

Minutes of Finance Committee Meeting

Date of Meeting: Tuesday, October 16, 2017
Call to Order: 7:00 a.m.
District Attendees: Mr. Wade, Mr. Stepanovic, Mr. Cosgrove, Mr. Wilson and Mr. Meyer
Other Attendees: Jeannette Blankenship

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

Approval of 9/18/17 Committee Meeting Minutes

Upon motion from Mr. Meyer and seconded by Mr. Cosgrove, the minutes of the September 18, 2017 finance committee meeting were approved as presented.

Monthly Financial Update

Next, Treasurer Wilson provided his monthly financial update noting that he is not seeing anything remarkable in this year's results and that we are tracking last year's results in terms of both receipts and expenses. Year-to-date receipts total \$5,522,899, which represents about 38% of total budgeted revenue and about a 2% decrease from the same period last fiscal year, and total expenditures year-to-date are \$3,652,253, which represents about 24% of total budgeted expenditures and about a 3.5% increase over the same period last year.

Monthly Enrollment Summary and Review of Enrollment Study

Next, Mr. Wade provided an update on district enrollment noting that enrollment is steady with a total of 1,184 students in district.

Mr. Wade also presented to the Committee the results of the enrollment study conducted by Planning Advocates on behalf of the district. The purpose of the study was to conduct a ten-year enrollment projection for the district so that the administration could use the data generated by the study to assist in making staffing decisions and plan for long-term facilities needs of the district. Planning Advocates reviewed historical data relating to birth rates, historical student enrollment, housing construction, population and census data and student enrollment in alternatives to residential public education. The study concluded that over the ten-year period beginning in 2017 and ending in 2027, enrollment is projected to be pretty steady hovering between 1,151 students on the low end to 1,201 students on the high end—so not a great deal of variance.

Review of 5-Year Forecast

Next, Mr. Wilson presented the Committee with the five-year forecast for the fiscal years 2017-18 through 2021-22. Under Ohio law, the Board has to adopt and file no later than October 31st of each year a rolling five-year forecast to assist in the financial management of the school district.

Treasurer Wilson began his presentation by setting forth the key assumptions underlying the 5-year forecast, those being:

- Enrollment will not vary significantly from current levels
- Staffing will remain constant

- Expenses, other than salaries and benefits, will increase by 2%
- The current 2014 operating levy will be renewed
- Health care costs will increase by 6.7% next year and 8% per year thereafter
- Salaries and wages will increase by approximately 2.8% per year
- Revenue will be virtually flat throughout the 5-year forecast period

Based on those assumptions, Treasurer Wilson took the Committee through the five-year forecast. Total income over the five-year period is estimated to be \$14,154,757 for the 2017-18 fiscal year and \$14,511,765 for each of the four years thereafter and total expenditures are estimated to be \$15,160,857 for the 2017-18 fiscal year, \$15,607,883 for the 18-19 fiscal year, \$16,127,906 for the 19-20 fiscal year, \$16,693,756 for the 20-21 fiscal year and \$17,228,470 for the 21-22 fiscal year. So, if no changes are made or no savings can be found, the district will be running at a deficit for each year of the five-year forecast. Deficits are estimated to be \$1,006,100 in 17-18, \$1,096,118 in 18-19, \$1,616,141 in 19-20, \$2,181,991 in 20-21 and \$2,716,705 in 21-22 and the district's operating fund reserve will be virtually depleted by the end of the 19-20 fiscal year. Discussion ensued about the need to find ways to slow the growth in expenses in order to extend the life of the operating fund reserve. It was noted that salaries and benefits comprise 80% of total annual expenditures and, therefore, in order to reduce the growth in expenses, salaries and benefits would have to be part of the discussion.

Future Levy Planning Update

Next, Mr. Wade shared with the Committee a chart identifying the various dates and deadlines for a potential new money levy in either 2018 or 2019 and the renewal of the 2014 operating levy (which can be placed on the ballot in either 2018 or 2019). A brief discussion ensued about formulating a plan for determining the best ballot dates to seek renewal of the 2014 operating levy (which can be either in 2018 or 2019) and the possible new money levy. No action was taken.

Substitute Aid Permit Fee Reimbursement

Next, Mr. Wade presented the Committee with a proposal to reimburse substitute aides the \$25 fee they incur in order to obtain the permit needed to serve as a substitute aid. Mr. Wade indicated that it is difficult to find substitute aides and offering reimbursement of the permit fee could assist in that regard. The Committee recommended that Mr. Wade proceed with the proposal.

There were no questions from the public and the meeting adjourned at approximately 9:45 a.m.