

FINANCE COMMITTEE

February 21, 2023 @ 12:30PM

In attendance: Mr. Bannister, Mr. Hughes, and Dr. Andstadt

Standing Items:

Investment Update: Interest rates continue to rise, keeping maturities short. Significantly higher interest earnings than last year, earning in a month what we earned all of last year. Range from 2.36% to 5.46%.

SM-2 Report: No Surprises. Reviewed and State aid is on budget except for Transportation (up \$500,000) and DPIA (up \$165,000). Personal Services, currently one less payroll than last year. Benefits reflect healthcare increase. All other expenses, except capital outlay higher than last year. We adjusted capital outlay earlier to expend ESSER funds. Unreserved cash is \$34.4 million.

Enrollment Report: 221 open enrolled students, 164 non-employee students. About \$2,500 per open enrollment student, eventually should be \$7,500. Resident enrollment down 311 students from 2018/2019 (pre-pandemic). When (or if) the State begins funding all students, a decline of 300 students would be a loss of revenue over \$2 million.

If you exclude non-employee open enrollment (164) our enrollment is 6,703. 2 out of 3 past Kindergarten classes were under 480 students and OFCC is forecasting a decline of additional 200 students in future years. As funding (eventually) is generated by enrollment, declining enrollment is a concern. In K-2, we have declined by 151, if you exclude open enrolled students, we have declined by 171 students in just three grades.

Education – Abatement Report: This is a schedule of our outstanding abatements. The top section was our old abatements. The last payment was made last year. General Motors \$45,000 payment was their last payment. We currently have two outstanding, they are due 2/28/2023.

We have five in process, with first billing date in January 2024. These are invoiced by the City, we have just been informed that the Secor Senior Lofts' projects will require us to invoice them. I have requested the city to continue invoicing the property owners. As we are held harmless, not sure why we would want to take on responsibility to invoice the companies, as most companies when approved already broke ground.

The next page is just an example of one company and the calculation. Previous abatements had a fixed amount, we have now charged that to a recalculation annually.

Equipment – Permanent Improvement budget is \$200,000 we added \$90,000 for the wrestling modular unit and we set aside \$10,000 for musical instruments. We have \$51,287.79 remaining for equipment. However, Whitmer may need a new trash compactor this year for \$25,000 and is also looking at some furniture.

Food Service: We prepare a quarterly statement, 12/31/2022. Revenue is down, due to the free lunch for all program ending this year. Salaries are similar but benefits (healthcare increase) is up. Food/Supplies is up, other categories are similar. Food Service Supervisor projects the fund will breakeven this fiscal year and the current activity reflects approximately a FYTD loss of \$100,000. Good news, we should not expect to have a significant loss this year.

We are tracking unpaid lunch balances. These cannot be offset by Food Service cash balances. These will follow the student until they graduate. We periodically receive donations to offset some of the unpaid lunches, but due the large amount, donations only reduce slightly. This is a General Fund Liability as Food Service cannot just write off the debt.

Healthcare: We currently have a \$600,000 surplus. This is mainly the result of the large premium increase. Our revenue has increased by \$1.3 million and expenditures have decreased by \$975,000.

We have been told the high cost drug we had last year, \$65,000 per month is back. It is being charged to medical and not prescription. This is currently being researched.

Our insurances are out to bid. We are actually in year 2 of a 3-year contract. Savage believes there are advantages of bidding now, instead of next. We are expecting competitive bids, including fully insured bids.

Five Year Forecast: We are receiving more in state aid than previously forecasted. Once our real estate settlement is received in March, we will have nearly final revenue numbers. I am hopeful to have good news with our real estate revenue.

We are within budget parameters on expenditures. Expenditures are in line, especially salaries and benefits. STRS payment is up slightly, which we will be monitoring.

ESSER Update: ESSER I completed and closed out. Non-public schools did not expend \$87.01. As this is a unique grant, not sure what ODE will do. ESSER II nearly completed expended or encumbered. Due to budget shortfalls, we are using on technology and personnel going forward. We will need to continue to monitor ESSER III - Curriculum is working on the budget. Likely will be short dollars in the grant, we are able to use Student Wellness Funds and possibly IDEA VI-B if needed before going to General Fund prior to 2024-2025.

We have \$7.3 million remaining, with 17-20 months to go. Those who are being charged to ESSER has not changed. We do have vacancies as well.

List of employees handout and the remaining cash balances.

Ohio Facilities Construction Commission (OFCC): We will be discussing the Local Funded Initiative amount we will need for the middle school. As I stated last month, how much we want to commit from General Fund to these projects is the multi-million-dollar question.

The PI fund will be able to fund the maintenance hut (if City does not provide payment) and possible purchase of some homes if they come for sale. Other than that, we will be limited in funds available from PI.

Current Items:

Audit: Audit is complete. We are receiving the Auditor of State Award. We earned this award 12 out of the past 13 years. In 2018 we did not receive the Award due to an improper job description.

Timekeeping System: We are meeting weekly with Time Clock Plus; their trainer is very knowledgeable and it's taking significant amount of time for Beckie to gather the data. As she is salary, there is no overtime. It appears to be a good system. It is used by Oregon and two years ago Sylvania (who may be switching back). We are shooting for end of February to go live.

Lucas County Valuation/Washington Local History: This is the area districts that shows our valuation in comparison to other districts. Our valuation history has stabilized, which is great news. This does not reflect the Franklin Park Mall valuation decrease as that is a TIF and not included in our assessed valuation. We are losing about \$2.2 million in taxes per year from the Franklin Park decrease.

Building Repairs – All Funds: These are repairs and improvements made to our buildings. These repairs are not the projects that are bid. First report is by building. We are attempting to have the Unallocated broken out more, it is a work in progress. As you can see most repairs/improvements are Whitmer. Next report broken out by vendor, you can see what actually has been paid by type of repair. The last report is our top paid vendors from 423 reports.

Insurance Payment: The power issue at CTC was covered by insurance, we received a payment of \$90,012.55 from our insurance company.

Collaborative Projects: I was asked regarding outstanding projects. This is what we have for Collaborative.

Wrap Up /Summary: Going forward we will need to plan for our forecast. We will need to meet any possible changes to our forecast. Currently we have flat budgets and no staff increases in our budget. We can discuss at the March 2023 meeting. As we are moving dollars for the OFCC projects, as previously stated, with the possibility of \$6 to \$7 million General Fund dollars used for the new middle school, there will be limited future changes in the General Fund Budget regarding additional staffing or programming.