

Put-In-Bay Local School District

Overview of financial position and review of interactions with the district regarding the unvoted property tax windfall the district will receive due to the Tax Year 2024 reappraisal.

Information contained herein are either public records or was produced from information that is publicly available. Any commentary contained herein solely reflects the views of Ottawa County Treasurer, Tony Hatmaker.

On October 8, 2024, County Auditor Jennifer Widmer and County Treasurer Tony Hatmaker met with school district treasurers. At that meeting Auditor Widmer provided district treasurers with preliminary estimates of what the districts stood to gain from their inside millage and the 20 Mill Floor adjustment due to the county-wide reappraisal for Tax Year 2024 (which would be collected in 2025).

The Ottawa County Budget Commission (consisting of County Auditor Jennifer Widmer, County Prosecutor, James VanEerten and County Treasurer, Tony Hatmaker) was concerned about the negative effect these unvoted property tax increases would have on county residents and decided to reach out directly to the elected Boards of Education. The goal of this contact was to see if any of the Boards of Education might be willing to provide some relief to their taxpayers by forgoing at least some of the unvoted windfall that they are now set to receive for Tax Year 2024 (collected in 2025). Toward that end, the notice on Page 2 was sent to the members of the Put-In-Bay Local School District Board of Education with hopes of engaging in a discussion.

Notice To the Put-In-Bay Local School District Board of Education

OTTAWA COUNTY BUDGET COMMISSION

Ottawa County Courthouse

315 Madison Street

Port Clinton, Ohio 43452

James VanEerten

Anthony Hatmaker

Jennifer Widmer

October 21, 2024

Dear Board Members,

The Budget Commission is requesting a meeting with the Board to discuss the 20 mill floor implications for the upcoming tax year. Due to increasing values and your school being at the 20 mill floor, your district is projected to get an increase of approximately \$788,000. This comes in the form of an unvoted millage increase for your voters.

While the Budget Commission does have authority to set the emergency levy rates, the School Board has decisions to make regarding these funds as well. The Budget Commission would like to make sure you are familiar with the details in order make these decisions and to answer your voters' questions.

Budget Commission would be happy to come to your next meeting, or send a representative. Alternatively, you are welcome to attend our next meeting on November 6, 2024 at 10:00am at the Courthouse. Please contact Auditor Widmer at 419-734-6742 or jwidmer@co.ottawa.oh.us to arrange meeting times. This matter is time sensitive so we would appreciate a reply as soon as possible.

Sincerely,
The Ottawa County Budget Commission.

At this point, it would be useful to get an understanding of the current financial position of the Put-In-Bay Local School District.

On the financials, the district ended Fiscal Year 2024 with just under \$2,000,000 in its' General Fund (001-0000). The district had a further \$5,600,000 in its' Capital Improvements Fund (070-0000) which almost certainly came entirely from General Fund transfers (and therefore is available to the General Fund if needed or desired in the future). So, the district had about \$7,600,000 on hand between these two funds as of 6/30/24.

For Fiscal Year 2024, the district reported about \$3,400,000 in General Fund expenses however, it appears that over \$400,000 of that figure were transfers from the General Fund to the Capital Improvements Fund. So, the district's true General Fund operating expenses for Fiscal Year 2024 appear to be less than \$3,000,000. Meaning the district had a General Fund operating surplus of around \$1,000,000 for Fiscal Year 2024. The unvoted windfall referenced on Page 2 will be in addition to the district's current operating surplus.

As of 6/30/24, the district has about two and a half years' worth of General Fund expenses on hand between the its General Fund and Capital Improvements Fund balances.

The district's annual operating surplus (currently at around \$1,000,000) is set to grow substantially as the unvoted windfall referenced on Page 2 is collected. **Clearly, the district is (and will be) collecting much more than is necessary for their current operations.**

This information can be seen on Pages 4 and 5 which is the District's Cash Summary Report as of June 30, 2024 (which is the end of district's Fiscal Year).

PUT-IN-BAY LOCAL SCHOOL DISTRICT Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
001-0000	GENERAL FUND	\$ 1,424,369.74	\$ 24,749.71	\$ 3,951,702.47	\$ 607,652.70	\$ 3,400,602.18	\$ 1,975,470.03	\$ 250,408.67	\$ 1,725,061.36
003-0000	PERM IMPROVE	842,703.47	4,060.73	203,258.34	0.00	51,456.85	994,504.96	750.00	993,754.96
008-9100	LONZ SCHOLARSHIP	23,694.77	92.48	6,911.42	0.00	4,000.00	26,606.19	0.00	26,606.19
008-9200	MILLER SCHOLARSHIP	55,028.98	185.48	2,003.47	0.00	1,250.00	55,782.45	0.00	55,782.45
008-9300	VERHOFF SCHOLARSHIP	86,996.11	251.55	3,159.75	0.00	1,250.00	88,905.86	0.00	88,905.86
008-9400	HEINEMAN SCHOLARSHIP	67,132.93	182.00	17,468.55	0.00	2,000.00	82,601.48	0.00	82,601.48
008-9500	RICKY DYSEK SCHOLARSHIP	8,654.40	0.00	500.00	0.00	1,000.00	8,154.40	0.00	8,154.40
008-9600	PATRICK MYERS SCHOLARSHIP	61,752.50	195.13	7,570.64	0.00	2,000.00	67,323.14	0.00	67,323.14
008-9800	WOODY WIDMAR HARVEST SCHOLARSHIP	9,664.38	14.17	280.87	0.00	1,000.00	8,945.25	0.00	8,945.25
019-0000	SPECIAL RECREATION	43,723.03	507.49	50,458.35	264.61	52,106.89	42,074.49	7,587.70	34,486.79
035-0000	TERMINATION/BENEFITS FUND	141,217.35	320.55	63,883.83	69,415.92	69,415.92	135,685.26	0.00	135,685.26
070-0000	CAPITAL IMPROVEMENTS	5,227,117.29	387,715.72	483,891.02	0.00	53,683.45	5,657,324.86	120.09	5,657,204.77
200-9100	BOYS' BASKETBALL	489.62	0.00	0.00	0.00	150.00	339.62	0.00	339.62
200-9105	JR HI BASKETBALL	381.59	0.00	0.00	0.00	150.00	231.59	0.00	231.59
200-9110	GIRLS BASKETBALL	577.41	0.00	0.00	0.00	169.95	407.46	0.00	407.46
200-9112	STUDENT COUNCIL	5,108.95	0.00	3,956.86	0.00	4,010.46	5,055.35	0.00	5,055.35
200-9115	PANTHER PRIDE PROGRAM	597.44	0.00	0.00	0.00	0.00	597.44	0.00	597.44
200-9120	CROSS COUNTRY	418.36	0.00	0.00	0.00	0.00	418.36	0.00	418.36
200-9130	VOLLEYBALL	257.32	0.00	1,325.15	0.00	48.00	1,534.47	0.00	1,534.47
200-9200	MUSIC ACTIVITIES	1,391.24	0.00	0.00	0.00	0.00	1,391.24	0.00	1,391.24
200-9212	YEARBOOK	10,108.65	0.00	5,915.00	0.00	6,622.37	9,401.28	0.00	9,401.28
200-9300	COMPUTER CLUB	613.82	0.00	12.80	0.00	0.00	626.62	0.00	626.62
200-9500	CHEERLEADER ACCOUNT	1,485.96	0.00	550.00	0.00	500.15	1,535.81	0.00	1,535.81
200-9600	NATIONAL HONOR SOCIETY	105.60	0.00	0.00	0.00	0.00	105.60	0.00	105.60
200-9700	ENVIRONMENTAL CLUB	638.03	0.00	86.00	0.00	0.00	724.03	0.00	724.03
200-9800	FRENCH CLUB	63.32	0.00	0.00	0.00	0.00	63.32	0.00	63.32
200-9923	CLASS OF 2023	242.55	0.00	0.00	0.00	0.00	242.55	0.00	242.55
200-9924	CLASS OF 2024	14,311.00	0.00	16,062.55	257.00	29,265.82	1,107.73	168.61	939.12
200-9925	CLASS OF 2025	7,338.72	0.00	5,788.45	191.45	191.45	12,935.72	0.00	12,935.72
200-9926	CLASS OF 2026	484.79	0.00	1,674.00	0.00	0.00	2,158.79	0.00	2,158.79
200-9927	CLASS OF 2027	172.61	0.00	2,921.00	0.00	50.00	3,043.61	0.00	3,043.61
200-9928	CLASS OF 2028	387.89	0.00	92.50	0.00	0.00	480.39	0.00	480.39
200-9929	CLASS OF 2029	0.00	0.00	92.50	0.00	0.00	92.50	0.00	92.50
200-9945	CLASSES OF 2024/25	567.63	0.00	0.00	0.00	0.00	567.63	0.00	567.63
300-0000	ATHLETIC FUND	1,055.00	0.00	4,645.00	0.00	3,345.00	2,355.00	1,200.00	1,155.00
451-9924	CONNECTIVITY FY24	0.00	0.00	3,902.86	3,902.86	3,902.86	0.00	0.00	0.00
467-9020	Student Wellness and Success Fund	43,813.39	0.00	0.00	865.40	25,138.99	18,674.40	1,354.91	17,319.49
499-0000	SCHOOL SAFETY GRANT	22,500.00	0.00	2,500.00	0.00	20,000.00	5,000.00	0.00	5,000.00
499-9001	SCHOOL SAFETY GRANT-AG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



PUT-IN-BAY LOCAL SCHOOL DISTRICT Cash Summary Report

Full Account Code	Description	Initial Cash	MTD Received	FYTD Received	MTD Expended	FYTD Expended	Fund Balance	Encumbrance	Unencumbered Balance
507-9923	ESSER	\$ 0.00	\$ 0.00	\$ 54,859.34	\$ 0.00	\$ 54,859.34	\$ 0.00	\$ 0.00	\$ 0.00
516-9923	IDEA-B FY'23	0.00	0.00	3,041.37	0.00	3,041.37	0.00	0.00	0.00
516-9924	IDEA-B FY'24	0.00	0.00	12,020.09	0.00	12,020.09	0.00	0.00	0.00
572-9924	TITLE I	0.00	4,491.78	9,298.77	4,491.78	9,298.77	0.00	0.00	0.00
590-9923	IIA-Q FY'23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
599-9023	OFCC-SAFETY GRANT	23,000.00	0.00	0.00	0.00	23,000.00	0.00	0.00	0.00
599-9922	REAP FY'22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
599-9923	REAP FY'23	0.00	0.00	24,558.00	0.00	24,558.00	0.00	0.00	0.00
Grand Total		\$ 8,128,165.84	\$ 422,766.79	\$ 4,944,390.95	\$ 687,041.72	\$ 3,860,087.91	\$ 9,212,468.88	\$ 261,589.98	\$ 8,950,878.90

In response to the notice from the Budget Commission (Page 2), district officials extended an invitation to attend their Board meeting on November 19, 2024.

County Auditor Widmer and myself attended that Board meeting and discussed the situation and options. **The Board did not indicate a willingness to do anything to lessen the impact of the unvoted windfall on taxpayers.**

During a prior discussion, a district official justified the large balance in the Capital Improvements Fund due to perceived difficulty in passing a bond issue. To my knowledge, the district has not asked voters for any bond issues in recent years.

It should be noted that school district building projects are typically funded through a bond issue that is approved by the voters (which gives the voters a chance to weigh-in on the project) not through General Fund operating surpluses accumulated over many years. Also, bond issues typically spread the cost of the project out over 30 or more years thereby lessening the impact on taxpayers over that extended period.

It should be further noted that the Kelleys Island Local School District has been collecting less than their full voted millage for many, many years to lessen the burden upon their taxpayers.

Based upon the discussion with the Board, it was clear that it was time to try and involve the public in this discussion. Therefore, I reached out to the Sandusky Register. That contact resulted in an article on the situation which ran in the Register on November 25, 2024 (see pages 7 – 10).

Schools balk at tax freeze



By JOLENA GIOIELLO
jgioiello@tandemnetwork.com
Nov 25, 2024 8:00 PM

PORT CLINTON – Ottawa County treasurer Anthony Hatmaker said school districts in his county and across the state are gaining from re-evaluated property and increased taxes.

Hatmaker said all school districts within the county will gain “unvoted windfalls at the expense of property owners in their district” due to property reappraisals and a current state law that states school districts will have a set 20-mill floor.

The 20-mill floor means school districts will receive a minimum support of 20 mills from taxpayers even if voted-on tax levies do not reach that millage level.

If districts receive no support from their community, in the form of certain local tax levies, then they are guaranteed the cash equivalent of 20 mills.

Taxing entities, such as school districts, can accept a lower millage.

To do this, they must formally inform the county auditor, Jennifer Widmer, with an action before the end of November this week.

Don't forget to write

The Ottawa County budget commission — made up of the county's treasurer, auditor and prosecutor — contacted local school districts in October by letter. The commission asked for them to consider the option of requesting a lower millage than the set 20 mills.

According to the commission's letters to school districts, here are the dollar amounts each district is set to receive from the revised 20-mill floor:

- Port Clinton — projected to get an increase of approximately \$5.1 million
- Danbury — projected to get an increase of approximately \$3.9 million
- Benton-Carroll-Salem — projected to get an increase of approximately \$1.6 million
- Put-in-Bay — projected to get an increase of approximately \$788,000

Don't write me again

Hatmaker said he and Widmer have had conversations with the school districts. He said the districts' responses were "underwhelming."

"They view the school district to be divorced from the community they are supposed to be serving," Hatmaker said.

In his conversation with Port Clinton Schools' board of education, Hatmaker said one of the members said it would be "irresponsible" not to accept the full amount of the revised 20-mill floor.

"In other words, it would be 'irresponsible' not to stick it to our taxpayers when we have the chance," Hatmaker said. "This mindset indicates to me that at least some school

board members have forgotten whose interests they are supposed to be serving as elected officials.”

Port Clinton Schools sent Hatmaker and Widmer a letter in response to their emails and the request they made during the district’s November meeting. The request was for the board to consider eliminating part of the tax revenue the district will receive from real estate property tax because of the auditor’s reappraisals.

“The board of education does not believe enough information is currently available to warrant eliminating revenue received in the normal course to fund its operations,” the school board said in its letter back to Hatmaker and Widmer.

The letter also states the district’s predominant source of funding comes from property taxes. The board outlined five factors it considers when making financial decisions.

- The board said the reappraisal may have induced “sticker shock” but the reappraisal is not over and final values and revenue are unknown. Taxpayers have time to challenge the appraisals.
- The board said it is not unsympathetic to the burden property owners face caused by the reappraisals, but it was not responsible for the increases. In the same bullet point, the board said it is the state legislature's job to support burdened residents by considering bills that might provide relief.
- The district has also suffered from situations leading to the loss of revenue and stagnation. Districts are forced to turn to the ballot to keep up with inflation or find creative ways to manage taxpayer funds. In past decades, laws were created and outline spending requirements for things such as special needs students, literacy efforts and social and emotional support services.

- The district currently has six months of cash on hand. The revenue from the reappraisals is estimated to add three more months to what is on hand.

“When compared to Ottawa County, which has a year’s worth of cash on hand, and Catawba Island, which has more than two years’ worth of cash on hand, it becomes apparent that lessening the tax burden of residents impacted by the auditor’s reappraisal does not fall to the district,” the board wrote.

- The board said the revenue to the district looks significant because Ohio districts are first funded by real property taxes. This money is then supplemented usually by state aid. This aid is based on factors. Some factors are associated with district real property value.

In its letter, the board also said the district does have a fund for capital projects and a general fund. The funds for capital projects are directed to specific projects which, according to the board, have already started.

“Based on these and other factors, the (board of education) believes that a hasty reaction to any estimated reassessment outcomes at this time is short-sighted,” the board said in its letter. “It would be more appropriate, perhaps, to make decisions when all outcomes are known with certainty.”

The Put-In-Bay Local School District Board of Education could have mitigated some if not all of the unvoted property tax increase now facing property owners in the district if they had been interested in doing so.

Unfortunately, they were not...

The bottom line is that the Board of Education chose to pursue as much money from taxpayers as they could get without having to ask for it.

This package of information is meant to give taxpayers as full an understanding as possible of the efforts undertaken on their behalf regarding their 2025 property tax bill.

Ultimately, to prevent this situation from occurring again in the future the State Legislature must act. In my opinion, the quickest, cleanest action that would have a significant immediate impact would be for the legislature to repeal the 20 Mill Floor for school districts. I urge you to contact Representatives DJ Swearingen, Josh Williams and Senator Theresa Gavarone and request that they work toward mitigating or eliminating these types of unvoted property tax increases in the future.

If after reviewing this information, you are unhappy with the position taken by the Put-In-Bay Local School District Board of Education, I urge you to contact your elected Board of Education members and express your opinion. They can be contacted via email as follows:

Board President, John Domer – jrdomer@put-in-bay.k12.oh.us
Board Member, William Market – wmarket@put-in-bay.k12.oh.us
Board Member, Karen Goaziou – kgoaziou@put-in-bay.k12.oh.us
Board Member, David Hill – dhill@put-in-bay.k12.oh.us
Board Member, Suzanne Kostura – skostura@put-in-bay.k12.oh.us

Messages can also be left for Board members by calling the Board of Education Offices at (419) 285-3614.

I thank you for taking the time to review this information.

Sincerely,

Tony Hatmaker
Ottawa County Treasurer

P.S. There are three Board of Education seats up for election in November 2025. More information on being a candidate can be obtained at:

https://www.ohiosos.gov/globalassets/publications/election/2025_crg.pdf