

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 June 17, 2015 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 6:00 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from May 19, 2015 were approved.

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

Financial Summary – May 2015:

Please note that I have set the May monthly estimates to match actual amounts as we now have adopted the revised five-year forecast for the May 31 filing date with the State. The monthly estimates reported on the SM-1 for June are reflective of the differences that will equate to our revised annual estimates from the May five-year forecast update.

As I reported to you last month, the special real property tax advance scheduled for May that I had anticipated at \$300K based on prior year amounts, only came in at \$85K. This still resulted in a positive variance of \$108K over the October estimate, but it knocked down our total collection rate slightly to 99.04% as compared to the original Cuyahoga County Fiscal Schedule A estimates from last spring.

Our state unrestricted grants revenue (line 1.035) came in at similar levels to the past several months and is expected to finish the year around the same level. The All Other Operating Revenue (line 1.060) came in significantly higher in May than previous months due to a timing difference from the auxiliary services management fee that was anticipated in April as well as payment of tuition from the State through the SF-14 process for students educated in our District for which another District is responsible. The June monthly estimate on the SM-1 is showing a negative amount to equal the adjusted annual total from the recent five-year forecast update, but this line will actually be positive mainly due to interest income, turf lease revenue received from the City of Rocky River and an American Express purchasing program rebate received in June.

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On the expenditure side, salaries will come in slightly higher than anticipated for June due to some timing differences in contractual payouts from longevity and resignations that are being paid out as of June 25 or July 25 as opposed to August 25, but also from some temporary and overtime staffing needs as well as payoff of in-school sub time to finish out the year. Benefits should finish right around the annual estimate and contracted services should finish slightly below estimates. However, supplies/materials and equipment will most likely come in over June estimates due to additional textbook, curricular materials, furniture and technology being purchased with current year funds in order to prepare for additional classrooms and students. I have attached a summary from Miss Anderson showing additional items purchased above and beyond current year budgeted amounts. By purchasing technology now with current funds, we will avoid another lease/purchase obligation and be able to reduce what we need to purchase out of FY 16 budgeted funds. I have requested increased appropriations in the General Fund to accommodate these purchases so we can close out the year. As we are still paying bills and closing out purchase orders, my goal is to be able to close out a significant amount of purchase orders in order to make up for some of the additional \$200K in spending and finish as close to our projected unencumbered balance of \$4,855,866 as possible.

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) ended *below* the fiscal 2014 amount by 0.11% while total fiscal YTD expenditures (excluding other financing uses) ended above the fiscal 2014 amount by 3.46%.

The main reason revenue is down is due to the decrease in the special property tax advance received in May and the decrease in the Other Revenue line due to the one-time Westgate property tax settlement payment reflected in FY 14's amount. This is in spite of the positive timing difference in the state catastrophic aid reflected on line 1.040, the increase state basic aid reflected on line 1.035 and the increased amount of tangible personal property taxes reflected on line 1.020. Expenditures are up moderately overall mainly due to the purchase of new computer equipment and facilities capital expenditures, cash purchase of a new 84 passenger bus, increased utility and legal services fees as well as salary and benefit expenditure increases due to the July 1 employee contract increases.

Our ending cash balance is up slightly from last year's level (\$7,153,008 vs. \$6,935,856) due to the higher beginning cash balance from which we have drawn upon up to this point.

Board of Revisions/Board of Tax Appeals Update

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

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Fiscal Year-End Items for Agenda

Please note the various action items included on the June 17 agenda for fiscal year-end closing, including the passage of permanent appropriations for the upcoming fiscal year beginning July 1, 2015. I have estimated appropriations for the rest of the fiscal year with the intent of avoiding another board meeting prior to July 1. All required exhibits have been posted to the online version of the agenda. I had also emailed a supplementary appropriation document for the July 1, 2015 permanent appropriation measure.

State Funding Proposal Update

As I reported to you last Wednesday, the Ohio Senate is currently deliberating over HB 64, which will include funding for education for the upcoming biennium. The most recent District by District funding estimates shows an increase of \$400K for Rocky River for FY 16 and another \$239K in FY 17 for a total of \$1,039,000 over the biennium. While this is about half of the increase projected for us in the house version, it is still a substantial projected increase for the District.

Finance Committee Changes

Mr. Swartz will recommend that Mr. Manoloff be appointed as the finance committee chair upon his appointment to the Board of Education later this evening. Ms. Goepfert will remain on the finance committee as a member. Mr. Swartz will move to the facilities committee to take the place of Mr. Milano due to his recent resignation from the Board.

The meeting was adjourned by Mr. Swartz at 6:45 p.m.

Committee Chair

Treasurer