

RECORD OF PROCEEDINGS  
NEW ALBANY FINANCIAL REVIEW AND REPORTING COMMITTEE  
(FRRC)

The monthly meeting of the Financial Review and Reporting Committee (FRRC) was held on Monday, October 18, 2010 at 8:08 a.m. at the Administrative Offices of New Albany – Plain Local Schools.

Members Present: Joseph Armpriester, Dave Demers, Laura Kohler, Cheri Lehmann, Dave Maul, Brian Ramsay, Bill Reimer, and Ken Stark

Also Present: Madeline Partlow, Mark Ryan and Lori Wince

Members Absent: Sue Fox, Chris Luffler and Lesa Shoemaker

- Introduction: Brian Ramsay welcomed everyone to the meeting.
- Agenda: Brian Ramsay explained that he made the forecast interactive (from original version to the edited version).
- Approval of Minutes: Brian Ramsay advised that he would be getting to the last meetings minutes (10/7/10) would send those out as soon as possible.
- Approval of Minutes for 9.20.10 Meeting: Motion/Dave Maul  
Approved/Philip Derrow  
Motion carried by all members to approve  
the September 20, 2010 FRRC meeting minutes.

Board Member Lehmann arrived at 8:30 a.m.

Brian Ramsay, Treasurer advised that since three Board of Education members were present that today's Financial Review and Reporting Committee meeting is considered a meeting of the Board of Education, so roll call of the Board Members had to be taken: The Board of Education members present were as follows:

Laura Kohler  
Cheri Lehmann  
Natalie Matt, Absent  
Mark Ryan  
Mike Klein, Absent

- Proposed Permanent Improvement Budget – This budget is for three years (2010–2013) to use the remaining dollars in the permanent improvement fund. The Treasurer advised that there were no changes to the originally submitted permanent improvement fund budget. The total Permanent Improvement for the three years is approximately \$1,929,046.46 million. 2010-11 total is \$605,000; 2011-12 total is \$615,000; and 2012-13 total is \$709,046.46. The budget is kept on file in the Board of Education offices.

Committee Member, Dave Maul asked about modulars and Director of Operations, Ken Stark advised that they are leased for short term use. Eight additional modulars are budgeted for MS/HS use. This will add eight additional classrooms. These permanent improvement expenditures will need to be taken out of the general fund in the future, since the permanent improvement levy was not renewed.

A new school building is projected to open for the 2013-14 school year, if the bond issue is passed sometime during 2011. It takes approximately two years to open from the passage of the bond issue.

When asked how many buses NAPLS has in its current fleet, Ken Stark replied, 49. This fleet includes eight extra buses to use in case of breakdowns, trip trips, athletic events, etc. At this point, one bus per year is projected to be added in each of the next three years. A few buses are 11 years old, but with the proper maintenance they are projected to last to 13-15 years of age. The bus schedule is now run on a two-tiered system, with the possibility of going to a three-tiered system (three runs per day).

Per Ken Stark, Metropolitan Educational Council (MEC) asks member districts to project their needs for new buses. MEC then solicits bids based upon those responses so that the district gets the pricing benefits of the larger group purchase.

- 5 Year Forecast Discussions – This document must be submitted to ODE no later than October 31, 2010. Brian advised that he froze all Purchased Services/Materials/Capital Outlay and Other Expenditures on the “draft” copy of the Five-Year Forecast to create a needs-based budget. He also, explained that the permanent improvement expenditures, new construction, inflation, and enrollment growth expenditures, were no longer included in the needs-based budget. The budget also contains replacement stimulus dollars for each of the five years. He also, created a five year forecast that is interactive so that assumptions can be easily changed.

A suggestion was made to do an outside study of school district. The treasurer advised that OSBA as well as K-12 Consulting would be good firms to go with in doing a comparison of like school districts. Brian advised that he would contact them and see what he could arrange in completing a study for our school district.

Bill Reimer advised that we need to look at the short term verses the long term effect of the Five-Year Forecast.

Projected increases – lowering for short term; can it be managed?

Long term – can we have a greater analysis take place externally? Then proceed with an internal analysis going line by line over the Five-Year Forecast with the proposed budget.

By doing both analysis (Internal and External) – the Board and the committee would have both studies to look at and move forward with for future budgeting.

Joe Armpriester advised that by eliminating positions, class sizes will have to become bigger in order to “freeze” the budget. Additional programming that the community demands will not be offered.

Bill Reimer advised that we need to look at what savings do not affect our day-to-day operations in a growing school district. This is a people intense educational business and a service industry. Approximately 80% of our budget is salaries and fringe benefits, just like any other school district in the state of Ohio.

Board President Ryan, excused himself from the meeting so a vote of the Board needed to be taken to adjourn the Board meeting at 9:20 a.m. Motion made by Ryan; seconded by Kohler to adjourn the meeting. Roll Call: Ryan, Lehmann, Kohler: all ayes.

The FRRC Committee continued their discussion.

Dr. Bill Reimer advised that balancing sound fiscal management with quality performance is what is needed for the school district.

Interim Superintendent, Bill Reimer concluded the meeting with these five comments to be implemented:

1. Philosophy of budget/savings, to increase the carryover balance. Plan your expenditures and spend according to the plan.
2. Start with edited version of the five year forecast with zero amount and work from there with the building Administrators to develop their plans.
3. 12% insurance premium increase – down to 10% over the last 3 years. The insurance committee will try to work hard to decrease insurance costs.
4. District Analysis to be performed  
External Review – comparisons done by outside consulting firm.  
Internal Review (line by line), conducted by an administrative review.  
FRRC – review internal analysis
5. May, 2011 – new review of Five-Year Forecast

Next Meeting: November 15, 2010, from 9:00-10:30 am in the school district’s administrative offices.

Adjournment: The meeting was adjourned at 10:15 a.m.