

# Minutes

## Board of Education of the Rocky River City School District

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## Board of Education of the Rocky River City School District

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# 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 regular session on October 20, 2011 at 6:00 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 Scott Swartz 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, Mrs. Rounds, Mr. Swartz

### PLEDGE OF ALLEGIANCE

### RESOLUTION TO ADOPT AGENDA

Resolution No. 189-11

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 October 20, 2011 meeting.

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Aye
Kathy Goepfert	Move
Jay Milano	Aye
Jean Rounds	Second
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### REPORTS

Building Report – Rocky River High School  
 Student Board Liaison Report – Isabela Quinones  
 Superintendent's Update – Attached

### ORAL AND WRITTEN COMMUNICATIONS

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.

None

### RESOLUTION TO APPROVE MINUTES OF PRECEDING MEETINGS

# Minutes

## Board of Education of the Rocky River City School District

Resolution No. 189.1-11

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 14, 2011 (special meeting) and September 14, 2011 (committee) and September 29, 2011 (special) be approved.

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

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE MINUTES OF PRECEDING MEETING

Resolution No. 189.2-11

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 22, 2011 (regular meeting) be approved.

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

The resolution was adopted 4 – 0 with 1 abstention

**COMMITTEE AND REPRESENTATIVE REPORTS** – “Highlights” of the Committee of the Whole Meeting are available at [www.rrcs.org](http://www.rrcs.org).

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## Board of Education of the Rocky River City School District

### RESOLUTION TO SUPPORT RED RIBBON WEEK, OCTOBER 24-28, 2011

Resolution No. 189.3-11

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.

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Move
Scott Swartz	Aye

The resolution was adopted 5 – 0.

## **POLICY AND LEGISLATION COMMITTEE**

### **Notification of First Reading of New and Revised Policies**

#### **Bylaws**

Bylaw 0140      Membership

#### **Administration**

Policy 1422.02      Non Discrimination Based on Genetic Information of the Employee  
 Policy 1432      Sick Leave  
 Policy 1460      Physical Examination  
 Policy 1461      Unrequested Leaves of Absence/Fitness for Duty  
 Policy 1613      Student Supervision and Welfare  
 Policy 1623      Section 504/ADA Prohibition Against Disability Discrimination in Employment

#### **Program**

Policy 2260.01      Section 504/ADA Prohibition Against Discrimination Based on

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## Board of Education of the Rocky River City School District

	Disability
Policy 3122.02	Non Discrimination Based on Genetic Information of the Employee
Policy 3122.03	Change of Policy # for Drug Free Workplace Policy
Policy 3123	Section 504/ADA Prohibition Against Disability Discrimination in Employment
Policy 3160	Physical Examination
Policy 3161	Unrequested Leaves of Absence/Fitness for Duty
Policy 3213	Student Supervision and Welfare
Policy 3432	Sick Leave

### Classified Staff

Policy 4122.02	Non Discrimination Based on Genetic Information of the Employee
Policy 4122.03	Change of Policy # for Drug-Free Workplace Policy
Policy 4123	Section 504/ADA Prohibition Against Disability Discrimination in Employment
Policy 4160	Physical Examination
Policy 4161	Unrequested Leaves of Absence/Fitness for Duty
Policy 4213	Student Supervision and Welfare
Policy 4432	Sick Leave

### Students

Policy 5113.02	School Choice Options Provided by the No Child Left Behind Act
Policy 5330	Use of Medications
Policy 5517.01	Bullying and Other Forms of Aggressive Behavior
Policy 5530	Drug and Alcohol Use
Policy 5600	Student Conduct and Discipline
Policy 5610B	Suspension
Policy 5610.05	Prohibition from Extra Curricular Activities
Policy 5611.01	Due Process Rights
Policy 5771	Search and Seizure
Policy 5780	Student Rights and Responsibilities

### Finances

Policy 6152.01	Waiver of School Fees for Instructional Materials
Policy 6550	Travel Payment & Reimbursement

### Operations

Policy 8210	School Calendar
Policy 8330	Student Records
Policy 8510	Wellness

### Relations

Policy 9160	Public Attendance at School Events
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**RESOLUTION TO APPROVE FINANCIAL STATEMENT AND INTRAFUND TRANSFERS FOR GENERAL ACCOUNTING IN THE AMOUNT OF \$184,483.20 – SEPTEMBER, 2011 (EXHIBIT A)**

# Minutes

## Board of Education of the Rocky River City School District

Resolution No. 189.4-11

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

The resolution was adopted 5 – 0.

### **RESOLUTION TO AMEND APPROPRIATION FOR ALL FUNDS AS OF SEPTEMBER 30, 2011 IN THE AMOUNT OF \$62,747,139 (EXHIBIT B)**

Resolution No. 189.5-11

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

The resolution was adopted 5 – 0.

### **RESOLUTION TO APPROVE THE FIVE-YEAR FORECAST UPDATE AS OF THE FISCAL YEAR ENDING JUNE 30, 2012 (EXHIBIT C)**

Resolution No. 189.6-11

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

The resolution was adopted 5 – 0.

### **RESOLUTION AUTHORIZING AN ISSUE OF TECHNOLOGY ACQUISITION NOTES, SERIES 2011, OF THIS SCHOOL DISTRICT, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$20,139.86 (EXHIBIT C.1)**

Resolution No. 189.7-11

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## Board of Education of the Rocky River City School District

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Aye
Scott Swartz	Move

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE RETIREMENTS AND RESIGNATIONS

Resolution No. 190-11

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</u>	<u>Effective</u>
Karin Netherland	Finance Specialist	11/4/11
Mark Wagner	Track, Head, MS	10/5/11

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Aye
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Move
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE APPOINTMENTS<sup>1</sup>

Resolution No. 191-11

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



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## Board of Education of the Rocky River City School District

<u>Name</u>	<u>Position/Classification</u>	<u>Effective</u>	<u>Rate of Pay</u>
*Kathleen Brown	Transportation Aide	10/21/11	Step 2
*Janine Exner	Transportation Aide	10/24/11	Step 5
*Jeanne MacLaren	Finance Specialist	11/7/11	P.R.H, Step 5

### Supplemental Duty Appointments; 2011-12 School Year

<u>Name</u>	<u>Position/Classification</u>	<u>Rate of Pay</u>
John Caruso <sup>2</sup>	Basketball, Boys, MS	\$2,760
Vern Sharbaugh <sup>2</sup>	Basketball, Boys, MS	\$2,760
*Roger Black <sup>2</sup>	Softball, Head, HS	\$5,275
*Leah Black <sup>2</sup>	Softball, Asst., HS	\$3,447
*Thomas Augustine <sup>2</sup>	Softball, Asst., HS	\$3,762
*Terry Lambert	Softball, MS	\$3,299
Rose Rowe <sup>2</sup>	Cheer Advisor, Basketball, Head, HS	\$3,367
*Ann Farah <sup>2</sup>	Forensics, Asst., HS	\$1,381

### Substitute Teachers

Jason Buhrman  
 Andrea Caito  
 Denise Cukrowicz  
 Zack Keeton  
 Chelsea Matthews  
 Cliff Novak  
 Katherine Snyder  
 Adrienne Wood

### Occasionals

Eileen McBride  
 Natalie Sokolowski

1. *Employment conditional upon receipt of a negative drug test screening & satisfactory criminal reference check.*

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## Board of Education of the Rocky River City School District

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	Move
Jay Milano	Aye
Jean Rounds	Aye
Scott Swartz	Aye

The resolution was adopted 5 – 0.

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

Resolution No. 192-11

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

<u>Name</u>	<u>Reason</u>	<u>Effective</u>	<u>Adjusted Rate of Pay</u>
Sandra Bricker	additional semester hours	10/21/11	MA#36, Step 19 (.8)
Ann Masella	from: Transportation Aide to: Bus Driver	10/10/11	Step 1

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

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE LEAVE OF ABSENCE

Resolution No. 193-11

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

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## Board of Education of the Rocky River City School District

Name

Leave

Noelle Yohman      Unpaid leave from November 4, 2011 – June 7, 2012

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Move
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE RATE OF PAY FOR LONG TERM TUTOR

Resolution No. 194-11

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the following rate of pay for long term tutor be approved:

Angela Bowman – P.R.E, Step 5, including benefits, effective September 28, 2011 for as many days needed in this assignment.

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Move
Jay Milano	Aye
Jean Rounds	Aye
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### NOTICE OF DECISIONS ON SUSPENSION APPEAL HEARING (EXHIBIT D)

### RESOLUTION TO APPROVE CHANGE MANAGEMENT ITEMS (EXHIBIT E)

Resolution No. 195-11

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Move

# Minutes

## Board of Education of the Rocky River City School District

Jean Rounds	Aye
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE CANDIDATE FOR GRADUATION (EXHIBIT F)

Resolution No. 196-11

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

The resolution was adopted 5 – 0.

### RESOLUTION TO EXPRESS OPPOSITION TO OHIO HB 136 (EXHIBIT G)

Resolution No. 197-11

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

The resolution was adopted 5 – 0.

### RESOLUTION TO APPROVE 4<sup>TH</sup> GRADE STUDENTS TO CAMP FITCH OUTDOOR EDUCATION ON 11.14.11; RETURNING 11.16.11.

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the resolution to approve 4<sup>th</sup> Grade Students to Camp Fitch Outdoor Education on 11.14.11; returning 11.16.11 be approved:

Resolution No. 198-11

Board Member	Vote
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# Minutes

## Board of Education of the Rocky River City School District

Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye
Jean Rounds	Move
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### **RESOLUTION TO APPROVE 8<sup>th</sup> GRADE FITNESS EXPEDITION FIELD TRIP TO CAMP NUHOP IN PERRYSVILLE, OH ON 5.16.12; RETURNING 5.18.12.**

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the resolution to approve 8<sup>th</sup> Grade Fitness Expedition Field Trip to Camp Nuhop in Perrysville, OH on 5.16.12; Returning 5.18.12 be approved:

Resolution No. 199-11

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Aye
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Move
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### **RESOLUTION TO ACCEPT GIFTS TO SCHOOLS**

Resolution No. 200-11

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.

Mr. and Mrs. David Furry:

A donation of light bulbs to be used by

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## Board of Education of the Rocky River City School District

- Facilities and a donation of pens and post-it notes to be by RRCS D staff.
- Ms. Catherine C. Alfred: A donation in the amount of \$50.00 to be used by the High School Science Olympiad Program.
- Mr. Gregg Mylett, Corporate United: A donation of modular office panels of various dimensions to be used in the High School LRC area.
- Adopt-A-Classroom/Office Max: A donation of classroom supplies totaling \$1,000.00 to be used by Mrs. Amy Wilhelmy's students.
- Lakewood/Rocky River Rotary: A donation of 195 Dictionaries for the third graders at Kensington Intermediate School.

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Move
Jay Milano	Aye
Jean Rounds	Aye
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### RESOLUTION TO ACCEPT MODEL U.N. CONFERENCE FIELD TRIP

Resolution No. 201-11

BE IT RESOLVED by the Board of Education of the Rocky River City School District that the Model U.N. Conference Field Trip be approved:

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Second
Kathy Goepfert	Aye
Jay Milano	Aye

# Minutes

## Board of Education of the Rocky River City School District

Jean Rounds	Move
Scott Swartz	Aye

The resolution was adopted 5 – 0.

### OTHER BUSINESS

Other

None

### RESOLUTION TO ADJOURN

Resolution No. 202-11

<b>Board Member</b>	<b>Vote</b>
Jon Fancher	Move
Kathy Goepfert	Second
Jay Milano	Aye
Jean Rounds	Aye
Scott Swartz	Aye

The resolution was adopted 5 – 0.

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President

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Treasurer



# Rocky River City School District

1101 Morewood Parkway • Rocky River • Ohio • 44116

440.356.6000 • info@rrcs.org • www.rrcs.org

**Michael G. Shoaf, Ed.D., Superintendent**

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## SUPERINTENDENT'S REPORT

OCTOBER 20, 2011

- Student-Board of Education Liaison
  - Isabela Quinones
- Curriculum and Instruction – Elizabeth Anderson
  - NEOEA Day results
  - Everyday Math Inventory & KIS October 2011 Weed Report
- RRHS Fall Play Rescheduled – November 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> - please contact Jennifer Garver at 440-356-6800 if you are interested in tickets.

### Dates and Reminders

October 24-28		Red Ribbon Week
Monday, October 24	6:00 p.m.	Girls Tennis Banquet – Civic Center
Saturday, October 29	11:00-3:30 p.m.	Spooky Saturday – Kensington
Tuesday, November 1	TBD	RRHS Golf Banquet - Avon Oaks Country Club
Wednesday, November 2	6:30 p.m.	Focus Groups – Middle School/High School Parents – Curriculum Library
November 13-16		OSBA Capital Conference – Columbus
Monday, November 14	5:00 p.m.	Committee-of-the-Whole Meeting – Chittenden Parlor, Westin Hotel, Columbus
Tuesday, November 15	6:00 p.m.	Volleyball Banquet – Location TBD
Wednesday, November 16	TBD	Girls Cross Country Team Banquet – Westwood Country Club
Thursday, November 17	7:00 p.m.	Blue Ribbon Recognition Ceremony – KIS
Friday, November 18	6:00 p.m.	Basketball Challenge Cup – RRHS

Rocky River Schools...

Globally Competitive • Exceptional Opportunities • Caring Environment • Successful Students




Treasurer's Certificate

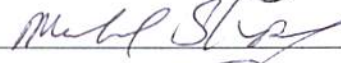
Section 5705.412, RC

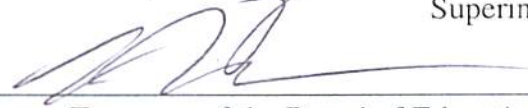
In the matter of: the Supplemental Appropriation Measure for the fiscal year ending **June 30, 2012**, Resolution No. 189.5-11

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: 10/20/11

  
\_\_\_\_\_  
Board President

  
\_\_\_\_\_  
Superintendent

  
\_\_\_\_\_  
Treasurer of the Board of Education of the  
Rocky River City School District  
Cuyahoga County, Ohio

ROCKY RIVER CITY SCHOOLS  
 Financial Report by Fund  
 FINANCIAL REPORT FOR SEPT 2011

Begin Balance	MTD Receipts	FYTD Receipts	MTD Expenditures	FYTD Expenditures	Current Fund Balance	Current Encumbrances	Unencumbered Fund Balance
TOTAL FOR Fund 001 - GENERAL:							
2,309,101.86	136,122.18	11,173,143.75	3,186,184.29	7,664,679.01	5,817,566.60	1,286,350.93	4,531,215.67
TOTAL FOR Fund 002 - BOND RETIREMENT:							
3,236,815.80	0.00	1,742,327.47	0.00	7.60	4,979,135.67	0.00	4,979,135.67
TOTAL FOR Fund 003 - PERMANENT IMPROVEMENT:							
25,536.92	13,602.87	40,813.93	153.94	90,434.06	24,083.21-	44,988.80	69,072.01-
TOTAL FOR Fund 004 - BUILDING:							
38,771,815.75	86,059.43	98,857.09	570,683.55	1,977,856.98	36,892,815.86	27,802,615.17	9,090,200.69
TOTAL FOR Fund 006 - FOOD SERVICE:							
81,659.41	30,934.09	66,349.66	48,865.93	73,372.40	74,636.67	71,409.56	3,227.11
TOTAL FOR Fund 007 - SPECIAL TRUST:							
48,576.38	175.00	1,275.00	0.00	5,010.43	44,840.95	0.00	44,840.95
TOTAL FOR Fund 009 - UNIFORM SCHOOL SUPPLIES:							
22,879.96	7,619.75	23,300.85	4,651.17	23,109.76	23,071.05	3,835.46	19,235.59
TOTAL FOR Fund 011 - ROTARY-SPECIAL SERVICES:							
124,912.29	43,052.06	129,977.11	19,820.23	55,588.81	199,300.59	64,549.14	134,751.45
TOTAL FOR Fund 018 - PUBLIC SCHOOL SUPPORT:							
80,874.26	7,386.47	11,800.57	2,291.40	11,115.14	81,559.69	23,612.28	57,947.41
TOTAL FOR Fund 019 - OTHER GRANT:							
10,440.66	0.00	0.00	188.03	188.03	10,252.63	1,236.95	9,015.68
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:							
111,860.68	22,279.47	24,854.78	15,172.10	16,877.60	119,837.86	11,118.46	108,719.40
TOTAL FOR Fund 300 - DISTRICT MANAGED ACTIVITY:							
23,836.88	20,259.99	58,014.42	45,109.76	75,487.86	6,363.44	64,511.08	58,147.64-
TOTAL FOR Fund 401 - AUXILIARY SERVICES:							
25,520.41	48.84	331,955.24	44,069.69	160,342.92	197,132.73	256,477.52	59,344.79-
TOTAL FOR Fund 432 - MANAGEMENT INFORMATION SYSTEM							
4,281.43	0.00	0.00	2,079.55	5,905.28	1,623.85-	0.00	1,623.85-
TOTAL FOR Fund 440 - ENTRY YEAR PROGRAMS:							
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 2011

Begin Balance	MTD Receipts	FYTD Receipts	MTD Expenditures	FYTD Expenditures	Current Fund Balance	Current Encumbrances	Unencumbered Fund Balance
TOTAL FOR Fund 451 - DATA COMMUNICATION FUND:							
3,000.00	0.00	0.00	0.00	3,267.37	267.37-	0.00	267.37-
TOTAL FOR Fund 452 - SCHOOLNET PROFESS. DEVELOPMEN							
0.00	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	11,514.45	11,514.45	11,514.45-	0.00	11,514.45-
TOTAL FOR Fund 516 - IDEA PART B GRANTS:							
33,909.27-	32,564.46	119,739.73	85,622.72	156,169.21	70,338.75-	119,366.20	189,704.95-
TOTAL FOR Fund 532 - FISCAL STABILIZATION FUND:							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FOR Fund 551 - LIMITED ENGLISH PROFICIENCY:							
264.23-	0.00	264.23	0.00	0.00	0.00	7,198.00	7,198.00-
TOTAL FOR Fund 572 - TITLE I DISADVANTAGED CHILDRE							
1,810.13	0.00	0.00	26,887.42	29,907.30	28,097.17-	0.00	28,097.17-
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	0.00	0.00	3,821.39	3,821.39	3,821.39-	0.00	3,821.39-
TOTAL FOR Fund 590 - IMPROVING TEACHER QUALITY:							
0.00	0.00	0.00	12,744.64	13,059.64	13,059.64-	3,067.42	16,127.06-
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:							
44,848,749.32	400,104.61	13,822,673.83	4,079,860.26	10,377,715.24	48,293,707.91	29,760,336.97	18,533,370.94

**ROCKY RIVER CITY SCHOOL DISTRICTS  
SUMMARY OF INVESTMENTS AND CASH BALANCES  
As of September 30, 2011**

**INVESTMENTS:**

	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Cost/ Balance</u>	<u>Par Amount</u>	<u>Rate/Yield</u>
<b><u>Operating Funds</u></b>					
STAR Ohio		Daily	\$ 385.01		0.040%
Tri State CDARS	2/24/2011	2/23/2012	\$ 375,000.00	\$ 375,000.00	1.500%
Huntington Bank CDARS	3/3/2011	3/1/2012	\$ 500,000.00	\$ 500,000.00	0.290%
Huntington Bank FFCB <sup>^</sup>	4/1/2011	4/14/2013	\$ 750,000.00	\$ 750,000.00	0.84%
^ Callable 4/4/12, continuously thereafter					
Subtotal			<u>\$ 1,625,385.01</u>		0.823%
Charter One MRA		Daily	\$ 4,300.71		0.100%
Huntington		Daily	\$ 40,586.12		0.050%
PNC MMA		Daily	\$ 8,068,781.65		0.200%
Tri-State (50/50)		Daily	\$ 375,000.00		0.000%
Bond Issue investments*		Daily	<u>\$ 37,863,399.76</u>		0.349%
Subtotal			<u>\$ 46,352,068.24</u>		0.320%
Total Investments			<u>\$ 47,977,453.25</u>		0.337%
<b><u>CASH:</u></b>					
Demand Deposit Accounts - Net			\$ 314,369.66		
Petty Cash and Change Funds			\$ 1,885.00		
Sub-Total			<u>\$ 316,254.66</u>		
<b>Total Investments and Cash</b>			<b><u><u>\$ 48,293,707.91</u></u></b>		

\* See next page for detail

**ROCKY RIVER CITY SCHOOL DISTRICTS**  
**SUMMARY OF BOND ISSUE INVESTMENTS AND CASH BALANCES**  
**As of September 30, 2011**

**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>
Comm Paper - Citigroup - BAB's - Huntington	4/20/2011	10/17/2011	\$ 5,990,400.00	\$ 6,000,000.00	0.325%
Comm Paper - Citigroup - QSCB's - Huntington	4/20/2011	10/17/2011	\$ 1,996,800.00	\$ 2,000,000.00	0.325%
Tri State CDARS*** - BAB's - Tri State Commercial Bank	2/3/2011	2/2/2012	\$ 1,000,000.00	\$ 1,000,000.00	1.500%
Tri State CDARS*** - BAB's - Tri State Commercial Bank	4/14/2011	4/12/2012	\$ 250,000.00	\$ 250,000.00	1.500%
FHLB - BAB'S - Citigroup Global Mkts	5/27/2011	9/14/2012	\$ 1,017,504.00	\$ 1,000,000.00	0.308%
FHLB* - TE's - Citigroup	6/28/2011	9/27/2013	\$ 1,000,019.44	\$ 1,000,000.00	0.700%
FFCB** - TE's - Huntington	6/6/2011	6/6/2013	\$ 999,950.00	\$ 1,000,000.00	0.670%
Comm Paper - Citigroup - BAB's - Huntington	9/2/2011	2/28/2012	\$ 1,995,226.67	\$ 2,000,000.00	0.488%
Tri State CDARS*** - BAB's - Tri State Commercial Bank	6/30/2011	6/28/2012	\$ 750,000.00	\$ 750,000.00	1.300%
FHLB^ - BAB's - Citigroup	7/14/2011	7/25/2012	\$ 1,000,000.00	\$ 1,000,000.00	0.350%
Huntington CDARS - BAB's	9/8/2011	9/5/2012	\$ 1,000,000.00	\$ 1,000,000.00	0.359%
FFCB ## - TE's - Huntington	7/5/2011	7/5/2013	\$ 500,000.00	\$ 500,000.00	0.570%
Subtotal			\$ 17,499,900.11	\$ 17,500,000.00	0.444%

\* Callable 6/27/12, one-time only  
# Callable 7/20/11, monthly thereafter  
\*\* Callable 6/6/12, continuous thereafter  
\*\*\*50/50 investment required  
^ Callable 10/14/11, quarterly thereafter  
## Callable 7/5/12, continuous thereafter

**BANKS/ISSUE**

First Federal of Lakewood - TE's	Daily	\$ 1,301,820.78	0.600%
First Federal of Lakewood - BAB's	Daily	\$ 3,352,038.50	0.600%
PNC - BAB's	Daily	\$ 7,300,761.30	0.200%
PNC - QSCB's	Daily	\$ 5,726,981.50	0.200%
Charter One - BAB's	Daily	\$ 318,331.01	0.100%
Charter One - BAB's	Daily	\$ 132,675.00	0.000%
Star Ohio - Bldg. Fund BAB's	Daily	\$ 230,891.56	0.040%
Tri-State*** - BAB's (50/50)	Daily	\$ 2,000,000.00	0.000%
Subtotal		\$ 20,363,499.65	0.267%

\*\*\*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** \$ 37,863,399.76 **0.349%**

**Rocky River City School District**  
 Appropriation Summary as of September 30, 2011 - All Funds  
 With Certified Resources For FY 2012 To Date

Fund Name	USAS Fund No.	Budget 8/31/11	Net Changes September 2011	Revised Budget as of 9/30/11	P/Y Encumbrances	Total Expendable as of 9/30/11	Certificate of Estimated Resources - Amendment #4	Resources Over/(Under) Revised Budget	Add/(Reduce) Amount of "Other Sources" on Amendment #4	Revised Est. Resources Amendment #5
General Fund	001	31,825,273.85	(\$37,734)	\$31,787,540	\$380,853	\$32,168,393	\$32,925,472 x	\$1,137,932		\$32,925,472
Bond Retirement	002	5,546,041.81	0	5,546,042	-	5,546,042	7,451,265 x	1,905,223		7,451,265
Permanent Improvement	003	161,000.00	0	161,000	18,185	179,185	170,637 x	9,637		170,637
Building	004	22,097,559.00	79,900	22,177,459	6,327,173	28,504,632	32,559,643 x	10,382,184	79,900	32,639,543
Food Service	006	452,170.82	0	452,171	50	452,220	526,510 x	74,339		526,510
Trust - Band Uniform Fund	007-9007	19,500	0	19,500	-	19,500	19,699 x	199		19,699
Trust - Scholarship	007-9008	22,000	0	22,000	-	22,000	36,997 x	14,997		36,997
Trust - Unclaimed Funds	007-9009	500	0	500	-	500	13,327 x	12,827		13,327
Trust - Rocky River Angel Fund	007-9907	1,920	0	1,920	2,090	4,010	1,920 x	0		1,920
Trust - Rocky River Angel Fund - Goldwood	007-9908	-	0	-	-	-	336 x	336		336
Trust - Technology Improvement Fund	007-9909	-	0	-	-	-	216 x	216		216
Trust - Herb Score Memorial Fund	007-9910	-	0	-	-	-	- x	0		0
Uniform School Supply	009	25,500.00	0	25,500	-	25,500	49,230 x	23,730		49,230
Rotary Funds	011	204,800.00	0	204,800	5,397	210,197	322,166 x	117,366		322,166
School Support Funds	018	94,075.00	0	94,075	2,356	96,431	153,518 x	59,443		153,518
Private Source Grants	019	2,731.16	0	2,731	1,422	4,153	9,019 x	6,288		9,019
Self-Insurance Fund	024	-	0	-	-	-	- x	0		0
Student Activities	200	157,100.00	0	157,100	-	157,100	309,726 x	152,626	7,290	317,016
Athletic and Co-Curricular	300	169,620.00	125,100	294,720	986	295,706	196,756 x	(97,964)	125,450	322,206
<i>State Grants:</i>										
Auxiliary Services (Private Schools)	401	595,075.60	0	595,076	25,409	620,485	595,187 x	111		595,187
EMIS	432	4,890.90	0	4,891	-	4,891	9,281 x	4,391		9,281
Entry Year Programs	440	-	0	-	-	-	- x	0		0
Data Communications	451	1,100	0	1,100	1,900	3,000	1,100 x	0		1,100
School Net - Professional Dev.	452	-	0	-	-	-	- x	0		0
Misc State Grants	499	-	0	-	-	-	- x	0		0
<i>Federal Grants:</i>										
Federal Ed Jobs	504	59,222.06	0	59,222	-	59,222	59,222 x	0		59,222
IDEA-B	516	862,082.39	0	862,082	32,821	894,903	862,082 x	0		862,082
School District Fiscal Stabilization	532	0.00	0	-	-	-	- x	0		0
Title III - Limited English Proficiency	551	14,896.00	3,567	18,463	-	18,463	14,896 x	(3,567)	3,567	18,463
Title I	572	193,297.83	0	193,298	-	193,298	194,421 x	1,123		194,421
Title V	573	-	0	-	-	-	- x	0		0
Drug-Free Schools	584	-	0	-	-	-	- x	0		0
Preschool - Special Education	587	10,693.12	0	10,693	-	10,693	10,693 x	0		10,693
Title II-A	590	55,256.57	0	55,257	-	55,257	55,257 x	0		55,257
Misc. Federal Grants	599	-	0	-	-	-	- x	0		0
<b>Total All Funds</b>		<b>\$62,576,306</b>	<b>\$170,833</b>	<b>\$62,747,139</b>	<b>\$6,798,641</b>	<b>\$69,545,781</b>	<b>\$76,548,576</b>	<b>\$13,801,436</b>	<b>\$216,207</b>	<b>\$76,764,782</b>

Amended appropriation passed at the 10/20/11 meeting of the Rocky River Board of Education  
 Amended Certificate has been or will be requested from the County Budget Commission

**DRAFT**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2009, 2010 AND 2011 ACTUAL;  
FORECASTED FISCAL YEARS ENDING JUNE 30, 2012 THROUGH 2016

LINE NUMBER	Fiscal Year 2009 Actual	Fiscal Year 2010 Actual	Fiscal Year 2011 Actual	Average Annual Change	Fiscal Year 2012 Forecasted	Fiscal Year 2013 Forecasted	Fiscal Year 2014 Forecasted	Fiscal Year 2015 Forecasted	Fiscal Year 2016 Forecasted
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$23,222,645	\$24,848,453	\$24,322,755	2.44%	\$24,141,438	\$24,262,145	\$24,383,456	\$24,505,373	\$24,777,900
1.020 Tangible Personal Property Tax	789,059	583,004	560,207	-15.01%	517,995	517,995	517,995	517,995	\$517,995
1.030 Income Tax									
1.035 Unrestricted Grants-in-Aid (All 3100's except 313x)	1,383,225	1,290,100	1,270,149	-4.14%	1,267,941	1,267,941	1,267,941	1,267,941	\$1,267,941
1.040 Restricted State Grants-in-Aid (All 3200's)	182,314	78,043	95,683	-17.29%	78,000	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
1.045 Restricted Federal Grants-in-Aid - SFSF (4220)	xxxxxxx	85,050	102,638	20.68%	59,294	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
1.050 Property Tax Allocation (313x)	4,014,812	\$4,558,235	\$4,590,045	7.12%	3,739,441	3,326,694	3,343,328	3,360,044	\$3,360,044
1.060 All Other Revenues except 1931,1933,1940,1950,5	398,836	405,826	353,282	-5.60%	400,000	450,000	500,000	525,000	525,000
1.070 Total Revenues	29,990,891	31,848,711	31,294,759	2.23%	30,204,108	29,824,775	30,012,719	30,176,353	30,448,880
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes (1940)									
2.020 State Emergency Loans and Advancements (Approved - 1950)									
2.040 Operating Transfers-In (5100)									
2.050 Advances-In (Return of Advances) (5200)	0	0	0	#DIV/0!					
2.060 All Other Financing Sources (including 1931 and 1950)	24,765	60,002	849,974	729.43%	1,167,684	1,167,684	1,167,684	583,842	0
2.070 Total Other Financing Sources	24,765	60,002	849,974	729.43%	1,167,684	1,167,684	1,167,684	583,842	0
2.080 Total Revenues and Other Financing Sources	30,015,656	31,908,713	32,144,733	3.52%	31,371,793	30,992,459	31,180,403	30,760,195	30,448,880
<b>Expenditures</b>									
3.010 Personal Services	18,121,619	18,665,589	19,251,645	3.07%	19,407,248	20,027,399	20,528,084	21,041,286	21,567,318
3.020 Employees' Retirement/Insurance Benefits	6,588,540	7,263,004	7,063,498	3.75%	7,225,382	7,577,001	8,040,022	8,153,359	8,253,813
3.030 Purchased Services	3,456,342	3,539,396	3,232,742	-3.13%	3,421,493	3,592,568	3,772,196	3,960,806	4,158,846
3.040 Supplies and Materials	752,592	784,094	687,816	-4.05%	775,871	775,871	814,665	855,398	855,398
3.050 Capital Outlay	113,095	241,508	230,959	54.59%	346,025	457,000	417,000	417,000	417,000
3.060 Intergovernmental (7600 and 7700 functions)									
Debt Service:									
4.010 Principal-All (History Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans									
4.055 Principal-Other	40,000	40,000	40,000		40,000	40,000	40,000	0	0
4.060 Interest and Fiscal Charges	0	0	0	#DIV/0!	3,600	2,400	1,200	0	0
4.300 Other Objects	509,997	586,866	526,590	2.40%	574,889	632,378	695,616	765,178	841,695
4.500 Total Expenditures	29,582,185	31,120,457	31,033,250	2.46%	31,794,508	33,104,616	34,308,782	35,193,026	36,094,070
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	32,000	213,118	37,791	241.86%	30,000	30,000	30,000	30,000	30,000
5.020 Advances-Out	0	0	0	#DIV/0!					
5.030 All Other Financing Uses	2,000	0							
5.040 Total Other Financing Uses	34,000	213,118	37,791	222.28%	30,000	30,000	30,000	30,000	30,000
5.050 Total Expenditures and Other Financing Uses	29,616,185	31,333,575	31,071,041	2.48%	31,824,508	33,134,616	34,338,782	35,223,026	36,124,070
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>									
6.010 Other Financing Uses	399,471	575,138	1,073,692	65.33%	(452,716)	(2,142,157)	(3,158,379)	(4,462,830)	(5,675,190)
7.010 Cash Balance July 1	260,803	660,274	1,235,412	120.14%	2,309,104	1,856,388	(285,769)	(3,444,147)	(7,906,977)
7.020 Cash Balance June 30	660,274	1,235,412	2,309,104	87.01%	1,856,388	(285,769)	(3,444,147)	(7,906,977)	(13,582,167)

8.010	Estimated Encumbrances June 30	319,893	378,593	380,853	9.47%	650,000	650,000	650,000	650,000	650,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve									
9.040	DPIA									
9.045	SFSF									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	Subtotal	0	0	0	#DIV/0!	0	0	0	0	0
	Fund Balance June 30 for Certification of Appropriations	340,381	856,819	1,928,251	138.39%	1,206,388	(935,769)	(4,094,147)	(8,556,977)	(14,232,167)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies	0	0	0	#DIV/0!	0	0	0	0	0
	Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	340,381	856,819	1,928,251	138.39%	1,206,388	(935,769)	(4,094,147)	(8,556,977)	(14,232,167)
	Revenue from New Levies									
13.010	Income Tax - New									
13.020	Property Tax									
13.030	Cumulative Balance of New Levies	0	0	0	#DIV/0!	0	0	0	0	0
14.010	Revenue from Future State Advancements									
15.010	Unreserved Fund Balance June 30	\$340,381	\$856,819	\$1,928,251	138.39%	\$1,206,388	(\$935,769)	(\$4,094,147)	(\$8,556,977)	(\$14,232,167)

**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.

**State Fiscal Stabilization Fund**

21.010	Personal Services SFSF	xxxxxxxx	71,633	83,688		xxxxxxxx	xxxxxxxx	xxxxxxxx		
21.020	Employees Retirement/Insurance Benefits SFSF	xxxxxxxx	328	14,136		xxxxxxxx	xxxxxxxx	xxxxxxxx		
21.030	Purchased Services SFSF	xxxxxxxx	6,757	11,148		xxxxxxxx	xxxxxxxx	xxxxxxxx		
21.040	Supplies and Materials SFSF	xxxxxxxx				xxxxxxxx	xxxxxxxx	xxxxxxxx		
21.050	Capital Outlay SFSF	xxxxxxxx				xxxxxxxx	xxxxxxxx	xxxxxxxx		
21.060	Total Expenditures - SFSF	xxxxxxxx	\$78,718	\$108,971		xxxxxxxx	xxxxxxxx	xxxxxxxx		

Note: SFSF Amounts are included in the forecast amounts above but are itemized here for reporting purposes.

**ADM Forecasts**

Kindergarten - October Count	162	162	164	0.62%	154	181	175	176	176
Grades 1-12 - October Count	2,535	2,535	2,444	-1.80%	2,453	2,519	2,517	2,530	2,544
Kindergarten - February Count	168	168	xxxxxxxx	#VALUE!	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx
Grades 1-12 - February Count	2,518	2,518	xxxxxxxx	#VALUE!	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx	xxxxxxxx



# DRAFT

Rocky River City School District  
IRN 044701  
Greg R. Markus, CPA, Treasurer/CFO  
October 2011

Approved at the October 20, 2011 Regular Board Meeting of the Rocky River Board of Education, Res. # \_\_\_\_\_

## General Background/Assumptions:

### ***Local Property Tax Revenue:***

Since the District receives approximately 91% 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 is now in the fourth 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 (now \$4.16M after the property value reduction described below) for a full year of collection and is included in the revenue estimates contained in this forecast. 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.
- Cuyahoga County finalized its most recent reappraisal of all real property within the County as of December 2006. This process is required to be performed every six years per Ohio Revised Code Section 5715.33. The new values for Cuyahoga County are for the 2006 tax (calendar) year that became the taxable values used to calculate real estate tax bills starting in January 2007. 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 reappraisal is scheduled to be completed by December 2012 for a January 2013 effective date.

- 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 37.82 effective mills in its General Fund for *residential* real estate vs. 73.6 voted mills. The District currently collects on 51.27 effective mills in its General Fund for *commercial* real estate vs. the same 73.6 voted mills.
- Tangible personal property tax revenue has continued to phase 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 will be completely eliminated by 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).*
- Since the District does not receive state share (i.e. "per-pupil formula") funding, we have been receiving these "hold harmless" reimbursements as direct payments from the state and will continue to do so through fiscal 2012. These replacement payments have been reflected on line 1.050 of this forecast.
- The exempt personal property tax reimbursement that was formerly received from the State of Ohio was phased out as of FY 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 *will no longer be 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 will phase 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 \$815,236 for fiscal year 2012 and an *additional* \$445,684 in fiscal year 2013. The total reduction of revenue over the remaining four years of this forecast is \$3,465,908 over what was estimated based on previous law.**

***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). 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, preschool and transportation funding that the District is expected to receive over the next 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 2011, this line included \$95,683 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.

- 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 are used entirely in fiscal year 2011 or over two fiscal years (2011 and 2012) is 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 current plan is to use these funds in FY 2012 to fund a significant portion of a gifted education coordinator since the District is not expecting to have the subsidy for this position funded through the Cuyahoga County Educational Service Center due to funding cuts that will take effect in FY 2012.

***Other Local Revenue:***

- Local revenue makes up approximately 1.3% of total revenue. This local revenue is primarily investment revenue, rentals, student and other fees.

***Other Financing Sources***

- Other financing sources make up approximately 3.7% 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 just under 84% 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 does 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.
- 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 have already been executed for fiscal year 2012 as explained below. The all-day-kindergarten mandate that was a part of state law earlier this year 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 latest provisions agreed to in March of 2011 (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 is expected 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 16% of expenditures consist of Purchased Services, Supplies and Textbooks, Equipment (Capital Outlay), Other Objects and Transfers.

- Purchased Services - increases were incurred in 2009 as compared to the 2008 amount. Large sustained increases in electricity, natural gas and water utilities could potentially drive this expenditure area higher than expected, although as of May 2009 these expenditure areas appear to have stabilized somewhat. These obligations 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 FY 09 are included in this area and are expected to continue through the end of this forecast.

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 was 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 proposed through H.B. 136, 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, the projected financial impact to the District is unknown, but it is expected that more information will be made available as the House and Senate deliberate further on this bill.

- 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, but is expected to increase by 12.8% for FY 12 and will then assume an increase of 5% per year through the end of this forecast to account for inflation and additional textbook and other instructional supply needs from year to year.
- 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 the 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 is expected to incur an increase in FY 2012 due to the continued replacement of student and staff computer technology. It is projected that this line will increase again starting in FY 13 and will continue forward near the FY 13 level due to the planned implementation of Google Chromebooks for grades 6 – 12. 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 10% annual increase is assumed starting in FY 12.
- 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.
- 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 and key detailed assumptions used in preparing the District's Five-Year Forecast through FY 2016.*

#### **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 is assumed for fiscal year 2012 of \$181K.
- 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 expecting to see the continued impact of the economic downturn that has affected the nation through reduced new construction activity in the near-term.
- As stated previously, a decrease in revenue from the real property triennial update started affecting property tax revenue collections negatively as of 1/1/2010.
- Beginning in FY 2016, the District is expected to begin recapturing 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 FY 2016.

- 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 is being completely eliminated by fiscal year 2013 based on the passage of Amended Substitute H.B. 153 as explained previously.
- State unrestricted grants-in-aid are expected to remain consistent with FY 2011 amount starting in FY 2012 based on Amended Substitute House Bill 153 as explained previously. We are assuming this source will continue to flat line in FY 2013 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, this could change as early as fiscal 2013.
- State restricted grants-in-aid reflected a reduction of 57% for FY 10 vs. FY 09 based on the fact that the State has 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 FY 12 it is assumed that the FY 10 amount will be received. Starting in FY 13, this forecast assumes that this funding source will not be continued in its current form as a separate and distinct revenue source.
- Federal restricted grants-in-aid (line 1.045) continued in FY 2011 through funding received from the State Fiscal Stabilization Fund mentioned previously, but will end starting in FY 2012. During FY 2012, the District is expecting funding in the amount of \$59,222 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 increase modestly through FY 15 based on small and consistent increases in investment income due to an anticipated slight uptick in investment yields, additional revenue from tax exempt bond proceeds available to invest over FY's 2011 - 2013 as well as additional revenue anticipated from new and existing 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.

*Expenditures:*

- Salary and wages include step increases for education and experience only starting in FY 2012. No overall base salary increase are included in these estimates starting in fiscal year 2012 based on the two-year agreements just approved in March 2011. In addition, no overall base salary increases are assumed for fiscal years 2014 – 2016.
- 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.
- Additional reductions of various supplemental personnel contracts and duties are assumed in this forecast as well as certain non-personnel spending reductions that, when combined with the above reductions in positions, are expected to yield approximately \$325K in total spending reductions in each year of the forecast as compared to previous estimates.
- This forecast anticipates the addition of a full-time gifted coordinator in FY 12 in the additional amount of \$103K to replace the position that is currently 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 \$59K of this cost in FY 12, but is not authorized to continue thereafter. This forecast also assumes the addition of one additional full-time high school mathematics teacher and one full-time special education

teacher in FY 12 in the amount of approximately \$67K each due to state core curriculum and IEP requirements.

- For FY 11, this forecast assumed the use of 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 are assumed to be picked back up by the General Fund for FY's 12 – 16. It is anticipated that the two teaching positions that were paid from these funds in FY 11 will be picked up by a corresponding federal grant in FY 12. The District is currently in the process of implementing a medicaid-eligible tracking service 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.
- This forecast reflects 18 certificated staff member retirements (including one administrator) during FY 11. Severance pay and retirement credit purchase cost estimates that are 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 no additional cost or savings have been assumed outside of current salary costs. Further, the new teacher bargaining agreement no longer contains a retirement credit purchase option.
- Employees' Retirement/Insurance Benefits are expected to increase based on salary increases and health insurance increases. Rates have been set for FY 12 causing the District to incur a 12% rate increase in health premiums as of October 1, 2011, based on funding rates set on its current health insurance arrangement through the Suburban Health Consortium. This forecast assumes a 15% increase in the District's current funding rates for the remaining years of this forecast based on current trending and preliminary expectations of increased insurance costs based on the requirements of the recently passed federal legislation affecting most insurance plans. The District is hopeful that now as a member of the 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.
- Purchased services are expected to increase slightly – moderately mainly because of assumed increases in certain utility rates/usage through FY 16. The increases expected in this area have been mitigated by the fact that the District entered recently entered into another 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 FY 11, 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 the state legislature as contained in H.B. 136.

- Supplies and materials are projected to increase by 12.8% 5% each year starting in FY 13 to keep pace with inflation and provide for needed instructional materials.
- Capital Outlay (Equipment/Building) is budgeted to increase in FY 12 due to the continued replacement of student and staff computer technology. Starting in FY 13, it is assumed that this expenditure area will again increase due to the implementation of Google Chromebooks for grades 6 – 12 and will then flat line through the end of the forecast. 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.
- 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. Should the District need to replace the artificial turf field that was a major component of the 2004 stadium improvements, it may be advantageous to issue new manuscript debt that would be added to this forecast at a later time.
- The Other Objects (line 4.300) are assumed to increase by 10% annually for FY 12 and beyond, mainly due to county and state property tax and related collection fees and general inflation for other items such as liability insurance.
- 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 \$30K per year starting in FY 12 to subsidize the student activity funds.

## **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 is now again facing another challenging time financially.

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 Board and Administration are currently finalizing the details of a future operating levy request due to the projected deficits that are forecasted starting in fiscal year 2013 in order to avoid substantial and wholesale cuts to the District's educational program. A typical three-year levy cycle that the District has been on over the last decade plus would have put a new operating levy on the ballot in May 2011 (for collection starting in January 2012); however, the Board and Administration have worked to delay an operating levy request until May 2012 (for collection starting in January 2013) through the permitted use of the federal QSCB and BAB subsidies mentioned previously for general fund expenditures, plus the continued targeted reductions of operating expenditures that do not significantly affect the District's educational programming. However, this delay of an operating levy did not take into account the significant reduction of state funds in the compressed timeframe that recently became law through Amended Substitute H.B. 153. The Board plans to communicate with the community on its financial issues and formulate a plan that takes the feedback that the community*

*provides into account before a final decision is made on a levy request by December 2011.*

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.



The Board of Education of the Rocky River City School District, Ohio, met in regular session on October 20, 2011, in the Board Room at the Board of Education Offices, 21600 Center Ridge Road, Rocky River, Ohio, with the following members present:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ moved the adoption of the following resolution:

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AN ISSUE OF TECHNOLOGY ACQUISITION NOTES, SERIES 2011, OF THIS SCHOOL DISTRICT, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$20,139.86.**

WHEREAS, pursuant to a resolution of this Board adopted on October 21, 2010, the District issued its \$40,279.73 Technology Acquisition Notes, Series 2010 (the Outstanding Notes), in anticipation of bonds for the purpose stated in Section 1, which Outstanding Notes are scheduled to mature on October 28, 2011; and

WHEREAS, the amount of \$20,139.87 of District funds is currently available to be applied against the principal of the Outstanding Notes at maturity; and

WHEREAS, this Board has determined that said amount shall be used to pay principal of the Outstanding Notes at maturity and that renewal notes in the principal amount of \$20,139.86 shall be issued by the School District to pay the balance of the principal amount of the Outstanding Notes at maturity; and

WHEREAS, the Treasurer, as the fiscal officer of this Board, has certified as to the maximum maturity of the bonds anticipated and of the notes herein authorized;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Rocky River City School District, County of Cuyahoga, State of Ohio, that:

Section 1. It is hereby declared necessary to issue bonds of the Rocky River City School District in the aggregate principal amount of \$20,139.86 for the purpose of acquiring computers and related software, together with all necessary appurtenances thereto (the "Bonds").

Section 2. The Bonds shall be dated approximately October 1, 2012; shall bear interest at a rate now estimated at two and one-half per centum (2.50%) per annum, payable semi-annually, commencing December 1, 2012; and shall mature in five equal annual installments of principal, commencing December 1, 2012.

Section 3. It is necessary to issue and this Board hereby determines that notes in the aggregate principal amount of \$20,139.86 (the "Notes") shall be issued in anticipation of the issuance

of the Bonds for the purpose of retiring, together with other available funds of the District, the Outstanding Notes, which were issued for the purpose stated in Section 1. The Notes shall be designated "Technology Acquisition Notes, Series 2011"; shall bear interest at a rate not exceeding one per centum (1.00%) per annum, payable at maturity, with such rate of interest to be fixed by the Treasurer in accordance with Section 5 hereof; shall be dated their date of issuance, but not later than October 28, 2011; shall be scheduled to mature on a date no less than nine months nor more than one year after their date of issuance, as determined by the Treasurer in accordance with Section 5 hereof, but may be subject to redemption prior to maturity if agreed to by the purchaser; shall be issued in such numbers and denominations as shall be requested by the purchaser thereof and approved by the Treasurer, provided that the entire principal amount may be represented by a single note; and shall be numbered as may be determined by the Treasurer.

If agreed to by the purchaser thereof, prepayment prior to maturity of all or a portion of the Notes shall be made by deposit with the paying agent designated pursuant to Section 4 hereof of the principal amount of the Notes to be prepaid together with interest accrued thereon to the date of prepayment. The Board's right of prepayment shall be exercised by mailing a notice of prepayment, stating the date of prepayment and the name and address of the paying agent, by certified or registered mail to the original purchaser of the Notes not less than seven days prior to the date of that deposit, unless that notice is waived by the original purchaser of the Notes. If moneys for prepayment are on deposit with the paying agent on the specified prepayment date following the giving of that notice (unless the requirement of that notice is waived as stated above), interest on the principal amount prepaid shall cease to accrue on the prepayment date, and upon the request of the Treasurer the original purchaser of the Notes shall arrange for the delivery of the Notes at the designated office of the paying agent for prepayment and surrender and cancellation.

Section 4. The Notes shall be signed by the President or Vice-President and Treasurer of this Board, provided that one of those signatures may be a facsimile. The principal of and interest on the Notes shall be payable in lawful money of the United States of America at the office designated by the purchaser, which may be the office of the Treasurer, provided that such designation shall be approved by the Treasurer after determining that sufficient safeguards exist to protect the funds of this School District; and shall express upon their faces the purpose for which they are issued and that they are issued pursuant to the provisions of Chapter 133 of the Revised Code, and this Resolution. The President and Vice-President of this Board and the Treasurer, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Resolution.

Section 5. The Notes shall first be offered to the Treasurer of this Board, as officer in charge of the Bond Retirement Fund of this School District, for investment in that Fund and so many of such Notes as shall not be purchased for investment in that Fund shall be awarded and sold by the Treasurer at private sale for not less than the par value thereof in accordance with the provisions of Sections 3, 4 and 5 hereof; and the Treasurer is hereby authorized and directed to make the designations and determinations referred to herein, including but not limited to the selection of the purchaser (or acceptance of the Notes, as the case may be), the determination of the interest rate with respect to, and maturity date of, the Notes, and to deliver the Notes, when executed, to the purchaser upon payment of such purchase price. The proceeds from the sale of the Notes, except any proceeds representing premium and accrued interest, shall be paid into the proper fund or funds of the School

District and those proceeds are appropriated and shall be used for the purpose for which the Notes are being issued. Any proceeds representing premium and accrued interest shall be deposited in the School District's bond retirement fund.

Section 6. The par value to be received from the sale of the Bonds or any renewal notes and any excess funds resulting from the issuance thereof, shall, to the extent necessary, be used for the retirement of the Notes at maturity, together with interest thereon, and are hereby pledged for such purpose.

Section 7. During the year or years while the Notes are outstanding, there shall be and is hereby levied on all the taxable property in this School District, in addition to all other taxes, within the limitation of Section 2 of Article XII, Ohio Constitution, a direct tax annually not less than that which would have been levied if the Bonds had been issued without the prior issuance of the Notes, which tax shall not be less than the interest and sinking fund tax required by Section 11 of Article XII, Ohio Constitution. That tax shall be within the ten-mill limitation prescribed by law and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, levied, extended and collected. That tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from the tax shall be placed in a separate fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the debt service on the Notes and the Bonds, when and as the same falls due.

Section 8. It is hereby determined that all acts and conditions necessary to be done precedent to and in the issuing of the Notes in order to make them legal, valid and binding general obligations of the Rocky River City School District have been performed and have been met, or will at the time of delivery of the Notes have been performed or have been met as required by law; that the tax for the payment of the principal and interest as the same falls due and are payable is within the ten-mill limitation imposed by law; that the full faith credit and general taxing power (as described in Section 7 hereof) of the Board are hereby pledged to the timely payment of debt charges on the Notes; and that the amount of indebtedness to be incurred by the issuance of the Notes does not exceed any limitation of indebtedness as fixed by law.

Section 9. The Treasurer of this Board is hereby directed to forward a certified copy of this Resolution to the Cuyahoga County Fiscal Officer.

Section 10. It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 11. This Resolution shall be in full force and effect from and immediately upon its adoption.

\_\_\_\_\_ seconded the motion.

Upon roll call on the adoption of the resolution, the vote was as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TREASURER'S CERTIFICATION**

The foregoing is a true and correct excerpt from the minutes of the regular meeting on October 20, 2011, of the Board of Education of the Rocky River City School District, the date, time and place of which (as shown above) having been established at the Board's organizational session in January 2011, showing the adoption of the resolution hereinabove set forth.

\_\_\_\_\_  
Treasurer, Board of Education  
Rocky River City School District, Ohio

Dated: October \_\_, 2011

**EXHIBIT D**  
**BOARD OF EDUCATION MEETING**  
**OCTOBER 20, 2011**

Hearings were held in the Human Resource Conference Room of the Board of Education of the Rocky River City School District on September 12, 2011, September 28, 2011, and \*October 18, 2011 by Mr. Sam Gifford, Executive Director of Human Resources and Support Services. The hearings were held at the request of parents of High School students to hear the appeal against their children's out-of-school suspensions at Rocky River High School. Based upon the information presented at the hearings, the out-of-school-suspensions were affirmed.

**EXHIBIT E  
BOARD OF EDUCATION MEETING  
OCTOBER 20, 2011**

**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 Kensington Intermediate School Addition and Renovation Project and Rocky River High School Additions and Renovation Project be ratified as previously recommended by the Architect and the Executive Director of Construction Services.

**KENSINGTON INTERMEDIATE SCHOOL ADDITION AND RENOVATION PROJECT:**

<u>CHANGE EVENT</u>	<u>DESCRIPTION</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
008	Reconcile actual costs for floor patch in Storage 217 at Beach. Cost included for Change Order #2 was \$2,822.64 but final cost was \$1,965.53 resulting in credit.	John G. Johnson Construction	(857.11)
027	Provide new wood flooring at stair landing near Door 120A and in Vestibule 120B instead of leaving existing flooring. New wood flooring will match wood floors and stairs being installed in adjacent areas.	John G. Johnson Construction	\$1,807.23
028A	Provide curb adapter with side discharge for new rooftop HVAC unit RTU-1 to allow the ductwork supplying the new Cafetorium to be run on the room to avoid conflict with structural members in the building. All other costs and credits associated with revising the ductwork will be included in a future Change Proposal.	P K Mechanical	\$4,224.95
029	Perform additional masonry	John G. Johnson	\$756.53

	work to create bearing points for lintel beams for the addition and reinforcement for new RTU-1. Masonry bearing is not shown for the lintel beams for the north and south walls of the addition, but was required. The structural supports for new RTU-1 are shown to be connected to existing steel beams, but these existing beams were not at an elevation to allow this connection.	Construction	
030	Perform exploratory work using a camera in the existing sanitary piping system at the east end of Corridor 112 to determine the actual location of the piping. Reroute the new sanitary piping and connection based on the actual location of the existing piping.	John G. Johnson Construction	\$1,451.36
031	Revise the elevation of the new stage in Cafetorium to accommodate adjacent door frames and provide shimming to level the framing for the new stage flooring. Existing stage flooring was not level.	John G. Johnson Construction	\$818.10
033	Revise door and window header and jambs to provide additional wood/metal framing for proper anchorage of new doors and windows in addition.	John G. Johnson Construction	\$1,775.61
035	Laminate existing plaster walls in Rooms 176/177. After demolition of casework, unfinished plaster walls with peeling finishes and multiple penetrations were discovered. Laminated walls will provide a better finished surface than trying	John G. Johnson Construction	\$2,396.45

to repair existing walls.

041	Revise exterior signage per ASI #003	John G. Johnson Construction	No Change
047	Undercut existing soils and backfill with stone base under new concrete parking apron on Morewood Pkwy. at Beach. During demolition of existing apron, it was discovered that no stone base was installed under the apron.	John G Johnson Construction	\$2,033.93



**ROCKY RIVER HIGH SCHOOL SCHOOL ADDITIONS AND RENOVATION PROJECT:**

<u>CHANGE EVENT</u>	<u>DESCRIPTION</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
010	Perform demolition of additional ductwork serving the existing Area G classrooms that were demolished to accommodate new science addition. Ductwork was not shown on the HVAC demo plans.	Castle Heating & Air	\$1,223.63
012	Revise 2 <sup>nd</sup> floor and roof framing at intersection of new science addition and existing Area G portion of building. Some of the existing structural steel shown to be removed supports the floor and roof systems of existing building that is to remain. Work includes temporary shoring of existing structure, additional masonry detail work, reinforcing existing steel joists and cutting existing steel joists once they are supported by new masonry wall of the addition.	Mosser Construction, Inc.	\$14,510.20
020	Undercut and replace saturated soils in new south entrance drive to bus parking area, per recommendation of the testing agency. Work includes backfilling with 24" of aggregate over geotextile fabric and geogrid. This soil replacement, in conjunction with the Base Bid curb drainage system, will provide a dewatered and stable base for the new bus drive.	Mosser Construction, Inc.	\$29,824.63
022	Remove and reroute an	Mosser	\$3,848.46

existing 8" storm drainage pipe near the south detention basin. Actual route of existing pipe was not as shown on the utility plans, and connection point to new storm drainage piping required relocation to provide adequate drainage.

Construction , Inc.

025	Remove and reroute existing storm drainage and sanitary sewer piping running through the detention basin located within the loop drive on the north side of the site. Work includes new piping with premium backfill, 1 new storm drainage manhole and 2 new sanitary sewer cleanouts.	Mosser Construction, Inc.	\$19,337.67
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**EXHIBIT F  
BOARD OF EDUCATION MEETING  
OCTOBER 20, 2011**

**RESOLUTION TO APPROVE CANDIDATE FOR GRADUATION**

BE IT RESOLVED by the Board of Education of the Rocky River City School District that Scott Carr who has completed the course requirements as specified by Policy, be approved for graduation from Rocky River High School.

WHEREAS, the Ohio House of Representative is currently considering legislation that would significantly expand the availability of vouchers for students to attend private or parochial schools; and

WHEREAS, this legislation would grant vouchers to any public school student in Ohio to request and be granted a voucher, subject only to a family income standard of \$95,000 or less; and

WHEREAS, such vouchers would be granted without regard to the academic performance of the public school that the student is assigned to attend; and

WHEREAS, the bill provides that students already enrolled in private or parochial schools would be eligible for such vouchers; and

WHEREAS, students receiving vouchers would be able to retain any excess funds in those instances where the cost of tuition is less than the value of the voucher for use in any private school or college in Ohio; and

WHEREAS, the operation of the proposed program would take dollars directly from the already financially beleaguered local public school districts resulting in fewer resources for the education of the remaining students;

NOW THEREFORE BE IT RESOLVED, that the Rocky River Board of Education does hereby express its opposition to this legislation, HB 136 School Choice; and

BE IT FURTHER RESOLVED that the Rocky River Board of Education expresses its opposition to any legislation that seeks to transfer public dollars to support private education; and

BE IT FURTHER RESOLVED that the Treasurer be directed to spread this resolution upon the minutes of the Board of Education and that copies of the resolution be forwarded to members of the Ohio House of Representatives.