

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 February 20, 2013 at 5:05 p.m. in the Curriculum Library 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 5:05 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from the January 17, 2013 were approved.

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

January was an active month as we received two property tax advances. Originally, we were scheduled for only one advance, but the County decided to do another one since many local governments could not wait until February to receive additional dollars. Because of the second advance, we came in above estimates by over \$1M. However, we have since received our third advance on February 11, 2013 of \$8,544,780 which brings us much closer to estimates through February, but does still put us about \$196K above estimates. We are expecting our settlement in March sometime, so we will have a much better view of how we are looking to finish the year against estimates. We will then assess our delinquent balances as we normally do at that time.

We also received the first ever distribution from the casino gross receipts tax. That amounted to \$54,733.68 and is included on line 1.035. This was just about what we expected when estimates started surfacing back in the spring. The next distribution is expected in August 2013, and will then be on a semi-annual schedule of January and August. We expect to see additional guidance on estimates comes out from a statewide consultant that works with OASBO and OSBA as we get closer to our forecast update in May. Regarding other revenue sources, our All Other Operating Line (line 1.060) came in well below the estimate for January due to timing, but we are still running ahead of the estimate for this line on a fiscal YTD basis.

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On the expenditure side, salaries came in below estimates as I had expected based on the last few months of running a little higher than estimates. The fiscal YTD variance in this line is now very slightly to the positive side. Employee benefits were just about on target for the month based on estimates and are only running slightly above on a fiscal YTD basis. The contracted services line was well below the estimate for the month based on the “catch-up” from the timing of our Lakewood Career Technical tuition billing that was paid in December as opposed to January. The fiscal YTD amount is still running above the estimate due to the first capital lease payment on the new Chromebooks and other computer equipment recently ordered. If you recall from last month’s update, we did not have these payments budgeted in our forecast update from October since we were holding those purchases pending the levy outcome. Once we amend our forecast in May, we will include these semi-annual lease payments in the forecast along with funds needed to purchase new band instruments, fitness equipment and other facility upgrades not included in the construction project.

Supplies/materials and capital outlay came in virtually even for the month and is running slightly below for the fiscal YTD. The Capital Outlay line came in well above the estimate for November mainly due to the purchase of fitness equipment that was not included in the October forecast update as mentioned previously. This line will continue to run this way until our forecast update in May due to this and the planned purchase of approximately \$300K in music instruments and piano refurbishing costs. Other objects were slightly under budget for the month and are still running that way for the fiscal YTD. As you are aware, we still have the potential facilities budget issue with the construction project that may cause us to need to increase that budget as we move forward through the spring, including over \$20,000 in invoices related to the cooling issues we had over the summer from a contractor error that disrupted our electricity in the tech room. I have not paid these as of yet, but have forwarded these invoices to PCS so they can move them through to the contractor for their insurance to pick up. Depending on what comes out of that process, we may have to end up paying these or claim against our insurance policy and pursue subrogation.

Please reference the SM-2 Comparison Report for how our FY 13 revenue and expenditure data compare to FY 12 amounts. Total fiscal YTD revenues (excluding other financing sources) came in above the fiscal 2012 amount by 7.76% while total fiscal YTD expenditures (excluding other financing uses) came in above the fiscal 2012 amount by 3.95%.

The main reason our overall revenue was up year over year was mainly due to the timing of property tax advances and the proceeds of the new 4.9 mill operating levy commencing in January. This is despite the complete phase-out of the public utility and tangible personal property “hold harmless” payments from the State. The main reasons our overall expenditure amount of higher than last year was due mainly to the timing of the vocational education payments in December of this fiscal year vs. February of last fiscal year, the new capital lease payment for technology equipment, and increased electricity costs.

Our ending cash balance ended significantly above last year’s level (\$4,122,177 vs. \$3,001,011) due to the timing of property tax advances explained previously. Encumbrances came in moderately above last year’s amount due mainly to timing, but also in part due to increased equipment expenditures planned due to the levy passage.

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Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports as of January 31 as provided by Dan McIntyre are attached for your review.

Carryover Balance/Budget Reserve Discussion and Citizens' Financial Advisory Committee

Mr. Swartz stated that he was still considering interest from individuals who would be willing to serve on the Citizens' Financial Advisory Committee and will table further discussion until March.

Mr. Swartz also tabled further discussion on the carryover balance/budget reserve topic pending further review of draft policies and financial outlook.

Discussion of school finance topics and Treasurer's Office operations

The committee discussed various school finance and District Treasurer's Office operations with guest Tim Penton, Treasurer/CFO of Lakewood City Schools. Mr. Penton was in attendance to observe our Finance Committee Meeting format and content.

The meeting was adjourned by Mr. Swartz at 5:55 p.m.

Committee Chair

Treasurer