

# 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 January 15, 2015 at 6:00 p.m. in the 2<sup>nd</sup> 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 December 18, 2014 were approved.

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

### Financial Summary – December 2014

December was a very light month revenue-wise with only state foundation and other revenue sources received. All Other Operating Revenue came in above estimates for the month mainly due to an insurance reimbursement we received for damage to the pool area.

On the expenditure side, salaries came in below adjusted monthly estimates and are still tracking that way on a fiscal YTD basis while benefits came in just above estimates, but are still tracking slightly below for the fiscal YTD. Part of the salary variance was due to salary expenditures that were shifted from salaries to purchased services on account of extended teacher maternity leaves for whom subs are contracted from the Northcoast Shared Service Alliance. This will start to reverse in January as some teachers have returned as of December and a few are planning to return here in January. Supplemental salaries are running a bit below estimates to date as well helping contribute to the positive variance. Purchased services came in slightly above estimates for the month and are still tracking significantly above estimates for the fiscal YTD due in part to timing, but also 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 for the month and are tracking as such for the fiscal YTD, but capital outlay came in above estimates as budgeted dollars have been shifted between these two expenditure areas. Capital outlay will most likely run more than the annual amount budgeted due to this shifting in budgeted dollars as the fiscal year progresses.

# Minutes

## Board of Education of the Rocky River City School District

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 0.58% while total fiscal YTD expenditures (excluding other financing uses) ended above the fiscal 2014 amount by 4.68%.

The main reason revenue is down is due to slightly lower property tax collections, a timing difference in state foundation revenue between this year and last year and the one time Westgate property tax settlement payment reflected in FY 14's Other Revenue total. Expenditures are up moderately overall at this time due to the purchase of new computer equipment and facilities capital expenditures as well as increased utility, legal service, tuition payments and other contract service expenditures as mentioned previously. Salary and benefit expenditures will start to show an increasing percentage increase over the next several months due to the July 1 employee contract increases and differences caused by the timing of payroll (26 vs. 24 pay schedule) now catching up.

Our ending cash balance is up significantly above last year's level (\$4,913,655 vs. \$3,929,301) due to the larger beginning balance we started the fiscal year with, but in spite of the decrease in property tax and other revenue sources, increased capital outlay and purchased services expenditures. Encumbrances are just about even with last year.

### Board of Revisions/Board of Tax Appeals Update

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

### New Certified Property Values and Tax Rates

The following is a summary of the new certified property values as of January 1, 2015 as well as the new tax rates:

Type of Property	TY2013/CY2014	TY2014/CY2015	\$ Change	% Change	TY14/CY15 % of Total AV
Agricultural/Resident	\$581,250,710	\$583,339,160	2,088,450	0.36%	81.69%
Commercial/Industrial	117,899,460	121,683,450	3,783,990	3.21%	17.04%
Public Utility Tangible	<u>8,655,880</u>	<u>9,091,230</u>	<u>435,350</u>	5.03%	<u>1.27%</u>
Totals	<u>\$707,806,050</u>	<u>\$714,113,840</u>	<u>6,307,790</u>	0.89%	<u>100.00%</u>

### New Construction (Included

In totals above	4,133,180	4,269,270	136,090	3.29%
-----------------	-----------	-----------	---------	-------

# Minutes

## Board of Education of the Rocky River City School District

<b>Gross Millage Rates*</b>	<b>TY2013/CY2014</b>	<b>TY2014/CY2015</b>	<b>Change</b>	<b>% Change</b>
Agricultural/Residential	89.55	89.55	0.00	0.00%
Commercial/Industrial	89.55	89.55	0.00	0.00%
Public Utility Tangible	89.55	89.55	0.00	0.00%
* Includes 4.07 inside operating mills, 0.5 inside Permanent Improvement mills and 6.48 mills for bond retirement				
<b>Effective Millage Rates*</b>	<b>TY2013/CY2014</b>	<b>TY2014/CY2015</b>	<b>Change</b>	<b>%Change</b>
Agricultural/Residential	49.51	49.55	0.04	0.07%
Commercial/Industrial	64.62	64.80	0.18	0.28%
Public Utility Tangible	89.55	89.55	0.00	0.00%
* Includes 4.07 inside operating mills, 0.5 inside Permanent Improvement mills and 6.48 mills for bond retirement				

There was a very slight increase in the agricultural/residential and commercial/industrial effective rates since those property class values decreased overall (outside of new construction and formerly exempted/abated property, which caused the overall increase) due mainly to Board of Revisions and Board of Tax Appeals reductions as well as property that was demolished/destroyed and removed from the tax duplicate. I have the detailed breakdown of the valuation changes, so if you're interested in reviewing that data, please let me know.

### BAB's Refunding Update

As I reported to you last week, the BAB refunding transaction was officially closed out on December 30 with the bonds to be called and paid off on January 30. Everything went very smoothly with the closing.

### Audit/CAFR Update

Our annual financial and compliance audit was completed just before Christmas and went very well. You should have received the audit reports directly from the auditors and an electronic copy of the CAFR from me. I have applied for the Government Finance Officers Association's Certificate of Excellence in Financial Reporting Award and expect to have our application approved after they complete their review.

The meeting was adjourned by Mr. Swartz at 6:40 p.m.

---

Committee Chair

---

Treasurer