

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 October 17, 2013 at 6:25 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 6:25 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from the September 19, 2013 were approved.

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

The Board was briefed on updated estimated costs and plans for the Goldwood playground project and fundraising activities of the Goldwood PTA by Liz Anderson, Assistant Superintendent.

Mr. Swartz summarized the cash/budget reserve resolution that will be put before the Board for approval at the Regular Board Meeting later this evening. A minimum of \$175,000 will be reserved each year in order to reach a target "goal" of the equivalent of 2 mills of property tax valuation.

Mr. Swartz also discussed the movement of 0.5 mills of inside property tax millage to the District's Permanent Improvement Fund. Mr. Markus stated that this has been worked into the five-year forecast by reducing property tax revenue in the General Fund along with an equal amount of expenditures being removed so as to have no effect on the ending unencumbered fund balance.

Mr. Markus also reviewed and discussed the monthly financial reports as follows:

Financial Summary - September 2013

During September, we received our real property tax settlement for the second half calendar year/first half fiscal year collection. As you can see from the attached reports, the settlement was \$183K less than estimated when adding in both the General Property Tax and Tangible Personal Property Tax lines. If you recall, this was a possibility since our advance back in May was much larger than it had been in past years and was technically an advance of the second half calendar year collection plus delinquents. I am estimating that this is a timing difference and will be made up in the second half of our fiscal year. However, we did receive two settlement payments from the Westgate and Westwood tax case settlements back in August in the amount of \$200K as you are aware, which brings us to about even as of now. This amount is reflected in the All Other Operating Revenue line (1.060) since the payments were made outside of the County Fiscal Officer.

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State foundation revenues were still being distributed under the prior bridge funding formula that was in place for the last two fiscal years. This has been converted to the new funding formula starting with the first October payment.

The All Other Financial Sources line (2.060) for September was comprised mainly of a refund from SERS for excess contributions deducted for our fiscal year 2013 SERS payroll.

On the expenditure side, salaries came in as expected for the month while employee benefits were just slightly more than anticipated. Purchased services came in significantly above estimates mainly due to timing at this point in the year. Supplies/materials came in significantly below the estimate due to timing as well. Capital outlay came in a bit over estimate for the month, but on a fiscal YTD basis, it is running well below since we did not purchase buses with cash as was included in the original budget for the year, but rather financed them with manuscript debt. Other object spending was just slightly over budget as well.

Please reference the SM-2 Comparison Report for how our FY 14 revenue and expenditure data compare to FY 13 amounts. Total fiscal YTD revenues (excluding other financing sources) came in above the fiscal 2013 amount by 14.68% while total fiscal YTD expenditures (excluding other financing uses) came in below the fiscal 2013 amount by 2.22%.

The main reason our overall revenue is up year over year is mainly due to the continued collection of the first full year of the new 4.9 mill operating levy, as well as the receipt of \$200,000 from the two property tax settlements. The main reasons our overall expenditure amount was lower than last year at this time was due to salaries being lower due to the timing of the first three-pay month of the fiscal year this year, not occurring until November, whereas last year it occurred in August. This is despite increases from scheduled salary steps and the new positions added last year, increased maintenance and repair costs and insurance costs, the addition of a new capital lease for technology equipment on which payments started in July, the purchase of the first set of new textbooks for the 13-14 school year, increased electricity costs and the investments in building improvements and furniture not included in the construction project.

Our ending cash balance ended significantly above last year's level (\$9,572,064 vs. \$6,984,558) due mainly to the increased property tax revenues on account of the new levy, as well as the excess cash balance brought forward from FY 13 and the timing difference of the first three-pay month mentioned prior. Encumbrances came in moderately above last year's amount mainly due to timing at this point in the year.

Five-Year Forecast Update

The updated five-year forecast with assumptions that was distributed to the entire board previously was summarized by Mr. Markus. The Citizens' Finance Committee met with Mr. Markus on Tuesday, October 15th to review and discuss the forecast and assumptions.

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Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports as prepared by Dan McIntyre's office were shared with the Committee and others in attendance.

The meeting was adjourned by Mr. Swartz at 6:50 p.m.

Committee Chair

Treasurer