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**McDONALD LOCAL BOARD OF EDUCATION
REGULAR MEETING
WEDNESDAY, OCTOBER 25, 2017 – 7:00 P.M.
M.H.S. LIBRARY
MCDONALD, OHIO 44437**

The McDonald Local Board of Education held a Regular Meeting on Wednesday, October 25, 2017, in the library at McDonald High School, 600 Iowa Avenue, McDonald, Ohio 44437.

The Regular Meeting was called to order at 7:00 p.m. by President John Saganich. Treasurer William Johnson called the roll:

Members Present: Thomas Hannon, Wendy Higgins, Jody Klase,
Joseph Cappuzzello, John Saganich

“Notice of this meeting was given in accordance with the provisions of Section 1.450 of the O.R.C. and the Ohio Administrative Procedures Act.”

Pledge of Allegiance

Res. 17-237 Approve agenda for Regular Meeting of October 25, 2017

Mrs. Higgins moved and Mr. Cappuzzello seconded
Yeas: Higgins, Cappuzzello, Klase, Hannon, Saganich
Nays: None
President declared motion carried

Recognition of Visitors / Audience Participation:

John Meser – Soccer Updates

Res. 17-238 Approval of Board Minutes:

Regular Meeting – September 25, 2017

Mr. Cappuzzello moved and Mrs. Klase seconded
Yeas: Cappuzzello, Klase, Hannon, Higgins, Saganich
Nays: None
President declared motion carried

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Old Business: any Old Business to bring before the Board - None

New Business:

- A. Finance Committee -- Thomas Hannon, Chairperson – See Attachment

Res. 17-239 TREASURER'S FINANCIAL REPORT

Treasurer's Financial Report: September, 2017

- A. Check Register
B. Financial Summary
C. Bank Reconciliation

Upon the recommendation of the district treasurer I call for a motion to approve the above resolution.

Mr. Hannon moved and Mrs. Klase seconded
Yeas: Hannon, Klase, Cappuzzello, Higgins, Saganich
Nays: None
President declared motion carried

Res. 17-240 FIVE-YEAR FORECAST

Resolution to approve the Fiscal Year 2018 Five-Year Forecast. (See Exhibit A)

Upon the recommendation of the district treasurer I call for a motion to approve the above resolution.

Mr. Hannon moved and Mrs. Klase seconded
Yeas: Hannon, Klase, Cappuzzello, Higgins, Saganich
Nays: None
President declared motion carried

Res. 17-241 MATS/MOP CONTRACT

Resolution to approve a contract with Cintas for the mats and mops for the school district covering the 2017-2018 school year. This is the fifth year of a five-year contract (prices remained the same).

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Upon the recommendation of the district treasurer I call for a motion to approve the above resolution.

Mr. Hannon moved and Mrs. Klase seconded

Yeas: Hannon, Klase, Cappuzzello, Higgins, Saganich

Nays: None

President declared motion carried

Res. 17-242 WATER TREATMENT – HIGH SCHOOL & ELEMENTARY SCHOOL

Resolution to approve the Service Agreement with Gardiner for water treatments at both the high school and elementary school from October 1, 2017 through September 30, 2018, at a cost is \$1,800 per year. (See Exhibit B)

Upon the recommendation of the district treasurer I call for a motion to approve the above resolution.

Mr. Hannon moved and Mrs. Klase seconded

Yeas: Hannon, Klase, Cappuzzello, Higgins, Saganich

Nays: None

President declared motion carried

B. Personnel Committee – Jody Klase, Chairperson

Res. 17-243 E-RATE CERTIFICATION

Resolution to approve Jeff Studer, Technology Coordinator, as the authorized representative to submit and certify E-rate forms.

Upon the recommendation of the district superintendent I call for a motion to approve the above resolution.

Mrs. Klase moved and Mrs. Higgins seconded

Yeas: Klase, Higgins, Cappuzzello, Hannon, Saganich

Nays: None

President declared motion carried

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Res. 17-244 E-RATE CERTIFICATION

Resolution to approve Diane Fossaceca, EMIS Coordinator, as the representative to submit and certify E-rate forms.

Upon the recommendation of the district superintendent I call for a motion to approve the above resolution.

Mrs. Klase moved and Mrs. Higgins seconded
Yeas: Klase, Higgins, Cappuzzello, Hannon, Saganich
Nays: None
President declared motion carried

Res. 17-245 PROFESSIONAL LEAVE

Resolution to approve the following personnel for professional leave, as follows:

Laurie Smith – Enrichment for Students in MM2 Class, Champion, 9/28/17, substitute \$40;

Brian Backur – WEP Gifted Writing, Niles, 10/2/17, substitute \$40;

Debbie Crish – WEP Gifted Writing, Niles, 10/2/17, substitute \$40;

Staci Conley – WEP Gifted Writing, Niles, 10/2/217, substitute \$40;

William Bundy – Teaching Gifted Students, Niles, 10/3/17, substitute \$40;

Josh Krumpak – MVAC A.D. Meeting, Austintown, 10/4/17, substitute \$40;

Matt Vukovic – District Golf Match, Alliance, 10/5/17, substitute \$80;

Staci Conley – Ruth Culham Writing Workshop, Niles, 10/16/17, substitute \$80;

Erin Rogers – Ruth Culham Writing Workshop, Niles, 10/17/17, substitute \$80;

Kristin Edwards – Ruth Culham Writing Workshop, Niles, 10/17/17, substitute \$80;

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Josh Krumpak – Football Home Game Set-Up, MHS, 10/20/17, substitute \$40;

Rob Hilbun – CPI Refresher Course, Niles, 10/23/17, substitute \$40;

Traci Williams – CPI Refresher Course, Niles, 10/23/17, substitute \$40;

Danielle Ronghi – YSU Administrative Shadow, Niles, 11/8/17, substitute \$80;

Samantha Rozzo – Heart of the Hall of Fame, Canton, 11/14/17, substitute \$80;

Kristin Edwards – Ohio Literacy Conference, Columbus, 11/30 – 12/1/17, substitute \$160, registration \$419;

Erin Rogers - Ohio Literacy Conference, Columbus, 11/30 – 12/1/17, substitute \$160, registration \$419; and

Pam Ross – NHS Induction Ceremony, McDonald, 12/7/17, substitute \$80;

Upon the recommendation of the district superintendent I call for a motion to approve the above resolution.

Mrs. Klase moved and Mrs. Higgins seconded
Yeas: Klase, Higgins, Cappuzzello, Hannon, Saganich
Nays: None
President declared motion carried

C. Program/Policy Committee – Wendy Higgins, Chairperson

Res. 17-246 POLICIES

Resolution to approve the first reading of the following policies:

BCFA – BUSINESS ADVISORY COUNCIL TO THE BOARD

DECA – ADMINISTRATION OF FEDERAL GRANT FUNDS

DI – FISCAL ACCOUNTING AND REPORTING

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DJF – PURCHASING PROCEDURES

DN – SCHOOL PROPERTIES DISPOSAL

EBBA – FIRST AID

EBBA-R – FIRST AID

IGCH-R (ALSO LEC-R) – COLLEGE CREDIT PLUS

JFG – INTERROGATIONS AND SEARCHES

JFG-R – INTERROGATIONS AND SEARCHES

LEC-R (ALSO IGCH-R) – COLLEGE CREDIT PLUS

DJF-R – PURCHASING PROCEDURES

GBQ – CRIMINAL RECORDS CHECK

IGA – BASIC CURRICULAR PROGRAM

IGCH (ALSO LEC) – COLLEGE CREDIT PLUS

IGDJ – INTERSCHOLASTIC ATHLETICS

IJA – CAREER ADVISING

LEC – (ALSO IGCH) – COLLEGE CREDIT PLUS

Upon the recommendation of the district superintendent I call for a motion to approve the above resolution.

Mrs. Higgins moved and Mr. Cappuzzello seconded

Yeas: Higgins, Cappuzzello, Klase, Hannon, Saganich

Nays: None

President declared motion carried

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D. Buildings and Grounds Committee – Joseph Cappuzzello, Chairperson

Res. 17-247 PROFESSIONAL DESIGN SERVICES

Resolution to approve professional design services. (See Exhibit C)

Upon the recommendation of the district superintendent I call for a motion to approve the above resolution.

Mr. Cappuzzello moved and Mrs. Klase seconded
Yeas: Cappuzzello, Klase, Higgins, Hannon, Saganich
Nays: None
President declared motion carried

F 17-248 EXECUTIVE SESSION – O.R.C. 121.22

Mrs. Higgins moved and Mrs. Klase seconded, that the McDonald Local Board of Education go into Executive Session at 7:57 p.m. and that the following resolution be adopted.

WHEREAS, as a public Board of Education may hold an executive session only after a majority of the quorum of this board determines by a roll call vote to hold such a session and only at a regular or special meeting for the sole purpose of the consideration of any of the following matters:

- A. To consider one or more, as applicable, of the check marked items with respect to a public employee or official:
1. _____ Appointment
 2. X Employment
 3. _____ Dismissal
 4. _____ Discipline
 5. _____ Promotion
 6. _____ Demotion
 7. X Compensation
 8. _____ Investigation of charges/complaints (unless public hearing requested)
- B. To consider the purchase of property for public purposes or for the sale of property at competitive bidding.

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- C. Conferences with an attorney for the public body concerning disputes involving the public body that are the subject of pending or imminent court action.
- D. Preparing for, conducting, or reviewing negotiations or bargaining sessions with public employees concerning their compensation or other terms and conditions of their employment
- E. Matters required to be kept confidential by federal law or rules or state statutes.
- F. Specialized details of security arrangements where disclosure of the matters discussed might reveal information that could be used for the purpose of committing or avoiding prosecution for a violation of the law.

NOW, THEREFORE, BE IT RESOLVED, that the McDonald Local Board of Education, by a majority of the quorum present at this meeting, does hereby declare its intention to hold an executive session on item(s) A (2) (7) and B, as listed above.

Yeas: Higgins, Klase, Cappuzzello, Hannon, Saganich
Nays: None
President declared motion carried

Res. 17-249 Adjourn Executive Session

Mrs. Klase moved and Mrs. Higgins seconded to adjourn executive session and return to the regular board meeting at 9:19 p.m.

Yeas: Klase, Higgins, Cappuzzello, Hannon, Saganich
Nays: None
President declared motion carried

Res. 17-250 ADJOURNMENT

Mr. Cappuzzello moved and Mrs. Klase seconded to adjourn Regular Meeting at 9:20 p.m.


Yeas: Cappuzzello, Klase, Higgins, Hannon, Saganich
Nays: None
President declared motion carried

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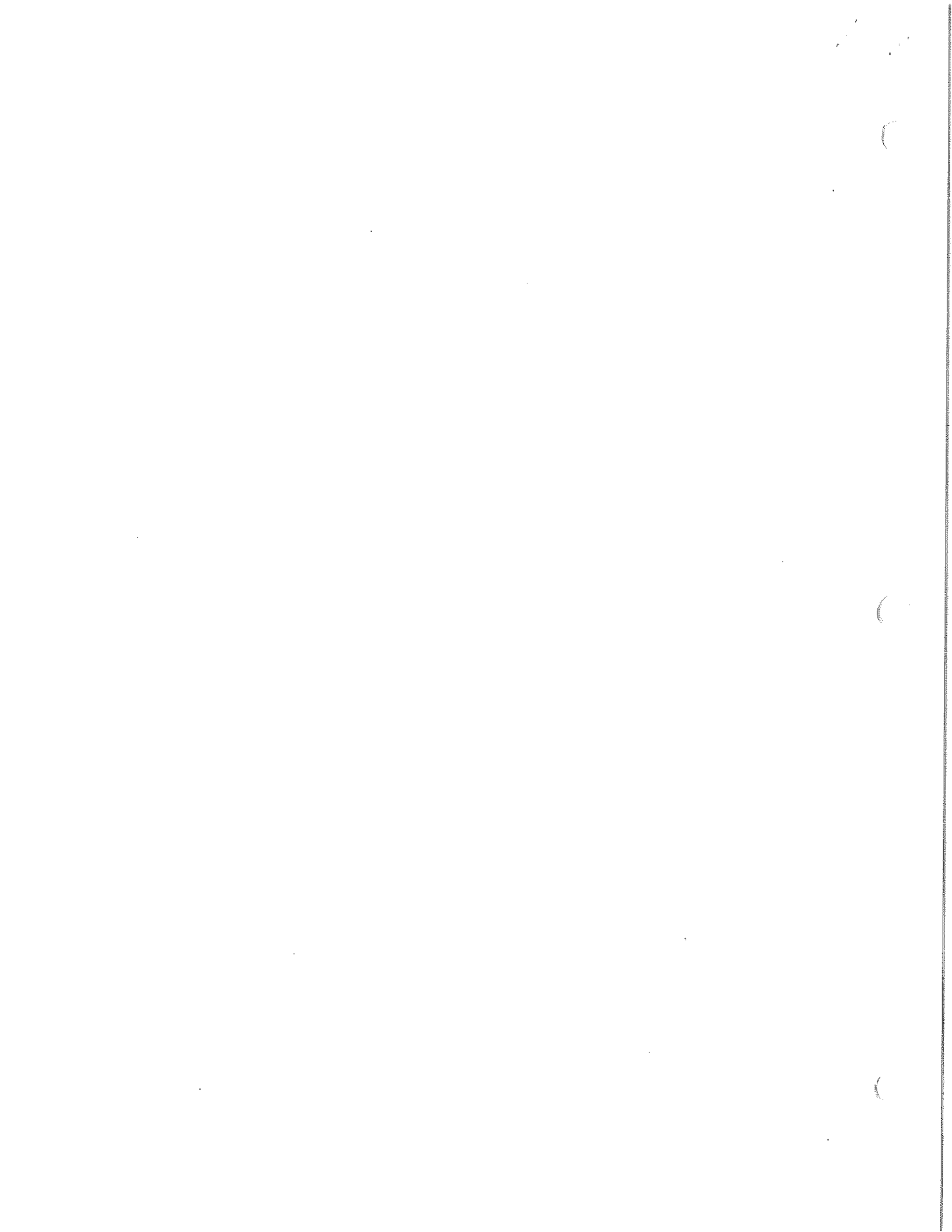
ATTEST:



President



Treasurer



Superintendent and Board:

This document is an explanation of the models necessary to understand the financial implication and tax strategies required over the coming decade. The current Capital Expenditure plan involves the use of four funds each of which has a different defined use and also varying sources of revenue.

The general layout of the models presented is: 1. Actual and estimated revenue displayed at the top above the light green dividing line 2. Actual and proposed expenditures are displayed below the light green line and 3. Projected ending fund balances are at the very bottom with a bolded heading.

Time is represented in the columns by months (Jan-18 for example) in the short term look but in order to look long term time is marked in years (FY18 standing for Fiscal Year 2018). Fiscal years begin July 1st and End June 30th and are named by the ending year NOT the beginning year. In other words, FY18 begins in July of 2017 and ends in June 2018.

Each year has its own background color and that color is also carried into the long term model so you can match your short term models to the long term matching column.

Fund 1 is the OSFC Maintenance Fund and will be presented in a blue text color. This fund was required at the beginning of construction (1999) and expires (2021) in conjunction with the Bond Issue (this is a debt service fund which is not discussed in this document). The purpose of this fund is to maintain anything related to the OSFC construction and was deemed essential and required realizing that at some point the district would need to maintain the new facilities. It was probably imagined that we would save for 10 or so years when the buildings were brand new requiring very little maintenance and then a few minor repairs during the next 10 or so years and there would be a nice pot of money left when the major items began to hit. Another purpose of this fund was to purchase safety related items. You will see things like security cameras, fire panels and ADA compliance addressed here. The revenue here comes from one half mill tax plus the State supplements McDonald, a low wealth district, with an additional \$25,000 per year. The total collected is approximately \$50,000 per year and this collection ends its life cycle in calendar 2021 or Fiscal Year 2022. One half mill will come off the district tax rates at that time. Often times it is a good idea, if needed, to replace an expiring levy with a new issue.

Fund 2 is the Capital Replacement Fund shown in red. This fund was established upon the recommendation of Finance Chair Hannon. The amount (has been \$180,000/yr) is requested annually and is portioned into categories. The categories are viewed as somewhat restricted although flexibility is also important to address unforeseen items like the emergency replacement of data switches for the wired network. The established categories are: Busses (\$30,000/yr), Roofs (\$20,000/yr), Technology(\$20,000/yr) , Landscape/Snow Removal (\$10,000), HVAC(\$50,000/yr) , Textbooks/ETexts(\$20,000/yr), and Miscellaneous(\$30,000/yr). Presumably this funding would stop should the operating funds experience reduced revenue to the point where the cash balance declines.

Fund 3 is the Permanent Improvement Fund. This fund was created at the same time an emergency operating fund expired. (a good example of the strategy mention above) The high cash balances in the operating fund combined with some escalating capital expense needs made it an obvious strategy to allow the operating levy to expire and replace it with the exact tax equivalent capital expense focused Permanent Improvement Levy. Because the State had eliminated the homestead and rollback

reimbursement, we lost some of the value of the expiring levy. The expiring levy collected \$260,000 annually to the operating funds but the replacement PI levy only generates \$230,000 per year. This levy expires in calendar 2019 or FY20 (Recall fiscal year 20 includes the end of Calendar Year 2019). Looking at the long term model and realizing that this is the only sure source of money, I would recommend renewal which could begin in November of 2018. Keep in mind that we have another operating levy that could be on the ballot. The \$200,147 levy will expire at the end of calendar 2018. This means that you might have two levies on the ballot at the same time. You could avoid this by running the \$200,147 in May 2018 and if necessary November of 2018. You could then follow that with the PI renewal (in November 2018 if the operating levy passes in May of 2018 or during Calendar 2019 election cycles). Generally PI (Permanent Improvement) dollars are for items having useful life in excess of 5 years and usually a large dollar amount in excess of \$5,000.

Fund 4 is the Athletic Field Replacement Fund. This fund was established to hold and track all expenditures related to the proposed purchase of land and construction of facilities for Athletic endeavors. To this end by Board resolution, \$2.6 million was transferred to this fund from the General Fund. The operating fund money was to be recouped by the renewal levy (Originally passed to bring \$550,000 but immediately reduced to \$391,000 and the further reduced, renewed and extended to 10 years) that was to bring \$260,000 per year over a 10 year period. At the current time, this project is being viewed as "frozen" until such time as the useable portion of the land can be acquired. In the projections, there is no further activity shown throughout the forecast. If the project is ever deemed not possible, the Board has promised to return the money to the academic operating model rather than to construct alternate athletic facilities. The Board may at some time construct facilities using other funds. In order to avoid the appearance that the \$2.6 million is being used, the Board may choose to return this money to the General Fund.

MODEL 1: Short Term Model for FY18 covering July 1, 2017 to June 30, 2018.

General Comment: If there is no color background, the numbers are actual not forecast.

Revenue Comments:

PI Levy will be reduced in the second half of the Fiscal Year which is the First Half tax collection of Calendar 2018. The Board has just reduced this levy to compensate for the \$60,000 extra needed to reimburse the taxpayer. It is anticipated that the Board may transfer \$240,000 instead of \$180,000 because \$60,000 of Capital Expense money was lost from the PI Levy rate reduction.

Expenditure Comments:

This is purely a provocative model where I intentionally placed some items that may NOT be completed in the projection just to evoke a thought process. "We don't want to do the all-weather track at the end of this year. We feel we can get the land purchased soon". The Buildings and Grounds Committee and the Superintendent have not yet met to decide what items are priority. I did hear that the Stage Rigging TASK may be viewed as more urgent which is why I left it off. I want to evoke a thought process so that we can get solid financial footing underneath your plans that will be produced over the next few months.

MODEL 2: Short Term Model for FY19 covering July 1, 2018 to June 30, 2019.

Revenue Comments:

PI Levy will be reduced in the first half of the Fiscal Year which is the second half tax collection of Calendar 2018. The Board has just reduced this levy to compensate for the \$60,000 extra needed to reimburse the taxpayer. The second half of FY19 has the PI restored to its previous value.

Expenditure Comments:

The FY19 model shows the remaining TASKS from the GPD list accomplished in the summer of 2018 and paid early in FY19. Again this should provoke a response like "No way are we waiting to repair the Stage Rigging". I am hoping to promote good discussion and planning with this initial release of the Capital Expenditure model.

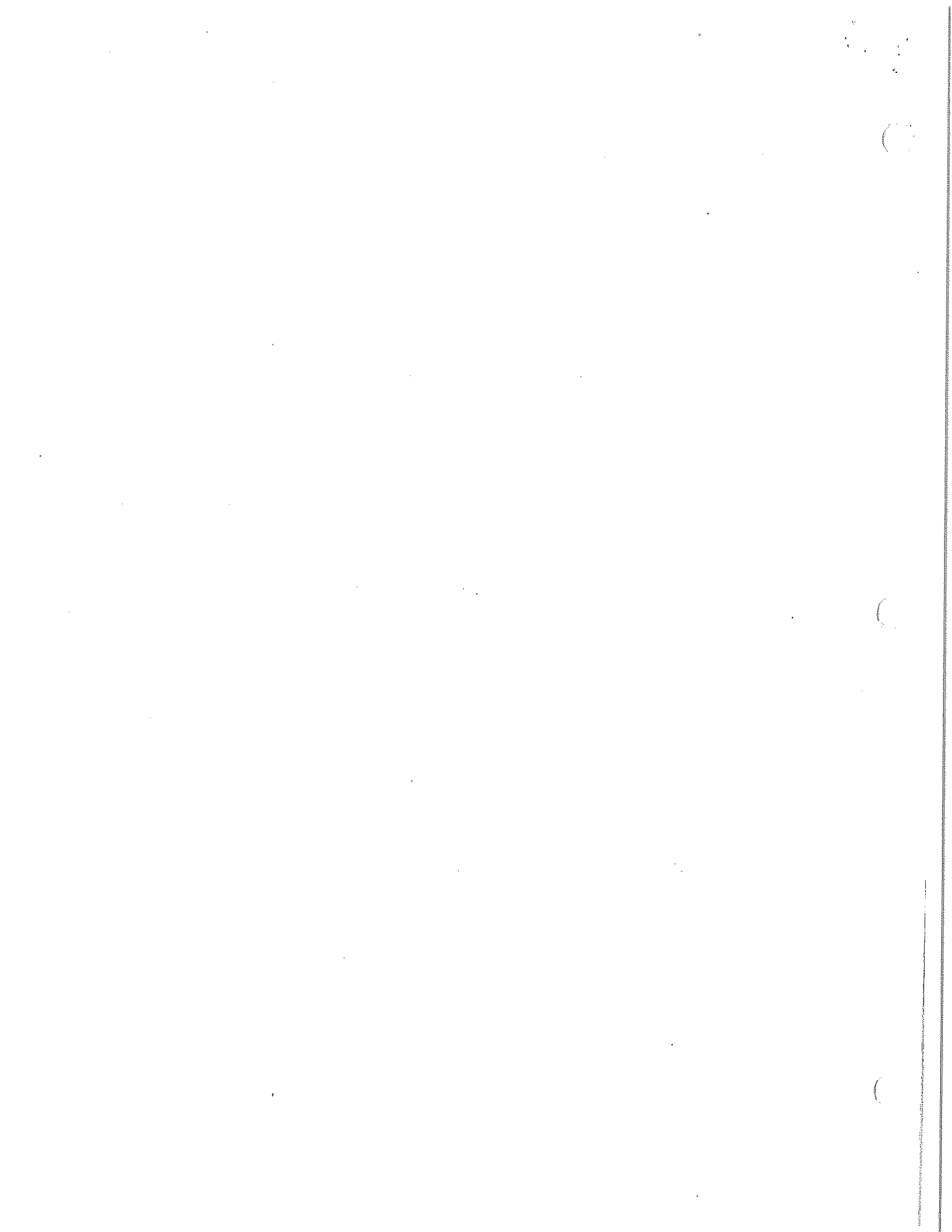
MODEL 3: Long Term Model covering FY 18 to FY28 (Note: Each Column now represents a Fiscal Year).

Revenue Comments:

PI Levy will expire at the end of Calendar Year 2019 which is FY20. Half of the collection is lost in FY 19 and the remainder expires in FY20. I recommend renewing and perhaps extending this levy. There would be no impact to the taxpayer, there is or will be a need, and this would be the only assured source of Capital Funds, the annual transfer of \$180,000 might be eliminated if State Foundation decreases to the point where the operating balances begin to fall. In this model we show the PI fund expiring to provoke a levy decision. The OSFC Maintenance Levy and the Half Mill Equalization payment will expire. I don't believe there is any means to continue this funding mechanism and the 034 000 fund will eventually run out of money and be eliminated from our strategy.

Expenditure Comments:

I've only chosen to show the first two years of our ten year plan. The reason for this as previously stated is that the Superintendent along with building and grounds and finance committees have not met to define the Superintendent's strategy along with the Board's strategy. The model is in its infancy and has no real meaning other than the expenditure numbers are now fairly realistic as GPD has provided expert opinion on approximate costs. I have used their professionally estimated costs in this model. You can view each TASK in GPDs list as a checker on a financial board (model). You need to place the checkers on the model and it will forecast whether your financial footing is solid. We will need answers such as: Will you renew the PI levy? Will you do the TASKS in a certain order? In what approximate month will the TASK be completed and paid? Will you do anything additional (levy of same mills expiring) when the OSFC Maintenance Fund and Equalization payment phase out? Etc. We will need to answer these questions in the coming months. For example, if we choose to renew the \$200,147 mill levy that could go on the ballot in May 2018. We will need to act in January and February to put the levy on the May 8 ballot. I am also hoping additional items may emerge such as; add a STEM or robotics room where the Library was or build a drone flying room where the swimming pool was. Again these are intentionally off the hook suggestions to provoke thoughts to bring our old building into the new age.



MCDONALD

TRUMBULL

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2015, 2016 and 2017 Actual;
Forecasted Fiscal Years Ending June 30, 2018 Through 2022

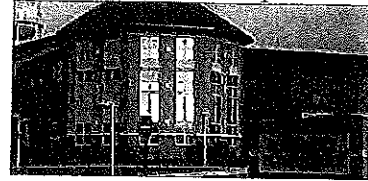
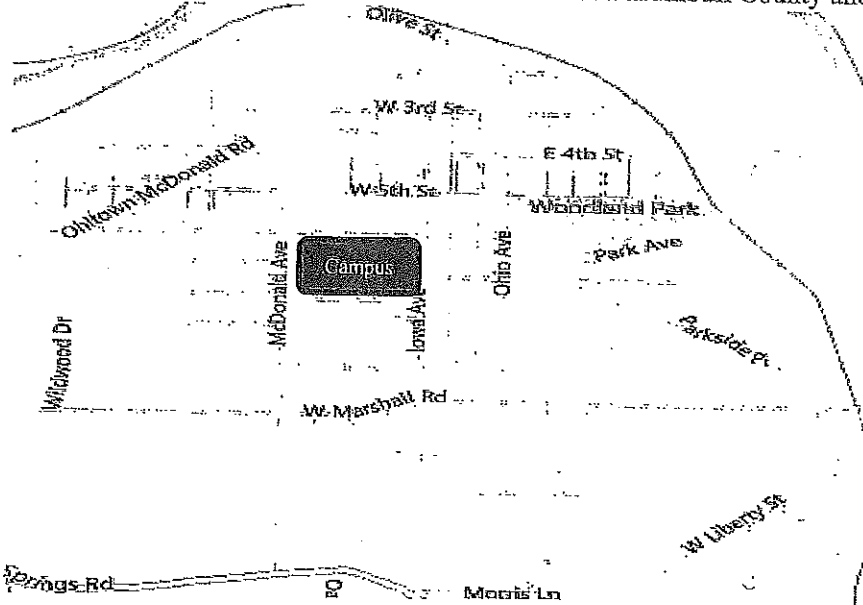
	Actual				Forecasted				
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Revenues									
1.010 General Property Tax (Real Estate)	\$1,636,238	\$1,496,483	\$1,425,780	-6.6%	\$1,198,544	\$1,116,522	\$1,223,270	\$1,241,619	\$1,260,243
1.020 Tangible Personal Property Tax									
1.030 Income Tax									
1.035 Unrestricted State Grants-In-Aid	4,233,972	5,338,897	5,412,424	13.7%	5,462,368	5,555,228	5,610,780	5,666,888	5,723,557
1.040 Restricted State Grants-In-Aid	29,346	26,177	21,228	-14.9%	20,293	20,699	21,113	21,535	21,966
1.045 Restricted Federal Grants-In-Aid - SFSF									
1.050 Property Tax Allocation	306,567	282,153	266,815	-6.7%	225,817	209,204	222,343	225,678	229,063
1.060 All Other Revenues	1,200,761	1,257,650	1,416,863	8.7%	1,416,863	1,416,863	1,416,863	1,416,863	1,416,863
1.070 Total Revenues	7,406,884	8,401,360	8,543,110	7.6%	8,323,865	8,318,516	8,494,369	8,572,583	8,651,692
Other Financing Sources									
2.050 Advances-In	5,652								
2.060 All Other Financing Sources	17,449	7,929	2,201	-63.4%	2,201	2,201	2,201	2,201	2,201
2.070 Total Other Financing Sources	23,101	7,929	2,201	-69.0%	2,201	2,201	2,201	2,201	2,201
2.080 Total Revenues and Other Financing Sources	7,429,985	8,409,289	8,545,311	7.4%	8,326,066	8,320,717	8,496,570	8,574,784	8,653,893
Expenditures									
3.010 Personal Services	3,700,719	3,743,566	4,121,245	5.6%	4,320,136	4,466,154	4,592,516	4,697,521	4,805,360
3.020 Employees' Retirement/Insurance Benefits	1,313,988	1,377,410	1,467,583	5.7%	1,490,821	1,535,849	1,565,463	1,591,699	1,618,459
3.030 Purchased Services	906,105	896,160	1,027,791	6.8%	1,066,592	1,087,914	1,109,672	1,131,866	1,154,503
3.040 Supplies and Materials	162,589	159,604	179,889	5.4%	183,334	188,834	194,499	200,334	206,344
3.050 Capital Outlay	1,001	3,984	8,594	206.9%					
4.300 Other Objects	62,980	56,940	60,583	-1.6%	66,405	67,733	69,088	70,469	71,879
4.500 Total Expenditures	6,147,382	6,237,664	6,865,685	5.8%	7,127,278	7,345,484	7,531,238	7,691,889	7,856,545
Other Financing Uses									
5.010 Operating Transfers-Out	200,720	189,500	2,799,000	685.7%	180,000	180,000	180,000	180,000	180,000
5.030 All Other Financing Uses									
5.040 Total Other Financing Uses	200,720	189,500	2,799,000	685.7%	180,000	180,000	180,000	180,000	180,000
5.050 Total Expenditures and Other Financing Uses	6,348,102	6,427,164	9,664,685	25.8%	7,307,278	7,525,484	7,711,238	7,871,889	8,036,545
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,081,883	1,982,125	1,119,374	-36.6%	1,018,808	795,233	785,332	702,895	617,348
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,641,645	3,723,528	5,705,653	47.1%	4,586,279	5,605,087	6,400,320	7,185,652	7,888,547
7.020 Cash Balance June 30	3,723,528	5,705,653	4,586,279	16.8%	5,605,087	6,400,320	7,185,652	7,888,547	8,505,895
8.010 Estimated Encumbrances June 30	11,770	14,010	20,002	30.9%					
10.010 Fund Balance June 30 for Certification of Appropriations	3,711,758	5,691,643	4,566,277	16.8%	5,605,087	6,400,320	7,185,652	7,888,547	8,505,895
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	3,711,758	5,691,643	4,566,277	16.8%	5,605,087	6,400,320	7,185,652	7,888,547	8,505,895
15.010 Unreserved Fund Balance June 30	3,711,758	5,691,643	4,566,277	16.8%	5,605,087	6,400,320	7,185,652	7,888,547	8,505,895

See accompanying summary of significant forecast assumptions and accounting policies
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

Note 1 – The School District

The McDonald Local School District is located in Trumbull County and encompasses all of the Village of McDonald and portions of surrounding townships. The



School District is organized under Article VI, Sections 2 and 3, of the Constitution of

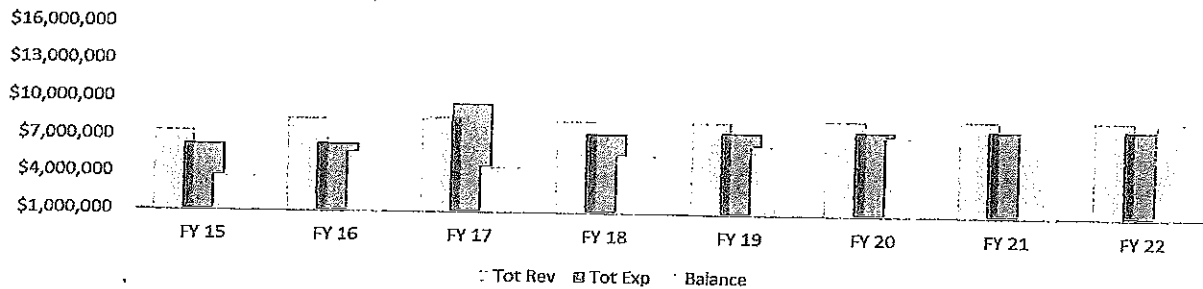


the State of Ohio. The legislative power of the School District is vested in the Board

of Education, consisting of five members elected at large for staggered four year terms. The School District operates two instructional buildings on one campus which are staffed by 54 highly qualified teachers, 4 para-professional aids and 14 quality non-teaching classified personnel to provide services to 847 students.

Note 2 – Uncertain Nature of the Forecast

This forecast presents, to the best of the Board of Education's ability, the expected revenues, expenditures and balances of the operating funds. Accordingly, the forecast reflects the Board's judgment of the expected conditions and its planned course of action as of October 25, 2017, the adopted date of this forecast. The assumptions herein involve actions and influences of: board of education, superintendent, students, governor, legislators, voters, consortiums, unions and various other stakeholders. Differences between the forecasted and actual results are inevitable because of the vast number of people involved.



Note 3 - General Operating Assumptions

The McDonald Local School District will continue to operate in accordance with its adopted school calendar and pay all obligations. The forecast contains those expenditures deemed necessary to provide high quality yet affordable educational programs aligned with state and local objectives for students.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

Note 4 – Capital Expense policies and procedures

The challenge of keeping a refurbished 100 year old high school building and its associated grounds in top condition has proven formidable. Even the newer elementary building is presenting problems. It is evident that these costly capital problems will persist. Last year, the Board voted to purchase land and if successful construct new athletic facilities perhaps followed in the distant future by other buildings, but that plan has been suspended pending lengthy due diligence on the land purchase. Accordingly, the Board will be setting the collections to zero for the two existing Emergency Levies. One, because it was pledged to fund the project over the next ten years, the other to pay back \$200,000 of the \$260,000 to voters for the first year's collection. The Board promised to return funds should the plan fail. Though choosing to return the first year's collections, the Board has not given up. The 2.6 million dollars appropriated for the project was moved to a separate fund for tracking and will stay for now. Upon a restart of the project and if prudent, the Board could tap another levy that expires in January of 2019 (see 1.). This levy can be renewed to bring two million dollars over 10 years to the facilities plan. A 4.3 mill PI levy expiring in 2019 (see 2.) with \$2.3 million potential could be tapped followed by Bond and OSFC Maintenance levies expiring in 2021(see3.). This would be another \$1.9 million cash source if replaced by a PI or Bond. Regardless, the Board will continue to place \$180,000 annually into our regular replacement fund to handle on-going capital problems.

10 Year Financial Model to begin relocation of Facilities. NO ADDED TAXES

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Beginning Balance	487,822	3,144,420	3,277,964	3,830,508	4,163,074	253,661	433,661	613,661	793,661	973,661	1,153,661
Receipts											
OSFC Maintenance (034 0000)	22,481	22,481	22,481	22,706	10,587	-	-	-	-	-	-
Half Mill Equilization (034 0000)	26,008	26,008	26,008	26,268	-	-	-	-	-	-	-
Replacement Fund (005 0000)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Permanent Imp (005 9015)	224,055	224,055	224,055	183,593	-	-	-	-	-	-	-
Dollars coming off duplicate											
1. Smaller \$200,000 Emergency											
2. PI Fund (003 Fund)											
3. Debt & OSFC Maintenance											
1. Begin Renewal Cycle											
FROM GENERAL via Fund Bal	2,600,000	2,000,000	2,300,000		1,900,000						2,600,000
TOTAL REVENUE	3,052,544	2,452,544	2,752,544	332,567	2,090,587	180,000	180,000	180,000	180,000	180,000	2,780,000
Expenditures											
FY17 Total Expenditures	395,946	19,000									
		100,000									
1. Track, Football, Band, Parking		2,200,000									
2. Gym, Baseball, Bus Garage			2,200,000								
Phase 3: Major Facility (STEM)					6,000,000						3,500,000
Phase 4: Possible Addition (STEM)											3,500,000
TOTAL EXPENDITURES	395,946	2,319,000	2,200,000		6,000,000						433,661
Ending Cash Balance	3,144,420	3,277,964	3,830,508	4,163,074	253,661	433,661	613,661	793,661	973,661	1,153,661	433,661

COMPLETED: Renewed extended and reduced a \$530,001 levy to Generate \$260,000 for 10yrs. Used Fund Balance Statement to transfer \$2.5 million to project	1. Renew and extend \$200,000 levy to 10 years. Use Fund Balance Statement to transfer an additional \$2 million to project	2. Renew and extend expiring PI Levy. Borrow against Levy Proceeds as permitted by law. Possibly bring 10 years revenue into project	3. Debt Service levy expires along with the OSFC Maintenance levy. Combine the two and ask for another PI or alternative levy equal to the expiring amounts	BEGIN THE CYCLE AGAIN. Renew the \$260,000 ten year levy if necessary. Next year renew the 10 year \$200,000 levy, etc.
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McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

Note 5 - Significant Assumptions for Revenues and Other Financing Sources

General and Tangible Personal Property Taxes

The property tax revenues for the district are realized from the following levies:

Tax Levies	Year Approved/ Renewed	First Calendar Year of Collection	Last Calendar Year of Collection	Full Tax Rate (Per \$1,000 of Assessed Valuation)
Inside Ten Mill Limitation (Unvoted)	n/a	n/a	n/a	\$5.10
Continuing Operating	1976	set to zero in final year of collection		30.80
Continuing Operating	1980	n/a	n/a	6.00
Emergency (\$200,147)	2008	2014	2018	0.00
Emergency (\$260,000)	2016	2017	2026	0.00
Total Operating Tax Rate		temporarily set to zero (min of 1 year)		\$41.90
Bond	1999	1999	2021	2.85
OSFC Maint	1999	1999	2021	0.50
Permanent Improvement (\$230,000)	2014	2015	2019	3.26
Total Non-Operating Tax Rate		Reduce rate to bring \$170,000 not \$230,000		\$6.61
TOTAL TAX RATE				48.51

* Full Tax Rate per \$1,000.00 of Assessed Valuation

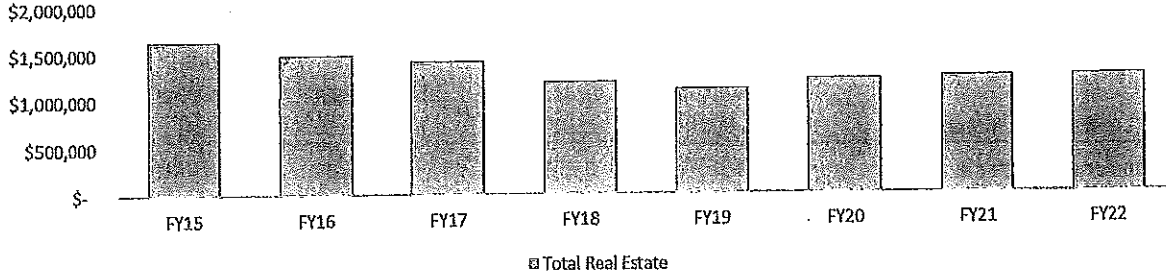
Depicted above, we have displayed taxes divided between operating and non-operating levies. Our operating levies currently consist of 5.1 inside mills along with two continuing levies (30.8 mills and 6 mills) and two Emergency levies one of \$200,147 and one set originally to \$580,000 but renewed November of 2016 at 5 mills or \$260,000 down from the previously reduced amount of \$391,000. This is substantial reduction of nearly nine mills. Half of this reduction will occur in the second half of this fiscal year FY18. The remaining tax reduction will be felt in the first half of FY19. Operating tax rates will be set to 41.9 mills by the Board of Education. May 2017 notes and assumptions had an operating rate of 50.8.

Non-operating levies consist of two required levies and one voluntary levy. One required is the bond levy which was passed in 1999 to renovate our high school and build a new elementary. It is currently collecting at 2.85 mills to service our principal and interest payment. Previous discussions to pay off this Bond early have been shelved as the next two years are non-callable bonds known as Capital Appreciation Bonds or CABs. The second required levy is the OSFC Maintenance Levy which is set by the State at .5 mills to provide maintenance on the OSFC buildings. Because our valuation is so low, we also receive a \$25,000 equalization payment from the State into that fund. The lone voluntary levy is a 4.3 mill Permanent Improvement levy that currently generates about \$230,000 per year. This year millage will be reduced to fill in the remaining \$60,000 promised back to the voter. Last calendar year's non-operating rate was 7.65 mills it will decrease to 6.61 for one year and then increase back to 7.65 for the final year's collection.

Line 1.010 General Property Tax - General property tax revenue includes real estate taxes, public utility property taxes and manufactured home taxes. The board-reduced collection of an emergency levy originally passed in 2011 was to be continued for 10 years at an even further reduced rate of \$260,000 per year, however this levy has been suspended as described above. The drop in revenue related to this is built into the forecast model presented. The assumption that active levies fail at the end of their lifetime (line 1.010) is added back in (line 11.020) to allow certification of contracts. This is to acknowledge that most renewal levies pass.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

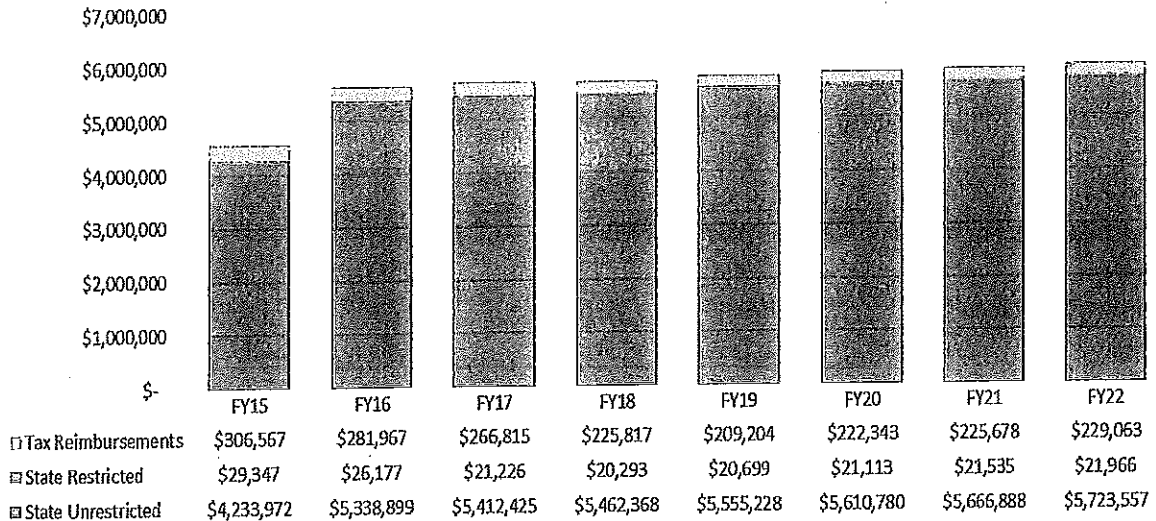
Total Real Estate



Line 1.035 Unrestricted Grants-in-Aid

Unrestricted Aid in this first year of the Biennium would show an increase of \$161,000 for FY18 unless our enrollment decreased more than anticipated. Knowing almost certainly that enrollment declined, we will only show a slight increase in Foundation Funding. During the second year of the biennium, we were showing an expected additional \$97,000 in FY19. Again we do not expect that enrollment will support that number. Unrestricted revenue also includes two casino payments. We booked \$20,528 in August and should see that again in January totaling about \$41,000 for the fiscal year. We don't expect casino revenue to help much more than the current \$41,000 per year. Subsequent to the two years covered by the biennial budget, a one percent increase is projected which should be conservative. The state education budgeting history is not consistent, therefore a better estimate is not possible.

STATE FUNDING



Line 1.040 Restricted Grants-in-Aid

Restricted grant-in-aid is not material to the budget. It consists of a miniscule amount of career tech money or approximately \$3,549. Career Tech Students are educated by the associated Trumbull County Career and Technical Center located in Warren. A separate 2.4 mill levy is imposed on the McDonald Taxpayers to allow for this educational choice. Also included as restricted revenue is \$17,379 set aside for support of McDonald's disadvantaged students.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

Line 1.050 Property Tax Allocation

Property tax allocation revenues consisted of the following:

Revenue Sources	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017
Homestead and Rollback	\$327,823	\$329,842	\$305,823	\$281,781	\$266,815
Tangible Personal Property Exemption	0	0	0	0	0
Utility Deregulation	0	0	0	0	0
Tangible Personal Property Loss Reimbursement	372	744	744	372	0
Totals	\$328,195	\$330,586	\$306,567	\$282,153	\$266,815

As you can see, Tangible Personal Property, Reimbursement of Tangible Personal Property and Utility Deregulation are eliminated. Homestead and Rollback are currently being phased out since new levies will not have this State reimbursement. Since homestead and rollback are directly proportional to the General Property Tax line, it is assumed that they function proportional to the Real Estate revenue.

Line 1.060 All Other Revenues

All other revenues include open-enrollment-in and a few other items. Open-enrollment-in tuition revenue is expected to increase very slightly in FY18 due to the adjustment for base student funding and then stay static throughout the remainder of the forecast. Interest income is becoming more important with rates rising along with the district's cash balance. Interest income is expected to increase to \$86,000 this year.

All other revenues consisted of the following:

	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017
Open Enrollment Tuition	\$1,011,099	\$1,035,249	\$1,164,732	\$1,208,035	\$1,330,400
Interest	1,490	1,585	2,328	12,967	50,476
Student Class Fees	19,860	16,773	15,520	15,672	15,220
Other	21,717	18,152	18,180	20,975	20,767
Totals	\$1,054,166	\$1,071,759	\$1,200,760	\$1,257,649	\$1,416,863

Note 6 - Significant Assumptions for Expenditures and Other Financing Uses

Line 3.010 Personal Services

Personal services expenditures represent the salaries and wages paid to certified, classified and administrative staff, substitutes, tutors and board members. In addition to regular salaries, it includes payment for supplemental contracts, and severance pay. All retirement incentive bonuses have been eliminated. All salaries are set by the Board of Education. Union contracts are signed through August of 2019. Amounts negotiated in agreements have been considered in this forecast.

Staffing levels for the last five fiscal years are displayed in the chart below.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

	2013	2014	2015	2016	2017
General Fund:					
Certified	50	52	52	52	53
Classified	10	10	12	14	14
Total General Fund	60	62	64	66	67
Other Funds:					
Certified	4	4	4	4	4
Classified	2.88	2.88	2.88	2.88	2.88
Total Other Funds	6.88	6.88	6.88	6.88	6.88
Totals	66.88	68.88	70.88	72.88	73.88

Certified (teaching) staff salaries are based on a negotiated contract which includes step increases and educational incentives. The current contract expires August 31, 2019.

Presented below is a comparison of salaries and wages for fiscal years 2013 - 2017.

	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017
Certified Salaries	\$2,809,425	\$2,827,559	\$2,943,419	\$2,944,623	\$3,232,499
Classified Salaries	416,992	465,962	465,242	487,772	561,114
Substitute Salaries	58,471	84,441	93,826	113,148	122,002
Overtime	5,756	9,617	8,970	7,328	10,912
Supplemental Contracts	121,464	121,464	154,469	170,910	170,956
Severance Pay and Early Retirement Incentives	41,400	62,482	30,482	9,465	10,181
Insurance Incentive	0	0	0	8,415	8,281
Ins Opt Out/Taxable Benefits					
Other Salaries and Wages	5,520	5,958	4,312	1,905	5,300
Totals	\$3,459,028	\$3,577,483	\$3,700,720	\$3,743,566	\$4,121,245

Line 3.020 Employees' Retirement/Insurance Benefits

Employees' retirement and insurance benefits include employer contributions to the State pension systems, health care, Medicare, workers' compensation, and other benefits arising from the negotiated agreements.

Retirement and Medicare move proportionally to salaries and therefore should increase this year (FY18). The Healthcare consortium is carrying a healthy but declining balance therefore we expect additional increases over last year. Enrollment in our health care plan has also increased and this will cause an increase in benefit spending.

Tuition reimbursement has been increasing with higher demands on teaching credentials, however the reimbursements are capped and should not impact this line. The Board decided to reimburse all tuition for our two principals and treasurer. This should have minimal impact on the total budget.

Presented below is a comparison of past five fiscal years:

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017
Employer's Retirement	\$496,785	\$479,966	\$557,471	\$602,457	\$574,228
Health Care/Dental/Vision/Life	667,100	704,401	648,250	732,715	758,136
Workers' Compensation	17,739	19,187	26,706	7,569	56,091
Medicare	45,733	47,415	51,101	51,101	64,734
Unemployment	0	0	0	0	0
Tuition Reimbursement	5,925	11,070	14,073	14,073	10,000
Ohio Deferred Compensation	2,000	4,000	4,000	4,000	4,000
Totals	<u>\$1,235,282</u>	<u>\$1,266,039</u>	<u>\$1,301,601</u>	<u>\$1,411,915</u>	<u>\$1,467,189</u>

Line 3.030 Purchased Services

Presented below is a comparison of purchased service expenditures for the past five fiscal years:

	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017
Professional and Technical Services	\$77,178	\$64,987	\$96,308	\$93,642	\$127,295
Property Services	90,298	108,932	113,828	152,618	151,678
Travel and Meeting Expenses	12,517	10,958	13,898	11,529	13,731
Communication Costs	9,280	7,895	12,020	7,469	12,083
Utility Services	142,231	146,456	160,293	133,875	147,833
Tuition and Other Similar Payments	432,538	363,035	446,997	436,130	518,994
Pupil Transportation	56,230	38,988	62,759	60,894	56,175
Other Purchased Services	0	0	3	3	
Totals	<u>\$820,272</u>	<u>\$741,251</u>	<u>\$906,106</u>	<u>\$896,160</u>	<u>\$1,027,789</u>

The district has signed to have its natural gas cost slightly increased. There are competitive downward pressures that may keep electrical costs in check. It is anticipated that tuition paid to other districts remains steady based on the most recent ADM analysis. The district will see an increase in County Board services as we have increased from half-time to a full-time tech coordinator and added a half time Spanish instructor to the annual contract. Special needs transportation is also a large component of this line. It is typical that each rider will cost approximately \$15,000.

Line 3.040 Supplies and Materials

Presented below are the supplies and materials expenditures for the past five fiscal years:

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2018

	Actual Fiscal Year 2013	Actual Fiscal Year 2014	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017
General Supplies, Library Books and Periodicals	\$77,139	\$65,426	\$66,954	\$74,826	\$83,740
Operations, Maintenance and Repair	60,728	74,706	63,203	62,181	62,660
Textbooks	11,844	43,307	32,431	22,596	33,488
Totals	\$149,711	\$183,439	\$162,588	\$159,603	\$179,888

Supplies and materials are forecast to increase slightly each year.

Line 3.050 Capital Outlay

The district has developed a strategy that removes capital expenditures from the general fund. These problems will now be handled by a combination 1) Permanent Improvement Levy 2) OSFC Maintenance Fund and 3) Replacement Fund recently established and funded by the Board of Education at \$180,000 per year through the General Fund. Additionally, a new dedicated replacement fund will provide for the replacement of our athletic facilities. It was begun with a 2.6 million dollar transfer that will be repaid over the next ten years of tax collections. Problems in the initial stages of this plan have caused the collections and the start-up funds to be “frozen” until the land can be acquired and construction begun.

Line 4.300 Other Objects

Other objects can vary significantly from year to year so it will be forecast flat from previous levels.

Line 5.010 Operating Transfers-Out

Transfers-Out will be \$180,000 per year into the regular “Replacement Fund” to support the current capital expense needs with General Fund dollars. Because the capital needs of the District are substantial, it was felt that this transfer-out was needed to supplement the existing PI levy. Additionally because our operating funds fiscal status was within the zone described by our “Fund Balance” procedure, the Board has decided to move aggressively to replace our aging, inadequate and unsafe athletic structures. To accomplish this, an expiring levy was reduced down to \$260,000 and continued for 10 years to produce \$2.6 million dollars. These up-front dollars were immediately taken from the general fund and transferred into an “Athletic Field” replacement fund. As promised to the voters during the renewal effort, the Board is in the process of stopping collections and placing a hold on the money deposited into the fund.

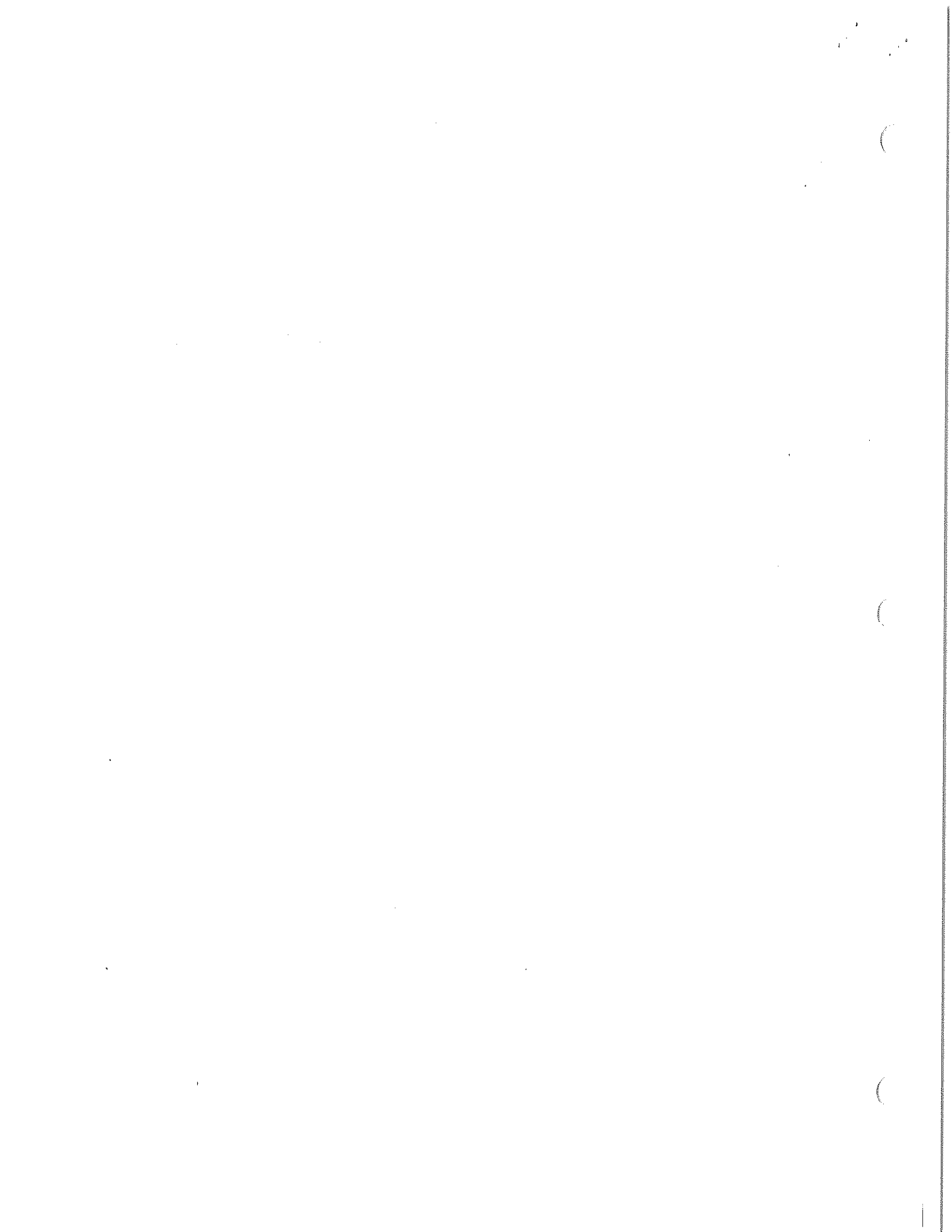
The other fund that may require a transfer is the Athletic Fund.

Line 5.020 Operating Advances-Out

Funds previously requiring advances have been managed better lately. No advances are anticipated

Line 11.020 Property Tax -- Renewal or Replacement

Though it is required that the district remove tax levy renewals from the main body of the forecast document, the amounts removed are added back here each year to allow for certification of long term contracts. The balance reflected here assumes expiring temporary levies will renew.





PureResults WATER TREATMENT - SERVICE AGREEMENT

PROJECT AND LOCATION:

McDonald Local Schools
 McDonald High School, 600 Iowa Avenue
 Roosevelt Elementary, 410 West Seventh Street
 McDonald, Ohio 44437

SYSTEM	CHEMICALS/ PRODUCTS
Chilled Glycol System	1 - LoopGuard-62
Closed Hot Water System	1 - LoopGuard 269

PureResults Complete Water Treatment Program

- All necessary chemicals, Loopguard 62, LoopGuard 269, (glycol not included)
- Delivery of products
- Application of products
- Removal and disposal of empty Chemtex containers
- Quarterly Testing of all pertinent sample: October, January, April, July
- Visual inspection of entire system
- Constant Contact Water Treatment industry updates
- E reports
- Laboratory Services, Quarterly Glycol Analysis
- Sales, installation, and repairs of water treatment equipment at prevailing rate
- Access to International Chemtex and Gardiner Trane web sites
- Scheduled Service calls, pre-arranged access

PureResults Water Treatment - PRICING AND ACCEPTANCE

PROJECT AND LOCATION:

McDonald Local Schools
McDonald High School, 600 Iowa Avenue
Roosevelt Elementary, 410 West Seventh Street
McDonald, Ohio 44437

GARDINER, herein referred to as the GARDINER, agrees to furnish services in accordance with the "General Terms and Conditions" and attached "Schedules". This AGREEMENT shall become valid only upon acceptance by CUSTOMER and approved by the GARDINER.

EQUIPMENT TO BE SERVICED:
Two (2) Chilled Glycol Systems
Two (2) Circulating Hot Water Systems

This agreement price is **\$1,800.00 per year, payable in Annually amounts of \$.00**. Any repairs provided outside the scope of the agreement will include a \$45.00 daily truck charge. Upon execution of this Agreement, the customer shall be responsible for determining proper Ohio sales tax. If you are tax exempt, please include your tax exemption certificate. This price is to be adjusted in future years as herein provided.

This agreement is effective from **October 1, 2017 through September 30, 2018**, and shall remain in effect from year to year unless terminated by either party at the end of the anniversary date by giving at least thirty (30) days written notice.

Note: This price includes provisions for safety under standard industry & GARDINER safety guidelines. Any special additional safety training, equipment, or processes required by your organization could affect the project scope and/or hours and may result in a price adjustment. If you have any specific safety practices or requirements, please alert your sales representative immediately so we ensure that our proposal fully meets your requirements.

SUBMITTED BY: Brian Riegel
Water Treatment Business Leader

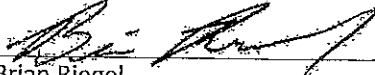
Date: October 4, 2017

CUSTOMER ACCEPTANCE:**GARDINER APPROVAL:**

Signature: _____

Signature: _____

Title: _____


Brian Riegel
Water Treatment Business Leader

Acceptance Date: _____

Purchase Order No: _____

GARDINER COPY

GENERAL TERMS AND CONDITIONS

I. PRICE ADJUSTMENT

This agreement will automatically renew each year. A price adjustment may be required based on future prevailing conditions (labor and material index). The adjustment to the agreement price will be clearly indicated on the first invoice of the next term of the agreement.

II. PAYMENT

Terms of this agreement are net payment upon receipt of invoice. GARDINER reserves the right to discontinue its service anytime payments have not been made as agreed. Taxes, if applicable, will be included in billing. CFC Tax has been passed for most refrigerants per the 1990 Budget Reconciliation Bill (H.R. 3299). The increase in refrigerant costs above the normal escalation rate in your contract and CFC Tax will be billed additional at time of use.

III. **Warranty:** GARDINER guarantees service work and all materials of GARDINER's manufacture against defects in workmanship for 90 days from date of completion of the work and will repair or replace such products or components as GARDINER finds defective. This warranty does not include cost of handling, shipping, or transportation involved in supplying replacements for defective components. This warranty does not include the replacement of refrigerant lost from the system. On machinery and materials furnished by GARDINER, but manufactured by others, the only warranty provided is that of the manufacturer. **THE WARRANTY AND LIABILITY SET FORTH IN THE PRECEDING PARAGRAPHS ARE IN LIEU OF ALL OTHER WARRANTIES AND LIABILITIES, WHETHER IN CONTRACT OR IN NEGLIGENCE, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GSC BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES.**

IV. **LIMITATION OF LIABILITY:** All claims, causes of action or legal proceedings against GARDINER arising from GARDINER's performance under this contract must be commenced by CUSTOMER within the express warranty period specified under Paragraph III hereof. Failure to commence any such claim, cause of action or legal proceeding within such claim, cause of action or legal proceeding within such period shall constitute a voluntary and knowing waiver thereof by CUSTOMER. **IN NO EVENT SHALL GARDINER'S LIABILITY FOR DIRECT OR COMPENSATORY DAMAGES EXCEED THE PAYMENTS RECEIVED BY GARDINER FROM CUSTOMER UNDER THIS CONTRACT, NOR SHALL GARDINER BE LIABLE FOR ANY SPECIAL INCIDENTAL, OR CONSEQUENTIAL, OR PUNITIVE DAMAGES. THESE LIMITATIONS ON DAMAGES SHALL APPLY UNDER ALL THEORIES OF LIABILITY OR CAUSES OF ACTION INCLUDING BUT NOT LIMITED TO CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL THEORY. GARDINER DISCLAIMS ANY LIABILITY FOR DAMAGES OF ANY KIND ARISING FROM MOLD, FUNGUS, BACTERIA, MICROBIAL GROWTH, OR ANY OTHER CONTAMINATES.**

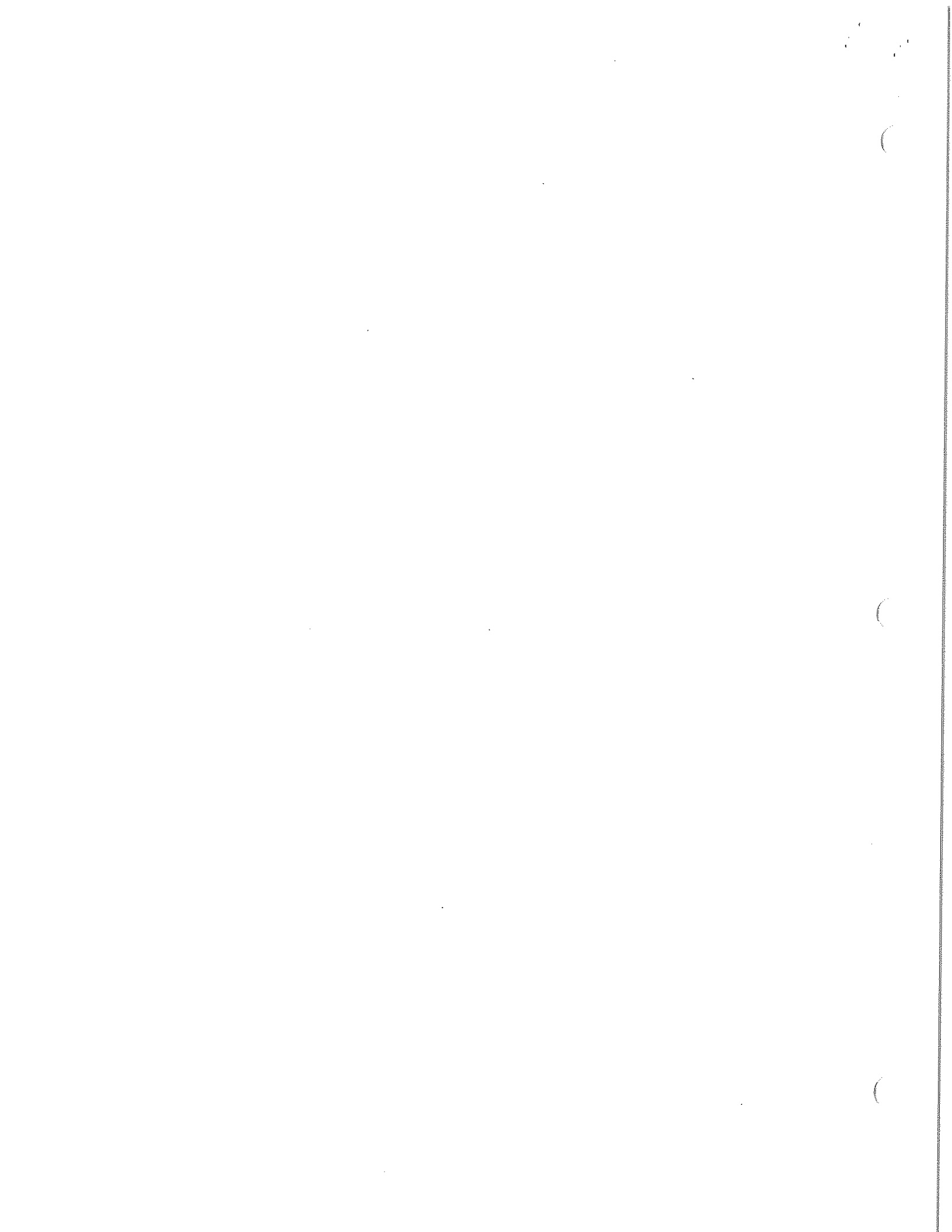
V. **INDEMNITY:** GARDINER and customer shall mutually, in proportion to their respective degree of fault, indemnify, defend and hold each other harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, resulting from death or bodily injury or damage to real or tangible personal property, to the extent caused by the negligence or misconduct of the indemnifying party, and /or its respective employees or agents. With respect to any claims based on facts or conditions that occurred prior to expiration or termination of this agreement, the duty to indemnify will continue in full force and effect notwithstanding expiration or early termination.

GENERAL TERMS AND CONDITIONS (continued)

- VI. NO-HIRE; NO-SOLICITATION:** CUSTOMER hereby covenants and agrees that, without the prior written consent of the Company, he/it will not, directly or indirectly (including, without limitation, through any affiliate or related party), (for a period of two (2) years after the date hereof solicit the employment of, offer employment to or hire, any employee of the Company, or any individual whose employment with the Company ended less than one hundred eighty (180) days prior to such solicitation or offer. CUSTOMER acknowledges that in the event of a violation of the covenants contained in this Section, the Company's damages will be difficult to ascertain and the Company's remedies at law will be inadequate. Accordingly, the CUSTOMER agrees that, in addition to such remedies as the Company may have at law, the Company shall be entitled to specific performance of such covenants and to an injunction to prevent any continuing violation thereof.
- VII. DISPUTES AND CHOICE OF LAWS:** This contract shall be deemed to have been entered into and shall be governed by the laws of the State of Ohio. All claims, disputes, and controversies arising out of or relating to this contract, shall be submitted to mediation, pursuant to the Commercial Dispute Resolution Procedures ("CDRP") of the American Arbitration Association. The mediation shall take place in Cleveland, Ohio within thirty (30) days of the date the dispute arises. If mediation is unsuccessful, the dispute shall proceed to binding arbitration, pursuant to the CDRP, in Cleveland, Ohio, no later than sixty (60) days after the mediation is concluded. Any judgment upon the arbitration award may be confirmed in any court having jurisdiction thereof. The parties agree that any party to the arbitration shall be entitled to discovery from the other party as provided by the Ohio Rules of Civil Procedure. Any such discovery shall be completed within four (4) months from the date the Demand for Arbitration is filed with the American Arbitration Association. Unless otherwise agreed, the arbitration shall be completed no later than six (6) months after the arbitration commenced.
- VIII. CUSTOMER OBLIGATIONS:** The CUSTOMER shall:
- Operate the equipment in accordance with manufacturer's recommended instructions.
 - Promptly notify GARDINER of any unusual operating conditions.
 - Provide access to the equipment including removal, replacement, or refinishing of the building structure if necessary.
 - Pay for any services and materials not specifically included in this agreement. Additional charges shall be made upon CUSTOMER's authorization at prevailing rates.
 - Disposal of old oil and refrigerant shall be the CUSTOMER's responsibility if it becomes classified as hazardous.
- Water Treatment - CUSTOMER shall:
- Inform GARDINER of system alarms
 - Inform GARDINER of utility failures
 - Inform GARDINER of Microbiologically induced corrosion
- Water Treatment - CUSTOMER shall not:
- Tamper with controls without the knowledge of GARDINER
 - Bypass the water softener
 - Increase system size, or operating time
 - Close or bypass bleed-off, or blow-down lines
 - Delay technician for greater than 15 minutes to enter facility

GENERAL TERMS AND CONDITIONS (continued)

- IX. **GARDINER OBLIGATIONS:** It shall be the responsibility of GARDINER to inform the CUSTOMER of any adverse conditions beyond the scope of the preventive maintenance agreement and make recommendations to correct them.
- X. **SUPPLEMENTAL CONDITIONS:** 1) **McDonald Local Schools** shall be considered a priority customer; GARDINER will respond to a service call within four hours. 2) Any services or material supplied outside the context of this contract will be billed at best prevailing rate.
- XI. **ENTIRE AGREEMENT:** These terms and conditions constitute the entire agreement between GARDINER and CUSTOMER. If there is a conflict with other terms and conditions, these terms and conditions shall control. No course of dealing or performance, or prior, concurrent or subsequent understanding, agreements, or representations become part of this contract unless expressly agreed to in writing by an authorized representative of GARDINER.



The Board of Education of McDonald Local School District, Ohio, met in regular session on October 25, 2017, commencing at 7:00 p.m., in the High School Library, 600 Iowa Avenue, McDonald, Ohio, with the following members present:

<u>Joseph Cappuzzello</u>	<u>Thomas Hannon</u>
<u>Jody Klase</u>	<u>Wendy Higgins</u>
<u>John Saganich</u>	

The Treasurer advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Mr. Cappuzzello moved the adoption of the following Resolution:

RESOLUTION NO. 17-247

A RESOLUTION QUALIFYING THE FIRM THAT RESPONDED TO THE DISTRICT'S REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL DESIGN SERVICES AND AUTHORIZING THE SUPERINTENDENT AND TREASURER TO ENTER INTO CONTRACT NEGOTIATIONS WITH THAT FIRM.

WHEREAS, pursuant to its *Request for Qualifications for Professional Design Firm*, the District solicited statements of qualifications for the services of a professional design firm in accordance with Sections 153.65 to 153.71 of the Revised Code in connection with the constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving School District buildings and facilities; and

WHEREAS, the District received one statement of qualifications from Glaus, Pyle, Schomer, Burns and DeHaven, Inc. ("GPD Group"); and

WHEREAS, the District's review team interviewed or otherwise reviewed and evaluated the submittal of GPD Group, and pursuant that process, determined that firm to be qualified to provide the required professional design services; and

WHEREAS, the review team has provided its recommendation to the Board along with additional information deemed pertinent by the Board related to the selection of GPD Group; and

WHEREAS, after reviewing that information and considering the recommendation of the review team, this Board intends to accept the recommendation of the review team and to enter into contract negotiations with GPD Group;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the McDonald Local School District, Trumbull County, Ohio, that:

Section 1. Acceptance of Review Team Recommendation. The Board accepts the recommendation of the review team and determines GPD Group to be qualified to provide the required professional design services and that fewer than three qualified firms are available to provide the professional design services.

Section 2. Commencement of Contract Negotiations. The Superintendent and Treasurer are authorized to contact GPD Group and begin contract negotiations.

Section 3. Prior Acts Ratified and Confirmed. Any actions previously taken by School District officials or agents of this Board in furtherance of the matters set forth in this Resolution are hereby approved, ratified and confirmed.

Section 4. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and any of its committees concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board or committees, and that all deliberations of this Board and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 5. Captions and Headings. The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof.

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

Mrs. Klase seconded the motion.

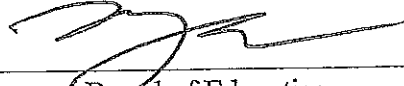
Upon roll call on the adoption of the foregoing Resolution, the vote was as follows:

<u>Mr. Cappuzzello</u>	<u>Yes</u>	<u>Mrs. Klase</u>	<u>Yes</u>
<u>Mrs. Higgins</u>	<u>Yes</u>	<u>Mr. Hannon</u>	<u>Yes</u>
<u>Mr. Saganich</u>	<u>Yes</u>		

TREASURER'S CERTIFICATION

The foregoing is a true and correct excerpt from the minutes of the regular meeting of the Board of Education of the McDonald Local School District, Ohio, held on October 25, 2017, the time, date and place of which, as shown above, having been established at the Board's organizational meeting in January, 2017, showing the adoption of the resolution hereinabove set forth.

Dated: October 25, 2017



Treasurer, Board of Education
McDonald Local School District, Ohio

