

Dear Patrons of McCloud Public Schools,

As many of you know by now, McCloud district will be experiencing a millage increase beginning January 1, 2022. This millage increase is due to a grievous error made by our bonding company, Stephan L. Smith Corp.

At the October school board meeting, Jordan Smith from the bonding company admitted the mistake he made. In an effort to regulate the millage rate and keep it steady, he sold double the amount of bonds. Normally, this would put our millage rate between 19 and 20 mills. Typically, bonds are sold between June and November; however, Mr. Smith sold the bonds in February, which by Oklahoma statute requires the levy to be collected in one year instead of spread across two years.

I can assure you as the Interim Superintendent I have sought every solution to this error. I met with Dr. Joe Siano, Executive Director for the Oklahoma State School Board Association. I took the issue to Derald Glover, Assistant Executive Director of CCOSA. I sought information from Zack Robinson with the Bank of Oklahoma regarding bonds sales. I spoke with the district auditor seeking information. I also reached out to colleagues across the state for insight. Finally, I presented the problem to Karen Long, counsel for the school district. Unfortunately, they all gave the same response — there is no resolution.

What this means for you, our valued stakeholders is a ONE YEAR increase in property taxes. The increase will be approximately 27% for the 2022 calendar year. Essentially, taxpayers will be paying off two years of bonds in one year. This will shorten the bond pay-off and reduce interest; however, it does not diminish the impact it will have on each of you for the upcoming year.

The School Board and I offer our deepest and most sincere apology for this egregious error. In times of economic hardship, errors such as these have a devastating impact on district patrons. Rest assured, we realize the significance of this mistake and we will take every precaution to prevent it from ever happening again.

Moving forward, the McCloud School Board will discontinue services with Stephen L. Smith Corp. We will notify you, the public, in advance of all bond sales which take place at school board meetings. Finally, we will be available to you for any questions or concerns you may have regarding this matter or others.

Sincerely,

A handwritten signature in black ink, reading "Rhonda Hockenbury". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Rhonda Hockenbury, Interim Superintendent  
McCloud Board of Education