

Minutes

Board of Education of the Rocky River City School District

RESOLUTIONS

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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 Regular Session on October 18, 2012 at 7:00 p.m. in the Board Room 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

ROLL CALL

PRESENT - Dr. Fancher, Ms. Goepfert, Mr. Milano, Mr. Swartz

ABSENT - Mrs. Rounds

PLEDGE OF ALLEGIANCE

RESOLUTION TO ADOPT AGENDA

Resolution No. 202-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that it hereby adopts this agenda, including any addendum attached hereto, for the September 20, 2012 meeting.

Board Member	Vote
Jon Fancher	Move
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

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Board of Education of the Rocky River City School District

REPORTS

- Building Report – Rocky River High School – Rachel’s Challenge
- Superintendent’s Update (attached)

ORAL AND WRITTEN COMMUNICATION

In accordance with Bylaw 0169.1 Public Participation at Board Meetings, residents, students, staff, and invited guests are welcomed by the President of the Board or the Superintendent to address the Board at this time.

RESOLUTION TO APPROVE MINUTES OF PRECEDING MEETINGS

Resolution No. 202.1-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the Minutes of the Preceding Meetings held on September 12, 2012 (Committee of the Whole Meeting), and September 20, 2012 (Board of Education Meeting) be approved.

Board Member	Vote
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Move
Jean Rounds	Absent
Scott Swartz	Aye

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE MINUTES OF PRECEDING MEETING

Resolution No. 202.2-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the Minutes of the Preceding Meeting held on September 24, 2012 (Board of Education Special Meeting) be approved.

Board Member	Vote
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Abstain
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 3 – 0 with 1 abstention and 1 absent.

Minutes

Board of Education of the Rocky River City School District

RESOLUTION TO SUPPORT RED RIBBON WEEK, OCTOBER 22-26, 2012

Resolution No. 202.3-12

WHEREAS, the National Red Ribbon Celebration has been established by the National Family Partnership to help create awareness of the drug problems facing every community, to develop parent and community teams to combat illegal drugs, and to promote drug-free lifestyles;

WHEREAS, the Rocky River City School District continues to support our local Community Challenge Organization and the Coalition for Youth Asset Development in their efforts for prevention of drug abuse by our youth;

NOW, THEREFORE, BE IT RESOLVED that the Board of Education of the Rocky River City School District does hereby declare its support of Red Ribbon Week, and the efforts conducted that make a visible statement that we are strongly committed to a drug-free community.

Board Member	Vote
Jon Fancher	Move
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE FINANCIAL STATEMENT AND INTRAFUND TRANSFERS FOR GENERAL ACCOUNTING IN THE AMOUNT OF \$54,443.39 – SEPTEMBER, 2012 (EXHIBIT A)

Resolution No. 202.4-12

Board Member	Vote
Jon Fancher	Aye
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

Minutes

Board of Education of the Rocky River City School District

RESOLUTION TO AMEND APPROPRIATIONS FOR ALL FUNDS AS OF SEPTEMBER 30, 2012 IN THE AMOUNT OF \$43,392,119 (EXHIBIT B)

Resolution No. 202.5-12

Board Member	Vote
Jon Fancher	Aye
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE THE FIVE-YEAR FORECAST UPDATE AS OF THE FISCAL YEAR ENDING JUNE 30, 2013 (EXHIBIT C)

Resolution No. 202.6-12

Board Member	Vote
Jon Fancher	Aye
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE THEN AND NOW CERTIFICATE (EXHIBIT D)

Resolution No. 202.7-12

Board Member	Vote
Jon Fancher	Aye
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

Minutes

Board of Education of the Rocky River City School District

RESOLUTION TO APPROVE RETIREMENTS AND RESIGNATIONS

Resolution No. 203-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the following Retirements and Resignations be approved.

<u>Name</u>	<u>Position/Classification</u>	<u>Effective</u>
*Kris Atwater	Basketball, Boys, Asst., HS	10/15/12
Michael Balla	Maintenance Repairman I AV Production Club Stage Director Technical Asst., Fall Play, HS Technical Asst., Talen Show, HS Technical Asst., Spring Musical, HS	11/13/12
James Gedling	Mentor	9/13/12
Margaret Liberatore	Student Council Advisor, MS	10/2/12

Board Member	Vote
Jon Fancher	Move
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

Minutes

Board of Education of the Rocky River City School District

RESOLUTION TO APPROVE APPOINTMENTS¹

Resolution No. 204-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the following appointments be approved.

<u>Name</u>	<u>Position/Classification</u>	<u>Effective</u>	<u>Rate of Pay</u>
Cynthia Banzhaf	Lunch Monitor, KIS	10/1/12	PR G, Step 1
Nancy Donofrio	Lunch Monitor, KIS	9/25/12	PR G, Step 1
*Patrick Yuhasz	Custodial Worker I- .47 FTE	10/22/12	Step 1

SUPPLEMENTAL DUTY APPOINTMENTS FOR 2012-2013 SCHOOL YEAR

<u>Name</u>	<u>Position/Classification</u>	<u>Rate of Pay</u>
Megan Bashak ²	Softball, Asst., HS	\$ 3,136
Paul Ferguson ²	Basketball, Boys, Asst. HS Football, Asst., HS	\$ 3,443 \$ 4,648
Joel Hammond ²	Basketball, Girls, Asst., HS	\$ 3,788
*Tim Shreve	PLUS Activity, Golf	\$ 1,044
Duane Sunagel ²	Softball, Head, HS	\$ 5,753

SUBSTITUTE TEACHERS:

Anna Conboy
Terrence Corrigan
Leigh Dimond
Megan Grimm
Emily Harter
*Katie Hipp
Christine Holly
*Mark James
Colin Lackey
Renee Lienhard
Kathleen Maciuszko

Brittany Milla
Anthony Okoro
Samantha Orndorff
Colleen Pallett
Kathleen Powers
Mary Romano
Sara Schackow
Sharon Snyder
Christopher Williams
Casey Wharff
Anne Wimmer

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Board of Education of the Rocky River City School District

OCCASIONALS:

Dino Topalovic

1. Employment conditional upon receipt of a negative drug test screening & satisfactory criminal reference check.
2. No certified employees expressed an interest in these positions which are being filled by qualified individuals.

Board Member	Vote
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE ADJUSTMENTS IN SALARY, ASSIGNMENT AND RATE OF PAY

Resolution No. 205-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that adjustments in the salary, assignments and rate of pay be approved:

<u>Name</u>	<u>Reason</u>	<u>Effective</u>	<u>Adjusted Rate of Pay</u>
Beth Bily	Additional semester hours	10/19/12	BA+18, Step 2
*Kali Dye	Additional semester hours	10/19/12	BA+18, Step 5
Margaret Liberatore	Additional semester hours	10/19/12	MA+27, Step 19
Margaret Liberatore	Adjustment in supplemental Duty	10/19/12	\$ 6,091
*Michael Sislowksi	Additional semester hours	10/19/12	BA+9, Step 8

Board Member	Vote
Jon Fancher	Move
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

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Board of Education of the Rocky River City School District

RESOLUTION TO APPROVE LEAVE OF ABSENCE

Resolution No. 206-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the following Leave of Absence be approved:

<u>Name</u>	<u>Effective Date</u>
Jennifer Garver	Unpaid leave from October 18 – December 2, 2012

Board Member	Vote
Jon Fancher	Move
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE AGREEMENT WITH READYNURSE STAFFING SERVICES (EXHIBIT E)

Resolution No. 207—12

Board Member	Vote
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO APPROVE CHANGE MANAGEMENT ITEMS (EXHIBIT F)

Resolution No. 208-12

Board Member	Vote
Jon Fancher	Aye
Kathy Goepfert	Aye
Jay Milano	Move
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

Minutes

Board of Education of the Rocky River City School District

RESOLUTION TO APPROVE 4TH GRADE STUDENTS TO CAMP FITCH OUTDOOR EDUCATION ON 11/12/12; RETURNING 11/14/12

Resolution No. 209-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the 4th Grade Students trip to Camp Fitch Outdoor Education on 11/12/12; Returning 11/14/12 be approved.

Board Member	Vote
Jon Fancher	Aye
Kathy Goepfert	Aye
Jay Milano	Second
Jean Rounds	Absent
Scott Swartz	Move

The resolution was adopted 4 – 0 with 1 absent.

RESOLUTION TO ACCEPT GIFTS TO SCHOOLS

Resolution No. 210-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District that, in accordance with **Board Policy 7230 – Public Gift**, the following be and the same is hereby accepted as an absolute and unconditional gift to the Board without any restrictions or reservations as to the future use thereof.

Anonymous

A donation of \$149.95 to purchase a Blue Ribbon banner for Rocky River High School.

Anonymous

A donation of \$137.06 to purchase Homecoming Parade magnetic car signs.

Northern Title Agency, Inc.
c/o Dave and Deb Furry

A donation in the amount of \$300.00 to help cover the cost of the State of the Schools Luncheon.

Gloria Hardington, Howard Hanna Realtors

A donation in the amount of \$300.00 to help Cover the cost of the State of the Schools Luncheon.

Alumni Class of 1957
c/o Richard Kuehn

A donation in the amount of \$125.00 to be used on behalf of the current RRHS students.

American Institute for CPCU

A donation in the amount of \$250.00 for the RRHS Business Class Junior Achievement.

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Board of Education of the Rocky River City School District

Tuxedo Junction

A donation in the amount of \$88.00 for RRHS for participating in the 2012 school group agent program.

Mr. David Dickson

A donation of RRHS memorabilia from years past.

Mulligans Family Fun Center

A donation in the amount of \$304.00 to be used for the Rocky River High School Band.

A Day Made Better/Office Max

A donation of classroom supplies and a gift card totaling \$1,714.10 to be used by Mr. Michael Guscott and his first grade students.

Mr. & Mrs. Gregory Barth

A donation in the amount of \$30.00 to be used by the RRHS Science Department in memory of Mr. Lawrence Badar.

Mr. & Mrs. John Newcome

A donation in the amount of \$25.00 to be used by the RRHS Science Department in memory of Mr. Lawrence Badar.

Board Member	Vote
Jon Fancher	Move
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Absent
Scott Swartz	Second

The resolution was adopted 4 – 0 with 1 absent.

OTHER BUSINESS

None

Minutes

Board of Education of the Rocky River City School District

RESOLUTION TO ADJOURN

Resolution No. 211-12

BE IT RESOLVED by the Board of Education of the Rocky River City School District, that this meeting be adjourned at 7:52 p.m.

Board Member	Vote
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Move
Jean Rounds	Absent
Scott Swartz	Aye

The resolution was adopted 4 – 0 with 1 absent.

President

Treasurer

ROCKY RIVER CITY SCHOOLS
 Financial Report by Fund
 FINANCIAL REPORT FOR SEPT 2012

Begin Balance	MTD Receipts	FYTD Receipts	MTD Expenditures	FYTD Expenditures	Current Fund Balance	Current Encumbrances	Unencumbered Fund Balance
TOTAL FOR Fund 001 - GENERAL:							
2,744,702.80	1,301,508.74	11,886,347.86	2,435,071.51	7,646,493.05	6,984,557.61	1,793,979.06	5,190,578.55
TOTAL FOR Fund 002 - BOND RETIREMENT:							
2,091,231.71	32,088.75	1,710,114.51	25,780.18	25,786.52	3,775,559.70	0.00	3,775,559.70
TOTAL FOR Fund 003 - PERMANENT IMPROVEMENT:							
48,604.16	15,643.29	42,867.50	17,613.29	92,217.40	745.74-	9,000.00	9,745.74-
TOTAL FOR Fund 004 - BUILDING:							
23,411,769.18	5,705.64	11,493.51	1,421,555.40	7,439,626.18	15,983,636.51	13,525,239.34	2,458,397.17
TOTAL FOR Fund 006 - FOOD SERVICE:							
63,183.58	25,070.49	61,485.92	20,449.41	51,735.86	72,933.64	92,314.33	19,380.69-
TOTAL FOR Fund 007 - SPECIAL TRUST:							
47,331.67	0.00	0.00	0.00	0.00	47,331.67	19,699.36	27,632.31
TOTAL FOR Fund 009 - UNIFORM SCHOOL SUPPLIES:							
23,076.70	185.88	25,051.74	0.00	17,859.33	30,269.11	9,452.53	20,816.58
TOTAL FOR Fund 011 - ROTARY-SPECIAL SERVICES:							
153,299.40	13,433.07	134,450.55	15,795.88	37,554.69	250,195.26	51,492.93	198,702.33
TOTAL FOR Fund 018 - PUBLIC SCHOOL SUPPORT:							
97,249.30	2,802.12	10,129.36	2,451.86	11,574.74	95,803.92	24,789.85	71,014.07
TOTAL FOR Fund 019 - OTHER GRANT:							
11,470.99	23,800.00	23,800.00	0.00	0.00	35,270.99	20,148.89	15,122.10
TOTAL FOR Fund 022 - DISTRICT AGENCY:							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR Fund 024 - EMPLOYEE BENEFITS SELF INS.:							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR Fund 200 - STUDENT MANAGED ACTIVITY:							
110,820.90	18,992.05	20,257.33	4,375.28	17,165.29	113,912.94	26,491.49	87,421.45
TOTAL FOR Fund 300 - DISTRICT MANAGED ACTIVITY:							
42,208.37	73,355.50	88,353.98	49,186.31	90,190.70	40,371.65	85,960.35	45,588.70-
TOTAL FOR Fund 401 - AUXILIARY SERVICES:							
185,801.11	60.73	343,975.09	45,534.49	191,932.53	337,843.67	304,044.39	33,799.28
TOTAL FOR Fund 432 - MANAGEMENT INFORMATION SYSTEM							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

ROCKY RIVER CITY SCHOOLS
 Financial Report by Fund
 FINANCIAL REPORT FOR SEPT 2012

Begin Balance	MTD Receipts	FYTD Receipts	MTD Expenditures	FYTD Expenditures	Current Fund Balance	Current Encumbrances	Unencumbered Fund Balance	
TOTAL FOR Fund 440 - ENTRY YEAR PROGRAMS:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 451 - DATA COMMUNICATION FUND:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 452 - SCHOOLNET PROFESS. DEVELOPMEN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 504 - EDUCATION JOBS FUND:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 506 - RACE TO THE TOP:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 516 - IDEA PART B GRANTS:	24,916.71-	64,009.01	127,637.04	28,532.11	64,985.22	37,735.11	167,168.02	129,432.91-
TOTAL FOR Fund 532 - FISCAL STABILIZATION FUND:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 551 - LIMITED ENGLISH PROFICIENCY:	1.55	0.00	0.00	0.00	0.00	1.55	6,600.00	6,598.45-
TOTAL FOR Fund 572 - TITLE I DISADVANTAGED CHILDRE	1,011.77	39,342.00	39,342.00	21,010.21	31,612.76	8,741.01	4,634.36	4,106.65
TOTAL FOR Fund 584 - DRUG FREE SCHOOL GRANT FUND:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR Fund 587 - IDEA PRESCHOOL-HANDICAPPED:	0.00	2,305.04	2,305.04	2,735.93	3,975.27	1,670.23-	0.00	1,670.23-
TOTAL FOR Fund 590 - IMPROVING TEACHER QUALITY:	0.00	12,714.00	12,714.00	7,801.38	11,505.77	1,208.23	13,027.68	11,819.45-
TOTAL FOR Fund 599 - MISCELLANEOUS FED. GRANT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTALS:	29,006,846.48	1,631,016.31	14,540,325.43	4,097,893.24	15,734,215.31	27,812,956.60	16,154,042.58	11,658,914.02

**ROCKY RIVER CITY SCHOOL DISTRICT
SUMMARY OF INVESTMENTS AND CASH BALANCES
As of September 30, 2012**

INVESTMENTS:

	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Cost/ Balance</u>	<u>Par Amount</u>	<u>Rate/Yield</u>
<u>Operating Funds</u>					
STAR Ohio		Daily	\$ 385.23		0.100%
Comm Paper - GE Capital Corp. - Morgan Stanley	4/20/2012	10/17/2012	\$ 1,497,600.00	\$ 1,500,000.00	0.325%
Comm. Paper - UBS Finance	7/16/2012	12/12/2012	\$ 498,903.19	\$ 500,000.00	0.530%
Tri State CDARS***	1/12/2012	1/10/2013	\$ 1,000,000.00	\$ 1,000,000.00	1.094%
***50/50 investment required					
Subtotal			\$ 2,996,888.42	\$ 3,000,000.00	0.616%
Charter One MRA		Daily	\$ 4,350.10		0.000%
Huntington		Daily	\$ 175,846.36		0.020%
PNC MMA		Daily	\$ 2,781,620.54		0.200%
Tri-State*** (50/50)		Daily	\$ 1,000,000.00		0.000%
Fifth Third Escrow		Daily	\$ 90,202.41		0.000%
Bond Issue investments*		Daily	\$ 17,424,975.89		0.357%
Subtotal			\$ 21,476,995.30		0.316%
***50/50 investment required					
Total Investments			\$ 24,473,883.72		0.353%
<u>CASH:</u>					
Demand Deposit Accounts - Net			\$ 3,337,387.88		
Change Funds			\$ 1,685.00		
Sub-Total			\$ 3,339,072.88		
Total Investments and Cash			\$ 27,812,956.60		

* See next page for detail

**ROCKY RIVER CITY SCHOOL DISTRICT
SUMMARY OF BOND ISSUE INVESTMENTS AND CASH BALANCES
As of September 30, 2012**

INVESTMENTS:

<u>INVESTMENT TYPE/ISSUE</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Cost/ Balance</u>	<u>Par Amount</u>	<u>Rate/Yield</u>
Tri State CDARS*** - BAB's	4/12/2012	10/11/2012	\$ 250,000.00	\$ 250,000.00	0.600%
Comm Paper - GE Capital Corp. - BAB's - Morgan Stanley	4/20/2012	10/17/2012	\$ 1,497,600.00	\$ 1,500,000.00	0.325%
Comm Paper - GE Capital Corp. - BAB's - Huntington	4/27/2012	10/24/2012	\$ 2,995,185.00	\$ 3,000,000.00	0.326%
Comm. Paper - UBS Finance - BAB's	7/2/2012	12/3/2012	\$ 997,668.61	\$ 1,000,000.00	0.545%
Comm. Paper - UBS Finance - TE's	7/16/2012	12/12/2012	\$ 498,903.20	\$ 500,000.00	0.533%
Tri State CDARS*** - BAB's - Tri State Commercial Bank	1/12/2012	1/10/2013	\$ 500,000.00	\$ 500,000.00	1.094%
FHLB - BAB's - G.X. Clarke & Co. #	1/11/2012	1/11/2013	\$ 2,000,000.00	\$ 2,000,000.00	0.280%
FFCB - BAB's - G.X. Clarke & Co.	12/9/2011	4/25/2013	\$ 800,720.00	\$ 800,000.00	0.232%
FHLB - BAB's - Huntington	12/9/2011	6/7/2013	\$ 2,000,200.00	\$ 2,000,000.00	0.340%
Tri State CDARS - TE's - Tri State Commercial Bank	6/28/2012	6/27/2013	\$ 1,000,000.00	\$ 1,000,000.00	0.400%
Tri State CDARS*** - TE's - Tri State Commercial Bank	8/16/2012	8/15/2013	\$ 460,000.00	\$ 460,000.00	1.000%
Subtotal			\$ 13,000,276.81	\$ 13,010,000.00	0.404%

***50/50 investment required
Callable 10/11/12, one time only

BANKS/ISSUE

First Federal of Lakewood - TE's	Daily	\$ 515,990.28	0.350%
First Federal of Lakewood - BAB's	Daily	\$ 1,829,809.30	0.350%
PNC - BAB's	Daily	\$ 45,384.10	0.100%
PNC - QSCB's	Daily	\$ 592,486.36	0.200%
Star Ohio - Bldg. Fund BAB's	Daily	\$ 231,029.04	0.100%
Tri-State*** - BAB's (50/50)	Daily	\$ 750,000.00	0.000%
Tri-State*** - TE's (50/50)	Daily	\$ 460,000.00	0.000%
Subtotal		\$ 4,424,699.08	0.219%

***50/50 investment required

Note: The maximum balance available to be on deposit with First Federal of Lakewood is \$5,000,000 per their requirements contained in the current depository agreement with them.

Total Investments	<u>\$ 17,424,975.89</u>	0.357%
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Rocky River City School District
 Appropriation Summary as of September 30, 2012 -
 All Funds
 With Certified Resources For FY 2013 To Date

Fund Name	USAS Fund No.	Budget as of 8/31/12	Net Changes September 2012	Revised Budget as of 9/30/12	P/Y Encumbrances	Total Expendable as of 9/30/12	Certificate of Estimated Resources - Amendment #3	Resources Over/(Under) Revised Budget	Add/(Reduce) Amount of "Other Sources" on Amendment #3	Revised Est. Resources Amendment #4
General Fund	001	\$31,838,874	\$0	\$31,838,874	\$329,920	\$32,168,794	\$33,559,261 x	\$1,720,387		\$33,559,261
Bond Retirement	002	4,430,389	0	4,430,389	-	4,430,389	6,366,500 x	1,936,111		6,366,500
Permanent Improvement	003	170,297	0	170,297	-	170,297	211,849 x	41,551		211,849
Building	004	750,288	0	750,288	20,612,304	21,362,593	2,841,465 x	2,091,176		2,841,465
Food Service	006	457,269	0	457,269	3,225	460,494	494,258 x	36,990		494,258
Trust - Band Uniform Fund	007-9007	-	0	-	19,699	19,699	-	0		-
Trust - Scholarship	007-9008	20,000	0	20,000	-	20,000	34,582 x	14,582		34,582
Trust - Unclaimed Funds	007-9009	500	0	500	-	500	12,327 x	11,827		12,327
Trust - Rocky River Angel Fund	007-9907	-	0	-	-	-	-	0		-
Trust - Rocky River Angel Fund - Goldwood	007-9908	-	0	-	-	-	507 x	507		507
Trust - Technology Improvement Fund	007-9909	-	0	-	-	-	216 x	216		216
Trust - Herb Score Memorial Fund	007-9910	-	0	-	-	-	-	0		-
Uniform School Supply	009	27,350	0	27,350	-	27,350	47,077 x	19,727		47,077
Rotary Funds	011	204,185	0	204,185	8,415	212,600	361,658 x	157,472		361,658
School Support Funds	018	61,071	9,000	70,071	4,012	74,082	167,238 x	97,167		167,238
Private Source Grants	019	-	23,800	23,800	300	24,100	11,171 x	(12,629)	23,800	34,971
Self-Insurance Fund	024	-	0	-	-	-	-	0		-
District Agency - Workers Comp/Retirement	022	3,100,000	0	3,100,000	-	3,100,000	3,100,000 x	0		3,100,000
Student Activities	200	164,100	5,450	169,550	2,541	172,091	278,980 x	109,430	6,000	284,980
Athletic and Co-Curricular	300	267,675	67,776	335,451	26,487	361,938	291,947	(43,505)	47,076	339,023
<i>State Grants:</i>										
Auxiliary Services (Private Schools)	401	812,196	21	812,218	47,922	860,140	812,218 x	0	0	812,218
EMIS	432	-	0	-	-	-	-	0		-
Entry Year Programs	440	-	0	-	-	-	-	0		-
Data Communications	451	-	0	-	-	-	-	0		-
School Net - Professional Dev.	452	-	0	-	-	-	-	0		-
Misc State Grants	499	-	0	-	-	-	-	0		-
<i>Federal Grants:</i>										
Federal Ed Jobs	504	-	0	-	-	-	-	0		-
Resident Educator Program	506	-	0	-	-	-	-	0		-
IDEA-B	516	660,903	0	660,903	7,859	668,762	709,626 x	48,723		709,626
School District Fiscal Stabilization	532	-	0	-	-	-	-	0		-
Title III - Limited English Proficiency	551	13,725	0	13,725	-	13,725	13,725 x	0		13,725
Title I	572	241,684	0	241,684	-	241,684	241,684 x	0		241,684
Title V	573	-	0	-	-	-	-	0		-
Drug-Free Schools	584	-	0	-	-	-	-	0		-
Preschool - Special Education	587	10,657	0	10,657	-	10,657	10,657 x	0		10,657
Title II-A	590	54,908	0	54,908	-	54,908	54,908 x	0		54,908
Misc. Federal Grants	599	-	0	-	-	-	-	0		-
Total All Funds		\$43,286,072	\$106,047	\$43,392,119	\$21,062,684	\$64,454,803	\$49,621,852	\$6,229,733	\$76,876	\$49,698,728

EXHIBIT B

Amended appropriation passed at the 10/18/12 meeting of the Rocky River Board of Education

Amended Certificate has been or will be requested from the County Budget Commission

Treasurer's Certificate

Section 5705.412, RC

In the matter of: the Supplemental Appropriation Measure for the fiscal year ending **June 30, 2013**, Resolution No. 202.5-12

IT IS HEREBY CERTIFIED that the Rocky River City School DISTRICT BOARD OF EDUCATION, CUYAHOGA COUNTY, OHIO, has sufficient funds to meet the contract agreement, obligation, payment or expenditure for the above, and has in effect for the remainder of the fiscal year and the succeeding fiscal year the authorization to levy taxes which, when combined with the estimated revenue from all sources available to the district at the time of certification, are sufficient to provide operating revenues necessary to enable the district to operate an adequate educational program on all the days set forth in its adopted school calendar for the current fiscal year and for a number of days in the succeeding fiscal year equal to the number of days instruction was held or is scheduled for the current fiscal year.

Dated: 10/18/12

Kathleen Koepf
Board President

Mark Blum
Superintendent

[Signature]
Treasurer of the Board of Education of the
Rocky River City School District
Cuyahoga County, Ohio

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2010, 2011, and 2012 Actual

Forecasted Fiscal Years Ending June 30, 2013 Through 2017

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	Actual			Average Change	DRAFT				
	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012		Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Revenues									
1.010 General Property Tax (Real Estate)	\$24,848,453	\$24,322,755	\$24,840,236	0.0%	\$24,399,600	\$24,399,600	\$24,499,600	\$24,749,600	\$24,899,600
1.020 Tangible Personal Property Tax	583,004	560,207	545,721	-3.2%	550,000	550,000	550,000	550,000	550,000
1.030 Income Tax	0			0.0%					
1.035 Unrestricted Grants-in-Aid	1,290,100	1,270,149	1,336,966	1.9%	1,365,314	1,365,314	1,365,314	1,365,314	1,365,314
1.040 Restricted Grants-in-Aid	78,043	95,683	29,022	-23.5%	78,000				
1.045 Restricted Federal Grants-in-Aid SFSF	85,050	102,638	60,812	-10.0%					
1.050 Property Tax Allocation	4,558,235	4,590,045	3,747,482	-8.8%	3,339,194	3,343,328	3,360,044	3,360,044	3,360,044
1.060 All Other Revenues	405,826	353,282	429,302	4.3%	361,981	393,000	443,000	468,000	493,000
1.070 <i>Total Revenues</i>	31,848,711	31,294,759	30,989,541	-1.4%	30,094,089	30,051,242	30,217,958	30,492,958	30,667,958
Other Financing Sources									
2.010 Proceeds from Sale of Notes	0			0.0%					
2.020 State Emergency Loans and Advancements (Approved)	0			0.0%					
2.040 Operating Transfers-In	0			0.0%					
2.050 Advances-In				0.0%					
2.060 All Other Financing Sources	60,002	849,974	1,186,891	678.1%	1,187,684	1,167,684	583,842		
2.070 <i>Total Other Financing Sources</i>	60,002	849,974	1,186,891	678.1%	1,187,684	1,167,684	583,842		
2.080 <i>Total Revenues and Other Financing Sources</i>	31,908,713	32,144,733	32,176,432	0.4%	31,281,773	31,218,926	30,801,800	30,492,958	30,667,958
Expenditures									
3.010 Personal Services	18,665,589	19,251,645	19,321,144	1.8%	19,423,042	19,866,983	20,473,973	21,008,108	21,618,337
3.020 Employees' Retirement/Insurance Benefits	7,263,004	7,063,498	7,106,204	-1.1%	7,034,941	7,307,853	7,289,387	7,829,637	8,490,103
3.030 Purchased Services	3,539,396	3,232,742	3,502,280	-0.2%	3,652,568	3,832,196	3,955,806	4,153,846	4,361,538
3.040 Supplies and Materials	784,094	687,816	670,508	-7.4%	900,871	814,665	855,398	855,398	898,168
3.050 Capital Outlay	241,508	230,959	434,564	41.9%	129,000	129,000	129,000	129,000	229,000
3.060 Intergovernmental	0			0.0%					
Debt Service:									
4.010 Principal-All (Historical Only)	40,000	40,000	40,000	0.0%	40,000	40,000	20,000	20,000	20,000
4.020 Principal-Notes	0			0.0%					
4.030 Principal-State Loans	0			0.0%					
4.040 Principal-State Advancements	0			0.0%					
4.050 Principal-HB 264 Loans	0			0.0%					
4.055 Principal-Other	0			0.0%					
4.060 Interest and Fiscal Charges	0			0.0%	2,400	1,200			
4.300 Other Objects	586,866	526,590	615,974	3.4%	632,378	695,616	765,177	841,695	925,865
4.500 <i>Total Expenditures</i>	31,120,457	31,033,250	31,690,674	0.9%	31,815,200	32,687,513	33,488,741	34,837,684	36,543,011
Other Financing Uses									
5.010 Operating Transfers-Out	213,118	37,791	50,000	-25.0%	60,000	60,000	60,000	30,000	30,000
5.020 Advances-Out	0			0.0%					
5.030 All Other Financing Uses	0		155	0.0%					
5.040 <i>Total Other Financing Uses</i>	213,118	37,791	50,155	-24.8%	60,000	60,000	60,000	30,000	30,000
5.050 <i>Total Expenditures and Other Financing Uses</i>	31,333,575	31,071,041	31,740,829	0.7%	31,875,200	32,747,513	33,548,741	34,867,684	36,573,011
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	575,138	1,073,692	435,603	13.6%	(593,427)	(1,528,587)	(2,746,941)	(4,374,726)	(5,905,053)

	Actual			Average Change	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2010	2011	2012		2013	2014	2015	2016	2017
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	660,274	1,235,412	2,309,104	87.0%	2,744,707	2,151,279	622,692	(2,124,249)	(6,498,975)
7.020 Cash Balance June 30	1,235,412	2,309,104	2,744,707	52.9%	2,151,279	622,692	(2,124,249)	(6,498,975)	(12,404,027)
8.010 Estimated Encumbrances June 30	378,593	380,853	329,920	-6.4%	600,000	600,000	650,000	650,000	650,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials				0.0%					
9.020 Capital Improvements				0.0%					
9.030 Budget Reserve				0.0%					
9.040 DPIA				0.0%					
9.050 Debt Service				0.0%					
9.060 Property Tax Advances				0.0%					
9.070 Bus Purchases				0.0%					
9.080 Subtotal	0			0.0%					
10.010 Fund Balance June 30 for Certification of Appropriations	856,819	1,928,251	2,414,787	75.1%	1,551,279	22,692	(2,774,249)	(7,148,975)	(13,054,027)
Revenue from Replacement/Renewal Levies	2.73%	6.21%	7.61%		4.87%	0.07%	-8.27%	-20.50%	-35.69%
11.010 Income Tax - Renewal	0			0.0%					
11.020 Property Tax - Renewal or Replacement	0			0.0%					
11.300 Cumulative Balance of Replacement/Renewal Levies	0			0.0%					
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	856,819	1,928,251	2,414,787	75.1%	1,551,279	22,692	(2,774,249)	(7,148,975)	(13,054,027)
Revenue from New Levies	2.73%	6.21%	7.61%		4.87%	0.07%	-8.27%	-20.50%	-35.69%
13.010 Income Tax - New				0.0%					
13.020 Property Tax - New				0.0%	1,729,700	3,459,400	3,459,400	3,459,400	3,459,400
13.030 Cumulative Balance of New Levies	0	0	0	0.0%	1,729,700	5,189,100	8,648,500	12,107,900	15,567,300
14.010 Revenue from Future State Advancements				0.0%					
15.010 Unreserved Fund Balance June 30	856,819	1,928,251	2,414,787	75.1%	3,280,979	5,211,792	5,874,251	4,958,925	2,513,273
	2.73%	6.21%	7.61%		10.29%	15.92%	17.51%	14.22%	6.87%

See accompanying summary of significant forecast assumptions and accounting policies
 Includes: General fund, emergency levy fund, SDFS, Federal Ed Jobs, PBA fund, and any portion of debt service service fund related to general fund debt.

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**Rocky River City School District
IRN 044701
Greg R. Markus, CPA, Treasurer/CFO
October 2012 Five-Year Forecast Update**

Approved at the October 18, 2012 Regular Board Meeting of the Rocky River Board of Education, Res. # _____

General Background/Assumptions:

Local Property Tax Revenue:

Since the District receives approximately 92% of its revenue for the General Operating Fund from local property taxes and related state subsidies, the key assumptions for revenue rest with property tax revenue.

- The District has just begun the fifth year of what has historically been a three-year levy cycle. The Board of Education made a calculated decision to extend this levy cycle to four years due to the negative condition of the economy and instructed the administration to ensure that this could be done with only moderate cuts to the current educational program. The voters approved a continuous operating levy of 5.9 mills in March 2008 to be used for continuing operations of the District. This levy was estimated to generate approximately \$4.3M (reduced to \$4.16M after the property value reduction described below) for a full year. FY 10 represented the first full fiscal year collection on the new levy since property taxes are assessed and collected on a calendar year (January – December) basis versus a school district’s fiscal year of July - June.
- The Board of Education placed a 5.9 mill levy on the ballot in December 2011 for the March 2012 primary election in order to continue the current programming and expand some offerings in certain areas for another three – four year cycle. That request was defeated by the voters by a very slim margin. In light of this failure, the Board of Education decided to place a 4.9 mill operating levy on the November ballot for consideration. This reduced millage coupled with some additional budget reductions is planned to provide needed operating revenue for the District for an additional three - four years.
- Cuyahoga County is currently finalizing a reappraisal of all real property within the County to be effective and certified by the State as of December 2012. This process is required to be performed every six years per Ohio Revised Code Section 5715.33. The new values for Cuyahoga County will be for the 2012 tax (calendar) year that became the taxable values used to calculate real estate tax bills starting in January 2013. In between required

appraisals, Counties are required to perform an update of those values based on factors relevant to real property values at the time of the update (e.g. actual sales). The most recent update was recently completed and certified in December 2009 and became effective in January 2010. The next update is scheduled to be completed and certified by December 2015 for a January 2016 effective date. Based on recent data shared with the District by the County Fiscal Officer's Office, the District's aggregate residential property value is expected to increase by 0.39% while the District aggregate commercial property value is expected to decrease by approximately 1%. This is anticipated to result in an overall taxable value increase of 0.15%.

- Because House Bill 920 effectively freezes revenue for the vast majority of the real property tax millage that is collected by a School District to the amount that was calculated at the time the millage was approved by the voters, The Rocky River Schools will not see an increase in real property tax revenue from any increase in taxable value for most of the millage that we collect. The only increases in revenue from an increase in existing property tax values would be from the statutory inside millage that the District collects, which is minimal as compared to the outside (i.e. voted) millage. Conversely, since House Bill 920 rules do not apply to inside millage, if property values experience an overall decrease the District would experience a decrease in revenue. The District currently collects on 37.95 effective mills in its General Fund for *residential* real estate vs. 73.6 voted mills. The District currently collects on 52.37 effective mills in its General Fund for *commercial* real estate vs. the same 73.6 voted mills.
- Tangible personal property tax revenue has now completely phased out per Ohio H.B. 66 signed into law by the Governor effective 7/1/05. Only telephone personal property remained taxable through fiscal year 2011 (12/31/10), after which time no tangible personal property is taxable per current law.
- H.B. 66 included a "hold harmless" provision for school districts to receive full reimbursement of "base year" valuation (i.e. tax year 2004) losses attributed to the elimination of this tax revenue source through fiscal year 2010. H.B. 1 signed into law by the Governor as of July 1, 2009 included a provision to extend the full (100%) reimbursement of "base year" valuation losses through fiscal year 2013. *However, the revenue guarantee through fiscal 2013 was eliminated upon the adoption of Amended Substitute H.B. 153 that was signed into law on June 30, 2011. These "hold harmless" payments phase out over two years beginning in fiscal 2012 and is now completely eliminated as of the start of fiscal 2013. This represents a loss to the District of \$1.069M based on previously forecasted amounts (\$623K immediate loss in fiscal 2012 with the additional \$446K taking effect in fiscal 2013 versus previous estimates).*

- Since the District does not receive state share (i.e. “per-pupil formula”) funding, we had been receiving these “hold harmless” reimbursements as direct payments from the state through fiscal 2012. These replacement payments are reflected on line 1.050 of this forecast through fiscal 2012.
- The exempt personal property tax reimbursement that was formerly received from the State of Ohio was phased out as of the beginning of fiscal 2010. During FY 2009, the amount of this subsidy was down to \$31,567.
- In addition, Per H.B. 153, public utility deregulation reimbursements that were being received from the State of Ohio as of fiscal 2011 as a result of Senate Bills 3 & 287 that commenced in Feb. 2002 *were no longer being received starting in fiscal 2012. These reimbursements were in the form of direct payments amounting to \$192,755 per year.*
- **In summary, Amended Substitute H.B. 153 as adopted into law has phased out the District’s personal property tax reimbursement and the utility deregulation/SB3/KwH tax reimbursement revenue sources by fiscal year 2013. The impact on the District’s revenues is a reduction of over \$821,748 for fiscal year 2012 and an *additional* \$445,684 in fiscal year 2013. The total reduction of revenue for the four-year period of fiscal 12 – fiscal 15 will be \$3,491,956 over what was expected to be received based on previous law. In FY 16, an additional \$512,718 is being lost and for fiscal 2017, the loss is \$386,937. All told, this loss amounts to a grand total of \$4,652,768 through the original phase-out year of fiscal 18.**

State of Ohio and Federal Stimulus Revenue:

- The district realized a reduction of 1% in its “guaranteed” revenue from the state of Ohio (called foundation revenue, as reported on line 1.035, and included the state fiscal stabilization funding from line 1.045 as well) from FY 2009 levels in FY 2010. For FY 11, this line came in just slightly below the FY 10 level per House Bill 1 as part of the Ohio Evidenced Based Model (OEBM) that was being used to provide state support to schools through FY 2011. H.B. 153 contained provisions that would have reduced this funding source by 20% for fiscal year 2012 and then flat lined the revenue for fiscal year 2013, but the Senate version of this bill was changed and all Districts were guaranteed funding equal to that received in FY 11 from the foundation formula (including guarantees). It also included a small additional amount of revenue for “high performing districts”. This amounted to just over \$44K for fiscal 2012 and is expected to continue through the state biennium ending at the end of fiscal 2013. The final version of H.B. 153 as approved by the House/Senate Conference Committee accepted this provision in the final version of the bill ultimately approved by the Governor.

- Because Rocky River is considered to have a strong and relatively wealthy tax base, the state of Ohio provides minimal funding per student and some additional funding for special education, preschool education and pupil transportation. None of this state support covers any substantive amount of these program costs. The majority of the costs are paid by the citizens of the community through their property tax support. H.B. 153 as passed into law did not reduce the small amount of special education transportation and preschool unit funding that the District is expected to receive over the current biennium.
- Line 1.040 includes funding received from the State of Ohio that is restricted to be used for the programs for which the money is earmarked. For FY 2012, this line included \$29,022 from the State's catastrophic aide reimbursement appropriation for certain special education expenditures above specific thresholds. Although the eligibility requirements remained the same for this funding source for the most recently completed biennium (2010 & 2011), the state-wide appropriation for this funding was cut in half, therefore causing the District to realize about half of the funding in FY's 10 and 11 that we received for these purposes in FY 09. Further, the reimbursement is allocated proportionately based on the total dollar amount submitted by all Districts throughout the State. Since H.B. 153 as adopted did not alter this funding source, this forecast assumes that this revenue source will remain at the reduced FY 2010 levels for FY 2013 only. Starting in FY 2014, this revenue source is not assumed to continue.
- Line 1.045 includes amounts received through the State from the State Fiscal Stabilization Fund as authorized by the American Recovery and Reinvestment Act (ARRA), aka the "federal stimulus bill". This funding was scheduled to be received only in FY's 10 and 11 per the applicable federal legislation and was not reauthorized for FY 12 and beyond.
- The District did receive an allocation from the federal Education Jobs Fund that is required to be included in a school district's five-year financial forecast. The fund is included with the general fund because the grant resources are used only for compensation and benefits and other expenses such as support services necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services, which are typically paid from the general fund. Whether the grant resources were used entirely in fiscal year 2011 or over two fiscal years (2011 and 2012) was a decision of the Board of Education. Once the grant resources are expended, the employees' compensation and benefits may revert to the general fund or the positions may be terminated. The District utilized these funds in FY 2012 to fund a significant portion of a gifted education coordinator since the District did not have the subsidy for this position funded through the

Cuyahoga County Educational Service Center due to funding cuts that took effect in FY 2012.

Other Local Revenue:

- Local revenue makes up approximately 1.2% of total revenue. This local revenue is primarily investment revenue, rentals, student and other fees.

Other Financing Sources

- Other financing sources make up approximately 3.8% of total revenue and are mostly comprised of federal subsidies from interest rebates on Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs) that the District has earmarked for the General Fund (see a more detailed explanation of these rebates below).

Expenditures:

As is typical for school districts throughout the state, salaries and benefits comprise 83% of the District's operating expenditures. Key assumptions regarding salaries and fringe benefits are as follows:

Salaries:

- In March 2011, the District and both bargaining units agreed to a two-year contract for FY's 2012 and 2013 that did not include any base salary increases (only step increases). These agreements also called for significant concessions in health care that are explained in detail under the "Fringe Benefits" section that follows. These provisions also apply to all non-bargaining employees of the District.
- The District, as of 10/4/12, agreed to a one-year contract extension with both bargaining units that again called for no base salary increases and an additional 1% in health insurance premium contributions from employees. These provisions have been applied to all non-bargaining employees as well.
- Overall staffing levels during the life of this forecast are assumed to be static overall, but may need to move up or down based upon enrollment, class sizes, special needs and additional fiscal restrictions. Attrition and only selected replacement due to retirements and resignations will be managed to keep salary levels in line with projections and allow for additional staffing needs in specific areas as appropriate. Additionally, targeted reductions in instructional and non-instructional personnel were executed for fiscal year

2012 and additional reductions have been implemented for fiscal 2013 as explained below. The all-day-kindergarten mandate that was a part of state law in 2011 has been repealed by recent legislation and the District does not plan to institute this program due to fiscal constraints.

Fringe Benefits:

- Fringe benefits are primarily composed of retirement system payments and health insurance benefits, but also include payments to the State Workers Compensation Fund and other employee-related items.
- Retirement Payments - Retirement payments are required by state law to be paid. The employer pays 14% of the employees' earnings to one of two state retirement systems. Retirement costs are projected to increase or decrease consistent with salary costs.
- Health Insurance - Employee health insurance costs are expected to increase moderately to significantly during the life of this forecast based on actual claim activity, but will be mitigated significantly as compared to prior years based on the plan design change negotiated as part of the 2008 and 2011 bargaining unit agreements. The 2008 plan design changes affected the cost structure of the health insurance plan offered by the District that called for premium contributions from all employees of 3% in fiscal year 2011 (more for part-time employees based on their percentage of time worked) and a co-insurance amount of 10% of eligible claim charges with maximum out-of-pocket limits along with increased co-pays for prescription drugs. The provisions agreed to in March of 2011 (became effective July 1, 2011) will require employees to pay 11% of the premium cost of health insurance; require working and retired spouses who are eligible for health care through their employer or retirement plan and meet minimum work-related requirements to become primarily covered under those plans; and increase prescription co-pay levels significantly. These health insurance changes were estimated to reduce the District's projected expenditures over the two-year agreement term by approximately \$1.6M.
- Starting in fiscal year 2011 the District is funding employee health care through the Suburban Health Consortium. The Suburban Health Consortium (the "Consortium") is a legally separate entity organized under Ohio Revised Code Section 9.833. The Consortium was established on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. It is the District's expectation that this funding arrangement will help smooth out and

even contain the expected increases in this area going forward based upon the Consortium's history, despite having to fund an equity reserve "buy-in" over the initial five years of our membership.

Other Expenditure areas:

The remaining 17% of expenditures consist of Purchased Services, Supplies and Textbooks, Equipment (Capital Outlay), Other Objects and Transfers.

- Purchased Services - Large sustained increases in electricity, natural gas and water utilities could potentially drive this expenditure area higher than expected, although these areas have leveled off over the past two years as natural gas prices have gone down while electricity rates have been stabilized in large part to a group purchasing contract through the Power4Schools program described in more detail below. The obligations accounted for in this line include virtually all utilities and student contracted services (i.e. vocational/career technical education and special education tuition to other districts) required by statute or need. In addition, capital lease expenditures for the upgrading of the District's technology that occurred in fiscal years 2009 and 2011 are included in this line and are expected to continue through fiscal 2014.

Payment of the preliminary billing for the District's 2006-2007 school year vocational education participation was deferred until FY 08 to help ensure a positive ending General Fund balance for FY 07 to comply with state law. Deferral of all of the FY 08 payment(s) for such services was necessary again in FY 09 based on projections. This actual amount paid under this line reflected a one-time "catch-up" payment in FY 10 so that the majority of this annual expenditure will be paid in the year the services were incurred.

Starting in FY 11, this area was assumed to increase slightly for utility costs and general inflation in this area (less adjustment downward from FY 10 to account for the one-time vocational education catch-up payment mentioned previously).

Community school payments are also included in this line and have averaged approximately \$120K per year and are assumed to continue near this level throughout this forecast. If school choice options are expanded as is currently being discussed at the state level, there is a possibility that these types of payments (whether to charter and/or non-public schools and potentially individual accounts) may increase moderately to substantially during this forecast period. At this time there is not imminent legislation that is being

considered, but this issue could be brought back up for serious consideration once a new legislature is seated for January 2013.

- Supplies - These supplies are primarily student textbooks, computer software, supplemental materials, supplies for buildings and buses and library materials. This category increased substantially for FY 09 to allow for continued program needs and textbook replacements and to replace funds that have been cut from building/departmental budgets since FY 06 due to the District's fiscal situation. For FY 2011, this area decreased from the FY 2010 level and then decreased very slightly in FY 12. A larger increase is assumed for fiscal 2013 due to the anticipated need for textbooks and other curriculum materials in excess of recent levels. A drop in this line is assumed for fiscal 2014, then moderate increases over the remainder of the forecast are expected for usual and customary curricular and operating supplies.
- Capital Outlay - Primarily equipment for classrooms (computers, audio-visual) and replacement of district maintenance and transportation equipment. This category increased from prior levels starting in FY 08 and continued through fiscal year 2010. For FY's 2008 - 2010, the District covered a large portion of its capital expenditures out of construction settlement funds contained in the District's Permanent Improvement Fund as well as additional funding available in that fund. Since the carryover balance from the construction settlement is now depleted, capital spending has shifted back to the General Fund to some degree for maintenance of the District's educational program and operations. We saw a slight decrease in FY 11, after which the amount increased significantly in fiscal 2012 due to the continued replacement of student and staff computer technology on a cash basis. It was previously projected that this line would increase again starting in FY 13 and would continue forward moderately above the FY 13 level due to the planned implementation of Google Chromebooks for grades 6 – 12, but due to the recent levy failure, the District has decided to put this initiative on hold for the time being. It will be considered again, on a reduced scale, if a 4.9 mill operating levy request is successful in November of 2012. This forecast also assumes that much of the major capital purchasing needs of the District (i.e. building and infrastructure improvements) will come from the proceeds of a bond issue that was passed at the May 4, 2010 primary election.
- Other - The largest portion of this amount is collection fees paid to the Cuyahoga County Auditor and Treasurer for collection of property taxes and to the State of Ohio for the District's required annual financial and compliance audit. These fees are set by state law and/or administrative code. The property tax collection fees are in proportion to property tax collections. They also include election expenses that every governmental entity is statutorily required to pay as well as fees related to the County land bank and tax anticipation note programs. A 17% increase was incurred in FY 12 mainly

due to increased county fiscal fees increasing on account of a significant increase in delinquent tax collections. This line is expected to stabilize in FY 13 and increase by 10% starting in FY 14 based mainly on increased county fiscal fees.

- Debt Repayment - In fiscal 2004 the district borrowed \$385,000 from the unobligated portion of its Bond Retirement Fund for stadium improvements. The bonds are to be repaid over a ten year period from the General Operating Fund. Scheduled principal and interest payments for the forecast are as shown through fiscal 2014. Replacement of the top layer of the artificial turf surface at the stadium is anticipated through a similar borrowing arrangement with debt payments reflected starting in fiscal 2015.
- Estimated Encumbrances (line 8.010) - The amounts contained on this line represent contractual and other purchase commitments that existed or are anticipated to exist at June 30 of each year. This amount cannot be more than the ending cash balance as contained on line 7.020 in order to be in compliance with state law governing public entity expenditures. In most instances, these amounts will be expended in the subsequent year. This amount was significantly lower than the District's historical average at the end of FY 08 in order to be in compliance with state budgetary law. This amount increased moderately in FY 09 vs. FY 08 to account for additional commitments carried over from FY 08 and then continue closer to historical averages throughout the remainder of this forecast. The District routinely reviews any purchasing commitments in June of each year and will cancel any that are no longer needed or applicable. Additionally, the District will have to plan to cancel any outstanding commitments to be in compliance with Ohio law governing public entity expenditures, if necessary.

Update/review of fiscal years 2008 – 2010 for historical perspective and key detailed assumptions used in preparing the District's Five-Year Forecast through FY 2017.

Review of FY's 2008 - 2010:

- The District had estimated that it would end FY 08 with a deficit of approximately \$1M (when taking into account the deferral of the District's vocational technical district billing from the Lakewood City Schools to FY 09) unless corrective action was taken. This situation would have placed the District in non-compliance with State budgetary law and could put the District at risk of fiscal oversight (fiscal caution or watch) by the State of Ohio.

- In order to avoid this situation and to ensure that the District would be able to fund the final payroll of the fiscal year on June 27, 2008, the District was forced to take the following actions:
 - 1) Continued to defer payment of the Vocational Technical District billing from Lakewood to FY 09 (approx. \$400K)
 - 2) Obtained approval from Medical Mutual to defer the June insurance premium billing to July of 2008 (approx. \$230K)
 - 3) Eliminated/delayed encumbrances for any supplies and services wherever possible that would otherwise be outstanding as of 6/30/08 and encumber and pay any of these obligations that are critically needed into FY 09, therefore effectively increasing the District's General Fund appropriation for FY 09 (mainly out-of-district tuition of approximately \$200K - \$300K)
 - 4) Shifted eligible capital expenditures from the General Fund to the District's Permanent Improvement (PI) fund, effectively reducing the amount available in the PI fund for future capital and building needs (approximately \$30K)

The District's administration, with clear communication with and approval from the Board of Education, planned for the events outlined above and planned to be in compliance with state budgetary law. This plan played out as planned producing a very minimal ending actual unencumbered balance for FY 08.

- FY 09 saw the District recover somewhat from the fiscal issues that have been prevalent starting back in FY 05.
- By 6/30/09, the only expenditures/liabilities that were deferred to FY 10 was a billing of approximately \$320K for the Vocational Technical District billing from Lakewood as well as \$181K for a contingent premium originally due to the District's health insurer in FY 09 that was above the amount budgeted for such purposes. These items amount to a total of \$501K.
- No other significant expenditure items were deferred into FY 10 or beyond and the District had budgeted for the complete payoff of these carryover liabilities to be paid during FY 10 and had in fact paid off those liabilities by 6/30/10.

FY's 12 – 16:

Revenue:

- Property tax revenue (and related property tax allocation) increased in FY 10 due to full-year collection of the 5.9 mill continuing operating levy passed in May 2008. The original estimated full-year collection for this levy was \$4.3M, but based on the triennial update of property values that occurred in December 2009 as certified by the Cuyahoga County Auditor, residential values within Rocky River were *reduced* by 5%. This is anticipated to cause an annual decrease of \$181K to this estimate. Further, the 5% reduction in residential property values caused an additional loss of revenue from the inside millage portion of our tax rate of \$140K annually. The initial annual total loss of \$321K was realized by the District over two fiscal years (FY's 10 and 11) since the reduced property values did not take effect until 1/1/2010. As a point of reference, the District had originally estimated no change (flat) in residential and commercial values based on information that was available from the County Auditor back in October of 2008.
- The District's property tax revenue is also subjected to reductions based on delinquent taxes as well as challenges to reduce the County Auditor's value of property, which further contributed to a loss of property tax revenue in fiscal year 2011 as compared to fiscal year 2010. Based on these trends and what was estimated by the County Budget Commission as of February 28, 2011, a further reduction was assumed at that time for fiscal year 2012 of \$181K.
- In March of 2012, the District received its first half 2011 (collection 2012) property tax settlement and delinquent tax advance, which included the proceeds of a tax lien sale. The amount collected was \$678K *above estimates* for FY 12 and approximately \$500K above actual delinquent collections as compared to first half 2010 (collection 2011) amounts. Based on discussions with the county and a review of this situation by an independent fiscal consultant, it was determined that this is most likely a one-time increase due to improving fiscal conditions generally as well as improved collection efforts by the new County Fiscal Officer and is not expected to continue in subsequent years.
- Thereafter, very modest increases are estimated based on new construction, net of Board of Revision losses and collection of delinquent taxes. These estimates are subject to revision by the County Budget Commission each year based on an updated fiscal year Schedule A. Further, we are awaiting the potential impact on Board of Revision reduction filings as a result of the 2012 reappraisal in addition to the normal reduction filings that we would expect to see every year.

- Beginning in FY 16, the District is expected to begin recapturing a portion of lost revenue as a result of the seven-year Westgate property tax abatement. Because the abatement was phased-in starting in tax year 2007 (2008 collection year) with most occurring in tax year 2008 and some in 2009, we will not see any significant revenue until our FY 2016. Westgate is still the District's single largest taxpayer when all parcels of the Westgate property are taken into account. This property is mainly located within the City of Fairview Park but within the District boundaries. This forecast assumes an increase of \$150,000 in property tax revenue in fiscal 2016 and then another \$150,000 in fiscal 2017 related to the end of this tax abatement.
- As mentioned previously, the tangible personal and some former public utility revenue sources are being phased out completely after FY 11. Only certain *tangible public utility* property is set in current law to remain taxable in FY 12 and beyond. The state subsidy used to replace this revenue source has been completely eliminated as of fiscal year 2013 based on the passage of Amended Substitute H.B. 153 as explained previously.
- State unrestricted grants-in-aid are expected to increase slightly from the fiscal 2012 amounts based on Amended Substitute House Bill 153 as explained previously as well as some additional revenue to be received on account of tax revenue generated by the two new Ohio casinos that have been in operation for the past few months. We are then assuming this source will flat line in fiscal 2014 and continue for the length of this forecast. However, depending on what comes out of the current study and discussion at the state level regarding a new school funding formula and how casino tax revenues are apportioned to schools going forward, this could change starting with the next biennium beginning in fiscal 2014, including the elimination of the "guarantee" that the District has received for several years under various legislation.
- State restricted grants-in-aid reflected a reduction of 57% for FY 10 vs. FY 09 based on the fact that the State reduced their appropriation for catastrophic aid reimbursement by approximately this same percentage. This amount is also capped by a statewide appropriation level since the State has historically received a significantly larger amount of claims from school districts than they have appropriations from which to fund these reimbursements. For fiscal 2012, we saw a marked drop off in this line percentage-wise. For fiscal 2013 it is assumed that this revenue source will return to the fiscal 2010 amount. Starting in fiscal 2014, this forecast assumes that this funding source will not be continued in its current form as a separate and distinct revenue source upon commencement of the new biennium.
- Federal restricted grants-in-aid (line 1.045) continued in FY 2011 through funding received from the State Fiscal Stabilization Fund mentioned previously, but has ended as of the beginning of fiscal 2012. During fiscal

2012, the District received and utilized funding in the amount of \$60,812 from the federal Education Jobs legislation, but is not expecting additional funding from the program after fiscal year 2012 since it has not been reauthorized.

- Other Revenue (line 1.060) is expected to drop in fiscal 2013 mainly due to the anticipated monetizing of monthly cell tower lease payments that were forecasted through the end of this forecast. This line is then assumed to increase moderately through fiscal 2017 based on small and consistent increases in investment income due to an anticipated slight uptick in investment yields and investable cash, additional revenue from tax exempt bond proceeds available to invest over FY's 2011 - 2013 as well as additional revenue anticipated from new cell phone tower leases and other miscellaneous revenue sources. If investment returns recover to pre-2009 levels, this line could show significant growth on a percentage basis.
- All Other Financing Sources (line 2.060) consists mainly of interest rebates from the federal government from interest that the District will be paying on Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs) that the Board of Education has earmarked for receipt to the General Fund as allowable by current federal regulations for four full calendar years (over five fiscal years) in order to sustain the District's operations and allow for the delay of the next request for new operating money for one year. This additional revenue source is expected to end with the first of two payments scheduled in FY 15 and revert to the bond retirement fund for debt service payment purposes. Due to current federal budget sequestration provisions set to take effect on January 2, 2013 unless congress acts otherwise, the portion of the rebates related to Build America Bonds (BAB's) issued by the District could be reduced by 7.6%. No reductions have been assumed as of this forecast date, but is an item of interest for the District to watch and react accordingly should such reductions actually be put into effect.

Expenditures:

- Salary and wages include step increases for education and experience only for fiscal 2014 *based on the recent one-year extension of current contracts with both bargaining units approved by the Board of Education on 10/4/12*. No overall base salary increase was included in actual salary amounts for fiscal years 2012 and 2013 based on the two-year agreements approved in March 2011 which froze base salary for all employees. Anticipated salary increments have been assumed starting in FY 15 through the end of this forecast, but are subject to future personnel changes and future labor negotiations.
- For FY 10, this forecast reflected a reduction of non-instructional aides in the amount of 1.96 full-time-equivalent (FTE) positions as a cost-saving measure

that will not negatively impact the District's educational program in a significant manner. This forecast also reflects a reduction in the following FTE's for FY 11: Interpreters/Tutors – 1.90, High School Media Specialists - 1.0 High School Special Education Coordinator – 1.0. The duties previously performed by these employees were reassigned to existing staff members. For FY 12, the personnel FTE reductions are as follows: Social Worker - .75, Print Shop Employee - .25; Secretarial Position – 1.0; Special Education Tutor - .94; Facilities/Custodial Positions – .47; Educational Aide - .84. An internal administrative reassignment plan was also put in place that replaced an Asst. High School Principal position with an administrative intern from the teacher ranks and reassign current administrators to various positions within the District saving a total of approximately \$50,000 per year.

- Starting in FY 13, personnel and program changes totaling approximately \$167K have been reflected in this forecast as follows: Reductions of teaching positions to reflect student enrollment, supplemental contracts, secretarial time, custodian, lunch monitor, substitutes and institute transportation service changes/reductions and substitute scheduling software. Additionally, a decision has been made to employ a part-time food service director for a savings of approximately \$18K that will be saved within the Food Service Fund. The total savings expected from these reductions and changes is \$185K annually.
- This forecast included the addition of a full-time gifted coordinator in FY 12 in the additional amount of \$98K to replace the position that was previously being provided through a contract with the Educational Services Center of Cuyahoga County. The reason for adding this position to the District's payroll is that current funding for this position that subsidizes some of this cost will not be available any longer starting in FY 12 and the District's current student and staff population calls for a need for additional time from this position. The federal Education Jobs funding mentioned previously covers approximately \$60K of this cost in FY 12, but is not authorized to continue thereafter. This forecast also included the addition of one additional full-time high school mathematics teacher and one full-time special education teacher in FY 12 each due to state core curriculum and IEP requirements. In order to defray a significant portion of the cost of the special education teacher, a special education tutor position was eliminated.
- For FY 11, this forecast reflects the use of the second half of the one-time federal stimulus funding being made available to the District through the federal IDEA-B grant program to supplant mainly purchased services expenditures related to the special education area such as out-of-district tuition. A portion of these expenditures were picked back up by the General Fund starting in FY 12 and are anticipated to continue for FY's 13 – 17. This

forecast also reflects the two teaching positions that were paid from these funds in FY 11 being picked up by the corresponding federal grant in FY 12. The District implemented a medicaid-eligible tracking service in the last half of fiscal 2012 which is expected to yield a reimbursement of various medicaid-related costs. It is too soon to determine how much reimbursement will be garnered by this system, so no additional revenue/net reductions of costs have been assumed in this forecast.

- Related to the federal budget sequestration mentioned previously, this could also affect federal IDEA-B and Title I grant funding that the District currently receives in the approximate amount of \$80,000 based on fiscal 2013 funding for these particular grants. The District uses the majority of these grant dollars to cover personnel costs related to special education and learning-disadvantaged students, so the loss of funding would need to be assumed within the general operating fund of the District or staffing equal to this amount would need to be reduced. As with the Build America Bonds subsidy, this loss of funding is not reflected in this forecast, but is an area of concern that we will need to monitor closely.
- This forecast reflects 18 certificated staff member retirements (including one administrator) during FY 11. Severance pay and retirement credit purchase cost estimates that were payable starting in FY 12 have been included in this forecast for such retirements as well as the related savings that will be realized by hiring replacement personnel at lower salary levels. Very few retirements are expected over the remaining years of this forecast, so only minimal costs for possible administrative retirements have been assumed outside of current salary costs and no net savings have been assumed. Further, the current teacher bargaining agreement no longer contains a retirement credit purchase option.
- Employees' Retirement/Insurance Benefits are expected to increase generally based on salary increases and health insurance increases. Employee health insurance funding rates have been set for FY 13 causing the District to incur a slight overall rate *decrease* of -2.4% as of October 1, 2012 based on funding rates set on its current health insurance arrangement through the Suburban Health Consortium. This was due in large part to a rate recalibration process that was recently undertaken by the Suburban Health Consortium, saving the District approximately \$300K for FY 13 as well as the use of excess reserves used by the Consortium management to offset (and actually exceed) the remaining experience increase. This forecast assumes a 12% increase in the District's current funding rates for fiscal years 2014 and 2015 based on current enrollment numbers, current claims trending and preliminary expectations of increased insurance costs based on the requirements of the recently passed federal legislation affecting most insurance plans. Mitigating the insurance cost component of this line was the provision for all employees to pay an additional 1% (now 12% total for all full-time equivalent

employees) of the health insurance funding premiums starting in FY 14 based on the contract extensions referred to previously.

For fiscal years 2016 and 2017, the assumption is a 15% increase in rates, but reduced by the savings that will be realized due to the termination of the Consortium's equity reserve "buy-in. If additional savings can be achieved through additional cost containment and cost sharing measures in the next round of negotiations (e.g. increased employee cost sharing, plan design modifications, impact of wellness initiatives, etc.), these increases could be mitigated somewhat. The District is hopeful that as a continuing member of the Suburban Health Consortium, we will experience an "evening-out" of medical insurance increases over the next several years to stay within or below these estimates. This would be in spite of having to fund the equity reserve "buy-in" over five years mentioned previously at \$14,971 per month through fiscal 2015.

- Additionally, costs associated with the retirement incentive program will be completely eliminated starting with FY 15.
- Purchased services are expected to increase moderately mainly because of assumed increases in special education tuition costs and certain utility rates/usage through FY 17. FY 12 saw this line increase 8% due to higher special education tuition costs and the addition of a School Resource Officer in the high school. FY 13 assumes a smaller increase in this area since it is assumed that no new lease-purchase agreements for technology will be entered into in FY 13 due to the recent levy failure and special education tuition will stabilize somewhat for the 12/13 school year.

The increases expected in this area have been mitigated by the fact that the District entered recently entered into a cooperative electricity purchasing agreement starting in June 2011 at a fixed price through May 2014 through the Power4Schools program administered by the Ohio School Council, Ohio Association of School Business Officials and Ohio School Boards Association that continues the reduction of electricity generation costs by over 20% as well as receiving an additional discount on the distribution portion of our electric billing based on the outcome of the recent PUCO FirstEnergy rate case. Further, natural gas rates have actually decreased over prior levels which helped control costs during fiscal years 2011 and 2012, but it is not assumed that these levels will continue.

Also, as mentioned earlier in these assumptions, Community School payments have averaged close to \$120K over the past several years and are assumed to continue near this level throughout this forecast. However, these types of payments could increase if school choice options are expanded through state legislation.

- Supplies and materials are projected to incur a large percentage increase in FY 13 based on additional curricular needs and then come back to more of a normal trend starting in FY 14 to keep pace with inflation and provide for needed instructional and building/plant operating materials through the end of the forecast.
- Capital Outlay (Equipment/Building) was assumed to increase starting in FY 13 and then continue forward moderately above the FY 13 level due to the planned implementation of Google Chromebooks for grades 6 – 12. However, due to the recent levy failure, the District has decided to put this initiative on hold for the time being as mentioned previously. It will be considered again, on a reduced scale, if a 4.9 mill operating levy request is successful in November of 2012. Also, the District will be funding major building and infrastructure improvements along with purchasing much needed equipment with bond issue funds as previously mentioned as well as utilizing various lease/purchase transactions to purchase educational technology (for which the outlay is reflected in line 3.030) if needed in addition to some minimal Permanent Improvement Fund dollars.
- The Other Objects (line 4.300) spiked in FY 12 due to higher than normal county fiscal fees related to increased delinquent tax collections. This line is assumed to level out in FY 13 and then increase by 10% annually for FY 14 and beyond, mainly due to county and state property tax and related collection fees and general inflation for other items such as liability insurance.
- Debt Repayment (lines 4.055 and 4.060) is budgeted per the payback schedule for manuscript bonds issued in fiscal 2004 when the District borrowed \$385,000 from the unobligated portion of its Bond Retirement Fund for stadium improvements. The bonds were to be repaid over a ten year period from the General Operating Fund. Scheduled principal and interest payments for the forecast are as shown. At such time that the District needs to replace the top layer of the artificial turf field that was a major component of the 2004 stadium improvements, it may be advantageous to issue new manuscript debt to fund that venture. This is anticipated to be needed in FY 14 with repayment of borrowing beginning in FY 15, so \$20K per year is assumed to be the debt service payable per year through the end of the forecast period.
- Transfers of \$213,118 were made in FY 10 to mainly cover a deficit in the District's Adult and Community Education program in the amount of \$124,926 that had developed over several years as well as a deficit in the District's student activity funds of approximately \$86,000. The District administration had reviewed the Adult and Community Education program as of June 2008 and decided to recommend the discontinuation of this program due to financial reasons. The Board of Education approved this recommendation, so this program no longer existed starting in FY 09. In FY 11 a transfer in the amount of \$37,791 was necessary. This forecast assumes

\$60K for fiscal years 2013 – 2015 to subsidize the student activity funds, and then drop back to \$30K per year in 2016. Based on individual negative beginning balances within the Student Activity/Athletic funds (USAS Fund 300), it may be necessary to increase this transfer amount in a given year and possibly continue a higher level of transfer in fiscal 2016 and beyond.

- This forecast also assumes the delay/reduction of three-year initiatives in the amount of \$1,452,000 – New/expanded course offerings, foreign language, International Baccalaureate consortium, technology, textbooks, music instruments, fitness equipment, school bus replacement. If the November 2012 levy request is passed, these areas may be added back in incrementally as resources allow.

IN SUMMARY:

During the past several years, the Rocky River City School District's finances have been through as tough a time as they have ever experienced in recent memory. With the passage of a 5.9 continuing operating levy and continuing cost containment and reduction efforts, the District regained some financial stability in the second half of FY 09 and into the beginning of FY 10. However, due to the local and national economic situation that has affected property tax collections in the form of higher levels of delinquencies, a reduced residential property tax base and corresponding loss of revenue, tax abatement on commercial property beyond the District's control, significant increases in health insurance premiums and the recent erosion of state funding support, the District has continued to face challenging times financially. The recent uptick in the economy (e.g. improved tax collections), although muted, is a sign that conditions might be starting to turn around.

With the defeat of the 5.9 mill levy request in March of 2012, the District undertook an extensive internal review of costs in all areas, hired an outside school fiscal consultant to review financial projections and needs, held a series of public meetings and offered other means of communication in order to obtain public input on the District's programs and funding. Based on this, the Board and Administration have come up with a plan to further reduce expenditures for FY 13 and return to the voters in November of 2012 for a reduced operating levy request of 4.9 mills.

In addition, the revenue projections in this forecast are also vulnerable to downward fluctuations due to actual collection of property taxes less than expected as well as the following possibilities: the loss of revenue due to unfavorable findings by the County Board or Revision or State Board of Tax Appeals against the district; not meeting revenue growth estimates; and unfavorable changes to the State of Ohio's school funding system. Further, any negative deviations from this forecast that are even somewhat significant (e.g. 1% less in actual revenue as compared to estimates and 1% more in expenditures over budgeted amounts) could force the District to implement additional

cuts in educational programs and/or support areas above and beyond what has already been put into place during prior fiscal years.

The District completed a strategic planning process in June 2009 and also finalized a master facility planning initiative and passed a corresponding \$43 million bond issue since then whose ultimate goals are to provide a renewed vision and action plan to take an already excellent school district and improve opportunities for all students into the future. These endeavors should continue to help the District in its fiscal planning process by providing a framework to find alternative sources of revenue, achieve cost-containments/reductions and provide for the District's facility needs over the next decade or more that will allow the District to regain financial stability.

Bill To:
Rocky River City Schools
 Rocky River City Schools
 1101 Morewood Parkway
 Rocky River, OH 44116

Markus, Greg
 Phone: 440-356-6015
 Fax: 440-356-6008

PURCHASE ORDER

2785
 Page: 1
 Release Method: Hard Copy
 Release Date: 09/13/2012
 Fiscal Date: 09/11/2012
 Need By Date: n/a
 Print Date: 09/13/2012

Vendor:
 176246
 BRATTON CORPORATION
 1105 DUBLIN ROAD
 COLUMBUS, OH 43215-1005

Attn: CUSTOMER SERVICE

Phone: 123-123-1234

Fax:

Ship To:
 Magnificat High School
 20770 Hilliard Blvd.
 Rocky River, OH 44116

Petsas, Gail

Phone: 440-356-6028

Fax: 440-356-6830

Purchase Order Comments:

Please Mail

Requisition Numbers: 2210

Vendor Item	QTY	UOM	Description	Unit Price	Total Price
	4	Each	Per Quote #11912 - Software Licenses for Soloist & Virtuoso	\$844.00	\$3,376.00 ✓
Deliver To: Gail Petsas					
	4	Each	Headphones	\$120.00	\$480.00 ✓
Deliver To: Gail Petsas					
	1	Each	S&H	\$10.50	\$10.50 ✓
Deliver To: Gail Petsas					
				Sub Total: \$	3,866.50
				Total: \$	3,866.50

Account Code Summary		
Account Code	Account Description	Amount
401-3260-516-9213-000000-062		\$3,376.00 ✓
401-3260-640-9213-000000-062		\$490.50 ✓

INSTRUCTIONS TO VENDOR

- All shipments must be prepaid
- Exempt for Federal Excise Tax - Federal I.D. #34-60002315 - And Ohio Sales Tax
- Rocky River Board of Education will not in any manner be responsible for goods delivered or work done on its account unless authorized.
- This purchase order number must appear on all invoices, packages and shipping papers.

TREASURER'S CERTIFICATE

It is hereby certified that the amount requested to meet the contract, agreement, obligation, payment or expenditure, for the above, has been lawfully appropriated or authorized or directed for such purposes and is in the Treasury or in process of collection to the credit of the Rocky River City School District free from any obligation or certification now outstanding

 Treasurer

APPROVED FOR PAYMENT	
PARTIAL	FULL ✓
BY	<i>gr</i>
DATE	10-9-12
AMOUNT	3866.50
INVOICE	14819
RECEIVED	9/2/12

TREASURER'S OFFICE
 OCT 9 - 2012
 RECEIVED

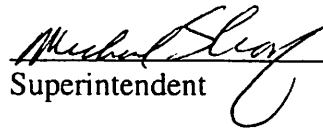
**THEN AND NOW
CERTIFICATE**

It is hereby certified that both at the time of the making of this contract or order and at the date of the execution of this certificate, the amount of \$³3866.50 required to pay this contract or order has been appropriated for the purpose of this contract or order and is in the treasury or in the process of collection to the credit of the Rocky River Board of Education free from any previous encumbrance.

When the fiscal officer of the Rocky River City School District is using the "Then and Now Certificate" and the amount certified exceeds \$3,000, then the fiscal officer must obtain the legislative authority's approval by resolution. This approval must be obtained within 30 days of the legislative authority's receipt of the certificate.



Treasurer



Superintendent

For amounts over \$3,000:

Board Resolution Number Date

Date: Auditor of State Bulletin 6/20/97
Revised effective April 7, 2003

Bill To:

Rocky River City Schools

Rocky River City Schools
1101 Morewood Parkway
Rocky River, OH 44116

Markus, Greg
Phone: 440-356-6015
Fax: 440-356-6008

Vendor:

608390
RYBAK AND ASSOCIATES, INC.
21821 LIBBY ROAD, #102
BEDFORD HEIGHTS, OH 441466859

Attn: CUSTOMER SERVICE

Phone: (216)475-3070

Fax:

Purchase Order Comments:

ENCUMBER ONLY - DO NOT MAIL

Requisition Numbers: 2167

Rr

PURCHASE ORDER

3058

Page: 1

Release Method: Hard Copy

Release Date: 10/10/2012

Fiscal Date: 09/07/2012

Need By Date: n/a

Print Date: 10/10/2012

Ship To:

Transportation
20951 Detroit Road
Rocky River, OH 44116

Levendusky, Mary

Phone: (440) 356-6042

Fax: (440) 356-6079

Vendor Item	QTY	UOM	Description	Unit Price	Total Price
	1	Each	Spec. Needs Transportation thru 9/30/12	\$15,000.00	\$15,000.00
Deliver To: Maimone, Kay					
	1	Each	Transportation to LRA thru 9/30/12	\$1,500.00	\$1,500.00
Deliver To: Maimone, Kay					
Sub Total: \$					16,500.00
Total: \$					16,500.00

Account Code Summary		
Account Code	Account Description	Amount
001-2821-480-0000-000000-046		11,112.00
001-2829-490-0000-000000-046		1,680.00

INSTRUCTIONS TO VENDOR

1. All shipments must be prepaid
2. Exempt for Federal Excise Tax - Federal I.D. #34-60002315 - And Ohio Sales Tax
3. Rocky River Board of Education will not in any manner be responsible for goods delivered or work done on its account unless authorized
4. This purchase order number must appear on all invoices, packages and shipping papers

TREASURER'S CERTIFICATE

It is hereby certified that the amount requested to meet the contract, agreement, obligation, payment or expenditure, for the above, has been lawfully appropriated or authorized or directed for such purposes and is in the Treasury or in process of collection to the credit of the Rocky River City School District free from any obligation or certification now outstanding

APPROVED FOR PAYMENT

PARTIAL FULL

BY KM

DATE 10/11/12

AMOUNT 12,792.00

INVOICE RR05-812

RECEIVED RR05-912

Treasurer

TREASURER'S OFFICE

OCT 11 2012

RECEIVED

Rybak & Associates Inc.

INVOICE

21821 Libby Rd., #102
Bedford Hts, OH 44146
Phone 216-475-3070 Fax 216-475-3099

Invoice #RR05-0812
Date: September 5, 2012

To:
Rocky River School District

For:
Special Needs Transportation
August 2012

DESCRIPTION	AMOUNT
Hopewell PEP/round trip - 8 trips	\$ 800.00
RR High School/round trip - 7 trips	\$ 392.00
Eleanor Gerson/one way trip - 3 trips	\$ 120.00
Marriot/one way trip - 3 trips - 7 trips	\$ 280.00
Goldwood Primary-Reach -1/round trip - 4 trips	\$ 600.00
Goldwood Primary-Reach -2/round trip - 4 trips	\$ 600.00
Lakeridge Academy/one way trip - 5 trips	\$ 350.00
TOTAL	\$3,142.00

Make all checks payable to Rybak & Associates
If you have any questions concerning this invoice, contact Sergy
Denysyuk, 216-475-3070



Thank you for your business!

APPROVED FOR PAYMENT
By: Km
Date: 10/11/12

TRANSPORTATION

SEP 07 2012

RECEIVED


**THEN AND NOW
CERTIFICATE**

It is hereby certified that both at the time of the making of this contract or order and at the date of the execution of this certificate, the amount of \$ 3,142.00 required to pay this contract or order has been appropriated for the purpose of this contract or order and is in the treasury or in the process of collection to the credit of the Rocky River Board of Education free from any previous encumbrance.

When the fiscal officer of the Rocky River City School District is using the "Then and Now Certificate" and the amount certified exceeds \$3,000, then the fiscal officer must obtain the legislative authority's approval by resolution. This approval must be obtained within 30 days of the legislative authority's receipt of the certificate.



Treasurer



Superintendent

For amounts over \$3,000:

Board Resolution Number Date

Date: Auditor of State Bulletin 6/20/97
Revised effective April 7, 2003

Bill To:

Rocky River City Schools

Rocky River City Schools
1101 Morewood Parkway
Rocky River, OH 44116

Markus, Greg
Phone: 440-356-6015
Fax: 440-356-6008

Rr

PURCHASE ORDER

3090

Page: 1

Release Method: Hard Copy

Release Date: 10/10/2012

Fiscal Date: 09/25/2012

Need By Date: n/a

Print Date: 10/10/2012

Vendor:

737187
ZIMMER EXERCISE EQUIPMENT
2800 HUNTERS TRAIL
MEDINA, OH 44256

Attn: CUSTOMER SERVICE

Phone: 123-123-1234

Fax:

Ship To:

Rocky River High School
20951 Detroit Road
Rocky River, OH 44116

Rowe, Rose

Phone: (440)356-6039

Fax: (440)331-2189

Purchase Order Comments:

encumber only do not mail

Requisition Numbers: 2350

Vendor Item	QTY	UOM	Description	Unit Price	Total Price
	1	Each	2012 Preventative Maintenance in Weight Room	\$4,865.00	\$4,865.00
Deliver To: Williams, Cindi					
				Sub Total: \$	4,865.00
				Total: \$	4,865.00

Account Code Summary		
Account Code	Account Description	Amount
300 4590 490 957H 000000 033		\$4,865.00

INSTRUCTIONS TO VENDOR

1. All shipments must be prepaid
2. Exempt for Federal Excise Tax - Federal I.D. #34-60002315 - And Ohio Sales Tax
3. Rocky River Board of Education will not in any manner be responsible for goods delivered or work done on its account unless authorized
4. This purchase order number must appear on all invoices, packages and shipping papers

TREASURER'S CERTIFICATE

It is hereby certified that the amount requested to meet the contract, agreement, obligation, payment or expenditure, for the above, has been lawfully appropriated or authorized or directed for such purposes and is in the Treasury or in process of collection to the credit of the Rocky River City School District free from any obligation or certification now outstanding

APPROVED FOR PAYMENT

PARTIAL FULL

BY: aw

DATE: 10-16-12

AMOUNT: 4965.00

INVOICE: 477592

RECEIVED: 6/18/12

Treasurer

TREASURER'S OFFICE
OCT 16 2012
RECEIVED

Zimmer Exercise Equipment
 2800 Hunters Trail
 Medina, OH 44256

Date 7/30/2012
 Invoice # 477592

Bill To
 Rocky River High School
 20951 Detroit Road
 Rocky River, Ohio 44116

Ship To
 Rocky River High School
 20951 Detroit Road
 Rocky River, Ohio 44116

P.O. #
 Terms

Ship Date 7/30/2012
 Due Date 8/30/2012
 Other

Item	Description	Qty	Price	Amount
Tech Service	****2012 Preventative Maintenance in Fitness Center**** 06/18/12 Preventative maintenance on all Hammer Strength equipment in fitness center including inspection, clean, lubricate, and adjust. Order of Hammer Strength pads.		575.00	575.00
Tech Service	07/03/12 Install of 26 Hammer Strength pads.		3,175.00	3,175.00
Tech Service	07/24/12 re-upholster of free weight bench pads, arm curl, hump pad, roman chair		450.00	450.00
Tech Service	07/24/12 Re-upholster of stray dog all purpose bench pads		575.00	575.00
Tech Service	07/24/12 Install of new popper pins on Squat racks		90.00	90.00

Thank you for your business.

Subtotal \$4,865.00
 Sales Tax (6.5%) \$0.00
 Total \$4,865.00
 Payments/Credits \$0.00
 Balance Due \$4,865.00

Zimmer Exercise Equipment
 erikzimmer@zimmerexercise.com
 www.zimmerexercise.com

330-241-5593
 330-241-5593
 APPROVED FOR PAYMENT
 By CW
 Date 10.16.12

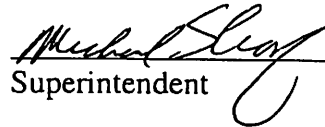
**THEN AND NOW
CERTIFICATE**

It is hereby certified that both at the time of the making of this contract or order and at the date of the execution of this certificate, the amount of \$ 4865.00 required to pay this contract or order has been appropriated for the purpose of this contract or order and is in the treasury or in the process of collection to the credit of the Rocky River Board of Education free from any previous encumbrance.

When the fiscal officer of the Rocky River City School District is using the "Then and Now Certificate" and the amount certified exceeds \$3,000, then the fiscal officer must obtain the legislative authority's approval by resolution. This approval must be obtained within 30 days of the legislative authority's receipt of the certificate.



Treasurer



Superintendent

For amounts over \$3,000:

Board Resolution Number Date

Date: Auditor of State Bulletin 6/20/97
Revised effective April 7, 2003

STAFFING SERVICES AGREEMENT

THIS STAFFING SERVICES AGREEMENT ("Agreement") is entered into effective October 2, 2012 (the "Effective Date"), by and between **Harborside Rehabilitation LP, dba ReadyNurse Staffing Services** (hereinafter referred to as **ReadyNurse**), Inc. ("Company"), and **Rocky River City School District** ("Client").

I. SERVICES. Company, as a provider of medical staffing services, shall furnish to Client qualified professional healthcare personnel ("Personnel") on an as-needed, as-available basis and in accordance with this Agreement's terms. Qualified Personnel are those individuals who meet the state-established licensing board standards and guidelines for their respective profession, and have had criminal background checks obtained by Company.

II. TERM AND TERMINATION. This Agreement shall begin October 2, 2012 and terminate June 5th, 2013.

III. ADDITIONAL RIGHTS, DUTIES AND OBLIGATIONS OF COMPANY.

3.1 Personnel Information. Company shall maintain and provide to Client, upon written request, the following information for any Personnel:

- i. A copy of current license, registration, or certification.
- ii. Proof of completion of educational requirements, continuing education where required.
- iii. Proof of insurance coverage, as defined herein.
- iv. Confirmation that a background check was completed.
- v. Confirmation that a drug screen was completed, if applicable.
- vi. Document(s), if available, required for audit and accreditation activities.

3.2 Company Employees. All Personnel assigned to Client under this Agreement shall be employees of Company. Company shall assume sole and exclusive responsibility for the payment of wages to Personnel for services performed by them. Company shall be responsible for withholding federal and state income taxes, paying Social Security taxes, unemployment insurance and maintaining worker's compensation insurance coverage in an amount and under such terms as required by state law.

IV. ADDITIONAL RIGHTS, DUTIES AND OBLIGATIONS OF CLIENT.

4.1 Supervision and Instruction. Client is responsible for supervision and instruction of the Personnel regarding policies, procedures, and Client operation, specifically including, but not limited to all necessary Client safety procedures, equipment handling, and services to be rendered. Client shall remain solely liable for the safe working conditions and supervision of those entrusted to operate equipment and provide services hereunder.

4.2 Acceptance of Personnel. Client retains the right to determine, within reasonable discretion, which Personnel shall be accepted for initial or repeated service. Client shall provide Company with advance notification of Client's staffing needs.

4.3 Right to Dismiss. Client maintains the right, per its own policies and procedures, to require any Personnel to leave its premises immediately. Client shall immediately notify Company of any and all such actions.

4.4 Incident Reporting. Client shall notify Company immediately of any Client policy and procedure violation that results in potential professional liability or workplace injury incident involving Company Personnel. Additionally, Client shall notify Company of any unsatisfactory performance or conduct involving Personnel. All Client requests to have Personnel removed from an assignment shall be performed in writing with reference to specific Client policies and procedures. Client shall provide Company with performance evaluations upon the completion of, or, if requested, during each assignment.

V. NON-SOLICITATION. During the term of this Agreement and for one (1) year following termination, Client shall not, directly or indirectly (*e.g.*, by hiring or using another individual or entity that hires Company's employees or contractors, or as an owner, client, manager, partner, member or five percent (5%) or more shareholder), employ or contract with any Company employee, agent or representative who provided, managed or otherwise was involved in the provision of Services to the Client during the term of this Agreement. Client shall not induce any Company employee, agent or representative to terminate his/her relationship with Company. Client shall notify Company of its intent to hire any Company employee, agent or representative introduced to Client during the term of this Agreement or for a period of one (1) year following this Agreement's termination. Client shall pay Company a fee upon employment of any such individual. The fee shall be equal to thirty percent (30%) of the first year compensation, including bonuses, offered to the individual by Client. The fee shall be due and payable on the first day of employment of the individual with Client.

VI. COMPENSATION.

6.1 Billing Rates. Company's billing rates are established in the attached **Addendum A**. Billing rates may be changed upon thirty (30) days written notice by Company to Client.

6.2 Billing and Payment Terms. Client shall pay Company for Personnel provided and charges pursuant to this Agreement. Company shall invoice, every seven (7) days, for Personnel provided by Company to Client. Client shall pay Company within thirty (30) days from the invoice date. Any outstanding balance not paid within forty-five (45) days of the invoice date shall be subject to a late payment charge of one and one-half percent (1.5%) per month, eighteen percent (18%) annual rate or such lesser amount as necessary to ensure that such late charge does not exceed the maximum allowable by law. If Company assigns the account balance to a collection agency or an attorney for legal action, all subsequent collection charges and reasonable legal fees, costs, and expenses shall be paid by Client. Client acknowledges that Client's responsibility to pay Company for personnel provided under this Agreement is separate and distinct from its ability to collect payment for such personnel's services from the patients, Medicare, Medicaid, and/or any other insurance program or responsible party.

6.3 Termination for Non-payment. Notwithstanding any other provision in this Agreement, Company may immediately terminate this Agreement at any time without notice if payment for services is not received by the forty-fifth (45th) day after the invoice is mailed.

VII. INDEPENDENT CONTRACTOR. In the execution and performance of this Agreement, Company and Client are and shall be at all times acting as independent contractors. Nothing in this Agreement is intended or shall be construed or be deemed to create between Company and Client an employer-employee relationship, a joint venture relationship, or a partnership. Except as provided in the Agreement, neither party shall have nor exercise any control or direction over the method or means by which the other party shall perform its duties or services under this Agreement.

VIII. INSURANCE AND INDEMNIFICATION.

8.1 Company's Insurance. Company shall maintain, at Company's sole cost and expense, comprehensive professional and general liability insurance at levels required by law, but not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate. In the event such coverage is provided under a "claims made" policy, such coverage shall remain in effect (or the covered party shall procure equivalent "tail coverage") for a period of not less than five (5) years following termination of this Agreement. Company shall maintain workers' compensation insurance for all of Company's staff in amounts required by the laws of the state in which Client is located, although Company may elect to self-insure for workers compensation insurance, pursuant to applicable law. Company shall cause its insurer to deliver to Client thirty (30) days prior written notice of any expiration or cancellation of such policies and, upon request, Company shall provide written proof of coverage to Client.

8.2 Client's Insurance. Client shall maintain, at Client's sole cost and expense, comprehensive professional and general liability insurance at levels required by law, but not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate. In the event such coverage is provided under a "claims made" policy, such coverage shall remain in effect (or the covered party shall procure equivalent "tail coverage") for a period of not less than five (5) years following termination of this Agreement. Client shall maintain workers' compensation insurance for all of Client's staff in amounts required by the laws of the state in which Client is located, although Client may elect to self-insure for workers compensation insurance, pursuant to applicable law. Client shall cause its insurer to deliver to Company thirty (30) days prior written notice

of any expiration or cancellation of such policies, and, upon request, Client shall provide written proof of coverage to Company.

8.3 Mutual Indemnification. Each of Company and Client (the "Indemnifying Party") hereby indemnify the other, its affiliates, directors, officers, and employees (the "Indemnified Party"), and hold the Indemnified Party harmless from and against any and all claims, demands, liabilities, cause or causes of action, and attorney's costs, fees, and reasonable expenses whatsoever, pertaining to all aspects of the Indemnifying Party's services, business, contracts and dealings whatsoever, except as occasioned by the act, failure to act, negligence, or breach of this Agreement by the Indemnified Party.

IX. CONFIDENTIALITY.

9.1 Information. Each party to this Agreement, by virtue of entering into this Agreement, shall have access to certain information of the other party that is confidential and constitutes valuable, special and unique property of the other party. Each party shall not, at any time, either during or subsequent to the term of this Agreement, disclose to others, use, copy or permit to be copied, any confidential or proprietary information of the other party without the other party's express prior written consent, except pursuant to its duties hereunder.

9.2 Terms of this Agreement. Except for disclosure to their legal counsel, accountants, or financial advisors, neither party shall disclose the terms of this Agreement, to any person who is not a party or signatory to this Agreement, unless disclosure thereof is required by law or otherwise authorized by this Agreement.

X. MISCELLANEOUS.

10.1 Financial Assurance. Client warrants that it has sufficient assets to support the costs of this Agreement.

10.2 Notices. Any notices or other communications required or permitted under this Agreement shall be sufficiently given if sent by (i) registered or certified mail, postage prepaid, return receipt requested, or (ii) recognized overnight couriers addressed as follows:

Company:
Harborside Rehabilitation LP, dba
ReadyNurse Staffing Services
(hereinafter referred to as ReadyNurse),
Inc.
31600 Telegraph Rd., Suite 175

Bingham Farms, MI 48025

Attn: Denise Cook

Telephone: (248) 203-0490

Facsimile: (248) 203-0494

Client:
Rocky River City School District

Rocky River City School District
1101 Moorewood Parkway
Rocky River, OH 44116

Telephone: (440) 356-6003

Facsimile: (440) 356-6014

With copy to:
Harborside Rehabilitation LP, dba
ReadyNurse Staffing Services
(hereinafter referred to as
ReadyNurse), Inc.
18831 Von Karman Ave, Suite 400
Irvine, California 92612
Attn: Corporate Contracts Counsel
Telephone: 949.255.7100
Facsimile: 949.255.7057

or such other address as shall be furnished in writing by either of the Parties. Any such notice or communication

shall be deemed to have been given as of three (3) business days after the date so mailed or one (1) business day after deposit with such overnight courier for next day delivery.

10.3 Compliance with "Do Not Fax" Regulation. Client hereby grants Company permission to deliver to Client via facsimile information concerning Company's products and services.

10.4 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Company or Client any rights, remedies, obligations, or liabilities whatsoever.

10.5 Assignment. This Agreement may not be assigned by either party without the written consent of the other party. Consent for one assignment does not waive the consent requirement for any subsequent assignment, but, subject to the foregoing limitation, shall inure to the benefit of and be binding on the successors and assigns of the respective parties. Notwithstanding the foregoing, Company may assign this Agreement to a parent corporation, affiliate, or successor in interest without Client's consent.

10.6 Governing Law. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State in which services are being provided under this Agreement.

10.7 Attorney's Fees. In the event of any litigation by any party to enforce or defend itself under this Agreement, the prevailing party, in addition to all other relief, shall be entitled to reasonable attorneys fees.

10.8 Waivers. A waiver by either party of one or more terms, conditions, rights, duties, or breaches shall not constitute a waiver of any other.

10.9 Open Records Requirements. If compensation payable hereunder exceeds Ten Thousand Dollars (\$10,000) per annum, Company hereby agrees to make available to the Secretary of Health and Human Services ("HHS"), the Comptroller General of the Government Accounting Office ("GAO"), Client and Intermediary and their authorized representatives, all contracts, book, documents and records that are necessary to certify to the nature and extent of the costs hereunder for a period of four (4) years after the furnishing of services hereunder. In addition, Company hereby agrees, if services are to be provided by subcontract, to make available to the HHS, GAO, Client and Intermediary or their authorized representative, all contracts, book, documents, and records that are necessary to certify the nature and extent of the costs hereunder for a period of four (4) years after the furnishing of services hereunder within fourteen (14) days of request.

10.10 Civil Rights. Each of Company and Client shall comply with Title VI of the Civil Rights Act of 1964 and all requirements imposed by or pursuant to regulations of the U.S. Department of Health and Human Services (45 C.F.R. Part 80) issued pursuant to that Title, to the end that, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied for benefits of, or be otherwise subjected to discrimination under any program or activity for which Federal funds are used in support of either party's activities.

10.11 HIPAA. Addendum B is hereby incorporated into the terms of this Agreement for purposes of compliance with applicable laws and regulations with respect to confidentiality of protected health information.

10.12 Privacy of Personal Information. Each party shall protect any personal information that it receives from the other, including, but not limited to, names, social security numbers, or credit information (i.e., credit card or bank account information), of employees, patients, customers or clients of Company, in a manner consistent with industry standards and state and federal regulations governing the protection of such personal information against inappropriate disclosure of that information. Each certifies that it has implemented systems to protect any personal information that it receives from the other from such disclosures in accordance with applicable law.

10.13 Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes all prior and contemporaneous agreements, oral or written, between the parties related to the subject matter contained herein and may not be amended, modified or waived, in any respect whatsoever, except by written agreement signed by the parties.

COMPANY AND CLIENT hereby execute this Agreement as of the Effective Date.

**COMPANY: HARBORSIDE REHABILITATION
LP, DBA READYNURSE STAFFING SERVICES
(HEREINAFTER REFERRED TO AS
READYNURSE), INC.**

**CLIENT: ROCKY RIVER CITY SCHOOL
DISTRICT**

Sign Name:

Print Name: Denise Cook

Title: Area Director

Sign Name:

Print Name: Samuel L. Gifford

Title: Executive Director



ADDENDUM A:

HARBORSIDE REHABILITATION LP, DBA READYNURSE STAFFING SERVICES (HEREINAFTER REFERRED TO AS READYNURSE), INC.

Per Diem Rate Schedule

Effective Date: October 2, 2012

ROCKY RIVER CITY SCHOOL DISTRICT

Registered Nurse (RN) \$40.00/Hour
Licensed Practical Nurse (LPN) \$25.00/Hour

HARBORSIDE REHABILITATION LP, DBA READYNURSE STAFFING SERVICES (HEREINAFTER REFERRED TO AS READYNURSE)'s work week begins at 7:00 a.m. on Mondays and runs through all three shifts on Sunday.

HOLIDAY CHARGES: HARBORSIDE REHABILITATION LP, DBA READYNURSE STAFFING SERVICES (HEREINAFTER REFERRED TO AS READYNURSE) bills one-and-a-half (1.5) times the regular hourly rate for the following six holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

OVERTIME CHARGES: Overtime shall be considered all hours worked by any personnel over forty (40) hours, encompassing all shifts in any given work week defined as Monday through the following Sunday. All overtime hours worked shall be compensated at time-and-one half (1-1/2) the regular hourly bill rate stated above.

CANCELLATION POLICY: Client is responsible for giving a 14 day written notice of cancellation to Company to end a long term/contract assignment early. Shift cancellations must be made (8) hours prior to the shift's report time. A cancellation fee of (4) hours is charged on any cancellation made with less than (8) hours advance notice.

EXCEPTIONS: Should any assignment require an adjustment to the above listed rates, a confirmation letter will be provided to Client confirming the adjusted rate. Said confirmation letter must be executed by both Company and Client prior to the start of the assignment.

COMPANY: HARBORSIDE REHABILITATION LP, CLIENT: ROCKY RIVER CITY SCHOOL DISTRICT
DBA READYNURSE STAFFING SERVICES
(HEREINAFTER REFERRED TO AS READYNURSE)

Sign Name: _____ Sign Name: Samuel L. Gifford
Print Name: Denise Cook Print Name: Samuel L. Gifford
Title: Area Director Title: Executive Director

**ADDENDUM B:
BUSINESS ASSOCIATE ADDENDUM
HIPAA PRIVACY COMPLIANCE**

THIS BUSINESS ASSOCIATE ADDENDUM ("Addendum") supplements and is made a part of the Staffing Services Agreement to which it is attached ("Agreement"), is entered into by and between Client (herein, "CE") and Company, who is or may be a business associate pursuant to HIPAA (herein, "BA"), and is made effective with the Agreement ("Addendum Effective Date").

WHEREAS, CE wishes to disclose certain information to BA pursuant to the terms of the Addendum, some of which may constitute Protected Health Information ("PHI") and/or electronic Protected Health Information ("ePHI").

WHEREAS, CE and BA intend to protect the privacy of PHI and ePHI disclosed to or created or received by BA pursuant to the Addendum in compliance with applicable provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "Privacy Rule" and the "Security Rule") and other applicable laws.

WHEREAS, the purpose of this Addendum is to satisfy certain standards and requirements of the Privacy Rule, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("CFR"), and the Security Rule, including but not limited to CFR Title 45 Sections 164.308(b) and 164.314(a) as the same may be amended from time to time.

IN CONSIDERATION of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

I. DEFINITIONS.

Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy Rule and Security Rule. In the event of a conflict between the definitions in this Addendum and the definitions in the Privacy Rule or Security Rule, the definitions in the conflicting rule shall be applied.

Protected Health Information ("PHI") means any information, whether oral or recorded in any form or medium, including ePHI (as defined below), that

- a. Relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; and
- b. Identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; and
- c. Is limited to the information created or received by BA from or on behalf of CE.

Electronic Protected Health Information ("ePHI") is a subset of PHI and means PHI that is transmitted by or maintained in electronic media. References herein to PHI shall include ePHI.

Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

Security Rule means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR part 160 and part 164, subparts A and C.

Rules means both the Privacy Rule and the Security Rule.

Disclose means the release, transfer, provision of access to, or divulging in any other manner of PHI to parties outside the BA's organization.

Use means the sharing, employment, application, utilization, examination, or analysis of PHI within the BA's organization.

Secretary means the Secretary of Health and Human Services or any other officer or employee of HHS to whom the authority involved has been delegated.

Data aggregation means, with respect to PHI created or received by an BA in its capacity as a Business Associate of a CE, the combining of such PHI by the BA with the PHI received by the BA in its capacity as a Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

Individual means the person who is the subject of PHI and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

Required By Law means a mandate contained in law that compels a covered entity to make a use or disclosure of PHI and that is enforceable in a court of law.

II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE.

1. Nondisclosure. BA shall not use or disclose CE's PHI other than as permitted or required by this Addendum or as required by law.
2. Minimum Necessary. BA shall use or further disclose PHI only in the minimum amount and to the minimum number of individuals necessary to achieve the purpose of the services being rendered to or on behalf of CE.
3. Safeguards. BA shall use appropriate safeguards to prevent use or disclosure of CE's PHI otherwise than as provided for by this Addendum.
4. Reporting of Unauthorized Disclosures. BA shall report to CE any use or disclosure of CE's PHI not provided for by this Addendum of which BA becomes aware.
5. Mitigation. BA shall mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Addendum.
6. BA's Agents. BA shall ensure that any agents, including subcontractors, to whom it provides PHI received from, or created or received by BA on behalf of, CE agree to the same restrictions and conditions that apply to BA through this Addendum with respect to such PHI.
7. Access to PHI. BA shall provide access to CE, at the request of CE, and in the time and manner designated by CE, to PHI or, as directed by CE, to an Individual in order to meet the requirements under 45 CFR 164.524. This provision shall apply if BA possesses PHI in any form.
8. Documentation of Disclosures. BA shall document such disclosures of PHI and information related to such disclosures as would be required for CE to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
9. Accounting of Disclosures. BA shall provide to CE or an individual, in time and manner designated by CE, information collected pursuant to this Addendum, to permit CE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
10. Amendment of PHI. BA shall make any amendment(s) to PHI that the CE directs or agrees to pursuant to 45 CFR 164.526 at the request of CE or an Individual, and in the time and manner designated by CE. This provision shall apply if BA possesses PHI in any form.
11. Internal Practices. BA shall make its internal practices, books and records relating to the use and disclosure of PHI received from CE, or created or received by BA on behalf of CE, available to the CE, or to the Secretary, for purposes of the Secretary determining CE's compliance with the Rules.
12. Security of ePHI and Reporting of Security Incidents. BA shall maintain ePHI in a fashion that preserves:
 - a. Availability, i.e. the property that data or information is accessible and useable upon demand by an authorized person; and
 - b. Confidentiality, i.e. the property that data or information is not made available or disclosed to unauthorized persons or processes; and
 - c. Integrity, i.e. the property that data or information have not been altered or destroyed in an unauthorized manner.

BA shall develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the Confidentiality, Integrity, and Availability of ePHI that BA creates, receives, maintains, or transmits on CE's behalf as required by the Security Rule. BA shall report to CE any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of CE's Electronic Protected Health Information or (B) interference with BA's system operations in BA's information systems, of which BA becomes aware.

III. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

1. Permitted Uses and Disclosures. Except as otherwise limited in this Addendum, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of CE as specified in the Agreement provided such use or disclosure does not violate the Rules if done by the CE.
2. Use for Management and Administration. Except as otherwise limited in this Addendum, BA may use PHI for the proper management and administration of the BA or to carry out the legal responsibilities of the BA.
3. Disclosure for Management and Administration. Except as otherwise limited in this Addendum, BA may disclose PHI for the proper management and administration of the BA or to carry out the legal responsibilities of the BA, provided that:

- a. Disclosures are required by law or
 - b. BA obtains reasonable assurances from the person to whom the information is disclosed that it shall remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and
 - c. The person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.
4. **Data Aggregation.** Except as otherwise limited in this Addendum, BA may use PHI to provide Data Aggregation services to CE relating to the health care operations of the CE.
 5. **Report Violations of Law.** Except as otherwise limited in this Addendum, BA may use PHI to report violations of law appropriate to Federal and State authorities consistent with 45 CFR §164.502(j)(1).

IV. OBLIGATIONS OF COVERED ENTITY.

1. **Notice of Privacy Practices.** CE shall provide BA with the notice of privacy practices that CE produces in accordance with 45 CFR 164.520, as well as any changes to such notice.
2. **Changes in permission.** CE shall notify BA of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI.
3. **Notification of Restrictions.** CE shall notify BA of any restriction to the use or disclosure of PHI that CE has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect BA's use or disclosure of PHI.

V. PERMISSIBLE REQUESTS BY COVERED ENTITY. CE shall not request BA to use or disclose PHI in any manner that would not be permissible under the Rules if done by CE.

VI. TERM AND TERMINATION.

1. **Term.** The Term of this Addendum shall be effective as of the Addendum Effective Date, and shall terminate when all of the PHI provided by CE to BA, or created or received by BA on behalf of CE, is destroyed or returned to the CE, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance the termination provisions in this Section.
2. **Termination for Cause.** Upon CE's knowledge of a material breach by BA, CE shall either:
 - a. Provide an opportunity for BA to cure the breach or end the violation and if BA does not cure the breach or end the violation within the time specified by CE, terminate this Addendum and the underlying Agreement;
 - b. Immediately terminate this Addendum and the underlying Agreement if BA has breached a material term of this Addendum and cure is not possible; or,
 - c. Report the violation to the Secretary if neither cure of the breach nor termination of this Addendum is feasible.
3. **Effect of Termination.** Except as provided in paragraph (4) of this section, upon termination of this Addendum, for any reason, BA shall return or destroy all PHI received from CE, or created or received by BA on behalf of CE. This provision shall apply to PHI that is in the possession of subcontractors or agents of BA. BA shall retain no copies of the PHI.
4. **Inability to Return or Destroy upon Termination.** In the event that BA determines that returning or destroying PHI is not feasible, BA shall notify CE in writing of the conditions that make return or destruction infeasible. If return or destruction of the PHI is infeasible, BA shall extend the protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as BA maintains such PHI.

VII. INDEMNIFICATION. BA shall indemnify and hold CE harmless from and against all claims, damages, liabilities, judgments, fines, assessments, penalties, awards, or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, costs and expenses relating to or arising out of any breach or alleged breach of this Addendum or disclosure of PHI in violation of applicable law or regulation.

VIII. MISCELLANEOUS.

1. **Regulatory References.** A reference in this Addendum to a section in the Rules means the section as in effect or as amended, and for which compliance is required.
2. **Amendment.** The Parties shall take such action as is necessary to amend this Addendum from time to time for CE to comply with the requirements of the Rules.
3. **Survival.** The respective rights and obligations of BA under Section VI.3, VI.4 and VII of this Addendum shall survive the termination of this Addendum.

4. Interpretation. This Addendum shall be interpreted as broadly as necessary to implement and comply with the Privacy Rule, Security Rule, and applicable state laws. Any ambiguity in this Addendum shall be resolved in favor of a meaning that permits CE to comply with the Privacy Rule, Security Rule, and applicable state laws.
5. Assistance in Litigation or Administrative Proceedings. BA shall make itself, and any subcontractors, employees or agents assisting BA in the performance of its obligations under this Addendum, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon claimed violation of the Rules, except where BA or its subcontractor, employee or agent is a named adverse party.
6. No Third Party Beneficiaries. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than CE or BA any rights, remedies, obligations, or liabilities whatsoever.
7. Effect on Agreement. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

RESOLUTION TO APPROVE CHANGE MANAGEMENT ITEMS (CMI'S)

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the following Change Management Items for the Rocky River High School Additions and Renovation Project and Goldwood Primary School Addition and Renovation Project be ratified as previously recommended by the Architect and the Executive Director of Construction Services.

ROCKY RIVER HIGH SCHOOL SCHOOL ADDITIONS AND RENOVATION PROJECT:

<u>CHANGE EVENT</u>	<u>DESCRIPTION</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
150	Contractors were directed to work overtime on Saturdays to make up days lost on critical activities due to conditions encountered during the Summer 2012 work. The costs included are the premium overtime costs (1/2 time only) for the overtime hours expended by the contractors. The costs from the electrical contractor also reflect additional supervision due to the large crew size required to complete the work before the start of school. Costs from other prime contractors will be included in a future change proposal.	Harner Plumbing Fire Protection Inc. Castle Heating & Air Lake Erie Electric	\$612.63 \$605.62 \$12,517.83 \$42,082.79
166	Contractors were directed to work overtime on Saturdays to make up days lost in the Science addition due to the late delivery and installation of the science casework. The costs included are the premium overtime costs (1/2 time only) for the overtime hours expended by the plumbing contractor. Overtime costs from the electrical contractor will be included in a future change proposal. These premium costs will be deducted from the general trades contractor's contract once	Harner Plumbing	\$92.47

all related costs are obtained.

170	Provide power to the temporary HVAC units that were used in the Main IT Room during the outage associated with replacing the existing rooftop HVAC unit serving this area. Work also includes providing power to the temporary HVAC unit that was installed in the Print Shop by the school district. The cost for the power to the Main IT Room unit will be included in claim to the HVAC contractor's insurance company.	Lake Erie Electric	\$6,510.49
172	Remove and re-install ductwork and HVAC piping in the Admin area to accommodate structural steel that was added at a new opening through the 2 nd floor slab above. A new floor opening was required, as the existing floor opening for the ductwork could not be used due to conflicts with the new wall layout in the Admin. Area.	Castle Heating & Air	\$2,306.26
190	Replace the cooling coil in the unit ventilator in Room 2050. The existing cooling coil had a leak and would not hold the pressure test. Work to be performed on 2 nd shift, as the room will be occupied during the school day.	Castle Heating & Air	\$8,991.92
209	Find and fix leaks in the existing gas lines in various locations that were discovered during the installation of the new plumbing work. The existing gas lines were not holding the pressure when tested.	Harner Plumbing	\$3,279.43
210	Replace three (3) additional domestic water valves that were not functioning properly and disconnect/remove an existing water tank in the basement that was leaking and was no longer being used by the school district.	Harner Plumbing	\$1,294.98
213	Revise the sprinkler heads	Fire Protection,	\$243.12

installed in Room 2072A from upright heads to pendant heads. The existing walls for this room were discovered to not extend to the roof deck above. Revising the sprinkler heads was a less costly solution, instead of extending the existing walls. There is no additional cost for the new acoustical ceiling.

Inc.

**GOLDWOOD PRIMARY SCHOOL ADDITION AND RENOVATION
PROJECT:**

<u>CHANGE EVENT</u>	<u>DESCRIPTION</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
012	Premium portion of overtime labor to install power in the new projector mounts in the 2 nd Grade classrooms. The existing mounting panels were replaced via change order and were not available until after the start of the school year. The power was installed after normal working hours to avoid interruption of school activities	South Shore Electric	\$ 204.00
015	Install additional phone and data outlets in the Music Room, Athletics Office and Tutor Room, as requested by the School District.	Horizon Information Services	\$2,211.05
022	Install a foundation wall in the existing crawl space to allow the backfill under the new ramp to be placed and compacted. The "existing" foundation shown on the plans did not exist.	Mosser Construction, Inc.	\$2,788.32



Rocky River City School District

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Michael G. Shoaf, Ed.D., Superintendent

SUPERINTENDENT'S REPORT

OCTOBER 18, 2012

- Curriculum and Instruction – Elizabeth Anderson
 - Student Achievement
- Communications and Technology – Dianna Foley
 - Technology Update

Dates and Reminders

Monday, October 22-26		Red Ribbon Week
Wednesday, October 24	6:00 p.m.	Girls Tennis Banquet – Memorial Hall
Thursday, October 25	12:00 p.m.	RR Chamber of Commerce Levy Presentation – Westwood Country Club
Saturday, October 27	11:00-3:30 p.m.	Spooky Saturday – Kensington
Monday, October 29	12:00 p.m.	Rocky River Rotary Levy Presentation – Umerley Center
Tuesday, October 30	8:00 p.m.	Democratic Club Meeting Levy Presentation – Umerley Center
November 8 - 9		Parent/Teacher Conference Day/Teacher Professional Day
November 11-13		OSBA Capital Conference – Columbus
Monday, November 12	5:00 p.m.	Committee-of-the-Whole Meeting – Buckeye Hall of Fame Grill, 900 Goodale Blvd., Hyatt Place, Columbus/OSU
	6:30 p.m.	Cross Country Banquet – Location TBD
Wednesday, November 14	6:30 p.m.	Boys Soccer Banquet – Westwood Country Club
Thursday, November 15	5:00 p.m.	Regular Board of Education Meeting - Curriculum Library
	7:00 p.m.	Blue Ribbon Recognition Ceremony – RRHS
Friday, November 16	6:00 p.m.	Basketball Challenge Cup – RRHS
Wednesday, November 21		No Students/Teaching Staff
November 22-23		Thanksgiving Vacation

Rocky River Schools...

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