

# 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 a finance committee session on May 19, 2011 at 5:34 pm. in the Curriculum Library at the Board of Education Offices.

Vice-President Kathy 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

### ROLL CALL

**PRESENT** –Ms. Goepfert, Mrs. Rounds, Dr. Fancher

**ABSENT** – Mr. Swartz

Mr. Markus reviewed the following information with the committee:

#### Financial Summary – April 2011

As I reported to you last month, during April we received the first half 2010 real and public utility tangible property settlement from the County and it more than made up for our negative variance that had been accumulating since January as reflected on lines 1.010 and 1.020. We do still show a second delinquent advance in May as well as additional delinquents that are anticipated to be available for a special advance in June if necessary. I have removed the June special advance from the anticipated annual total in the most recent draft of the five-year forecast that you just reviewed since we can now leave those dollars to be advanced in July as they would normally be scheduled. In addition, the related homestead and rollback credit payment will come in higher than anticipated when we receive that payment in May or June.

The All Other Operating Revenue line came in significantly higher than the estimate due mainly to a timing difference with the receipt of the auxiliary services administrative fee being processed in April as opposed to March.

On the expenditure side, monthly variances were slight to moderate amongst all expenditure areas with a positive variance overall. On a fiscal YTD basis, all areas except for capital outlay are still running below estimates on a fiscal YTD basis with capital outlay running very slightly above estimates. The significant positive item here continues to be the estimated contingent premium thought to be due to Medical Mutual for last plan year ended up coming in at zero as opposed to the \$600K that we budgeted for in January. As we finish out the year I am still expecting that our trend line will continue running slightly – moderately below estimates in all expenditure areas with the employee benefits line being the most significant.

Please reference the SM-2 Comparison Report for how our FY 11 revenue and expenditure data compare to FY 10 amounts. Total fiscal YTD revenues (excluding other financing sources) came in *below* the fiscal 2010 amount by 1.22% while total fiscal YTD expenditures (excluding other financing uses) came in *below* the fiscal 2010 amount by 0.46%.

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The reason our revenues are down year-over-year is due to the decrease in property tax payments received for the second half settlement as explained in previous months; however, this year-over-year gap was closed significantly by the first half settlement amount as explained above. The main reasons our overall expenditures were slightly below the prior year instead of showing an increase was due to the fact that we did not need to pay our Lakewood career tech billing in July this year since we paid this back in January (as reflected in the contracted services line #3.030) as well as a reduction in supplies/materials expenditure levels to date due to a decrease in textbook expenditure levels from the prior year as well as a reduction in capital spending levels due to a significant computer purchase being financed through a lease/purchase arrangement instead of through a cash outlay from the General Fund. We continued to see a trending increase in the salaries and wages line which was expected due to salary schedule increases, but we are now seeing a year-over-year decrease in the employee benefits line due to the zero liability for the contingent health insurance premium mentioned previously.

Our ending cash balance ended moderately above last year's level (\$4,653,771 vs. \$4,319,516) due to the larger beginning balance that we ended up starting the year with in spite of the decrease in property tax revenue received year-over-year. Encumbrances came in moderately below last year's amount due to lower spending in non-personnel areas with an element of timing being involved as well.

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

The BOR/BTA reports of outstanding cases as prepared by Dan McIntyre as of April 30, 2011 were reviewed by those in attendance.

### Investments

During April, I reinvested \$6M out of \$8M of proceeds from matured GE Capital commercial paper into Citigroup commercial paper as well as \$3M into a FHLB issue in our bond issue portfolios (BAB's and QSCB's specifically) on the recommendation of our investment advisor. I also invested \$750K in a FFCB issue for the General portfolio. Based on my conversation with Kevin Green earlier this week, I am expecting a revised draw schedule after the high school bids are received and tabulated so I can look to invest out further.

### Five-Year Forecast Update for May

The current five-year forecast draft in order to meet the May 31 filing deadline was reviewed by those in attendance as a follow-up to the review that took place at last week's finance committee meeting. Based on the results of the state budget process that is now in the Ohio Senate and has yet to go to conference committee, another update may be warranted if there are substantial changes to the assumptions used in developing the forecast.

The meeting was adjourned by Ms. Goepfert at 5:59 p.m.

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President

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Treasurer