

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 special finance committee session on June 23, 2011 at 6:00 pm. in the Curriculum Library at the Board of Education Offices

President Scott Swartz presiding

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

ROLL CALL

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

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

Financial Summary – May 2011

During May we received our Homestead and Rollback payment from the State (originally expected in June based on last year) as well as a scheduled special advance of delinquent taxes and our scheduled personal property tax “hold harmless” reimbursement payment from the state. The Homestead and Rollback payment was \$115K higher compared to our October, 2010 forecasted amount.

On the expenditure side of the ledger, there were no surprises during May as we were slightly below the October, 2010 estimated amounts overall with minor – moderate variances between spending categories.

You'll notice that on the attached SM-2 Monthly Variance Report, all variances are zero. This is because we approved a new five-year forecast update as of May 31, so I used actual May figures as the estimates. I have estimated June's amounts on the SM-1 report based on our updated forecast. Based on what I foresee at this time we should at least meet or do better than the bottom line estimated ending unencumbered balance anticipated for the end of June. As a point of comparison, I had originally forecasted an ending unencumbered balance as of 6/30/11 of \$915,374 per the October, 2010 forecast, so we ended the year in a much better position than originally anticipated.

Please reference the SM-2 Comparison Report for how our FY 11 revenue and expenditure data compare to FY 10 amounts. Total fiscal YTD revenues (excluding other financing sources) came in *above* the fiscal 2010 amount by 4.36% while total fiscal YTD expenditures (excluding other financing uses) came in *below* the fiscal 2010 amount by 0.16%.

The reason our revenues are up year over year is strictly due to a timing difference since we received our Homestead & Rollback payment in May this year as compared to June last year. If that payment were not received, our total revenues excluding other financing sources) would be down year over year by 1.21% due to the decrease in property tax payments received for the second half settlement as explained in previous months. The main reasons our overall expenditures were slightly below the prior year instead of

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showing an increase was due to the fact that we did not need to pay our Lakewood career tech billing in July this year since we paid this back in January (as reflected in the contracted services line #3.030); a reduction in supplies/materials expenditure levels to date due to a decrease in textbook expenditure levels from the prior year; a reduction in capital spending levels due to a significant computer purchase being financed through a lease/purchase arrangement instead of through a cash outlay from the General Fund; and lastly, our property tax collection fees assessed by the County came in lower than anticipated. We continued to see a trending increase in the salaries and wages line which was expected due to salary schedule increases, but we are now seeing a year-over-year decrease in the employee benefits line due to the zero liability for the contingent health insurance premium explained in previous months.

Our ending cash balance ended significantly above last year's level (\$4,414,395 vs. \$2,479,790) due to the timing difference in receiving the Homestead & Rollback payment from the State noted above. Encumbrances came in moderately below last year's amount due to lower spending in non-personnel areas with an element of timing being involved as well.

Board of Revisions/Board of Tax Appeals Update

The BOR/BTA reports of outstanding cases as prepared by Dan McIntyre as of May 31, 2011 were reviewed with the committee.

Investments

During May we had several investments called for a total par amount of \$5M, so I reinvested \$3M of those funds for May and June settlements. Unless something comes to my attention that is substantially better than what has been available to us recently, I am planning on waiting until we have the high school bid package finalized and I receive a final draw schedule from PCS before I invest any further.

Fiscal Year-End Financial Items

I am currently working on finishing up the loading of detailed appropriations for FY 12 into our system, estimating final appropriations for FY 12 and estimated revenues to file with the County and determining any required transfers and advances for approval at our regular Board meeting this Thursday. As I complete the corresponding exhibits and reference documents, I will email those out to you and get those to Sue Pease for inclusion on our Board Agenda in GoogleDocs. My goal is to not have to come back to you prior to June 30 for additional approval(s) to close out FY 11.

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

President

Treasurer