

Minutes

Board of Education of the Rocky River City School District

The Board of Education of the Rocky River City School District, Cuyahoga County, Ohio, met in Finance Committee Session on December 2, 2013 at 6:00 p.m. in the Curriculum Library at the Board of Education Offices.

Guests and visitors are requested to sign the Visitors' Register. In accordance with Bylaw 0169.1: Public Participation at Board Meetings, those wishing to address the Board are required to complete the Bylaw 0169.1 Form and submit it to the Superintendent or President of the Board prior to the start of the meeting. Thank you.

CALL TO ORDER The Finance Meeting was called to order at 6:00 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from the October 17, 2013 were approved.

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

Financial Summary – October 2013

Please note that the SM-2 reflects zero variances from estimated amounts for the month of October and fiscal YTD since the amounts were updated based on the five-year forecast update approved in October. I have updated monthly estimates for the remaining seven months of the fiscal year on the SM-1 based on the updated forecast totals. Our next forecast update is expected for the May 31 mandatory filing with the State.

October was a very light month revenue-wise as no property tax advances distributions were received. Unrestricted Grants In Aid (State Foundation) revenue was updated to reflect new estimates based on the new funding formula prescribed in HB 59.

There were no real surprises on the expenditure side of the ledger. The new medical, prescription and dental insurance rates took effect on 10/1/13 as that was the beginning of our new plan year.

Please reference the SM-2 comparison Report for how our FY 14 revenue and expenditure data compare to FY 13 amounts. Total fiscal YTD revenues (excluding other financing sources) came in above the fiscal 2013 amount by 14.82% while total fiscal YTD expenditures (excluding other financing uses) came in below the fiscal 2013 amount by 2.65%.

Minutes

Board of Education of the Rocky River City School District

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

Our ending cash balance ended significantly above last year's level (\$7,307,615 vs. \$4,584,879) due mainly to the increased property tax revenues on account of the new levy, as well as the excess cash balance brought forward from FY 13 and the timing difference of the first three-pay month mentioned prior. Encumbrances came in moderately above last year's amount mainly due to timing at this point in the year.

Board of Revisions/Board of Tax Appeals Update

Updated BOR/BTA reports received from Dan McIntyre's office were reviewed.

Delinquent Tax Listing

The delinquent tax listing by parcel that was provided in October by the County Fiscal Office was reviewed. The total of the prior year delinquent tax + first half delinquent tax is down significantly from last year at this time. An updated listing of delinquent accounts was included in the Cleveland Plain Dealer in the November 20 issue of the paper.

High School Landscaping Project Expenditure Update

We have received a request from Mr. Milano to process an order for (4) banners to be hung outside of the new science wing of the high school for approximately \$2,000. We will process this expenditure out of construction funds allocated from reduction change orders related to landscaping credits taken from Mosser's (General Contractor for the High School Project) contract.

Minutes

Board of Education of the Rocky River City School District

Athletics and Student Activities Budgets

Mr. Swartz had asked to begin a review of the budget needs of athletics and student activities. I have provided reports that show actual revenue and expenditures for the fiscal year ended 6/30/13 along with the detailed allocation of the Athletic Boosters' donation and transfer from the General Fund as well as current and historical revenue and expenditure and current budgeted amounts for review and discussion.

Mr. Swartz asked to clarify the budgeting process for activities and athletics, specifically if these budgets were formulated on available revenue from athletics (mainly Boosters' donation, football and basketball gate receipts, due and fees). Mr. Markus clarified that they are built on a "needs-based" formula from year to year and that the Board has typically budgeted \$60,000 per year in a transfer from the General Fund in recent years to subsidize the activity and athletic programs as a whole. Further, there have been instances when an expensive piece of equipment is purchased directly from either the General Fund or Permanent Improvement. He also stated that from year to year, many individual activities and sports have a deficit cash balance, but the 300 activity fund as a whole is solvent based on the board transfer and some individual activities such as band and cheerleading.

Turf Field

Mr. Markus and Dr. Shoaf updated the committee on the turf field project. Mr. Markus is currently accepting quotes for lease/purchase financing to fund the project. A recommendation will be made by Mr. Markus after review with bond counsel, Rick Manoloff.

The meeting was adjourned at 6:48 p.m. by Mr. Swartz.

Committee Chair

Treasurer