

KIRTLAND BOARD OF EDUCATION
FINANCE COMMITTEE
October 19, 2015

The meeting was called to order at 7:20 a.m. in the Kirtland Board of Education building. In attendance were Mr. Meyer and Mr. Cosgrove. Superintendent Steve Barrett and Treasurer Daniel L. Wilson are also present

Mr. Meyer moved, seconded by Mr. Cosgrove that the minutes of the September 21, 2015 meeting be approved as presented. Roll Call: Ayes: Mr. Cosgrove, Mr. Meyer

At this time Treasurer Daniel L. Wilson presented a summary of the monthly financial activity for the month of September. Mr. Wilson indicated that for the first three months of the fiscal year both revenues and expenses were performing at historic norms with the exception of the early receipt of real estate homestead rollback reimbursements, which were received in September but historically been received in the month of October.

At this time Treasurer Daniel L. Wilson indicated that the first billing for food service operational expenses for the month of August and September have not yet been booked and therefore the food service analysis reflects only year-to-date revenue activity. The October statements will reflect both revenues and expenditures.

At this time Treasurer Daniel L. Wilson provided an update on the cell tower lease extension request and indicated that American Tower is the current leaseholder of the cell tower and has increased their offer for a lease extension to a \$23,000 signing bonus and annual 4% escalators each five-year term. After discussion the committee directed the Treasurer to continue discussions with the cell tower lease company and to focus on provisions for more front end payment and sublease revenue-sharing.

At this time Treasurer Daniel L. Wilson provided an update on the final financial terms of the refinancing of the 2006 and 2007 Series bonds. The final net present value savings are \$236,394.63 which is a direct savings to the taxpayers of the school district.

At this time Superintendent Steve Barrett and Treasurer Daniel L. Wilson reviewed the levy filing deadlines in 2016. The Board of Education is considering the renewing of the 1.1 mill permanent improvement levy. The committee discussed the ballot options and also the levy question itself. Discussion centered on whether or not to request a renewal for an additional five years, for an additional 10 years, or request a continuing permanent improvement levy at the current 1.1 mills. amount. The committee asked the Superintendent to contact the West Geauga school district on their experience of converting a five-year permanent improvement levy to a continuing permanent

improvement levy. Most of the discussion centered on the possibility of requesting a renewal at the March 2016 election.

The Superintendent and Treasurer were requested to prepare information for the November meeting and anticipate a recommendation to the board for formal action at the November board meeting to place the question before the voters in March 2016.

At this time the committee returned to a previous discussion on possibly participating in the Ohio checkbook.com initiative. Treasurer Daniel L. Wilson confirmed that his experience with the Mentor school district is that there is minimal staff time involved with preparing the upload of data to the state treasurer's website. The committee asked for additional analysis by the Treasurer and requested a recommendation for action at the November finance committee meeting.

At this time Superintendent Steve Barrett provided an update on the 2015-2016 food service program. Mr. Barrett indicated that informal feedbacks through the principals have been positive as well as feedback from the food service staff. Early participation numbers are similar to last year at this time however based on the quality of the food offerings and the menu selections it is anticipated that there will be slow but steady increased participation throughout the year. Also as a result of repackaging meal selections it's expected that the federal reimbursements will be greater this year.

At this time Superintendent Steve Barrett provided a brief update on the Straight A grant activities. Mr. Barrett indicated that the primary use of the remaining \$111,000 of carryover funds will be for professional development activities.

Mr. Barrett also indicated that a new technology committee has been created and was pleased to indicate that the following community members with extensive technology backgrounds have agreed to serve on the committee they are: Andy Balazs, Bob Trovato, Rob Hersh, Kevin Eilerman, Tim Courtney.

At this time Superintendent Steve Barrett provided an update on the proposed Sunoco station easement and indicated that he has been working with attorney David Riley on this issue. The committee requested that the Superintendent work with attorney Riley to communicate to the Sunoco station owners that they need to vacate the portion of their station that utilizes school owned property and further that the Superintendent determine if there's a current or future school use for the property currently being used by the Sunoco station.

At this time Treasurer L. Daniel. Wilson presented to 2015–2016 through 2019–2020 forecast. Mr. Wilson reviewed the forecast booklet with committee including the various charts and exhibits used to provide context for the actual forecast. The forecast was

prepared by adjusting future fiscal years for inflation, student enrollment projections, actual and assumed negotiated employee contracts, settlements, projected staffing levels and other known factors. Mr. Wilson reminded the committee that the forecast is for the general operating fund only. Mr. Wilson indicated that the forecast documents the fundamental challenges of public education funding in the state of Ohio as a result of tax laws in state funding policies revenues remained relatively flat while expenses continue to grow based upon inflation, unfunded mandates and increasing cost of operations. The analysis of historical trends and future projections indicate that the Kirtland Board of Education finance committee have aggressively managed expenses and slowed the annual year-over-year rate of growth significantly below state and national norms. The committee appreciated the new forecasting documents and emphasized the importance of this document providing increased transparency to the community on the fiscal management of the school district. The committee also reinforced the importance of the five fiscal management beliefs used for both budgetary and forecasting purposes. Following the presentations and discussions Mr. Cosgrove moved, seconded by Mr. Meyer that the forecast be approved and recommended to the Board of Education for final approval. Roll call: Ayes: Mr. Cosgrove, Mr. Meyer.

There being no further business before the committee Mr. Cosgrove seconded by Mr. Meyer that the meeting be adjourned. Roll call: Ayes: Mr. Cosgrove, Mr. Meyer

Meeting adjourned at 10:16