

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 January 16, 2014 at 6:05 p.m. in the Curriculum Library 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 6:05 p.m. by Mr. Swartz, Chair

ROLL CALL: Mr. Swartz, Ms. Goepfert

PRESENT:

The Finance Committee Meeting Minutes from the December 19, 2013 were approved.

Mr. Markus reviewed and discussed the following items with the committee:

Financial Summary - December 2013

During December, we received the state homestead and rollback payment (line 1.050). As I mentioned to you last month, this was originally expected in November, but it came in on December 3, 2013, so we are now back on track for the fiscal YTD estimate in this line.

State foundation revenue was still being paid ahead of schedule in December due to timing adjustments by the state based on the H.B. 59 funding formula that was being phased in during November and the first payment of December. Starting with the second December payment, it appears to be adjusted now and should start to come back closer to our current annual estimate as we progress through the rest of the fiscal year.

The All Other Operating Revenue line is still tracking below estimates mainly due to timing at this point in the year.

On the expenditure side of the ledger, the large positive variance in the purchased services line (3.030) for the month was mainly due to a catch-up of the timing issue with payment to Lakewood for our annual Career Tech invoices that I mentioned to you last month. On a fiscal YTD basis, there is now a positive variance showing in this line, but is mainly due to timing. We are currently dealing with large water bills from the field house and high school due to suspected water leaks that we are working on rectifying through additional inspection and necessary repairs. These bills have not been paid and we do expect significant credits, but have not yet finalized anything with the water department.

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Salaries are running a bit higher than estimates at this point in the year. There may be a slight uptick in salaries and benefits over estimates going forward this year as we replace certain .47 FTE custodians with 1.0 custodians. There is still a negative variance in the employee benefits line due to additional enrollees and catch-up on medical and dental plans as well as our level SERS deduction through our state foundation trending higher than my estimate. The SERS deduction is expected to be adjusted in January to reflect the updated salary estimate.

All other expenditure areas (supplies, capital outlay, other objects) are running below estimates and are expected to run at or below estimates the rest of the fiscal year.

Please reference the SM-2 Comparison Report for how our FY 14 revenue and expenditure data compare to FY 13 amounts. Total fiscal YTD revenues (excluding other financing sources) came in above the fiscal 2013 amount by 15.42% while total fiscal YTD expenditures (excluding other financing uses) came in above the fiscal 2013 amount by 4.00%.

The main reason our overall revenue is up year over year is the continued collection of the first full year of the new 4.9 mill operating levy as the receipt of \$200,000 from two property tax case settlements for Westgate and Westwood and the increase in state basic aid from HB 59. The main reasons our overall expenditure amount was higher than last year at this time was due to scheduled salary steps and the new positions added; increased maintenance/repair costs and insurance costs; the addition of a new capital lease for technology equipment on which payments started in July, the purchase of the first set of new textbooks for the 13-14 school year, and the investments in building improvements and furniture not included in the construction project.

Our ending cash balance ended significantly above last year's level (\$3,929,301 vs. \$1,759,204) due mainly to the increase in property tax and related revenue from the full year collection of the new 4.9 levy. Encumbrances came in significantly above last year's amount due to timing at this point in the year with our STRS contribution purchase order being issued in December of this year as well as the fact that we now outsource our substitute teachers and encumber a portion of those planned expenditures whereas we did not encumber those expenditures under our payroll.

Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports received from Dan McIntyre's office were reviewed.

Audit/CAFR Update

Our annual financial and compliance audit was completed in late December and went very well. You should have received an email from me with the audit reports and an electronic copy of the CAFR in late December. I have applied for the Government Finance Officers Association's Certificate of Excellence in Financial Reporting Award and expect to have our application approved after they complete their review.

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Turf Field Replacement/Financing Update

Our bond counsel at Squire Sanders is almost complete with the review of the lease documents and has provided an authorizing resolution for you to consider at Thursday’s Board Meeting to approve the financing agreement with PNC. I expect to have the final documents sometime on Thursday after bond counsel has received back final changes from PNC and performed their final review. The total amount we are financing is \$470,275.05 over seven years for a semi-annual payment of \$36,937.82 (\$73,865.64 annually) at an anticipated interest rate of 3%.

I am also expecting to have a final agreement with FieldTurf USA on Thursday’s agenda for your approval as well. Dan McIntyre’s office has been working with me and the vendor on producing a final agreement and it is expected to be in final form by Thursday.

Required Public Notice

As required by ORC 3313.202, we must announce at a regularly-scheduled public meeting any Board Members that have elected group insurance coverage through the District’s plan(s). The following notice will serve as the public announcement for this purpose and will be recorded in the minutes of our December Finance Committee meeting as required by the statute:

Public Notice per ORC 3313.202: The following duly elected Board of Education Member(s) of the Rocky River City School District have elected group insurance through the District’s group medical and/or Dental plans for the current plan year. Their election was requested in writing in accordance with current District insurance plan policies and procedures. Further, the Board Member(s) that have elected such coverage have paid and will continue to pay the entire cost of any premiums assessed to the District for any plan in which they participate on a monthly basis.

<u>Board Member</u>	<u>Type</u> _____
Mr. Scott Swartz	Group Medical/Rx Coverage

Federal Sequestration and Possible Bond Refinancing Opportunity

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Agenda Items

For the January regular meeting, you will be asked to approve the construction/purchase and financing agreements related to the new turf field mentioned above. Also, I am expecting a final agreement with GGJ, Inc. for engineering/construction management services and construction observation services related to the other stadium improvements and the turf field installation, respectively, on an as-needed basis.

The meeting was adjourned at 6:42 p.m. by Mr. Swartz.

Committee Chair

Treasurer