

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 15, 2012 at 6:00 p.m. in the Curriculum Library at the Board of Education Offices. A digital recording was made of this meeting and is on file in the Office of the Treasurer.

President Kathleen Goepfert 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 The Finance Meeting was called to order at 6:00 p.m. by Mr. Swartz, Chair

ROLL CALL

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

Mr. Markus discussed the following items with the committee:

Financial Summary - February 2012

During February, we received the second of two regularly scheduled property tax advances. This advance more than made up for the lower-than-anticipated advance in January and we are now tracking above estimates for our fiscal YTD by \$135K. However, we will not know where we are going to end up for the fiscal year with property tax collections until we receive our settlement in mid-April and we see where delinquent balances are trending. Further, we are also anticipating a significant potential rebate on the Rockport Shopping Center property that may affect our settlement if it is processed in time for the April settlement. David Rose from Dan McIntyre's office is working on this case and should be in touch shortly with a final offer.

There was a minor positive variance within the unrestricted grants-in-aid for the month and fiscal YTD that should continue barring any adjustments made to our state foundation bridge formula calculation. We also experienced a positive variance in the All Other Operating Revenue line during February due to the receipt of a one-time supplemental gifted education payment from the Cuyahoga County ESC.

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On the expenditure side, we were below estimates for the month in the employee benefits, capital outlay, and other objects lines. We came in slightly above estimates in the salary/wage line, while the purchased services and supplies/materials line came in significantly above estimates for the month. On a fiscal YTD basis, we are tracking below estimates in all areas except for purchased services. The purchased services line reflected payment of a significant portion of our Lakewood Career Tech billing later than originally anticipated; hence, the large monthly variance. Based on the rebilling and clarification we received from Lakewood at our meeting with them last month, I have since authorized payment for the remaining \$167K owed to Lakewood for the 2010-2011 bill, as well as the required advance billing for 2011-2012 just recently so that payment will be reflected in the March actual numbers. This will presumably push the fiscal YTD trend in the line over estimates assuming March is close to estimates otherwise.

Please reference the SM-2 Comparison Report for how our FY 12 revenue and expenditure data compare to FY 11 amounts. Total fiscal YTD revenues (excluding other financing sources) came in *below* the fiscal 2011 amount by 2.83% while total fiscal YTD expenditures (excluding other financing sources) came in *above* the fiscal 2011 amount by 0.76%.

The reason our revenues are down year over year is because of the reduction in our tangible personal property tax reimbursement payment and the elimination of the public utility deregulation subsidy along with a slightly lower real property tax collection. The main reasons our overall expenditures were above last year is mainly due to the increase in salaries on account of scheduled step raises, as well as the increase in the capital outlay category due to the additional technology purchases we have undertaken so far this year. Also, purchased services expenditures are showing an increase mainly due to out of district special education tuition and related transportation expenditures as well as the cost of the SRO.

Our ending cash balance ended moderately above last year's level (\$8,944,532 vs. \$8,269,949) and is simply a reflection of our higher beginning balance this year despite the (\$379,813) deficit on line 6.010 made up of lower actual revenues and higher actual expenditures. Encumbrances came in moderately below last year's amount mainly due to timing.

Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports as of February 29, 2012 as provided by Dan McIntyre are included for your review.

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Levy failure and FY 13 budget/revised financial forecast formulation

In light of the levy failure last Tuesday, we are in the analysis stage of reviewing our current operating budget and identifying expenditure items that will be reviewed with you for possible reductions going into FY 13 in order to balance our budget and provide for a manageable carryover. We are also awaiting our property tax settlement expected in early – mid April to see how they compare against estimates since that could have a major impact on projections. I have begun the FY 13 budget and forecast revision process now and am reviewing personnel costs in detail for FY 13, as well as anticipated expenditure levels in the other broad expenditure categories. As we move along in our review process, I will begin to revise our five-year forecast in anticipation of the May 2012 required filing with the State.

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

President

Treasurer