

Minutes

Board of Education of the Rocky River City School District

The Board of Education of the Rocky River City School District, Cuyahoga County, Ohio, met in Finance Committee Session on October 16, 2014 at 6:00 p.m. in the 2nd Floor Conference Room at the Board of Education Offices.

Guests and visitors are requested to sign the Visitors' Register. In accordance with Bylaw 0169.1: Public Participation at Board Meetings, those wishing to address the Board are required to complete the Bylaw 0169.1 Form and submit it to the Superintendent or President of the Board prior to the start of the meeting. Thank you.

CALL TO ORDER The Finance Meeting was called to order at 6:03 p.m. by Mr. Swartz, Chair

ROLL CALL

PRESENT: Mr. Swartz, Ms. Goepfert, Dr. Fancher, Mrs. Rounds

The Finance Committee Meeting Minutes from September 18, 2014 were approved.

Mr. Markus discussed and shared the following with the committee and others in attendance:

Financial Summary – September 2014

During September, it was expected that we would receive the second half property tax settlement from the County, but that did not occur, so hence the negative variance in the property tax revenue lines for the month and fiscal YTD. The settlement was subsequently received on October 15 and the General Fund amount is approximately \$100K less than the estimate. State foundation revenue continues to exceed estimates slightly while all other operating revenue is still outpacing estimates at this point in the year mainly due to timing of out of district tuition payments.

On the expenditure side, salaries continue to track lower than estimates as we have seen some savings in this line due to maternity leaves, new hire savings and additional positions funded from Title I federal funds. This estimate will be adjusted with the upcoming five year forecast update accordingly. Benefits are tracking slightly below estimates. Purchased services are tracking higher than estimates mainly due to timing and the opposite is true of supplies and materials. Capital outlay is tracking higher than estimates due to the purchase of student computer equipment for cash as well as facility capital expenditures not included in estimates to date. This line will be adjusted with the five year forecast update as well to reflect projections for the remainder of the fiscal year. Other Objects are tracking well below estimates due to the delay of the property tax settlement, thus causing us not to incur County Fiscal Officer collection costs.

Please reference the SM-2 Comparison Report for how our FY 15 revenue and expenditure data compared to FY 14 amounts. Total fiscal YTD revenues (excluding other financing sources) are below the fiscal 2014 amount by 5.34% while total fiscal YTD expenditures (excluding other financing uses) ended above the fiscal 2014 amount by 7.93%.

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The main reason revenue is down is due to the delay of the property tax settlement. Expenditures are up based on the July 1 employee contract increases, timing of salaries (i.e. “stretch pay” payouts), the purchase of new computer equipment for upcoming school year, facilities capital expenditures, increased utility expenditures and a timing element in the purchased services line.

Our ending cash balance is up moderately above last year’s level (\$1,032,249 vs. \$9,572,064) in spite of the delay in the property tax settlement and increased expenditures due to the increased beginning cash balance that we are starting with this year. Encumbrances are down moderately below last year’s amount due to timing.

Board of Revisions/Board of Tax Appeals Update

The most recent BOR/BTA reports from Dan McIntyre’s office were reviewed.

Five Year Forecast

Mr. Markus reviewed the five year forecast draft with the committee and those in attendance. He stated that there will be a slight upward adjustment in revenue for FY 15 based on the recent workers compensation rebate of \$72K received. At this point, property tax revenue estimates will not be adjusted based on the \$100K negative variance from the recent real property tax settlement, but we may need to adjust our estimates for the May forecast update if we end up not exceeding estimates for the first half 2014 collection that will occur in the spring of 2015.

Build America Bonds Refunding

Mr. Markus reviewed the resolution that is being put forth to the Board later this evening so the Build America Bond refunding can move forward. Mr. Markus noted that he and Mike Sudsina, Independent Financial Advisor, will interview underwriting firms and invited finance committee members to take part in those interviews. Once the underwriter(s) are selected, the process will move forward rather quickly as the timeframe for pricing and selling the bonds will be scheduled to take place before the holidays. Mr. Markus is currently working with Mr. Sudsina and Rick Manoloff, Bond Counsel, to prepare a Preliminary Official Statement needed for the refunding.

The meeting was adjourned by Mr. Swartz at 6:38 p.m.

Committee Chair

Treasurer