

Kirtland Board of Education

Finance Committee

January 19, 2017

The Finance Committee meeting was called to order at 7:04 a.m. in the Kirtland Board of Education building. In attendance were Mr. Meyer and Mr. Stepanovic. Superintendent Bill Wade and Treasurer Daniel L. Wilson were also present.

Mr. Meyer moved, seconded by Mr. Stepanovic that the minutes of the December 12, 2016 meeting be approved as presented. Roll call: Ayes: Mr. Meyer, Mr. Stepanovic.

At this time Treasurer Daniel L. Wilson presented the December 2016 monthly financial statements noting that year-to-date performance is tracking both to budget as well as previous year's fiscal performance

At this time Superintendent Mr. Bill Wade presented the monthly student enrollment summary noting that the format has been revised to more correctly capture the data being reported to the Ohio Department of Education. The committee requested that the chart be modified to include the number of teachers assigned to each grade level.

At this time Superintendent Bill Wade telephoned Kyle Anthony representing the Oswald Company who provided an update on the Lake County Healthcare Consortium options. Mr. Anthony reviewed a new handout updating the time schedule and charge presented last month. It was determined given legal guidance that we are not able to withdraw from the Consortium this July that we proceed with working with KEA leadership in advance of negotiations to encourage enabling collective-bargaining language to provide comparable coverage utilizing providers other than Lake County Healthcare Consortium. It was further agreed to continue to work on exploring the possibility of withdrawing from healthcare consortium as of June 30 of 2018.

At this time Superintendent Bill Wade provided an update to the committee on receiving an Ohio Environmental Protection Agency grant for a diesel mission reduction program in the amount of \$225,633.20. Mr. Wade acknowledged the leadership of Sheila Dikowicz in pursuing this grant for the district. The grant requires a local match of \$121,494.80 to fund the purchase of four diesel powered replacement school buses. Following discussions it was the consensus of the committee to fund the grant matching budget requirements by using the general fund reserve with a return to the reserve out of future years planned bus purchases. Treasurer Mr. Wilson indicated he would prepare the necessary action items for the January 30th board meeting.

At this time Treasurer Mr. Wilson reviewed the upgrade to the school district photocopying program. Mr. Wilson and Mr. Wade indicated that the new program will provide more reliable machines and a lower monthly maintenance and per copy cost. Mr. Wilson indicated that the district had committed to a purchase program in lieu of a five-year lease program with the goal of extending the five year lease commitment by redeploying machines as they age to lower volume settings. Mr. Wilson indicated he had success in his last three districts of extending the useful life of machines far beyond the five-year period. After discussions it was the consensus of the committee to fund the purchase of \$71,128 from the general fund budget reserve and to have the general fund apply annual savings to the replenishment of the reserve fund over the next 5 years. Mr. Wilson indicated he would provide the necessary agenda item actions for the boards January 30th board meeting.

At this time Treasurer Mr. Wilson provided a review of a recommendation to change investment advisors for the school district. Currently the school district uses UBS as the investment advisors. Mr. Wilson solicited proposals from Meeder Investments and First National Bank Wealth Management Division. Mr. Wilson is recommending that the board change investment advisors to the First National Bank investment advisory services and presented information showing that modeling the current portfolio with First National Bank's recommendation to increase allocation of municipal bonds would provide additional \$22,260 in portfolio income and that the investment fees would be reduced by approximately \$10,000 a year. It was the consensus of the committee to authorize the treasurer to proceed with the change in investment advisors.

At this time Treasurer Mr. Wilson provided an update on the interest from Verizon obtaining lease rights to the cell tower property. A proposal from Strategic Wireless on behalf of Verizon offered to provide a \$4,800 per year ground lease to use the existing space if they are successful in negotiations with AT&T to cohabitate the tower. Following discussions the committee requested Mr. Wilson follow-up with Strategic Wireless and ask them to provide the best final offer on their proposal and also asked Mr. Wilson to reengage discussions with Lyle Company the authorized agent of American Tower, on a buyout of future revenues for the AT&T tower.

Mr. Cosgrove entered the meeting at 8:39 a.m.

At this time Superintendent Mr. Wade presented the five-year technology plan. The committee discussed the cost analysis sheet and clarification on the sustainability aspect of the Straight A grant that was received in 2015. Mr. Wade indicated that the five-year plan proposes a sell back of the current student devices and the purchase of new student devices for grades 5 through 12 as well as new teacher devices. It's estimated that the net cost of the purchase and sell back will be approximately \$6,360. Mr. Wade also indicated their commitment to proceed with buying student learning software through Pearson. Following discussions Mr. Cosgrove moved, seconded by Mr. Meyer that the committee recommend Board of Education approve the five-year technology plan funding and that the plan be referred to the student achievement committee for consideration on the instructional component of the five-year plan.

Roll Call: Ayes: Mr. Cosgrove, Mr. Meyer, Mr. Stepanovic

At this time the committee reviewed the January 30, 2017 Board of Education agenda. Mr. Wilson indicated that he received communications from the Kirtland Public Library indicating that Ms. Susan Hanna has resigned as a trustee and that the Board of Education is responsible for the selection of a new trustee. The committee confirmed that past practice has been to request the library recommend a replacement trustee for board consideration. The Ohio Revised Code provides a 45 day window from the effective date of resignation for appointment to avoid the appointment process moving to the Lake County probate court. The committee requested that Mr. Wilson work with the library trustees in hopes of having a recommendation for the January 30, 2017 meeting to prevent the need for a special meeting prior to the regularly scheduled February meeting. It was confirmed that the January 30th agenda would also include a recommendation to authorize the use of general fund budget reserve for the purchase of photocopiers, the EPA grant matching funds, the five-year technology plan funding, and that the agenda would add an executive session to discuss current litigation and employee negotiations.

At this time Mr. Ron Stepanovic asked for public comments and questions there were none.

Mr. Cosgrove moved seconded by Mr. Stepanovic that the finance committee recess to executive session to discuss the negotiations and employee compensation.

Roll Call: Ayes: Mr. Cosgrove, Mr. Meyer, Mr. Stepanovic

The committee recessed at 9:33 a.m.

The committee reconvened at 10:25 a.m.

There being no further business to come before the committee, Mr. Stepanovic moved, seconded by Mr. Cosgrove that the meeting be adjourned.

Roll call: Ayes: Mr. Cosgrove, Mr. Meyer, Mr. Stepanovic

Meeting adjourned at 10:26 a.m.