

Minutes

Board of Education of the Rocky River City School District

The Board of Education of the Rocky River City School District, Cuyahoga County, Ohio, met in Finance Committee Session on September 18, 2014 at 4:00 p.m. in the 2nd Floor Conference Room at the Board of Education Offices.

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

CALL TO ORDER The Finance Meeting was called to order at 4:02 p.m. by Mr. Swartz, Chair

ROLL CALL

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

The Finance Committee Meeting Minutes from August 21, 2014 were approved.

Potential Build America Bond Refunding

Mike Sudsina, Independent Financial Advisor, presented to the committee and others in attendance on the topic of the extraordinary call provision and refunding opportunity that exists with the District's \$28.5MM of outstanding Build America Bonds (BAB's). The opportunity exists to call these bonds due to the federal government budget sequestration, which reduced the direct subsidies paid to issuers of these bonds. Mr. Swartz would like additional discussion and analysis on this issue between now and the next finance committee meeting as the District is currently at the tail end of a financing plan that used the bond subsidies to supplement the District's General Fund operating budget through December 1, 2014. After this date, future subsidy payments are scheduled to be credited to the District's bond retirement fund for subsequent debt service. Refinancing the BAB's would eliminate the direct subsidy as the refunded bonds would be typical tax exempt bonds that a school district would issue, so therefore the District would not have the flexibility to use the subsidies for general operation. However, continuing to use the subsidies for general operation would cause an increase in the debt service millage needed to pay future debt service obligations. Mr. Markus and Mr. Swartz agreed that this issue should be brought to the upcoming Citizens' Finance Committee for further discussion on October 9 and then a recommendation would be made the full Board of Education subsequent to that date.

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Mr. Markus briefly reviewed the financial reports for the month of August and fiscal year to date as these reports and a written summary were provided to the committee and the full Board of Education previous to the meeting.

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

Committee Chair

Treasurer