.54%	-\$2,755,335	-4.74%	-15.54
2.00	\$56,885,426	-8.03%	\$66,242,873	10.06%	-\$5,510,670	-9.69%	-30.36
60 Days of operating cashflow in 2023:						\$9,894,133	

GF Balance required to maintain solvency through a "perfect storm": **\$13,740,910**

True Days Cash requirement based on most recent actual expenses

83.33

General Fund Sensitivity Analysis

Non-GAAP (Budget) Basis							
Year	Revenues ⁽¹⁾	Revenue % Δ	Expenses ⁽¹⁾	Expenses % Δ	Ending Balance	GF Balance as % of Revenues	True Days Cash
2013	\$53,668,621		\$53,615,665		\$11,229,159	20.92%	76.44
2014	\$56,671,720	5.60%	\$55,387,870	3.31%	\$12,513,009	22.08%	82.46
2015	\$58,928,968	3.98%	\$57,677,929	4.13%	\$13,764,048	23.36%	87.10
2016	\$59,973,327	1.77%	\$60,140,331	4.27%	\$13,597,041	22.67%	82.52
2017	\$61,234,085	2.10%	\$63,164,650	5.03%	\$11,666,476	19.05%	67.42
2018	\$62,269,655	1.69%	\$63,027,877	-0.22%	\$10,908,254	17.52%	63.17
2019	\$59,769,043	-4.02%	\$62,943,574	-0.13%	\$7,733,721	12.94%	44.85
2020	\$61,112,456	2.25%	\$60,351,897	-4.12%	\$8,494,280	13.90%	51.37
2021	\$62,732,454	2.65%	\$60,647,003	0.49%	\$10,579,731	16.86%	63.67
2022	\$59,927,479	-4.47%	\$57,957,665	-4.43%	\$12,549,546	20.94%	79.03
2023	\$61,853,202	3.21%	\$60,189,309	3.85%	\$14,213,438	22.98%	86.19
10 - Yr Max	\$62,732,454	5.60%	\$63,164,650	5.03%	\$14,213,438	23.36%	87.10
10 - Yr Min	\$53,668,621	-4.02%	\$53,615,665	-4.43%	\$7,733,721	12.94%	44.85
10 - Yr Average	\$59,831,001	1.48%	\$59,554,888	1.22%	\$11,568,064	19.38%	71.29

(1) Adjusted for Transfers and Other Financing

Primary Conclusions

- Does the District need additional operating funds? - Yes
- When does the District need those additional funds? – Starting Calendar Year 2025
- How much does the District need? – To be determined
- Is it appropriate to seek new income from the community currently? - Yes
- What is the best taxing mechanism to:
 - Raise new funds
 - Provide for future sustainability
 - Provide a more fair and balanced tax structure
 - Diversify revenue risk

Tax Rate Structure

Year Approved	Purpose	Voted Mills	Current Res/Ag	Current Business	20 Mill Floor Res/Ag	20 Mill Floor Business
	GENERAL FUND - INSIDE MILLS	5.30	5.30	5.30		
1976	CURRENT EXPENSE	28.10	5.87	14.43		
1980	CURRENT EXPENSE	4.40	1.09	2.43		
1986	CURRENT EXPENSE	4.75	1.70	3.56		
1993	CURRENT EXPENSE	4.90	2.28	3.84		
2007	CURRENT EXPENSE	4.90	3.37	3.89		
2009	CURRENT EXPENSE	5.90	4.06	4.68	23.66	38.14
2006	PERMANENT IMPROVEMENT- ONGOING	2.50	1.72	1.98		
2009	BOND (\$54,195,000)	3.90	3.90	3.90		

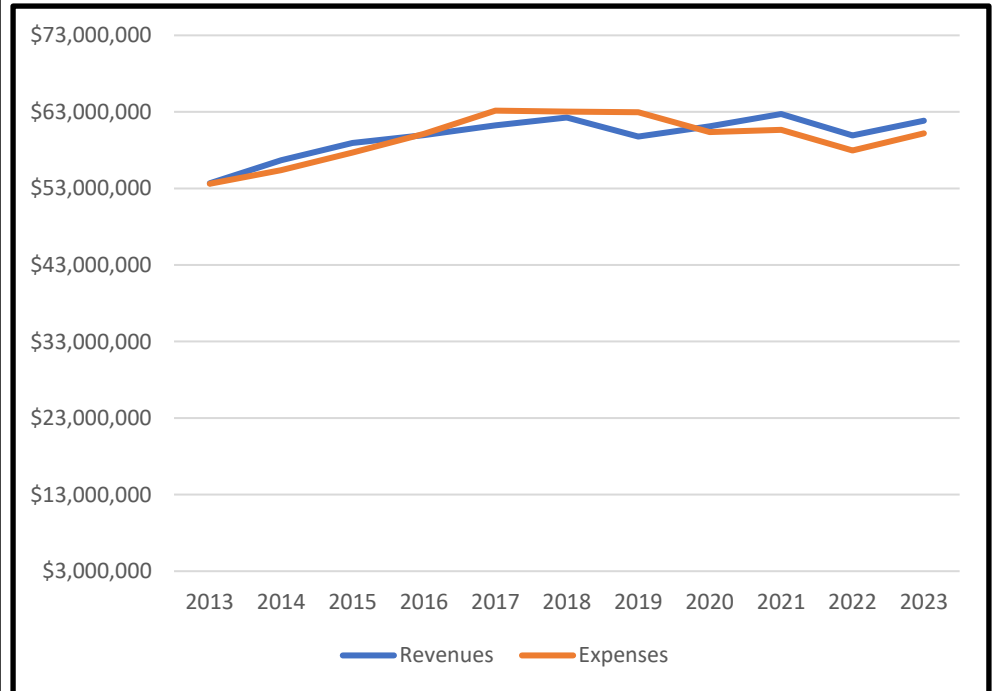
No Income Tax: 0.00%

Tax Payer Class	2024 Property Value	Est Tax Revenue	% of Total
Individuals (Residential and Agriculture)	\$860,976,310	\$20,374,580	65.56%
Businesses	\$280,639,590	\$10,702,444	34.44%
Total	\$1,141,615,900	\$31,077,024	

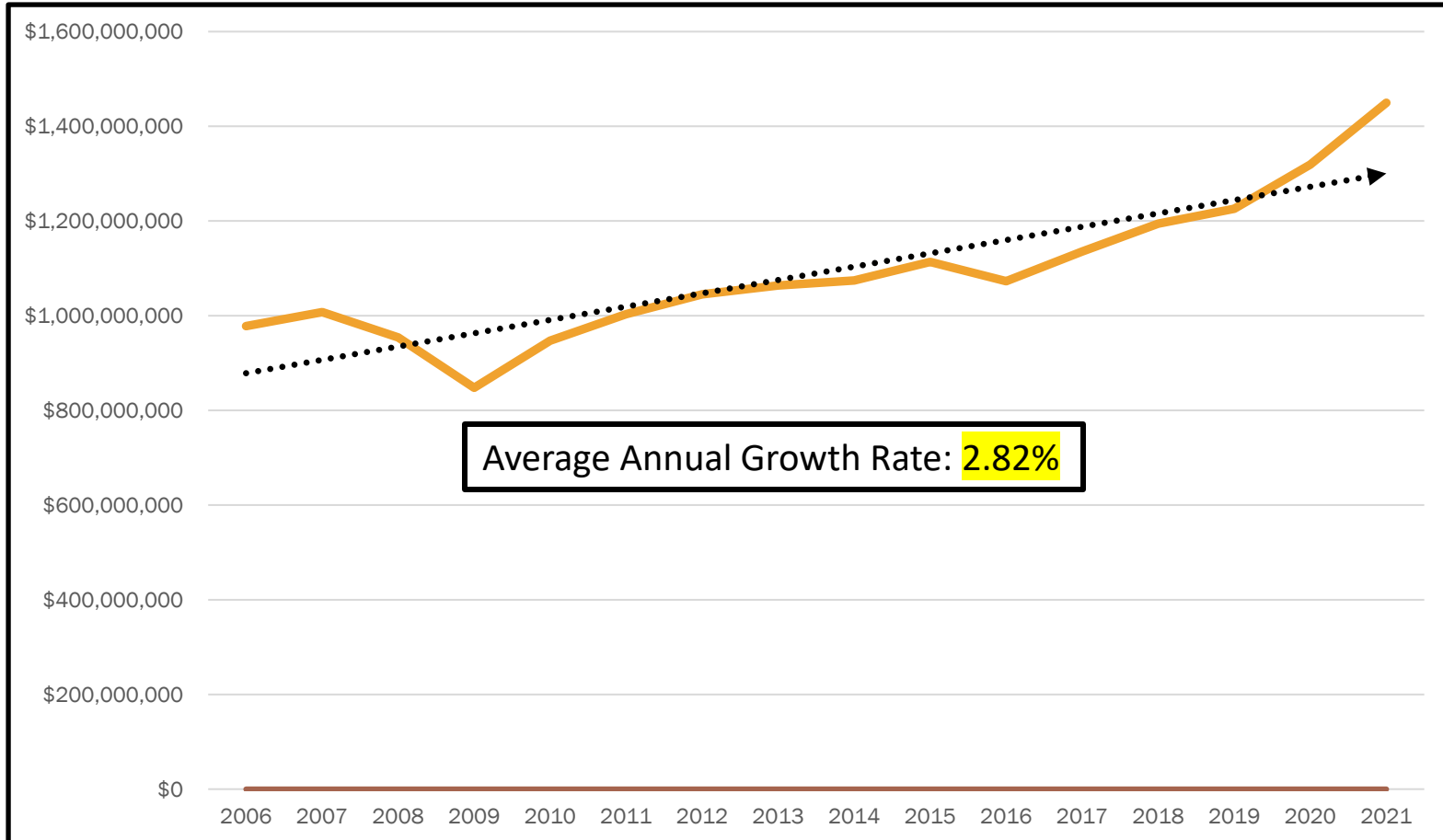
General Fund Property Tax Income

Fiscal Year	Property Tax Income	% Change
2010	\$23,741,953	
2011	\$24,606,689	3.64%
2012	\$24,530,395	-0.31%
2013	\$24,671,028	0.57%
2014	\$25,159,021	1.98%
2015	\$25,455,004	1.18%
2016	\$25,275,862	-0.70%
2017	\$26,272,788	3.94%
2018	\$26,272,788	0.00%
2019	\$25,929,375	-1.31%
2020	\$27,702,914	6.84%
2021	\$26,235,615	-5.30%
2022	\$24,664,404	-5.99%
2023	\$25,574,098	3.69%
2024	\$25,829,838	1.00%
		0.66%

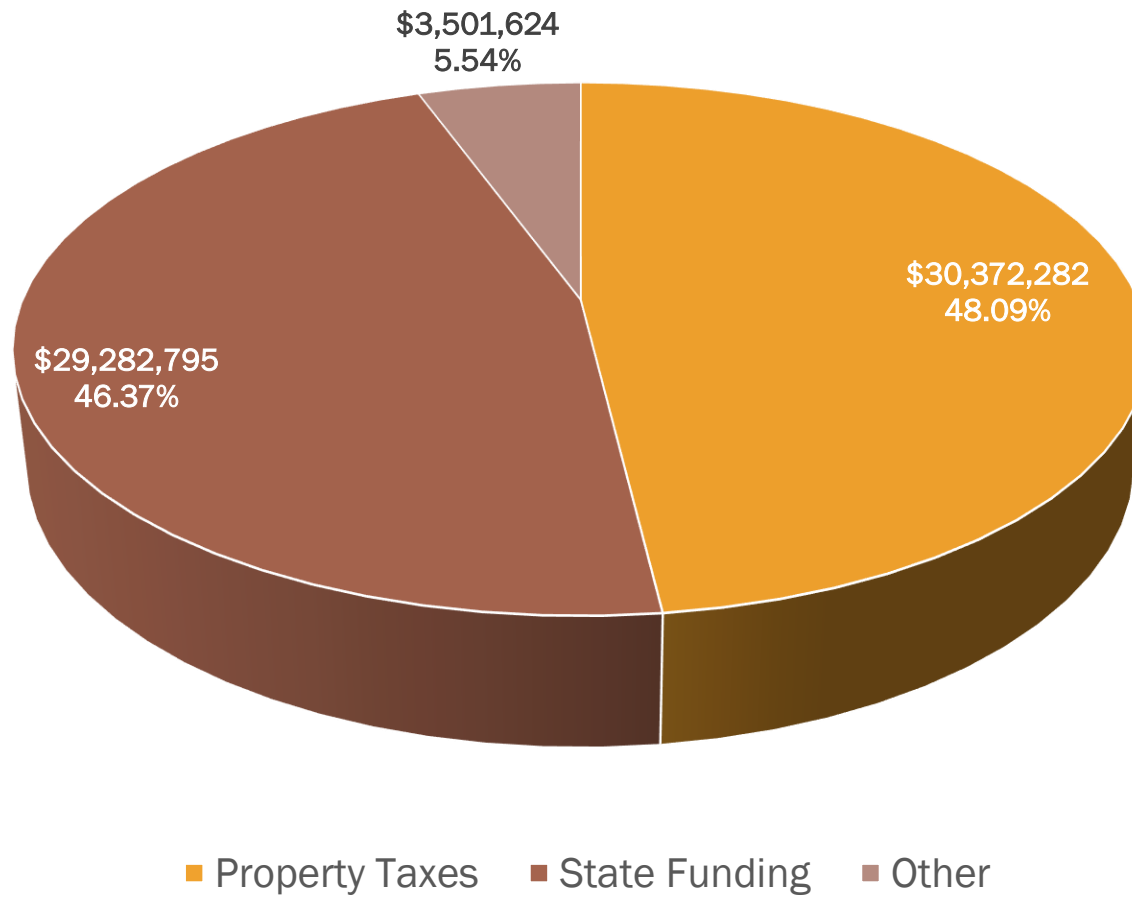
Average: \$25,461,451



District Federal Adjusted Gross Income



General Fund Income Diversity



Income vs Property Tax

- ☐ Inflation adjusting revenue
- ☐ Diversifies revenues
- ☐ More fair to those on fixed incomes
- ☐ Includes renters (college students) in the revenue sharing of the community
- ☐ Does not include business taxpayers
- ☐ Has term flexibility

- A Traditional Income Tax taxes:
 - wages; salaries; tips; interest; dividends; unemployment compensation; self-employment to the extent included in OAGI; taxable scholarships and fellowships; pensions; annuities; IRA distributions; capital gains; state and local bond interest (except that paid by Ohio governments); federal bond interest exempt from federal tax but subject to state tax; alimony received; and all other sources.
 - Does NOT tax social security benefits; disability and survivor benefits; railroad retirement benefits; welfare benefits; child support; property received as a gift, bequest or inheritance; and workers' compensation benefits.

- An Earned Income Tax taxes (2005 HB 66):
 - Earned income and self-employment income (including income from partnerships). It **excludes**: Interest; dividends; unemployment compensation; taxable scholarships and fellowships; pensions; annuities; IRA distributions; capital gains; state and local bond interest (except that paid by Ohio governments); federal bond interest exempt from federal tax but subject to state tax; alimony received; and all other sources.
 - Does NOT tax social security benefits; disability and survivor benefits; railroad retirement benefits; welfare benefits; child support; property received as a gift, bequest or inheritance; and workers' compensation benefits.

Taxation Overview

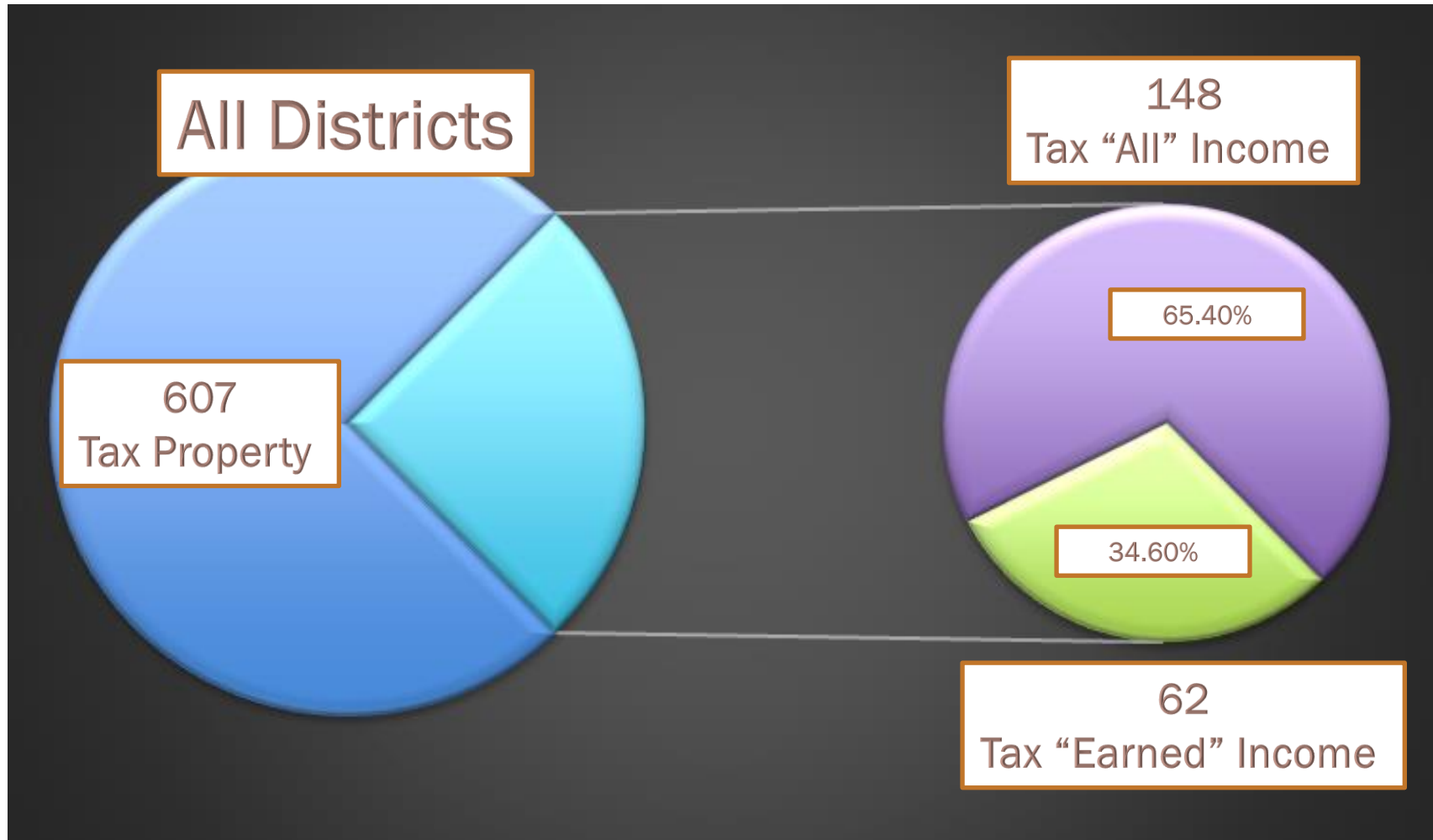
All Ohio School Districts

607
Tax Property

210 Tax Income

34.43%

Tax Structure of Ohio School Districts



Recommendations and Timeline

- ☐ Recommend an Earned Income Tax
- ☐ Determine final amount by May 15, 2024
- ☐ Board adopts 1st Resolution (Necessity) by June 19, 2024
 - ☐ Actual deadline is: July 26, 2024
- ☐ Board adopts 2nd Resolution (Proceed) by July 17, 2024
- ☐ File with Board of Elections before August 7, 2024
- ☐ Place on November 5th 2024 ballot

- ❑ Finalize development of the Taxation Policy
 - ❑ Establish benchmarks
 - ❑ Identify sustainability options
 - ❑ Integrate with District's Strategic and Capital Plans
- ❑ Review results with community