

Kirtland Board of Education  
Finance Committee

April 10, 2015

The Meeting was called to order at 7:13 a.m. In attendance were Mr. Solnosky, Mr. Meyer, Mr. Cosgrove, Superintendent Steve Barrett, and Treasurer Daniel L Wilson.

Mr. Meyer moved, seconded by Mr. Cosgrove that the minutes of March 14, 2015 regular monthly finance committee meeting be approved as presented

Roll Call: Ayes: Mr. Cosgrove, Mr. Myer, And Mr. Solnosky

At this time Treasurer Mr. Wilson reviewed the March Financial Statements. In reviewing monthly variances, Mr. Wilson explained that the March negative variance in revenues is primarily a result of a delay in first half real estate settlement, the variance should self correct now that the first half settlement was received during the first week of April.

Mr. Wilson next reviewed the March 2015 monthly food service analysis, it was noted that the operating loss continues to grow and significantly exceeds what was expected for this fiscal year. The primary challenge to date has been a lack of sales revenue. The committee requested the superintendent and treasurer prepare alternative proposals for the 2015-2016 school year, and include for consideration the possibility of a change in vendors or the use of a commercial vendor or if regulatory restrictions do not exist possibly closing the program.

Mr. Wilson indicated in future months a monthly summary of the investment portfolio will also be enclosed for discussion.

Mr. Wilson provided a new monthly vendor check section which was reviewed by the board. A request was made that in future months the payroll and vendor payments be excluded and the checks be sorted by dollar amount and totaled by fund.

At this time Mr. Wilson distributed a communication from Ohio Treasurer, Josh Mendel's office announcing an opportunity to participate in a new program at no charge called Ohio Check Book.com Program. The committee discussed this opportunity and also revisited previous discussions about posting financial statements including check registers on the schools website. It was the committees' consensus to request that the treasurer prepare for a monthly posting of the financial statements once the monthly format and report section format is finalized with the committee.

At this time Mr. Wilson presented an analysis of the 1<sup>st</sup> half 2015 Lake County Real Estate Analysis and the fiscal year total.

Lake County Real Estate Analysis-

The 1<sup>st</sup> half Lake County real estate collections included \$222, 682.00 of delinquent taxes and for the fiscal year delinquent collections, collected \$278,626.00.

When comparing 2014-2015 budget and forecast and including year to date receipts from Lake County Manufactured homes and Geauga County Real Estate settlements it is predicted that there will be a positive revenue variance of \$119,055.00 for the current fiscal year.

At this time Superintendent Mr. Barrett and Treasurer, Mr. Wilson shared communication from school district attorney Eric Johnson. Mr. Johnson's firm Walter-Haverfield had previously notified the district of their intent to increase their hourly rates for calendar year 2015. Mr. Barrett and Mr. Wilson worked with the firm and negotiated a blended rate for 2015 of \$275.00 which should minimize if not offset any proposed rate increases.

The committee requested that Mr. Barrett and Mr. Wilson continue to pursue a rate structure with Walter-Haverfield and pursue the possibility of a locked in rate for three years in exchange for offering preferred status as our legal services provider. It was also recommended that Mr. Barrett and Mr. Wilson also pursue the possibility of some discounted rate after predetermined numbers of hours or services are used or a cap on billable hours per calendar year.

Finally the committee asked Mr. Barrett and Mr. Wilson to pursue excluding any out of pocket cost reimbursements from the legal fees invoices.

At this time Mr. Wilson presented a proposal from Auditor of State, Dave Yost's office to provide fiscal year 2015, 2016, and 2017 services to prepare basic financial statements at a fee not to exceed \$6,000 price of per year.

Mr. Cosgrove moved, seconded by Mr. Myer that the committee approve the Auditors of State proposal as presented.

Roll Call: Ayes: Mr. Cosgrove, Mr. Myer, And Mr. Solnosky

At this time Superintendent Mr. Barrett provided an update on the Straight A grant. Mr. Barrett and Mr. Wilson indicated that the Straight A consortium carry over request has been approved by the Ohio Dept. of Education which provides the opportunity for the school district to expend funds past June 30<sup>th</sup>. Mr. Barrett informed the committee that bids for the Media Center and Cafeteria furniture will be opened on April 24<sup>th</sup> with a goal of approval at the April 27<sup>th</sup> board meeting.

At this time Superintendent Mr. Barrett updated the Board on issuing student devices funded by the Straight A grant and the discussion on distributing device cases to students. The committee discussed payment options that included a required insurance fee by the student's family, an annual technology fee to offset repairs, obtaining an insurance policy on behalf of the district or setting up a self insured repair fund. Mr. Barrett indicated that more discussions will occur in cooperation with the Straight A consortium partner Mentor Schools and he will update the committee next month.

At this time Superintendent Mr. Barrett provided the Board with an update on the Internet Access point's project. Mr. Barrett recommended going forward with the previously discussed recommendation purchasing 3600 series used internet access point's devices at a cost not to exceed \$190.00 per unit. It was a committee consensus to allow the Superintendent to continue to pursue this option.

At this time Superintendent Mr. Barrett and Maintenance Supervisor Josh Nau updated the Board on the 2014-15 and 2015-16 maintenance plan. The committee discussed the interest expressed by Mancini Landscaping to donate services to maintain the football stadium play surface. Following discussions the committee requested that the Superintendent and Josh Nau investigate contractors for a grounds maintenance program including the maintenance of the football stadium playing field. Until proposals are discussed with the committee it was decided that the current Kirtland staff would maintain the football stadium playing surface. Maintenance Supervisor Josh Nau, at this time discussed the need to repair or replace the Exmark Lazer ZXP Mower, the cost of the replacement would be approximately \$9,600.00 and needed repairs to continue to use the existing mower has be quoted to be \$5600.00. The committee requests that the Superintendent and the Maintenance Supervisor continue to investigate the feasibility of repairing the current mower, purchasing a new mower or purchasing a quality used mower. Future proposals should include as estimated useful life indication as to net annual cost of ownership.

Grounds and Maintenance Supervisor, Josh Nau gave an update on electrical upgrades, proposed 2015 roof quoting, proposed 2015 driveway and parking lots quoting, proposed 2015 masonry issues, proposed 2015 insulation issues, 2015 proposed sidewalk replacements, proposed 2015 landscaping needs. The committee discussed the updates and requested that the identified needs be updated in the current five year plan and that the plan be converted from a static to a rolling five year plan, meaning that each year the oldest year would drop off and a new future year would be added to the plan.

At this time Superintendent Mr. Barrett indicated that the High School Bleacher bids opening will be on April 13th, with an expectation that any recommendations will be on the April 27<sup>th</sup> Board agenda.

At this time Superintendent Mr. Barrett presented an update on the health care rate increase issue. Mr. Barrett indicated since the last committee meeting there has been two executive board meetings of the Lake County Schools Health Consortium. Mr. Barrett has provided an overview of those meetings and indicated that the consortium has now adjusted their proposed rate increase and has proposed a reduction in the 2015-16 blended rate increase from 23% to 19%, and has also proposed a one month premium holiday. The initial estimate is that the 19% increase and the one month premium holiday will still be approximately \$17,600 greater than what was forecasted for 2015-2016. Superintendent Mr. Barrett indicated that additional meetings will held before the rate is approved by the consortium. The committee requested

that Mr. Barrett seek clarification from the Lake County Schools Health Consortium Executive Board clearly defining the consortiums' overall goals and requests that any consideration in hiring consultants would be based on achieving those goals

At this time Superintendent Mr. Barrett provided an update on the weight room supervision issue previously discussed at the March Finance Committee meeting. Mr. Barrett distributed a new sheet estimating the cost for the proposed schedule. Discussions indicated that there continues to be a need to determine who is eligible to have access to the weight room. The committee requested that a proposal to fund one or two staff positions be developed and presented to the committee at the May finance committee meeting.

At this time the committee opened a discussion on other cost saving updates and or follow ups. The committee re enforced their expectations that the 2015-16 operating budget be balanced. During the discussions treasurer Mr. Wilson suggested that a budget model be developed and communicated, maybe one of the standard governmental budget models or a blended budget model customized for the Kirtland Schools. It was also suggested that guidelines and or policies be developed on maintaining and or using the established Budget Reserve Fund and the Capital Reserve Fund. The committee also requested that the Superintendent and the Administration develop a proposal for considering the most cost effective method of providing custodial services moving forward. The committee requested that the administration present proposals no later than the end of calendar year 2015.

At this time the committee discussed the current food service operating deficit. The committee is requesting the Superintendent and Treasurer prepare proposals for 2015-16 school year, Including the possible solicitation of new school district partners, the engagement of a commercial contractor or possible discontinuation of the program.

There were no public comments or questions.

It was moved by Mr. Cosgrove and seconded by Mr. Solnosky that the meeting be adjourned.  
Roll Call: Mr. Cosgrove, Mr. Meyer, Mr. Solnosky

Meeting adjourned at 11:40 a.m.