

Dear North Harrison School Corporation Patrons,

The North Harrison Board of School Trustees appreciates the support of our communities for education and the building projects which have provided an excellent educational environment for students. The Board of Trustees and Superintendent are concerned as you are about the increase to your recent tax bill and this notice serves as an explanation of the increase to your property taxes.

Budgetary errors have occurred during the transition between two superintendents. In 2007, a \$666,000 riverboat reduction was not applied to reduce your tax rates. The error was discovered by the next superintendent but the correction was not applied until 2009. The 2007 budget was prepared by Mr. Monty Schneider and the 2008 and 2009 budgets were prepared by Dr. Phil Partenhiemer. The School Board does not believe this was done intentionally but was as an oversight that caused the 2009 tax rate to drop significantly when the reduction was applied. The second factor was the school system collected \$410,000 less in Bus Replacement from the previous year that lowered the 2009 rate further.

In 2009, North Harrison paid the first 1/2 year payment (\$500,000) on the North Harrison Elementary renovation project. We collected \$3.4 million in property taxes at the tax rate of \$0.87. Without the riverboat reduction that was carried forward and the error concerning Bus Replacement, the amount of property taxes collected would have been around \$4.5 million. Thus, the rate for 2009 was artificially low.

2010 is the first year taxpayers will pay a full year payment on the North Harrison Elementary building project, which added another \$500,000 to the property tax bill and should have brought the total collection of taxes to approximately \$5 million. Interim Superintendent Randy Barrett prepared the 2010 budget that collected nearly \$6 million. This amount collected is \$1 million more than the School Board anticipated.

The School Board has directed the superintendent to hold the line on spending and to carry forward the balance of approximately \$990,000 into 2011. That action will reduce next year's tax collection to approximately \$4 million. This Board action will return the amount of over collection in 2010 to taxpayers.

The School Board will provide an open public meeting with these two items on the agenda which will provide a further explanation of the current budget situation. This public meeting will occur on Thursday, April 29 at 7:30 p.m. in the North Harrison High School auditoria. School corporation community members are invited to attend.

North Harrison Board of School Trustees
Michael Beyerle Gary Byrne

Fred Naegele

Gerald Renneker