

Minutes of Finance Committee Meeting

Date of Meeting: Tuesday, April 18, 2017
Call to Order: 7:00 a.m.
Attending: Mr. Wade, Mr. Stepanovic, Mr. Meyer, Mr. Cosgrove, Mr. Wilson

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

Presentation by Cleveland Construction Regarding Potential Expansion of Weight Room

We were joined by Ray Kriz, Senior Project Manager for Cleveland Construction, who shared plans by Cleveland Construction for a potential expansion to the existing high school weight room and the addition of restroom facilities that can be used for football and track events. It is important to note that the expansion of the weight room and addition of the restrooms will be funded as a donation entirely by Cleveland Construction and its partners. According to Cleveland Construction, the estimated cost of the work is approximately \$350,000, which includes all design, construction and project management and includes contingency for unforeseen conditions.

Approval of March 20th Meeting Minutes

Minutes of the March 20th meeting were approved.

Monthly Financial Update

The meeting began with Mr. Wilson presenting the March 2017 monthly financial statements. Mr. Wilson noted that in terms of expenses performance is tracking to both budget and last year. With respect to revenue, however, Mr. Wilson informed the Committee that through March we are down about 3% year-to-date from the same period last year—the bulk of which is attributable to total tax revenue being approximately \$395,000 less than budgeted due in large part to real property tax delinquencies. Mr. Wilson concluded his report by noting that food service continues to show a slow, steady improvement in sales and expenses with a net cash balance of approximately \$11,000 year-to date (compared to a net cash balance of negative \$2,500 for the same period last year).

Monthly Enrollment Summary

Next, Mr. Wade reviewed monthly enrollment figures noting that from the beginning of the school year in August enrollment is up about 3 students and noting that enrollment for next year's kindergarten class is at about 50 students.

2017-18 Budget Development/Staffing

Mr. Wade then reviewed his plan for staffing for the 2017/18 school year, which calls for a net reduction of 4 full-time equivalents, which includes a net reduction of two teachers and two administrative staff (reduction of 1 second grade teacher, 1 third grade teacher, one middle school teacher, one-half high school teacher, a number of administrative staff and the addition of one middle school special ed teacher and a part-time high school counselor).

Update on 7.07 Mill Levy Renewal

Mr. Wade then gave the Committee an update on his efforts in regards to the 7.07 mill levy renewal that will be on the ballot on May 2nd—this is a renewal levy that generates \$2.28 million annually for the district—Mr. Wade indicated it is important to note that the renewal will not raise taxes. He informed the Committee that he and Mr. Cosgrove have been making the circuit talking with various constituencies including, groups in Kirtland and Waite Hill and he has scheduled to meet with a group in Kirtland Hills and address the Kirtland Kiwanas. He also mentioned that the levy was included in various communication tools, including the recently launched Key Communicator as well as The Kirtland Connection (the district's quarterly newsletter).

Cell Tower Lease Options

Next, Mr. Wilson presented information on interest from American Tower Company to extend the current cell tower lease and buyout future lease payments. Discussion ensued but no recommendation was made by the Committee at this time.

City of Kirtland Community Reinvestment Act Proposal

Next, Mr. Cosgrove shared with the Committee some materials relating to discussions that are on-going within the City of Kirtland relative to the adoption of a Community Reinvestment Area designed to foster economic growth in the City. One of the major aspects of the CRA is the ability of the City to offer developers and residents real property tax abatement in order to promote development. Because of the potential impact on the district, Mr. Cosgrove indicated he had some preliminary discussions with City officials to better understand the need for and scope of any Community Reinvestment Area and the impact it would have on the district. Mr. Cosgrove then indicated that his conversations were productive and that he believed the City understood the district's concerns.

Summer Custodial Help

Next, Mr. Wade indicated that the district will be hiring two custodians to help with the buildings during the summer months when a number of our full-time custodial staff take vacations.

Technology Director Position

Next, Mr. Wade indicated that he would like to take action to formally hire John Renwick to serve as the district's technology director. The district currently contracts with the Geauga County ESC for Mr. Renwick's services and it was determined that the district can save about \$5,000 per year by hiring Mr. Renwick directly.

Website Conversion

Next, Mr. Wade informed the committee that he is in the process of transitioning the district's website to a company called E-School View. Mr. Wade said this was necessary because our current website is obsolete. The conversion to the new system will entail a start-up fee of about \$7,500 and increase the cost of maintaining our website by about \$1,000 year.

Health Care Premium Update from the Lake County Schools Consortium

Next, Mr. Wade reported that he attended the General Assembly Meeting of the Lake County Schools Consortium and based on preliminary indications he anticipates a 3% overall increase in health care premiums next year.

Water Testing Update

Finally, Mr. Wade informed the committee that the state had finalized its testing of the district's water supply and that the test results came back clean with no lead found in the water.

There were no questions from the public.

The meeting adjourned at approximately 10:00 a.m.