

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, April 18, 2011 at 9:00 a.m. at the Administrative Offices of New Albany – Plain Local Schools.

Members Present: Joseph Armpriester, Dave Demers, Philip Derrow, April Domine, Sue Fox, Cheri Lehmann, Dave Maul, Parag Patel, Brian Ramsay, and Ken Stark

Also Present: Jeff Warner (NAPLS), and Lori Wince (This Week News)

Members Absent: Laura Kohler and Chris Luffler

- Welcome and Introduction: Cheri Lehmann did the introduction and welcome.
- Approval of the March 14, 2011 Minutes: Brian Ramsay asked for a motion for approval. Dave Demers/Dave Maul approved.
- FRRC Update Report to the BOE: Cheri Lehmann advised that Phil Derrow will be presenting an FRRC update to the BOE on 4/25 at the monthly Board meeting.
- Comments about the FY12 Budgeting Process Training Session, April 14, 2011: Dave Maul attended the above session and commented that it was a well thought out project and that Brian did a great job with very good tools for the process. Dave believes it will take at least two years to bring the process to fruition, but this is a very good starting point.

April Domine said that she had received good feedback from the principals regarding this process also. Everyone has a better understanding that this ultimately there is one district budget, connecting all buildings and departments through strategic priorities rather than several isolated documents.

Brian Ramsay started the building budget process for this plan in August, 2010, and the original spreadsheet had 85,000 lines contained within approximately 30 spreadsheets. Moving forward, it will take time to get everyone familiar and comfortable with this process.

- Financial Mini Lessons on District Revenues: April Domine stated that it is our goal to make the district's finances more transparent to the community. We will be presenting a series of "Lessons" at Board Work Sessions that will subsequently be posted on our Web site.

Dave Maul suggested that an in-depth analysis should be done by the school district with respect to commercial development and its impact on enrollment, how many employees

of these new businesses live in New Albany (homes, condos, apartments, etc) with children in the school district.

- Known Revenue Reductions to Date: April Domine advised that income tax revenue from NAPLS/Village of New Albany is \$540,000.00 less than initial projections contained in the Five-Year Forecast. An additional reduction in FY11 of \$940,000.00 is estimated from state basic aid, and another \$500,000 in Personal Tangible Property Taxes. We are also awaiting reappraisal information from the Franklin County Auditor's office which is expected to show a decline in property values, that will drastically effect our revenue stream.

Phil Derrow suggested that the District reduce FY12 expenditures by 4% in order to plan for the expected revenue reductions.

Dave Maul stated that he would be interested in completing a line-by-line assessment of the District's budget, and that he disagrees with the Board's view of the role of the FRRC in this respect.

- Internal Cost-Savings for the Current School Year: April Domine and Brian Ramsay spoke about the continued efforts to reduce costs that are being done by our staff.

The FY11 Budget Reductions (handout) were reviewed by the committee. The group applauded the staff's accomplishment of exceeding the goal of \$500,000 to reach \$600,000 in savings. The group suggested that 2 items that represented lower than expected costs not be listed as savings and these were removed from the list and lead to the final \$608,000 figure.

Dave Demers advised that the community should be made aware of this information via the school website as well as the local newspaper.

Dave Maul noted that he and Chris Luffler are willing to offer their services to work with the Superintendent and Treasurer and any others in the district to identify possible ideas for additional efficiencies and cost savings.

- Executive Summary of Recently Conducted Survey: April Domine shared information on the survey. (Handout attached).
- Insurance Broker Recommendation to the Board of Education: Brian Ramsay and Ken Stark advised that Barton and Associates were chosen for the 2011-2012 school year. Their contract is being negotiated at the moment with that information to be available by the time of the next Board meeting on April 25. The contract is for a three-year term, with an annual review to be conducted in order to gauge the broker's performance.

Dave Demers suggested that the District look into becoming self-insured, and asked how many other school districts had self-funded insurance plans and what they have experienced. Once this information is available from the Franklin County Treasurers it will be distributed to the committee and Board of Education.

- 3rd Quarter Variance Analysis: Brian Ramsay advised that there was a 2.65 positive variance on revenues and a 0.77 variance on expenditures. There was a positive variance through the third quarter due to increased real estate tax collections. We will also end up on the positive side at the end of the school year due to these collections.

Next Meeting: May 16, 2011, from 9:00-10:30 am in the school district's administrative offices.

Adjournment: The meeting was adjourned at 10:35 a.m.