

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 August 18, 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, Mr. Swartz

The minutes of the previous finance committee meeting held on June 23 were approved.

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

Financial Summary – July 2011

During July we received the first of our two major advances of real property taxes for the second half 2011 collection year. We will receive the second major property tax advance in August with settlement expected in September. We also received a very small settlement of tangible personal property taxes from delinquent taxes collected in the first half of 2011. State foundation revenue and other revenue were in line with expectations for the month based on amounts received last July.

You will notice that all monthly revenue and expenditure variances on the SM-2 Monthly report are zero. This is because the FY 12 monthly estimates were developed as of the end of July, so actual July amounts were used as the estimates. All other months have been estimated to equal the annual amounts that were reported on our five-year forecast update in May. On the revenue side in particular, you will notice that the individual monthly state foundation revenue estimates (line 1.035) are significantly below the July actual amount. This is because the annual amount we estimated on our May five-year forecast update was based on the house version of the budget bill which still showed us losing \$215,000 in state revenue. Since HB 153 was passed in conference committee restoring these funds in late June, I will need to update this revenue line for the October five-year forecast update to reflect the actual amount being received.

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 21.36% while total fiscal YTD expenditures (excluding other financing uses) came in *above* the fiscal 2011 amount by 3.29%.

The reason our revenues are down year over year is due to the fact that we only received on advance of real estate taxes this July compared to two advances in July 2010. The

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main reasons our overall expenditures were above the prior year were mainly due to the increase in salary and corresponding benefits based on the contractual increases for the 2010/11 school year that were still being paid against teacher and administrator contracts in July 2010; and we experienced an increase in our purchased services line due to increased spending for professional development, property insurance and community school deductions for the beginning of the new fiscal year.

Our ending cash balance ended significantly below last year's level (\$7,365,196 vs. \$8,363,308) due to the timing of property tax advances mentioned above despite a higher beginning balance. Encumbrances came in moderately above last year's amount mainly due to timing.

Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports as provided by Dan McIntyre as of July 31, 2011 were reviewed.

Investments

I invested another \$1.5M of bond funds in July since a couple of opportunities for attractive yields presented themselves. I am still waiting until I receive a final draw schedule from PCS before I invest any significant additional dollars.

Monthly Construction Budget Report by Project/Cost Area

I met with Ted, Lynn, Kevin Green and Kevin Lacey earlier this month to review PCS' suggested cost reporting format and, with some slight tweaks, we have come up with a descriptive and informative cost and budget report that should be ready to be shared with the facilities committee starting in September.

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

President

Treasurer