



Financial Review And Reporting Committee Minutes

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

Financial Review and Reporting Committee

Monday, May 11, 2015 8:30 a.m. – 10:08 a.m.

Our Mission: *To ensure the development of high achieving, ethical, self-directed, and Intellectually curious citizens of the world.*

Members Present: Becky Jenkins, April Domine, Joe Armpriester, William Neville, Mark Ryan, Phil Darrow, Laura Kohler, Brian Steel, Charlie Osborn

Members Absent: David Demers, Molly Cooper, Parag Patel

Others Present: Jill Hatten, Monica Gerhart, Patrick Gallaway, Michael Sawyers

- Mark Ryan welcomed the committee members and opened the meeting at 8:30 am.
- Minutes: The minutes from the February 9, March 9 and April 20, 2015 meetings were reviewed and approved.
- Financial Report: Ms. Jenkins reviewed the April financial report. She informed the group she expected the final real estate tax settlement in May and that it would be on plan or slightly higher than anticipated. She also discussed the possibility of not receiving the Homestead/Rollback reimbursement from the State due to the late final settlement. She is hopeful that the reimbursement will be made prior to the end of the fiscal year. The expected reimbursement payment is approximately \$2.5 million. The district does have sufficient cash flow to cover this late payment if necessary. Ms. Jenkins also explained to the members that pay to participate is running \$150,000 under estimated collections. This is due to the decline in participation as a result of the increased pay to participate fee. Personnel and benefits continue to run under estimates. This is the result of actual reductions coming in higher than estimates as well as many RIF'd employees resigning prior to their RIF date which reduces payroll/benefits that were not expected until the end of April and then the end of June. We are also seeing staff who are not under a RIF resigning for employment in other school districts as well. All other line items are materially on plan.

- Members also discussed the potential for any excess building funds. The question of who makes the decision as to how any excess funds are expended was asked. Ms. Jenkins stated it would be the administration and board. Ms. Jenkins explained that any purchases over \$25,000 must be board approved. Dr. Domine also explained that there continue to be needs in the district that the building funds could be used to complete. She explained that the building funds could only be used for permanent improvement type items and not for general fund purposes.
- Biennial Budget Update: Ms. Jenkins informed the group that no additional updates have been received with regard to the Senate's budget proposal. Committee members asked what the length of an extension to the biennial budget could be approved. Ms. Jenkins was not sure and would report back to the committee.
- May 2015 Five-Year Forecast: Ms. Jenkins reviewed the most up-to-date five year forecast with the committee. The district was seeing an increase in real estate tax collections due to an increase in residential new construction beyond that estimated in the forecast. Commercial new construction was lower than estimated in the forecast however, the overall increase caused the increase in collections. There was also an increase in the expected rollback/homestead reimbursement of \$250,000 in FY15. Ms. Jenkins explained, again, that due to the reduced participation in extra-curricular areas All Other Revenue was decreased in FY15 by \$150,000.
- FY16 salaries are now known as the bumping process caused by the RIF is complete. The estimate used to calculate the reduction was based on the last 55 teachers employed and their insurance choice. This was also used in the classified reductions but the bumping process is not as complicated thus the estimate was closer to actuals. The district is also waiting until the end of the school year when they will get a sense of how many employees will file for unemployment. Once that is known the expenditure is likely to be less than estimated. Ms. Jenkins discussed that the Ohio Job and Family Services said that unemployment is 50% of salaries. The district used 40% with the expectation that some employees would find jobs. The district administration at all levels have been working diligently to help employees find gainful employment in other districts which we believe will have a very positive impact on this expenditure. The amount will be updated prior to the board making any final decisions regarding the November levy.
- At this time the outcome of insurance premium increases is still not known. She expected that after the insurance committee the following week the new rates would be known. She explained that the committee was looking into moving toward self-funding which would save the district over \$200,000 in ACA fees. The committee was also looking at plan design changes to reduce healthcare costs and push out the Cadillac tax. Mr. Darrow asked about the per person increase for both single and family coverage.

- College Credit Plus expenses have not been added to the forecast at this time but those numbers are expected by the following week. Expenses from the Marburn Academy that will be opening in the district are also not known at the time but are expected soon from the curriculum/special education departments so that they can be included in the forecast.
- Due to the items discussed the May five-year forecast is much better than the December forecast that was previously approved by the board. The board and administration are hopeful that the union negotiations will also be completed prior to the end of the fiscal year so that any impact can also be incorporated into the forecast prior to any levy decision.
- Chamber Meeting: Dr. Domine invited the committee members to attend the June 18 Chamber of Commerce meeting where they will hold a panel discussion regarding school funding.

Mr. Ryan adjourned the meeting at 10:05 am.