

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 15, 2013 at 6:00 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 6:00 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from the June 20, 2013 were approved.

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

Financial Summary – July 2013

The attached SM-1/SM-2 reports contain actual amounts for July (and property taxes for August) in the estimated columns. Based on our annual estimates per our five-year forecast from May, I have estimated monthly amounts going forward for the rest of the fiscal year. I am beginning to work on the next five-year forecast update for October at which time I will revise the monthly estimates as necessary.

During July, we received the first property tax advance of the new fiscal (second advance of the county's collection cycle) with the second advance of the fiscal year received on August 5. At this point, 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 in September as we did last year, so we will be able to assess where we are tracking at that 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 then request the listing of delinquent taxes to review as well.

On the expenditure side, salaries and benefits expenditures for July were both as expected based on prior year amounts and the payment of health insurance waivers that occur in July of each year. Additional explanations for the other major expenditure classifications are contained below as part of the year over year comparison.

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Please reference the SM-2 Comparison Report for how our FY 14 revenue and expenditure data compare to FY 13 amounts (only one month of the fiscal year so far). Total fiscal YTD revenues (excluding other financing sources) came in above the fiscal 2013 amount by 49.61% while total fiscal YTD expenditures (excluding other financing uses) came in above the fiscal 2013 amount by 7.32%.

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, but an element of timing is also involved since a larger portion of the second half advances from last year came in during August. The main reasons our overall expenditure amount was higher than last year was due mainly to scheduled salary step increases 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 along with a timing difference in payment for annual subscriptions/memberships for internet service and distance learning.

Our ending cash balance ended significantly above last year's level (\$6,512,191 vs. \$4,100,929) 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. Encumbrances came in significantly 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 July 31 as provided by Dan McIntyre were reviewed.

Cash Reserve Balance Discussion

Mr. Markus and Mr. Swartz discussed the status of the cash balance reserve formulation and recommendation that the Citizens Finance Committee has been working on for the last several months. The Committee is strongly endorsing such a policy be adopted and have discussed the target level and timing of funding the reserve as well as various ways that such a target can be achieved. A consensus was reached that a minimum of 1/12 of the average annual expenditure amount be the "target" reserve level, knowing that this may take several years to achieve. Mr. Markus will confer with Mr. Swartz and Dr. Shoaf on the mechanisms and the policy language that should be brought to the entire board for further discussion and deliberation in the September/October timeframe.

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

Committee Chair

Treasurer