

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 March 20, 2014 at 5:05 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 5:05 p.m. by Mr. Swartz, Chair

ROLL CALL: Mr. Swartz, Ms. Goepfert, Dr. Fancher, Mrs. Rounds

PRESENT:

The Finance Committee Meeting Minutes from February 20, 2014 were approved.

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

Financial Summary – February 2014

During February, we received the second of two scheduled property tax advances. As I reported to you last month, due to the late property tax billings received by many taxpayers, the January advance was much lower than expected. However, the February advance came in significantly higher than projected, bringing the cumulative difference in the real property tax line to a positive \$341,923. I suspect that our settlement expected to be received in April will be less than projected because of this increased advance, but I am still not sure how much at this point, so we will have to wait to see how our estimates shake out.

State foundation revenue is still running slightly above our fiscal YTD estimate. All other revenue was approximately even with estimates for the month, but is still lagging on a fiscal YTD basis due to timing.

On expenditure side of the ledger, salaries were below estimate for the month and are now just under the fiscal YTD estimate. There may end up being a slight uptick in salaries and benefits over estimates going forward this year as we have now replaced certain .47 FTE custodians with 1.0 custodians. The employee benefits line came in below the revised estimate for the month and just slightly above the fiscal YTD amount. This line should come in close to the annual estimate when we end the fiscal year in June. We will adjust annual estimates again in May for the forecast update if need be.

Minutes

Board of Education of the Rocky River City School District

Purchased Services was still tracking below estimates overall on an FYTD basis even though actuals were above estimates for the month. If you recall from last month, we received a revised billing from Lakewood for career technical tuition, so that amount was paid in February. The large water bills from the field house and high school due to suspected water leaks are still outstanding, but Adam Sywanyk is still working on rectifying through additional review with Cleveland Water. Supplies and materials and capital outlay are still running below estimates for the fiscal YTD and are still expected to run at or below estimates the rest of the fiscal year. Other objects are running just slightly higher than estimated for the fiscal year mainly due to timing.

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 8.68% while total fiscal YTD expenditures (excluding other financing uses) came in above the fiscal 2013 amount by 4.81%.

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 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 (\$12,466,914 vs. \$10,411,392) 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 above last year's amount due to timing at this point in the year as well as the fact that we now outsource our substitute teachers and encumber a portion of those planned expenditures whereas we did not encumber those expenditures within our payroll/salary line.

Board of Revisions/Board of Tax Appeals Update

The updated BOR/BTA reports from Dan McIntyre's were shared with the committee for their review.

Five Year Forecast Update and FY 15 Appropriations Development

Now that the Teachers' contract has been settled and presuming that we settle with OAPSE before the end of March as anticipated, I can begin to formulate a draft five-year forecast and begin the appropriation process for FY 15. I plan to reconvene our Citizens Finance Committee to review a draft forecast in late April/early May for their input. I would then provide a draft to the Board for review by the Board Finance Committee in advance of the May 15, 2014 board meeting date for approval for the May 31, 2014 required statutory update.

Minutes

Board of Education of the Rocky River City School District

Turf Field Replacement Financing Update

As of March 5, the quoted lease financing rate from PNC was 2.75%, so we are still below the target 3% rate. As we move closer to our anticipated construction date in early June, I will continue to monitor this rate and will lock in the rate at the earlier of June 1 or when it is anticipated that the market rate is moving towards a sustained 3%+ rate.

Traffic Study Joint Contract with Rocky River Public Library

This contract is included in the board meeting agenda for your review and approval at Thursday's board meeting. We had Dan McIntyre review the contract and he believes it is in order and ready for your approval. The District is responsible for half of the \$9,000 cost of the study and is a joint party to the agreement with the RRPL.

Bond Retirement Fund Analysis

Mr. Swartz asked that I review the current status of our bond retirement fund versus the original projections that we had prior to the 2010 bond issue. I have provided a report for your review with comparisons of our bond retirement fund ending balance at 12/31 for each of the past three years along with a comparison of actual to estimated property valuation, millage, revenue and expenditures. This will be discussed more in-depth at the April finance committee meeting per the request of Mr. Swartz.

The meeting was adjourned at 5:45 p.m. by Mr. Swartz.

Committee Chair

Treasurer