

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 September 17, 2015 at 4:00 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 4:05 p.m. by Mr. Manoloff, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from August 20, 2015 were approved.

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

Financial Summary – August 2015:

During August, we received two property tax advances when we were only expecting one, so we are showing a positive variance. At this point I am anticipating that this variance is one of timing and will settle out close to overall estimates once we receive the second half settlement. I have anticipated that settlement will be received in October as was the case last year. Unrestricted Grants-in-Aid (line 1.035) included a semi-annual distribution of casino tax revenue in the amount of \$69,114.79, which is slightly more than half of the annual estimate of \$135K. Our next casino tax distribution will be received in January. I have adjusted the monthly estimates in this line to reflect the casino estimates at \$67,500 for each of these two months. Other Revenue (line 1.060) came in above the monthly estimate due to timing differences in student fee collections and the City of Rocky River turf lease payment as well as increased SF-14 tuition payments from other districts over last year.

On the expenditure side of the ledger, salaries came in slightly below estimates as did employee benefits. Only a small group of employees have begun their new contractual salaries as of July and August (12 month classified, administrators), so the bulk of the contractual salary increases and salary payments for new positions will begin in September. Purchased services, supplies/materials and capital outlay all came in significantly above estimates for the month due to timing as we made payment for the bulk of our textbook orders from the summer and other needed supplies late in August as well as needed equipment and contractual services for the new school year. Purchased services and capital outlay should come back into line with fiscal YTD estimates in September while supplies may still lag a bit, but should come back into line in October.

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Please reference the SM-2 Comparison Report for how our FY 16 revenue and expenditure data compared to FY 15 amounts. Total fiscal YTD revenues (excluding other financing sources) ended above the fiscal 2015 amount by 5.56% while total fiscal YTD expenditures (excluding other financing uses) ended above the fiscal 2014 amount by 17.54%. The main reason revenue is up moderately is the expected increase in property tax collections along with an element of timing involved between years due in large part to the additional August advance received. This was in spite of the timing difference in line 1.040 due to the catastrophic cost reimbursement payment between years. Expenditures show a significant percentage increase due to timing of salaries (we are now on a 24 pay schedule whereas last July and August we were still paying off teacher, administrator and other support salaries on a 1/26 schedule) as well as contractual increases for 12 month classified and administrative employees. Supplies/materials are up significantly due to the payment for new textbooks that were carried over as encumbrances from June 30. The purchased services' increase is mostly due to timing at this point in the year. Further, the other objects line reflects county fiscal officer fees related to property tax collections that are now being assessed as part of each advance as opposed to the practice last year at this time of assessing these upon settlement.

Board of Revisions/Board of Tax Appeals Update

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

Investments

We had one note for \$500K that was called in August, so this was reinvested back out to 2018. We also had one \$500K note mature in August, so I had this reinvested back out in (2) \$250K increments to mature in 2018 and 2019, respectively, as this fits into our core investable balance in the 3-4 year range.

Finance Component of Strategic Plan Update

As a follow-up to our discussion at the August finance committee meeting, a discussion took place regarding the funding needs and sources for future permanent improvements. The administration is continuing to work on a capital needs forecast and should have something concrete to share with the finance committee in October for review and discussion.

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Five-Year Forecast

Mr. Markus is currently working on the preparation of a five-year forecast draft for your ultimate review and approval at the October business meeting. He will work with Mr. Manoloff to convene the Citizens Finance Committee for their review and input of the draft forecast in early October.

The meeting was adjourned by Mr. Manoloff at 4:50 p.m.

Committee Chair

Treasurer