

## **Minutes of Finance Committee Meeting**

**Date of Meeting:** Monday, July 17, 2017  
**Call to Order:** 7:00 a.m.  
**Attending:** Mr. Cosgrove, Mr. Meyer, Mr. Wade and Mr. Wilson  
(Mr. Stepanovic was excused from the meeting due to a prior work commitment)  
Mr. Meyer presided.

The meeting was called to order at approximately 7:00 a.m.

### **Approval of May 15<sup>th</sup> Meeting Minutes**

Upon motion by Mr. Cosgrove, which was seconded by Mr. Meyer, the minutes of the June 19<sup>th</sup> 2017 meeting were approved as presented.

### **Monthly Financial Update**

Next, Treasurer Wilson provided the June 2017 financial statement review. Mr. Wilson indicated that as expected and previously discussed over the past three months, year-to-date revenues came in at 98.3% of budgeted amount with the variance being attributed to the shortfall in the first half real estate tax collections. Year to date expenditures finished and 98.5% of the budgeted and the current operating year deficit was \$525,852 which is \$31,548 larger than budgeted.

### **Monthly Enrollment Summary**

Next, Mr. Wade reviewed monthly enrollment figures and indicated that kindergarten enrollment continued to be below expectations, and second grade enrollment has shown an increase.

### **Update of Lake County Health Care Consortium Options**

Next, Mr. Wade and Mr. Wilson presented an update on the Lake County Healthcare consortium options. Mr. Kyle Anthony representing the Oswald Companies phoned in to participate in this discussion. Mr. Anthony reviewed a legal opinion received from Bill Pepple indicating that the formal action to withdraw from the healthcare consortium would be ineffective if it included the right to rescind the action if a decision was made prior to expiration to continue to participate. Mr. Anthony then reviewed next steps for the school district which included staying with Medical Mutual of Ohio and the current plan design for the 2018- 2019 year and perhaps 2019- 2020 year if current rates could be assured during the transition year. During a two-year period of time options of other consortium alignments would be considered. Mr. Anthony indicated that a quote should be secured from Medical Mutual in September 2017 which will allow three months of new claims activity to be included. It was noted that the quotation would most likely not be available in time for the September Finance and Board of Education meeting necessitating the possibility of two special meetings in order to ensure that a planned withdrawal resolution could be adopted and filed prior to the October 15<sup>th</sup> deadline.

### **Cell Tower Lease Options**

Next, Mr. Wilson presented a draft agreement for selling future revenue from the cell tower to current lease holder American Tower Company. The result would be the receipt of \$300,000 and the ability to entertain an agreement with Verizon to cohabitate in power for an additional \$4,800 of annual lease income. The committee requested that the draft agreement be reviewed by legal counsel and that we confirm that both the Verizon interest and future additional cohabitation interest would be permitted with income flowing directly to the school district. Legal opinion is to be presented to the finance committee for recommendation to the board at their August meeting.

### **Budget Update**

Next, Mr. Wilson presented an update on the 2017- 2018 budget development. Mr. Wilson indicated that budget revenues have been completed, staffing levels have been set, and that the Cuyahoga County ESC has just provided detailed salary and benefit budget details. The 2017-2018 budgeted income will be 1.18% more than actually received in fiscal year 2016- 2017 and \$45,531 less than anticipated in the five-year forecast. During discussions the committee asked for clarification on capital spending from the general fund, general fund capital reserve and from the permanent improvement fund for 2017- 2018. Mr. Wade and Mr. Wilson will schedule a meeting within the next two weeks with Mr. Cosgrove and Mr. Meyer to review future levy planing . The committee also asked Mr. Wilson to seek clarification if the fund for 466 Straight A grant funding can now be spent on other instructional technology purposes. Mr. Wilson will report back at next meeting.

### **Levy Update**

Next, the committee discussed future levy needs given the status of the 2017-2018 budget development and the current five-year forecast. It was recommended that as a part of the October presentation of a new five-year forecast discussion begins on the timing and needs for additional revenues. For planning purposes the committee asked that the current forecast be used to develop “what if” scenarios for new levy needs of 4.5 mills in calendar year 2018 or 4.5 mills in 2019. The committee also asked for the cost of conducting a 10 year enrollment study. The committee requested clarification on the status of state rollback reimbursement if the 2016 levy renewal were combined with a new levy. Subsequent to the meeting Mr. Wilson confirmed that the existing rollback reimbursement would continue and that there would be no rollback reimbursement on new millage.

### **Shared Transportation Supervisor**

Next, Mr. Wade presented an update on the proposed shared transportation supervisor services with Perry Schools. It was a consensus the committee to recommend the proposed shared transportation services agreement for the 2017- 2018 school year to the Board of Education for consideration at the July board meeting.

### **Review Draft Board Agenda**

Next, the committee reviewed the July 24 draft board agenda meeting and recommended several adjustments to the superintendent and treasurer

### **Ohio EPA Bus Purchase Grant**

Next, the Committee was updated on the status of the District’s grant for the purchase of a new bus. Mr. Meyer inquired as to the status of the school bus grants Mr. Wade responded that the technical compliance with the buy America procedures have been met but that the funding

challenges with the federal grant remain at this time Mr. Meyer ask if we were considering applying for the new school bus grant Mr. Wade responded that he had a concern given the current possible non-funding of the previously approved grant as well as the reality of skewing planned staggered turnover of the bus fleet that we take a pass on a current grant opportunity.

Next, the floor was open to public comments and questions. There were none.

At 9:38 a.m. The Committee went into Executive Session to review the performance of the Superintendent and employee compensation.

### **Follow Up Items**

Next, Mr. Meyer inquired as to the status of the landscape boulders for placement on our property adjacent to the Sunoco station Mr. Wade indicated that the cost estimates are currently being obtained.

Next, Mr. Cosgrove inquired as to the status of identifying a grant writer consultant to assist in pursuing future educational grants Mr. Wade indicated that he will be following up with a possibility for assistance.

Meeting adjourned at 9:48 a.m.