

# 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 16, 2012 at 5:30 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.

President Kathleen Goepfert 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** The Finance Meeting was called to order at 5:30 p.m. by Mr. Swartz, Chair

### ROLL CALL

**PRESENT:** Ms. Goepfert, Mr. Swartz

Minutes of the prior finance committee meeting were approved.

Mr. Markus discussed the following items with the committee:

#### Financial Summary - January 2012

During January, we received the first of two regularly scheduled property tax advances which came in lower than anticipated. This is most likely due to the County moving the date up on us by a couple of days in order to get all Cuyahoga County Districts money a little earlier in the month due to cash flow issues expressed by several of the districts. The actual advance date of January 17<sup>th</sup> was right before the due date for taxpayers of January 20<sup>th</sup>. We are expecting our second advance on February 10<sup>th</sup>, so I will have an update for you on where we stand by the time we hold our February Finance Committee Meeting on February 16<sup>th</sup>. There were minor positive variances within the unrestricted grants-in-aid and federal restricted grants-in-aid lines for the month and reflected in our fiscal YTD variances for these lines. We experienced a negative variance in the All Other Operating Revenue line during January, and on a fiscal YTD basis, we are still tracking below estimates in this line due to continued lower investment income and an element of timing.

On the expenditure side, we were below estimates in every single category for the month and we are tracking below estimates on a fiscal YTD basis in all but the capital outlay line in which we are seeing just a slight negative variance. Overall, we ended significantly below our total expenditure for the month. In the Purchased Services line looking forward for the year, we still have the Special Education out-of-district tuition placements issues to deal with, as well as our final Career Technical Education billing from Lakewood CSD for last school year, along with our advance billing for the current school year. We have not encumbered or paid the Lakewood bill yet due to the issue we have discussed, but we hope to have some resolution to them after our scheduled meeting with them, Bay and Westlake in the afternoon of February 16<sup>th</sup>. I should have an update for you on this issue at our Finance Committee Meeting that evening.

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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 13.18%, while total fiscal YTD expenditures (excluding other financing uses) came in below the fiscal 2011 amount by 1.13%.

The reason our revenues are down year over year is mainly due to the timing difference with the first property tax advance, the reduction in our tangible personal property tax reimbursement payment, and the elimination of the public utility deregulation subsidy. The main reasons our overall expenditures were below last year is due to the delay of payment on the Lakewood Career Tech invoice, as we are holding this payment right now since we just met with the Lakewood City Schools and Career Technical District Administration earlier today, along with the Superintendent and Treasurer from Bay Village City Schools (Westlake City School officials could not attend due to conflicts) to discuss these costs. This was despite an increase in salaries on account of scheduled step raises, as well as the increase in the capital outlay category due to the additional technology purchases we have undertaken so far this year. Purchases services expenditures are expected to show an increase once the payment to Lakewood is made.

Regarding the Lakewood Career Tech billings; it was determined at the meeting that there was a billing error that has since been corrected that lowered the final FY 2011 billing and preliminary 2012 billing by a grand total of \$93,788. However, the total of these two bills is \$167,452 more than what was budgeted for FY 12 and will continue to be higher than historical levels going forward due to certain support service costs not being included that should have been, per the current agreement.

Our ending cash balance ended significantly below last year's level (\$3,001,011 vs. \$3,866,763) mainly due to the property tax advance timing issue and the decrease in the personal property tax and public utility reimbursements from the State coming in lower due to the phase out netted against the increase in the federal interest subsidy received on line 2.060. Encumbrances came in significantly below last year's amount mainly due to timing.

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

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

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### Investments

I placed \$3M of investments (including \$1M in a 50-50 Tri-State CDARS) for the BAB portfolio and \$2M (50-50 Tri-State CDARS) for the General Fund in January. We are now essentially fully invested for the bond portfolio and will now look to replace portions of maturing investments as they come due and as cash flow needs permit. The detailed investment report provided by Productive Portfolios for the month ended January 31, 2012, contains additional information on investments.

The meeting was adjourned by Mr. Swartz at 5:56 p.m.

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President

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Treasurer