

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 March 18, 2015 at 5:00 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 5:00 p.m. by Mr. Swartz, Chair

ROLL CALL

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

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

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

Financial Summary – February 2015:

During February, we received the second real property tax advance of the first half calendar year from the County. This amount was \$238K above the estimate, which added to the significant positive variance from January. I still believe the current positive variance is largely a timing difference due to the new and improved property tax collection system as well as the need to settle out BOR/BTA refunds before the settlement expected in March. Due to turnover at the County Budget Commission, there is a chance we will not see our settlement until late March or even April, but we will have a better picture of where things stand once we receive the settlement. I had anticipated a \$1.715M gross settlement in March (we received \$1.637M in March of 2014), so we could be short \$772K and still meet our estimate. We also have a special advance of \$300K budgeted for May based on the last couple of years' history, so that will play into our fiscal year variance as well when the time comes.

Our state unrestricted grants revenue (line 1.035) came in above the monthly estimate again and is trending slightly above the annual estimate. I just found out today that the State will be adjusting our basic aid to reflect actual EMIS system data for either the March #2 or April #1 payment as the conversion to their new system should be complete, so we will be able to compare more accurately at that time. I don't foresee a large swing either way from the annual estimate. The All Other Operating Revenue (line 1.060) is still tracking above estimates for the fiscal year mainly due to timing and the receipt of insurance reimbursements.

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Financial Summary – February 2015 (Cont'd)

On the expenditure side, salaries came in slightly above adjusted monthly estimates due to overtime for non-certified employees being higher than normal, but it is still on target for the fiscal YTD and we are still tracking below estimates on a fiscal YTD basis. Benefits came in very slightly above estimates for the month and are tracking that way now for the fiscal YTD from a timing issue due to increased STRS estimated deductions starting in January. However, this line should still end up fairly close to estimates for the fiscal year. Purchased services came in significantly below estimates for the month for the second month in a row mitigating timing differences from the past couple of months, but are still tracking slightly above estimates for the fiscal YTD due to increased expenditure levels for legal services, water/sewer and computer system maintenance costs, the latter of which is due to a reduction in funding from the County ESC from which we typically have covered much of this cost. We are still looking to hold expenditures in other areas to make up the difference and come in at or near budget overall for the fiscal year. Supplies and materials came in below estimates again for the fourth consecutive month and are tracking as such for the fiscal YTD, but capital outlay came in above estimates again as budgeted dollars have been shifted between these two expenditure areas to continue to finish various facilities projects. Capital outlay will end up over the current annual amount budgeted due to this shifting in budgeted dollars as the fiscal year progresses to cover additional computer equipment and small building/facilities projects such as the first phase of the Beach gym improvements.

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 above the fiscal 2014 amount by 1.96% while total fiscal YTD expenditures (excluding other financing uses) ended above the fiscal 2014 amount by 5.30%.

The main reason revenue is up is due to the higher property tax advances received in January and February and the timing difference in the state catastrophic aid reflected on line 1.040. This is in spite of the lower Other Revenue total due to the one-time Westgate property tax settlement payment reflected in FY 14's number. Expenditures are up moderately overall at this time due to the purchase of new computer equipment and facilities' capital expenditures, increased utility, legal service, tuition payments and other contract service expenditures as mentioned previously as well as salary and benefit expenditure increases due to the July 1 employee contract increases and differences caused by the timing of payroll (26 vs. 24 pay schedule) now catching up. There is also a timing difference in the Other Objects (line 4.300) due to the County's new property tax collection and tracking system assessing collection fees for each advance instead of in lump sum at settlement as has been their practice for as long as I can recall.

Our ending cash balance is up moderately above last year's level (\$13,737,822 vs. \$12,466,914) due to the larger beginning balance we started with this fiscal year.

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Board of Revisions/Board of Tax Appeals Update

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

State Funding Proposal

We were advised today at a school finance workshop that I attended that the Governor's school funding proposal will almost assuredly be adjusted based on comments from a representative from Public Finance Resources as well as from two state congressmen since both parties are generally not happy with the proposal as-is. Based on our current situation and relative wealth within the State, I do not foresee much of a change at this point in the basic funding aid for Rocky River. If I had to guess, I would think we may not quite get the increase that was projected, but we should come out of it fairly close to break-even compared to this year.

The meeting was adjourned by Mr. Swartz at 5:35 p.m.

Committee Chair

Treasurer