

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 June 21, 2012 at 6:05 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.

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 6:05 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from April were approved.

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

Financial Summary - May 2012

During May, we received our Homestead and Rollback Credit payment from the State as expected. We also received the catastrophic aide payment from the State for reimbursement of a portion of our most expensive Special Education cases. This amount had been reduced starting in FY 10, but this year, the actual amount received was significantly below what was expected based on the FY 10 amount. In total, we had submitted \$616,702 of reimbursable costs under the rules (total cost for these cases were \$1,956,103), so the percentage so the percentage reimbursed was only 4.71%. The All Other Operating Revenue line came in well above estimates on a percentage basis mainly due to timing of a cell tower lease payment from AT&T received in May. Finally for revenue, we received the QSCB and BAB bond interest subsidy payment from the federal government as anticipated and reflected on line 2.060.

On the expenditure side, salaries came in higher than revised projections due to our certificated sub costs trending more in May than what we had been seeing on average throughout the year. However, we are still below our original estimate of salaries from October. The employee benefits line continued to track less than revised estimates which made up for the overage in salaries. Purchased services and materials/supplies areas also came in below estimates for the month, but the capital outlay line item came in above based on additional technology purchases. Overall, however, expenditures were below estimates for the month by \$41,818. I expect this trend to continue through June to end the year overall slightly below revised expenditure estimates.

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Please reference the SM-2 Comparison Report for 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 0.83% while total fiscal YTD expenditures (excluding other financing uses) came in above the fiscal 2011 amount by 1.14%.

The reason our overall revenue was down year-over-year is mainly due to the reduction in our tangible property tax reimbursement payment and the elimination of the public utility deregulation subsidy. This decrease was offset significantly, however, by the positive variance year-over-year in the property tax revenue line due to the increase in delinquent collections that we've discussed over the past few months. The main reasons our overall expenditure amount was above last year is mainly due to the increase in salaries on account of scheduled step raises; the increase in the capital outlay category due to the additional technology purchases we have undertaken so far this year; the increased purchased services expenditures mainly due to Lakewood Career Tech and out-of-district Special Education tuition and related transportation expenditures; the cost of the SRO added this year; and finally, the increased amount of the county fiscal fees related to property tax collections. The overall expenditure increase has been mitigated by health insurance savings in the employee benefit line.

Our ending cash balance ended significantly above last year's level (\$6,002,910 vs. \$4,414,395) and is mainly due to the receipt of and timing of the second bond interest subsidy received this fiscal year (versus only one last year) and our higher beginning balance this year vs. the prior year. Encumbrances came in significantly above last year's amount due to timing of the encumbrance for the early retirement incentive liability due to STRS in June.

Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports as of May 31, 2012 as provided by Dan McIntyre were reviewed.

Fiscal Year-End Items

We are currently working on year-end closing activities and all items for your approval are on the June 21 board meeting agenda, including FY 13's appropriation amounts. My plan is to not have to call a special meeting for financial purposes after June 21 as we have been able to avoid in past years.

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Sale of Surplus Property from the High School

Rich Thomas and I started a sale of surplus property today at 9:00 a.m. We did not have to hold an auction since the market value of the items to be sold is not over \$10,000 in the aggregate. We advertised the sale in the Sun News, on Cleveland.com and on our District website. Additionally, I will send a notice to school districts throughout the state. We've already had two districts express interest and possibly a third may be interested in some items. We wil also have signs along Detroit Road and Wagar Road by the High School promoting the sale to passers-by.

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

President

Treasurer