

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 June 19, 2014 at 4:00 p.m. in the 2nd Floor Conference Room 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 4:00 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from May 22, 2014 were approved.

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

Financial Summary – May 2014

Please note that the accompanying SM-1 and SM-2 reports show a zero variance for all lines as I have reset the amounts to equal actuals through May 31 based on five year forecast updated submitted and approved in May. The June monthly amounts on the SM-1 annual estimate report reflect the estimates I currently have for the month of June as we near the close of the fiscal year on June 30.

As I reported to you last month, we received the special delinquent/second half property tax advance on May 15. This advance came in at \$206,125 above the original estimate, and is now reflected as actual on the accompanying SM-1 and SM-2 reports and was included in our May 2014 five year forecast update. We have now received confirmation from the County Fiscal Officer that the homestead and rollback payment will be distributed to Cuyahoga County school districts on Friday, June 20. Our most recent information from the April real property settlement showed that we should expect to receive \$90,502 less than originally anticipated, but this may change based on an updated/corrected calculation per the County Fiscal Officer. I am awaiting confirmation on the exact amount we are going to receive. I had reflected the reduced amount in our most recent five-year forecast update. Also, I've received confirmation that we should expect our catastrophic reimbursement aid payment from the State (line 1.040) with our June #2 foundation payment. The amount still has not been finalized, but the estimate from the ODE Area Coordinator is a range of \$187K - \$235K, which is more than the \$150K estimate.

The All other operating revenue line (1.060) caught up to where we should be tracking for the fiscal YTD due to the receipt of the rebate from Cuyahoga Community College as stipulated by our PSEO agreement. The operating transfers-in was a necessary bookkeeping correction that corresponds to the operating transfer-out.

Minutes

Board of Education of the Rocky River City School District

On expenditure side of the ledger, salaries reflect a three-pay month in May, but were below original estimates for the month. June salaries are expected to come in very close to estimates. The employee benefits line came in almost even with the original estimate for the month and is tracking close to the June estimate. The benefit line for June includes the final payment of the retirement incentive liability of \$518K owed to STRS for the last group of retirees from 2011.

Purchased Services came in slightly above the original estimate for the month of May. I anticipate that we will come in under the June estimate somewhat as we close out the fiscal year. Supplies and materials, capital outlay and other objects all came in under original May estimates and are tracking to finish slightly below estimates for June. This supplies and materials line includes new textbook orders through Ms. Anderson's office and the capital outlay line includes significant student and staff technology purchases through Dr. Foley's office to prepare for the 14-15 school year.

In looking at needed cash transfers from the General Fund to other funds for the fiscal year end, it appears that we will need an additional \$50K transferred to the district-managed student activity fund (USAS fund 300). We had originally budgeted \$60K for this transfer. We also have \$20K budgeted for the Food Service Fund (fund 006), but it looks like we will be able to end the year about even or slightly positive as far as an ending fund balance, so we can most likely apply much or all of the \$20K towards the additional \$50K deficit.

Additional discussion of the student activity budget took place, specifically ways to generate stadium and gym advertising revenue through the Campus Foundation and/or Home Team Marketing, as this was a revenue source that was not present for the 14/15 school year. Mr. Swartz will bring this issue up to the full board later this evening for further consideration.

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 7.32% while total fiscal YTD expenditures (excluding other financing uses) came in above the fiscal 2013 amount by 3.17%.

The main reason our overall revenue is up year over year is 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 and the increase in state basic aid from HB 59. The main reasons our overall expenditure amount was higher than last year at this time was due to scheduled salary steps and the new positions added; increased severance payments due to executive secretarial retirements; increased medical insurance funding rates and increased enrollment in our medical/Rx insurance plan; increased maintenance/repair costs and insurance costs; the addition of a new capital lease for technology equipment on which payments started in July; the purchase of new textbooks for the 13-14 school year; increased costs for career technical tuition through Lakewood City Schools; and investments in building improvements and furniture not included in the construction project.

Our ending cash balance ended significantly above last year's level (\$6,935,858 vs. \$5,073,430) due mainly to the increase in property tax and related revenue from the full year collection of the new 4.9 levy. Encumbrances came in significantly below last year's amount due to timing.

Minutes

Board of Education of the Rocky River City School District

Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports from Dan McIntyre’s office were reviewed.

FY 15 Appropriations Update and Other Fiscal Year-End Items

FY 15 appropriations will be presented at today’s board meeting for your consideration. These are generally in line with the five-year forecast approved in May.

Additional Facilities/Construction Projects from Permanent Improvement Fund

As part of our FY 15 Permanent Improvement Fund budget, I have included the following projects to be paid from P.I. funds at the approximate amounts as follows:

- Smoke Stack Removal \$226,780
- Sink and Faucet Replacement RRHS \$49,000
- Restroom Partition Removal and Replacement \$75,000
- Fence Replacement and Repair RRHS Stadium \$46,800
- Wagar Gym Wall-Mounted Padding \$5,500

Estimated Total of Projects: \$403,080

With the above projects, coupled with the pay down of our existing bus notes, we have essentially allocated our available P.I. funds for FY 15. As we discussed at the last board meeting, we will need to encumber funds for the emergency HVAC contracts from P.I. funds as well. This equates to approximately \$190K, so I will encumber this against the \$200K “reserve” that we had been holding within the P.I. fund for possible early bus note retirement or for construction contingencies.

Meeting was adjourned by Mr. Swartz at 4:50 p.m.

Committee Chair

Treasurer

