

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 19, 2013 at 6:04 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 6:04 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from the August 15, 2013 were approved.

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

Financial Summary – August 2013

During August, we received the second property tax advance of the new fiscal (third advance of the County's collection cycle). As I reported last month, it appears that we are on track to meet property tax estimates for this collection cycle and possibly exceed them. We should receive the settlement from the County sometime yet in September as we did last year, so we will be able to assess where we are tracking at the time. If you recall, we received the first advance of this collection cycle back in May and it was significantly more than we had anticipated, causing the significant positive variance as we ended FY 13. We will have to see if this affects our settlement in September. Once we receive our settlement, I will request the listing of delinquent taxes to review as well.

State foundation revenues are still being distributed under the prior bridge funding formula that was in place for the last two fiscal years. This is expected to be converted to the new funding formula starting sometime in October.

The All Other Operating Revenue line (1.060) came in significantly above estimates due to the receipt of \$200,000 of property tax settlement payments from the owners of Westgate and Westwood as reported to you by Dan McIntyre last month. The revenues are reflected in this line through receipt code 1190 since they are not direct property tax payments received through the County.

The All Other Financial Sources line (2.060) is mainly comprised of a rebate received from the Bureau of Workers Compensation for the 2011 premium year received in August. A small portion of this rebate may need to be allocated back to the grant funds, but until further guidance is received, we have booked the entire amount in the General Fund.

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On the expenditure side, salaries came in as expected while employee benefits were more than anticipated. Purchased services came in moderately 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 well below the estimate 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 appears to be a timing issue also while the Operational Transfers-Out line reflects the transfer of funds to the Permanent Improvement fund to be earmarked for bus note payoff as we had planned back in June.

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 16.67% while total fiscal YTD expenditures (excluding other financing uses) came in below the fiscal 2013 amount by 8.39%.

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 mentioned prior. 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 (\$10,951,390 vs. \$8,118,120) 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.

Board of Revisions/Board of Tax Appeals Update

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

The meeting was adjourned by Mr. Swartz at 6:35 p.m.

Committee Chair

Treasurer