

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 September 22, 2011 at 6:05 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: Ms. Goepfert, Mr. Swartz

Minutes of the prior finance committee meeting from 8/18/11 were approved.

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

Financial Summary – August 2011

During August we received the first of our two major advances of real property taxes for the second half 2011 collection year. This advance was significantly higher than I had anticipated. Most of this variance is most likely a timing difference since there was a later advance this collection cycle than last year at this time, but we will not know for sure until we receive the second half settlement that is still expected in September. State foundation revenue was in line with expectations for the month based on amounts received last August, although the positive variance in the state foundation revenue line is still showing a significant positive variance because we are still working from the May 2011 approved five-year forecast estimates. This estimate will be adjusted as part of the October 2011 forecast update. The other revenue line came in above estimates mainly due to timing student fee collections and rental revenue from Champions now being receipted into the General Fund instead of a the separate Beach Building fund as was the case in prior years.

On the expenditure side of the ledger, all spending categories came in slightly – significantly below estimates with the exception of the capital outlay category. Capital outlay was more than anticipated due to the technology purchases for the Middle School science lab and other technology purchases that were approved after July 1 and not included in original estimates. This will occur again for September as related purchases are completed. One additional item to note for expenditures is that we are still due a credit of approximately \$60,000 from our July Suburban Health Consortium billing that was not processed by Medical Mutual against our August or September bills. I expect to see that credit applied to our October bill once Medical Mutual corrects the billing error.

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 above the fiscal 2011 amount by 10.65% while total fiscal YTD expenditures (excluding other financing uses) came in *above* the fiscal 2011 amount by just 0.09%.

The reason our revenues are up year over year is due to the fact that our second major property tax advance received in August was significantly higher than expected. This positive variance

Minutes

Board of Education of the Rocky River City School District

was in spite of the fact that the property tax allocation line is tracking significantly below last year's amount due to our tangible personal property tax reimbursement being cut significantly in the approved state budget. The timing of the tangible personal property tax reimbursement has also affected our year-over-year decrease in this line item since it has now been moved to November as opposed to the August and October payment dates from prior years. The 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 contracts in August 2010 as well as the increase in the capital outlay category due to the additional technology purchases explained above.

Our ending cash balance ended significantly above last year's level (\$8,867,631 vs. \$6,728,123) due to the amount of our second major property tax advance mentioned as well as starting the year with a larger beginning balance than anticipated. 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 August 31, 2011 were reviewed by the committee.

Investments

We had a \$1M bond called during August and I replaced this with a CDARS CD in early September, so that new CD will be reported on our September investment reports along with an additional \$2M in commercial paper. The detailed investment report prepared by Productive Portfolios was reviewed by the committee.

Five-Year Forecast Update for October 31

We will need to submit an updated five-year forecast to the State by October 31. Mick, Sam, Liz, Ted and I have already discussed a draft of this forecast based on actual FY 11 amounts, revised state budget revenue estimates and additional spending needs for this year as well as the need for a new operating levy in May of 2012. We will continue to work to finalize a draft over the next two weeks and will share with the Board in early October. Based on the expected approval date of our October 20 regular board meeting, we may want to schedule a finance committee meeting a little earlier than normal next month in order to provide adequate time to review and discuss the revised draft. I will discuss with Scott further to determine an earlier date if necessary.

The meeting was adjourned at 6:45 p.m.

President

Treasurer