

Minutes of Finance Committee Meeting

Date of Meeting: Monday, May 15, 2017
Call to Order: 7:20 a.m.
Attending: Mr. Wade, Mr. Stepanovic, Mr. Cosgrove, Mr. Wilson (and Mr. Meyer by telephone)

The meeting was called to order at approximately 7:20 a.m.

Approval of April 18th Meeting Minutes

Minutes of the April 18th meeting were approved.

Monthly Financial Update

Mr. Wilson began the meeting by providing the monthly financial update. He indicated that we continue to track the current year budget in terms of expenses, but, as reported in April, revenue for the year is about 4% less year-to-date from the same period last year (due largely to lower than anticipated real estate tax collections. Mr. Wilson concluded his monthly report by noting that food service continues to show steady improvement in sales and expenses and observing that over the past two years food service went from a deficit of about \$86,000 to positive cash position of about \$5,000.

Monthly Enrollment Summary

Next, Mr. Wade reviewed enrollment figures noting that enrollment in the district for the year is virtually identical to last year's enrollment.

Update of Lake County Health Care Consortium Options

Mr. Wade reviewed with the committee the district's health care options for the upcoming year and the possibility that the district may exit the Lake County Health Care Consortium and explore other options in the healthcare market. Mr. Wade will be meeting with the district's health care consultant to determine other options available to the district if it elects to exit the Consortium. In advance of our next meeting, Mr. Wade is going to review the process for exiting the Consortium, any fees involved in exiting and the possibility of re-joining the Consortium if other options are not attractive. Mr. Wade indicated that if the district is going to exit the Consortium, we would likely have to make that decision in the August/September timeframe after meeting with teacher's union so we can provide notice of withdrawal by the October 15th deadline, initiate an RFP process and get quotes in October, interview potential insurance carriers in December and make a final decision in the April to July 2018 time frame.

Review of Five-Year Forecast Update

Mr. Wilson then reviewed his update to the district's five-year forecast. As you will recall, the district is required to file its annual budget and its five-year budget of fiscal projections with the State of Ohio in October, which we did on October 24, 2016. The State also requires that those fiscal projections be updated and filed with the State auditor no later than May 31st of each year. The purpose of the May update is to provide current budget year data—so we are updating the current year budget and the five-year forecast that we provided in October 2016 with actual numbers for the ten months ending April 2017 and projections for the months of May and June 2017. The fiscal projections in the five-year budget for the years 2017-2018 through 2020-2021 have been updated to take into account subsequent events which include reductions to

expenses on account of 2017-2018 staffing reductions, the new KEA collective bargaining agreement and a lower than projected employee insurance increase. As noted earlier, the 2016-2017 budget is being updated to reflect that income is expected to be about \$350,000 less than budgeted due to lower than budgeted tax collections and lower property values. As can be seen from the revised five-year forecast, the district is forecasting deficit spending for all years covered by the forecast, but the good news, for those looking for the silver lining, is that the ending balance deficit for the 2020-2021 school year is \$1.45 million which is approximately \$1.1 million less than previously projected.

Fleet, Property and Cyber Liability Insurance Renewal

Next, Mr. Wade reviewed with the committee the renewal of the district's various liability insurance policies (including fleet, property and cyber liability) noting that our premiums for the renewal period increased by about 10% from approximately \$60,000 to \$66,000, due, in part, to an increase in our coverage limits.

Ohio EPA Bus Purchase Grant

Next, Mr. Wilson informed the committee that the district's grant for the purchase of a new bus has hit a bump in the road based on the need for a waiver of the Buy American requirements that the Ohio EPA needs from the federal government. Unfortunately, until that waiver is granted, the Ohio EPA cannot finalize our grant.

Cell Tower Lease Options

Next, the committee reviewed various options relating to the renewal of the cell tower lease or the buyout of future lease payments. Discussion ensued but no recommendation is made at this time.

Potential Purchase of Band Coats

Next, Mr. Wade reviewed with the committee an inquiry from the band boosters regarding the possibility of the district contributing to the purchase of new band coats. The administration is reviewing costs, funding sources and alternatives and so no recommendation was made on this subject pending that review.

Fire Alarm Systems Update

Mr. Wade updated the committee on a preliminary review of the fire alarm systems in the board of education and transportation buildings. Although not legally mandated to have fire alarm systems in those buildings, the administration believes it may be prudent to have those systems in place given the recent fire at the W-E board building. Jim Smith sought proposals for a fire system and will continue to review and get the best pricing possible before making a final recommendation.

Staffing Recommendation for Custodial Personnel

Next, Mr. Wade indicated that he may have to recommend an involuntary transfer of a custodian from the morning shift to the 2nd shift. Mr. Wade indicated we are currently using a sub for the 2nd shift and we are over-staffed on the 1st shift. Any transfer will be effective as of the first day of school next year.

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