

**KIRTLAND BOARD OF EDUCATION  
FINANCE COMMITTEE**

**July 13, 2015**

The meeting was called to order at 7:12 a.m. In attendance were Mr. Meyer, Mr. Cosgrove, Superintendent Steve Barrett and Treasurer Daniel Wilson. Mr. Solnosky was absent.

Mr. Meyer moved, seconded by Mr. Cosgrove that the minutes of the June 12, 2015 regular monthly finance committee meeting be approved as presented.

Roll call: Ayes: Mr. Cosgrove and Mr. Meyer.

At this time facilities and transportation supervisor Mr. Josh Nau provided an update to the committee. Mr. Nau included an update on summer projects including electrical projects, asphalt paving, concrete, sidewalk replacement, landscaping, surveillance security cameras, bleacher removal and replacement, middle school boiler land line insulation, door replacements, and new bus purchase.

At this time Superintendent Mr. Steve Barrett provided the committee an update on the Straight A Grant activities spending for 2014-2015, and approved carryover spending for the 2015- 2016 fiscal year.

At this time Treasurer Daniel L. Wilson provided the committee a proposed Board resolution from the Lake County Health Care Consortium to establish a safe harbor definition as required by the patient protection and Affordability Care Act, "ACA" for providing affordable coverage to full-time employees. The committee requested that the superintendent seek legal guidance as to the necessity for this action and requested it not be included on the July board meeting agenda. Subsequent to the meeting the Superintendent was advised by legal counsel that no formal action was required at the Board of Education.

At this time Superintendent Mr. Steve Barrett provided the committee an update on planning for the 2015-2016 foodservice program. Mr. Barrett indicated that extensive planning has been conducted with the Mentor Schools and they will be the provider of services for the coming school year with a focus on increasing federal reimbursement revenue and meal sales. Additionally, both districts have been working on technology linking for program operation and reporting purposes. Mr. Barrett also updated the board on the program design for the food service program. Mr. Barrett further indicated that extensive marketing will occur during the first 4 to 6 weeks of the school year to introduce families and students to the new higher quality food offerings. The committee requested information on the formal agreement between Mentor Schools and Kirtland Schools. Mr. Barrett indicated the agreement is still being crafted and will be presented to the Board of Education at the August meeting.

At this time Treasurer Daniel L. Wilson provided an update on STRS and SERS contribution regulations. Mr. Wilson provided a follow-up communication from legal counsel clarifying that

employees providing services through a service agreement and employed by a private company is required to contribute to one of the two public pension systems but is not required to also simultaneously contribute to Social Security.

At this time Treasurer Daniel L. Wilson informed the committee that financial information has been posted on the school district website under the Treasurers section. The new posting includes: the monthly financial statements beginning with March 2015, also posted are the current five-year forecast, the current annual appropriations, and the most current annual fiscal audit by the Ohio Auditor's office.

At this time Treasurer Daniel L. Wilson presented the monthly financial update. A review of the current month's performance was provided as well as a summary of the food-service fund performance for 2014-2015. The committee discussed the fiscal year performance and indicated the desire to have some historical revenue growth data prepared for the August meeting. The revenue growth history would include both actual growth as well as identification of what natural growth patterns would be inside the overall revenue growth. The committee also requested a full-time equivalent chart be prepared for the previous three fiscal years. The committee also requested a fiscal impact of the redesign of the treasures office as well as the restructuring of the superintendent's office and the transportation office.

At this time Treasurer Daniel L. Wilson presented a fiscal year-end review including a bottom-line summary of the last three fiscal years and an overview of the budget reserve activity fund and capital reserve fund activity. The committee requested clarification as to understanding why the fiscal year 2014-2015 budget reserve deposit was less than the 2013-2014 positive budget variances. Mr. Wilson indicated he would contact Mr. Vasek to request background information. The committee requested that the 2015-2016 budget development again avoid any current year deficit spending and the target budget be set at \$14,100,000.

Superintendent Steve Barrett and Treasurer Daniel L. Wilson discussed budget develop process and regulatory dates that impact budget preparations. It was acknowledged that staffing adjustments that involve reduction in force require notification in advance of the July finance committee meeting, and that reductions have been made for the 2015-2016 year; in anticipation the finance committee's directive to develop a balanced budget. The committee also requested that a budget waterfall chart be developed modeled after the Parker Hannifin example of showing incremental regulatory inflationary and program driven increases that the budget offset by aggressive expense management; activities such as: reducing the food service operating deficit and reducing other operational support costs. The committee requested an update on the budget development for the 2015-2016 budget process at the August meeting.

At this time Treasurer Daniel L. Wilson presented the fiscal impact of the adopted 2015-2016, 2016-2017 state adopted budget. Mr. Wilson indicated that the adopted final version of the state budget provided no change in state subsidies from the 2014-2015 fiscal year.

At this time the meeting was open for public comments and questions; none were presented.

Mr. Meyer moved, seconded by Mr. Cosgrove that the committee recess to executive session to discuss personnel compensation: Roll call: Ayes: Mr. Meyer, Mr. Cosgrove  
The meeting recessed at 9:25 a.m.

The meeting reconvened at 10:02 a.m. There being no further business to come before the committee the meeting was declared adjourned at 10:03 a.m.