

Kirtland Board of Education
Finance Committee
March 20, 2017

The Finance Committee meeting was called to order at 7:08 a.m. in the Kirtland Board of Education building. In attendance was Mr. Stepanovic. Mr. Meyer participated via telephone. Superintendent Bill Wade and Treasurer Daniel L. Wilson were also present.

Mr. Cosgrove entered the meeting at 7:18 a.m.

At this time Treasurer Mr. Wilson reviewed February 2017 monthly financial statements noting the year-to-date performance is tracking both to budget as well as previous year's fiscal performance. Mr. Cosgrove asked about the monthly increases and expenditures when compared to the previous two years. Subsequent to the meeting Mr. Wilson informed the committee that this year's budget is 3.89% more than last year and that with the addition of Jim Smith the spending for operations and maintenance activities is occurring sooner than the previous years. Importantly it was noted that the year to date spending when compared to budget is at 65.1% with 66.6% of the fiscal year completed last year at the same point time 64.2% of the budget had been spent.

At this time Mr. Cosgrove moved seconded by Mr. Stepanovic that the minutes of the February 13, 2017 meeting be approved as presented. Roll call: Ayes: Mr. Cosgrove, Mr. Stepanovic.

At this time Superintendent Mr. Wade presented the monthly enrollment summary report. Mr. Wade indicated that the actual enrollment for the current academic year has remained constant but that the registration for the 2017-2018 year for incoming kindergarten students is lagging behind when compared to the past several years. Mr. Wade is investigating potential causes and tactics to encourage enrollment for next academic term.

At this time Superintendent Mr. Wade and Treasurer Mr. Wilson discussed the status of the 2017- 2018 budget development and staffing. Mr. Wilson indicated that at this point in time the biggest impact on the target budget for 2017-2018 is the unknown outcome of the state biennial budget. Mr. Wilson presented an updated chart on potential fiscal impact including the proposed changes in transportation reimbursement noting that the two-year loss of transportation funding would be \$293,701. Indications are that there's a good possibility that the transportation funding reductions will not be included in the final budget development.

Mr. Wade discussed staffing for 2017-2018 school year and began with a presentation of the instructional coaches program which included the role of Mr. Ed Bradac. Mr. Wade indicated that based on current enrollment and programming expectations he is planning on one teacher reduction at the high school, two elementary teacher reductions; one at second grade, one in third grade, an increase of a halftime guidance counselor position, and an increase for a middle school special-education teacher resulting in a net reduction of 1.5 positions. Mr. Wade also indicated that there's a possibility of a .38 reduction for the high school English program resulting in an overall decrease of 1.78 positions in the 2017- 2018 budget. Following the staffing presentation it was the committee's consensus to authorize the Superintendent to proceed with the proposed staffing reductions and increases as presented. The committee also requested that the Superintendent develop a management matrix to determine the effectiveness of the changes to the instructional coach delivery model as well as the additional guidance counselor program. The committee also discussed the need to separate future staffing discussions to focus separately on future staffing needs determined by changes in enrollment and discussions on determining future staffing needs based upon the need and measuring the performance impact for all non-traditional classroom teachers.

At this time Treasurer Mr. Wilson presented information received by the finance committee last fall on an interest from American Tower Company to extend the current cell tower lease and buyout future lease payments. Also reviewed was a proposal received from Strategis Wireless representing Verizon for a new ground lease on the existing cell tower site. The committee requested that the Treasurer and Superintendent explore obtaining expert advice on the future lifecycle of current cell tower technology

and the potential fiscal impact of selling versus holding current leasing rights to the cell tower. It was requested that an update be provided at the April finance committee meeting.

At this time the committee reviewed the March board meeting draft agenda.

At this time Superintendent Mr. Wade discussed a potential donation to the school district to construct a new weight room facility and to add restroom facilities to the high school football stadium. The committee encouraged the Superintendent to pursue the discussions with hopes that an agreement could be reached to allow for construction to occur as early as June and be completed by August. The committee further requested that the Superintendent and Treasurer contact attorney David Riley to assist with proper legal format and proper school district protections for this donated construction project. The committee reminded Superintendent and Treasurer that the goal is to enable the donation to occur as soon as possible and the construction to be completed over the summer. Subsequent to the meeting the Superintendent and Treasurer had a conversation with David Riley who provided guidance on how to facilitate the potential donation.

At this time Superintendent Mr. Wade provided an update on the levy campaign for the 7.07 mill levy renewal on the May 2nd ballot.

At this time Mr. Ron Stepanovic asked if there were any follow-up items for the committee.

Mr. Wilson provided follow-up information on the process for disabling the diesel engines and scrapping the old school buses in compliance with the EPA grant awarded to the school district. Mr. Cosgrove asked that Mr. Wilson confirm that there is no net cost to the school district for the disabling of the diesel engines and to confirm if there was any residual scrap value after the cost of disabling the diesel engines. Subsequent to the meeting Mr. Wilson communicated to the committee that there's no net cost to the school district for the disabling of the diesel engines.

Superintendent Mr. Wade and Treasurer Mr. Wilson updated the board on the transition process to the Cuyahoga County ESC for providing payroll and human resource services effective April 1. It was indicated that two parallel payrolls and one primary payroll has been processed by the Cuyahoga County ESC successfully and that the transition of human resource responsibilities is also progressing on schedule with the expectation that there will be a successful formal handoff effective April 1, 2017.

At this time Chairman Mr. Ron Stepanovic asked for any public comments or questions, there were none.

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

Roll call: Mr. Cosgrove, Mr. Stepanovic

The committee recessed at 8:52 a.m. and the committee reconvened at 9:26 a.m.

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

Roll Call: Mr. Cosgrove, Mr. Stepanovic

The meeting adjourned at 9:27 a.m.