



# Heath City Schools Financial Task Force Meeting #1

September 12, 2018



**ROCKMILL**  
Financial Consulting LLC

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President

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[www.rockmillfinancial.com](http://www.rockmillfinancial.com)

- Governmental financial consultants
- Advise and consult on various matters, including:
  - Financial Budgets and Projections
  - Taxation Methodology and Options Development
  - Debt Issuance
  - Refinancing Opportunities, and
  - Research and Analysis
- David Conley, 29 year governmental finance expert

# Rockmill Financial's Responsibilities



- Analyze ways to finance construction projects
- Determine the equity and fairness of each
- Communicate those results to the Board and the community
- Oversee the taxation and financing process and its implementation
- By law, we must uphold the District's financial best interests at all times

# Today's Agenda



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- Introductions, roles and responsibilities
- Review meeting topics
- Establish goals of the task force
- Develop the timeline - schedule
- Discuss community background

# Planned Meeting Topics

- School district background and demographics
- How schools function and the cost to taxpayers
- The district's financial condition and projections for the future
- Financing tools available to the community
- Development of a funding plan
- Recommend funding plan(s) to the Board of Education

- District first offered all grades (K-12) in 1961
- The name comes from the Heath Refinery and the Heath Railroad Station
- Before that Heath was known as Newark Township South
- Today Heath has four buildings:
  - Garfield Elementary: 1961 – Paid off
  - Stevenson Elementary: 1964 – Paid off
  - Heath Middle School: 1961 – Paid off
  - Heath High School: 2002 - \$6,570,000, paid off in 8 years (2026)

# District Overview

- The district has approximately 1,686 students
- District is 12 square miles

- Is comprised of:
  - The City of Heath (98%)
  - Licking Township (2%)

Licking County Districts\*

1	Northridge Local	1,164
2	North Fork Local	1,590
3	Johnstown-Monroe Local	1,600
<b>4</b>	<b>Heath City</b>	<b>1,686</b>
5	Lakewood Local	1,874
6	Licking Valley Local	2,010
7	Granville Exempted Village	2,466
8	Southwest Licking Local	4,052
9	Licking Heights Local	4,296
10	Newark City	6,241

Source: \* Ohio Department of Education

# Election History



## Bond Elections

Election Date	Millage	Bond Issue Amount	Purpose	Years	Result	For	Against	Percentage For (Against)
3/7/2000	5.35	\$17,243,350	Site Improvements	27	Approved	1,250	1,059	54.14 % (45.86 %)

## Operating Levy Elections

Election Date	Millage	Purpose	New/Renewal	Years	Result	For	Against	Percentage For (Against)
5/17/2017	7.70	Emergency	Renewal	10	Approved	868	339	71.91 % (28.09 %)
5/5/2015	9.80	Emergency	Renewal	10	Approved	905	366	71.20 % (28.80 %)
11/5/2013	7.90	Emergency	New	5	Approved	1,294	936	58.03 % (41.97 %)
5/4/2010	9.90	Emergency	Renewal	5	Approved	1,848	685	72.96 % (27.04 %)
5/8/2007	9.90	Emergency	Renewal	3	Approved	1,247	919	57.57 % (42.43 %)
11/7/2006	7.20	Emergency	New	3	Defeated	1,638	1,990	45.15 % (54.85 %)
11/5/2002	5.60	Emergency	New	5	Approved	1,474	1,389	51.48 % (48.52 %)
3/7/2000	3.00	Current Expense	Renewal	3	Approved	1,487	871	63.06 % (36.94 %)
11/4/1997	3.00	Current Expense	New	3	Approved	1,652	1,363	54.79 % (45.21 %)
5/6/1997	5.90	Current Expense	New	5	Defeated	888	1,298	40.62 % (59.38 %)
2/4/1997	5.90	Current Expense	New	CT	Defeated	1,038	1,660	38.47 % (61.53 %)
11/5/1996	5.90	Current Expense	New	CT	Defeated	1,488	1,866	44.36 % (55.64 %)
11/7/1995	1.20	Permanent Improvement	New	CT	Approved	1,190	1,053	53.05 % (46.95 %)
2/6/1990	6.00	Current Expense	New	CT	Approved	1,082	692	60.99 % (39.01 %)
8/8/1989	4.00	Current Expense	New	CT	Defeated	508	607	45.56 % (54.44 %)
5/2/1989	4.00	Current Expense	New	CT	Defeated	661	723	47.76 % (52.24 %)

## School Income Tax

Election Date	Percentage	Purpose	Years	Result	For	Against	Percentage For (Against)
11/7/1989	0.75%	Current Expense		Defeated	1,009	1,266	44.35 % (55.65 %)



# Election Statistics



Ballot Success Statistics				
Election	Pass	Fail	Total	Pass %
All May	4	2	6	66.67%
All November	4	3	7	57.14%
All Other	3	2	5	60.00%
<b>Total</b>	<b>11</b>	<b>7</b>	<b>18</b>	<b>61.11%</b>
New Money - May	0	2	2	0.00%
New Money - November	4	3	7	57.14%
New Money - All Other	2	2	4	50.00%
<b>Total</b>	<b>6</b>	<b>7</b>	<b>13</b>	<b>46.15%</b>
Renewal - May	4	0	4	100.00%
Renewal - November	0	0	0	NA
Renewal - All Other	1	0	1	100.00%
<b>Total</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>100.00%</b>
Average Millage Passed	6.30			
Average Millage Failed	5.48			
Total Average Millage Requested	6.01			
<b>Average New Millage Passed</b>	<b>4.84</b>			

Source: Ohio Municipal Advisory Council

# Community Demographics



Demographics Composition			
U.S. Census American Fact Finder Data	Heath City Schools		
	2010	2016	% Change
Median Household Income	\$47,368	\$47,243	-0.26%
Median Family Income	\$59,738	\$56,667	-5.14%
Median Home Value	\$127,700	\$128,500	0.63%
Housing Units with mortgage	63.0%	59.0%	-6.35%
Renter Occupied Housing	34.3%	34.6%	0.87%
Number of Households	4,173	4,126	-1.13%
Households with Someone under 18	1,138	1,105	-2.90%
Households with Someone over 60	38.0%	30.4%	-20.00%
Average Family Size	2.83	3.07	8.48%
% Bachelor Degree or Higher	17.4%	17.7%	1.72%
% Poverty (2012 vs 2016)	10.9%	12.8%	17.43%
Median Age (Years)	41.6	39.9	-4.09%
0-19 Years	25.6%	23.3%	-8.98%
20-44 Years	28.5%	32.1%	12.63%
45-64 Years	29.7%	24.0%	-19.19%
65 Years and older	16.1%	17.4%	8.07%
Total Population	10,160	10,391	2.27%

Source: US Census Bureau

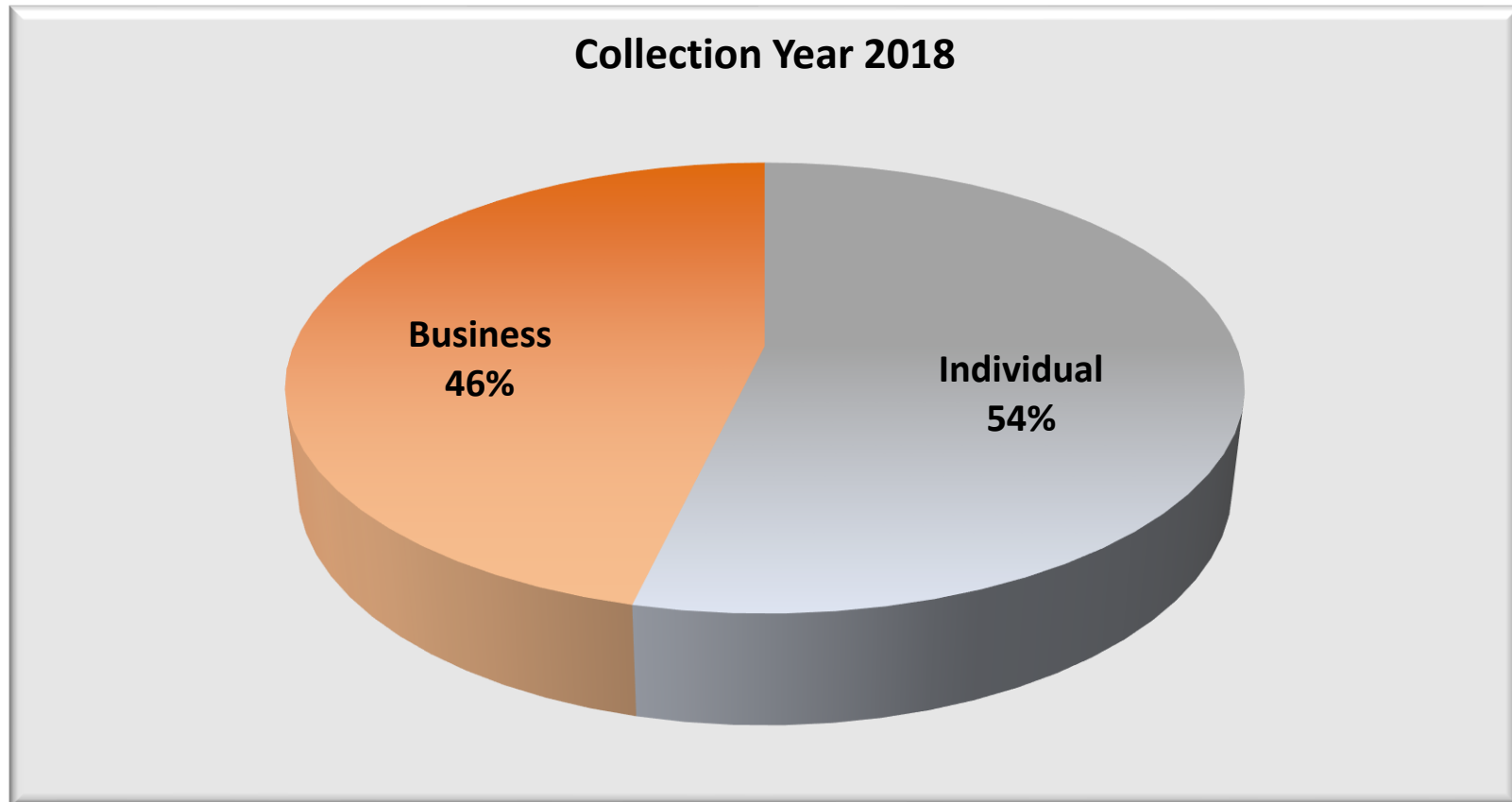
# Tax Base Composition and Valuation



	AGRICULTURAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	UTILITY REAL	UTILITY PERSONAL	PERS TANGIBLE	MINERAL	TOTAL VALUE	% RES/AG
<b>Collection</b>										
1998	1,006,690	65,823,280	55,582,460	9,903,580	0	7,594,650	49,494,154	1,410	189,406,224	35%
1999	883,150	72,870,190	62,150,380	9,491,670	0	8,135,630	45,192,200	630	198,723,850	37%
2000	1,048,770	85,752,490	73,085,870	9,154,260	0	7,546,750	47,910,575	350	224,499,065	39%
2001	937,600	88,292,480	73,980,400	9,065,430	19,860	7,851,500	47,410,970	350	227,558,590	39%
2002	1,915,330	92,494,060	75,432,610	9,057,240	19,460	6,389,920	48,489,060	0	233,797,680	40%
2003	962,130	105,224,420	80,493,920	8,724,870	19,750	6,458,770	41,912,550	0	243,796,410	44%
2004	1,269,110	107,855,680	81,016,760	8,797,360	19,970	6,228,930	39,891,150	0	245,078,960	45%
2005	1,357,510	111,218,120	83,903,370	7,644,480	20,060	6,498,070	37,575,320	0	248,216,930	45%
2006	1,111,110	126,075,920	101,968,290	7,498,130	12,590	6,351,210	41,772,360	0	284,789,610	45%
2007	1,303,340	128,112,400	99,853,250	7,500,130	11,870	6,463,400	33,501,330	0	276,745,720	47%
2008	1,332,660	131,017,690	103,114,130	7,581,720	11,570	5,352,300	24,322,550	0	272,732,620	49%
2009	1,512,360	133,166,060	102,596,260	7,252,320	11,400	5,898,790	12,562,490	0	262,999,680	51%
2010	1,565,070	134,277,000	100,139,480	7,205,580	65,700	6,323,850	536,600	0	250,113,280	54%
2011	1,472,720	134,380,510	100,405,360	7,205,580	60,400	6,264,960	273,630	0	250,063,160	54%
2012	1,797,340	131,029,670	106,246,090	7,291,970	44,650	6,342,140	0	0	252,751,860	53%
2013	1,812,070	130,622,170	108,436,570	7,512,110	49,710	6,675,260	0	0	255,107,890	52%
2014	1,634,920	130,898,890	108,347,430	7,512,110	53,040	7,976,100	0	0	256,422,490	52%
2015	2,040,290	127,688,025	108,802,740	7,512,110	57,100	8,025,020	0	38,570	254,163,855	51%
2016	1,846,350	127,587,890	96,894,230	8,100,550	58,910	9,434,090	0	12,090	243,934,110	53%
2017	1,921,150	128,158,550	98,131,690	8,211,553	64,840	11,761,470	0	13,623	248,262,876	52%
<b>2018</b>	<b>1,751,490</b>	<b>143,978,310</b>	<b>104,984,460</b>	<b>8,385,470</b>	<b>68,490</b>	<b>12,215,810</b>	<b>0</b>	<b>7,570</b>	<b>271,391,600</b>	<b>54%</b>
				Reappraisal	Update	Non U or R				

Source: Ohio Department of Taxation

# Property Tax Allocation for Bonds



- Business and agriculture pay .46 cents on the dollar for current bonds
- Homeowners and renters\* pay .54 cents on the dollar for current bonds

\* For renters that occupy single family residences



# Largest Property Taxpayers\*

Name of Taxpayer	Nature of Business	Calendar Year 2016		
		Assessed Value	Rank	Percent of Total Assessed Value
Glimcher Properties Limited Partnership	Development	\$8,967,740	1	3.62%
Ohio Power Company	Utility Company - Electric	9,068,400	2	3.65%
Southgate Association Limited Partnership	Shopping Center	5,483,800	3	2.21%
Cross Creek Limited Partnership	Shopping Center	3,203,080	4	1.29%
Wal*Mart Stores, Inc.	Retail Store	2,912,710	5	1.17%
Heath-Newark-Licking County Port Authority	Real Estate - Leasing	2,640,190	6	1.06%
Kaiser Aluminum and Chemical Corporation	Aluminum Processing	2,614,120	7	1.05%
Heath Nursing Realty LLC	Development	2,595,150	8	1.05%
Quest Heathwood Village LLC	Apartments	2,332,260	9	0.94%
RAF Heath LLC	Shopping Center	2,205,010	10	0.89%
	Subtotal	42,022,460		16.93%
	All Others	206,240,416		83.07%
	Total	<u>\$248,262,876</u>		<u>100.00%</u>

- Many of the District's largest taxpayers are shopping centers and retail stores
- Apartment buildings are taxed as commercial property
- Renters generally pay new property taxes in the form of higher rent
- 35% of the District's housing units are occupied by renters

\* Data provided by Ohio Municipal Advisory Council

# Tax Affordability



Rank	District	2016 Median Home Value	2016	2018 Effective		Income Tax		Affordability Index	
			Median Family Income	Class I Property Tax Rate	Income Tax Rate	Average Property Tax	Median Family		Total Cost
1	Tri-Valley Local SD, Muskingum	\$129,500	\$62,583	22.7555	0.00%	\$1,031.39	\$0.00	\$1,031.39	1.648%
2	West Muskingum Local SD, Muskingum	\$148,900	\$64,160	28.6511	0.00%	\$1,493.15	\$0.00	\$1,493.15	2.327%
3	East Knox Local SD, Knox	\$143,600	\$59,420	29.8449	0.00%	\$1,500.00	\$0.00	\$1,500.00	2.524%
4	Gahanna-Jefferson City SD, Franklin	\$198,500	\$93,339	38.5824	0.00%	\$2,680.52	\$0.00	\$2,680.52	2.872%
5	Lakewood Local SD, Licking	\$150,200	\$62,882	34.4000	0.00%	\$1,808.41	\$0.00	\$1,808.41	2.876%
6	North Fork Local SD, Licking	\$143,400	\$63,882	24.7964	1.00%	\$1,244.53	\$638.82	\$1,883.35	2.948%
7	Licking Valley Local SD, Licking	\$146,400	\$63,317	25.0000	1.00%	\$1,281.00	\$633.17	\$1,914.17	3.023%
8	Southwest Licking Local SD, Licking	\$173,700	\$86,184	36.6916	0.75%	\$2,230.66	\$646.38	\$2,877.04	3.338%
9	Lancaster City SD, Fairfield	\$125,300	\$56,606	24.8230	1.50%	\$1,088.61	\$849.09	\$1,937.70	3.423%
<b>10</b>	<b>Heath City SD, Licking</b>	<b>\$128,500</b>	<b>\$56,667</b>	<b>43.1962</b>	<b>0.00%</b>	<b>\$1,942.75</b>	<b>\$0.00</b>	<b>\$1,942.75</b>	<b>3.428%</b>
11	Northridge Local SD, Licking	\$177,300	\$75,327	30.1000	1.00%	\$1,867.86	\$753.27	\$2,621.13	3.480%
12	Newark City SD, Licking	\$113,900	\$50,908	32.1412	1.00%	\$1,281.31	\$509.08	\$1,790.39	3.517%
13	Reynoldsburg City SD, Franklin	\$141,200	\$71,125	45.2594	0.50%	\$2,236.72	\$355.63	\$2,592.34	3.645%
14	Johnstown-Monroe Local SD, Licking	\$190,300	\$85,928	34.2298	1.00%	\$2,279.87	\$859.28	\$3,139.15	3.653%
15	Licking Heights Local SD, Licking	\$155,000	\$77,587	52.9367	0.00%	\$2,871.81	\$0.00	\$2,871.81	3.701%
16	Walnut Township Local SD, Fairfield	\$151,800	\$71,806	30.4000	1.75%	\$1,615.15	\$1,256.61	\$2,871.76	3.999%
17	Liberty Union-Thurston Local, Fairfield	\$166,400	\$70,435	27.4445	1.75%	\$1,598.37	\$1,232.61	\$2,830.98	4.019%
18	Granville Ex Vill SD, Licking	\$289,300	\$117,301	47.2281	0.00%	\$4,782.08	\$0.00	\$4,782.08	4.077%
19	Pickerington Local SD, Fairfield	\$187,600	\$91,308	42.9427	1.00%	\$2,819.62	\$913.08	\$3,732.70	4.088%
20	New Albany-Plain Local SD, Franklin	\$299,300	\$138,197	54.3885	0.00%	\$5,697.47	\$0.00	\$5,697.47	4.123%
Sample Average		\$168,005	\$75,948	35.29	0.61%	\$2,167.56	\$432.35	\$2,599.91	3.336%

\* Data provided by Ohio Municipal Advisory Council

# Conclusions

- Heath is a fairly young school district
- Your community has a good record of supporting levies
- The community is growing in population but has fairly flat income growth
- Businesses are a major contributor to the tax revenues of the district
- The district's tax cost is moderate when compared to others in the region