



Financial Review and Reporting Committee Minutes

New Albany Plain Local School District
Administration Offices
55 N High Street
New Albany, OH 43054

Financial Review and Reporting Committee Monday, April 30, 2018

Our Purpose: *To create a culture of accountability that achieves the best academic and developmental outcomes for each student.*

Members Present: Joe Armpriester, Michael Busch, Molly Cooper, Becky Jenkins, John McClelland, William Neville, Michael Sawyers, Brian Steel

Members Absent: Andrew Bojko, Charles Osborne (retired), Mike Troutman

Others Present: Patrick Gallaway (joined at 9:14), Monica Gerhart, Nancy Johnson, Amber Tishenkel

- **Welcome** – John McClelland opened the meeting 8:33 a.m.
- **Approval of Minutes, October 16, 2017**
Mr. McClelland asked for changes or corrections to minutes
No changes or corrections were requested by committee members present.
- **Newly Appointed Board Member Liaison - John McClelland:** Mr. McClelland introduced Mr. Mike Busch to committee members present.
- **Resigned FRRC Member Replacement - John McClelland:** Board needs to vet/select replacements for 2 openings. Mr. McClelland requested recommendations from committee members for potential new members. Mr. Sawyers said a public notice must be posted to website. Ms. Jenkins will send email to committee members to start this process.
- **Five-Year Forecast May Update - Becky Jenkins:** Ms. Jenkins shared that the October forecast was updated due to passage of levy to reduce capital outlay in years two through five. Ms. Jenkins presented the May forecast for review and discussion noting the Board would see it at their May 14 board meeting.

- **Explanation of changes in Revenues:** December collection for taxes was higher than expected as some property owners took advantage of the final State and Local Tax deduction (SALT) as this was reduced beginning in calendar year 2018; Ms. Jenkins explained that the August collection will be less due to those taxpayers who paid their entire 2018 tax bill in December in order to take the tax credit. She explained that 2019 will re-adjust back to more normal levels because of tax law changes. The district also realized an increase in the TIF collection. Ms. Jenkins explained that the Treasurer's office has contacted Franklin County auditor office for explanation. Until the driver is identified by the Franklin County Auditor's Office she is only recognizing this increase in the current year. If she finds this is a permanent increase the October forecast will reflect the change.
 - **Explanation of Changes to Expenditures:** Reductions due to the Board CIP Goal of reducing total expenditures by \$609,000 have been incorporated into the forecast. The majority of the personnel decrease is due to attrition and hiring new FTE below anticipated salary/wage levels. Insurance changes driven by plan design changes that were agreed to during negotiations is also a significant savings in the current year and beyond.
 - **Summary:** The positive variances in both revenue and expenditures results in an ending cash balance in the fifth year of the forecast of \$8,000,000 which is up from approximately \$5,000,000 in January.
- **Health Insurance Update - Becky Jenkins:** Ms. Jenkins shared that insurance level of benefits is set for the next two years per the negotiated agreements. The plan saw an additional 40 people waive health insurance coverage in FY18 from FY17. Staff is adjusting to HDHP out of pockets, some education was necessary in order to understand the changes and how to best utilize the plan. The committee would like to see the impact of the changes at their next meeting.
 - **Roof Replacement Update - Michael Sawyers:** Mr. Sawyers shared an update on roof replacement planned for this summer as part of the PI levy funding. He explained that the district used a third party co-op to reduce costs. Ms. Jenkins explained that the company received seven bids for the roofing project. Mr. Sawyers noted that beginning 5/31, access to the HS quad will be blocked off due to staging for the crane needed to install the metal roof. He shared that \$1.8M in roof replacement was planned this year and with an additional \$1.3M expected for roof replacement next summer.
 - **Boiler Status:** Mr. Sawyers stated the Middle school boiler made it through the winter and that the Primary school boiler is having issues and may not make it through next inspection. We are holding funds until replacements need to be made, we are not spending funds until necessary.
 - **MS Gym Floor Update:** Mr. Sawyers shared that the MS gym floor was damaged due to a sump pump switch failure. Because the gym is below grade the water rose to the gym floor and caused the damage. The district's property insurance will cover a maximum of \$100,000 to replace the floor. We have received bids from three companies. Based on lowest, responsible bid, the Cincinnati Floor Company will be recommended for approval

May 1st to complete the floor replacement at a cost not to exceed \$120,000. The district had \$25,000 budgeted next year to refinish this floor so the cost over the insurance amount exists in the budget.

- **Naming Rights:** Mr. McClelland explained that a current Board member has requested information regarding a naming rights process or policy. Mr. Sawyers shared his prior research regarding naming rights policies with the Board. President McClelland appointed Mr. Naumoff and Mr. Busch to work with a small committee to determine what, if any, policy can move forward to the Board for their consideration. Ms. Jenkins/Mr. Sawyers shared that current donation laws in Ohio and with the IRS are strict that donors cannot specify how their donation is used though it is unlikely that the Board would not use any donation for its intended purpose.
- **Technology Roadmap:** A technology roadmap was completed two years ago in order to identify and replace antiquated and/or obsolete equipment. Infrastructure improvements have moved forward based on this plan. Mr. Sawyers has proposed a 1:1 initiative to begin phase in beginning with the FY19 school year. Parents will be charged a fee for device break/fix insurance each per year. Mr. Sawyers and his administrative team is still working through the fee structure. Devices will be phased in over several years. The district does not have enough money or bandwidth to fully implement at one time. The proposal states that devices would be replaced in 5th / 9th grades (every 4th year). Mr. Sawyers asked the committee for reaction to fees. The committee stated that a \$50 annual fee is not unreasonable. Mr. McClelland said the committee feedback is greatly appreciated.
- **Bus Fire:** Ms. Jenkins shared information regarding a recent bus fire due to a welding incident at the bus garage. The bus was 13 years old and the insurance company will only reimburse \$10,000 for the bus due to depreciation. Ms. Jenkins is currently exploring options for replacement. She also noted that the EPA grant received by the district has allowed the district to purchase five buses and receive 20% reimbursement for the purchase from the EPA. Those funds have all been requested and received. The grant will be closed out over the next couple of months.
- **Questions/Feedback/Other:** This will be Ms. Cooper's final FRRRC meeting. Ms. Jenkins expressed appreciation for Ms. Cooper's service to the committee.
- **Adjourn:** Mr. McClelland adjourned meeting at 9:35 a.m.