

# Strongsville City Schools

## Five-Year Forecast

May 3, 2018



# Five Year Forecast - Contents

- Major Assumptions
- General Fund Revenues
- General Fund Expenditures
- Five Year Forecast Summary

# Strongsville City Schools

- Major Assumptions

# Major Assumptions

## Revenue:

- Property Tax Collection Rate and Split - The forecast assumes the collection rate will be as follows per property classification:

Residential Collection Rate	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18 Forecasted	FY 18 Actual	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast	FY 22 Forecast
2nd Half CY Collection %	97.28%	98.27%	97.65%	98.18%	98.36%	98.01%	98.01%	98.00%	98.00%	98.00%	98.00%
1st Half CY Collection %	98.27%	97.65%	98.18%	98.36%	98.01%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%

Residential Collection Split	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18 Forecasted	FY 18 Actual	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast	FY 22 Forecast
2nd Half CY Collection %	45.77%	47.33%	47.32%	47.12%	47.31%	46.96%	46.96%	44.06%	47.20%	47.20%	47.20%
1st Half CY Collection %	52.67%	52.68%	52.88%	52.69%	53.04%	52.80%	55.94%	52.80%	52.80%	52.80%	52.80%
Total Fiscal Year	98.44%	100.01%	100.20%	99.81%	100.35%	99.76%	102.90%	96.86%	100.00%	100.00%	100.00%

Commercial Collection Rate	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18 Forecasted	FY 18 Actual	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast	FY 22 Forecast
2nd Half CY Collection %	94.63%	92.97%	95.09%	89.38%	97.34%	93.44%	93.44%	89.07%	93.40%	93.40%	93.40%
1st Half CY Collection %	92.97%	95.09%	89.38%	97.34%	93.44%	93.40%	89.07%	93.40%	93.40%	93.40%	93.40%

Commercial Collection Split	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18 Forecasted	FY 18 Actual	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast	FY 22 Forecast
2nd Half CY Collection %	52.23%	51.94%	46.54%	51.19%	46.84%	43.97%	43.97%	41.70%	45.41%	45.41%	45.41%
1st Half CY Collection %	48.06%	53.46%	48.81%	53.16%	56.03%	52.70%	58.30%	54.59%	54.59%	54.59%	54.59%
Total Fiscal Year	100.29%	105.40%	95.35%	104.35%	102.87%	96.67%	102.27%	96.29%	100.00%	100.00%	100.00%

# Major Assumptions - Continued

## Revenue (continued):

- As indicated on the prior graph, the current collection rate:
  - Residential property has remained level at 98%.
  - Commercial property has fluctuated year over year. Most recent, from Calendar Year 17 to Calendar Year 18, the collection rate has dropped from 93.44% to 89.07%
- As indicated on the prior graph, the current collection split (collection/calendar years overlap fiscal years):
  - Residential property has been consistent year over year for a total fiscal year collection of 100%. For FY 18, the District experienced an influx of collections, residents paying their tax bill 100%, during the first half collection period due to the change in the tax laws. For FY 18, the District received 102.90% of residential tax collections and in FY 19 is predicting a decrease to 96.86%. For fiscal years 20-22, the split should normalize back to 100%.
  - Commercial property has fluctuated year over year. For FY 17 and FY 18, the District's commercial property tax collections averaged 102%. For FY 19, the forecast is predicting the collection amount to be 96.29%. For fiscal years 20-22, the forecast is assuming the split to 100%.
- For FY 19, the forecast assumes a one-time property tax refund that will reduce tax revenues by \$2 million due to a tax exemption determination by the Ohio Department of Taxation. The District is in current talks with the organization to minimize the impact of the refund.

# Major Assumptions - Continued

## Revenue (continued):

- The forecast assumes the following changes to assessed valuation by collection calendar year:

Fiscal Year	Residential	Commercial	Public Utility	Total
CY 14 Actual	\$1,042,936,430	\$341,829,830	\$31,584,330	\$1,416,350,590
CY 15 Actual	\$1,049,626,620	\$334,780,730	\$33,230,900	\$1,417,638,250
CY 16 Actual	\$1,085,544,980	\$327,009,910	\$34,026,660	\$1,446,581,550
CY 17 Actual	\$1,099,063,440	\$331,059,270	\$36,099,090	\$1,466,221,800
CY 18 Actual	\$1,109,881,590	\$347,199,500	\$38,919,200	\$1,496,000,290
CY 19 Forecast	\$1,137,611,767	\$308,563,564	\$39,308,392	\$1,485,483,723
CY 20 Forecast	\$1,137,611,767	\$302,139,219	\$39,308,392	\$1,479,059,378
CY 21 Forecast	\$1,160,350,512	\$289,577,893	\$39,308,392	\$1,489,236,797

- In November 2016 residents renewed a 5 year 6 mill levy with collection beginning January 2018. The forecast assumes the levy will expire tax year December 31, 2021. Collections will continue through December 31, 2022.
- State Funding – The forecast assumes for FY 16 \$3.6M of TPP Funding, of which \$600k will be eliminated in FY 17 and in FY 18 the remaining \$3.0M will be eliminated for a total loss of TPP Funding of \$3.6M each year there after. The District will receive a hold harmless of \$767,479 in FY 18.
- State Funding – The forecast assumes a portion of the state foundation formula guarantee will be phased out based on the current Governors budget. The ADM decline between 2014-2016 is 6.2%, meaning the guarantee amount will be reduced by 1.2% or \$112,411. For FY 2020-2021, the forecast assumes that the guarantee will be phased out another 5% compared to the current year, and in FY 2022 another 5% compared to FY 2021. For FY 18, the guarantee amount is estimated to be \$4.2M of the District total formula aide of \$9.1M or 45.7%

# Major Assumptions - Continued

## Expenditures:

- Staffing Assumptions:

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
<b>General fund</b>	<b>655</b>	<b>663</b>	<b>672</b>	<b>672</b>	<b>672</b>	<b>672</b>
<b>P.Y Net Change</b>	<b>-18</b>	<b>+8</b>	<b>+9</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Forecast assumes all union agreements as currently defined.
- In FY 16 - Closed (1) Elementary Building – Zellers Elementary
- In FY 17 - Closed (1) Elementary Building – Drake Elementary and consolidated (2) middle schools into (1) brand new middle school.
- Health Care rates are forecasted to increase 7% each year in FY 19 – FY 22. FY 16 saw a 3% increase, FY 17 saw a 5% increase and FY 18 saw a 0% increase.
- Forecast assumes \$500k for technology upgrades each year in FY 18 – FY 22

# Strongsville City Schools

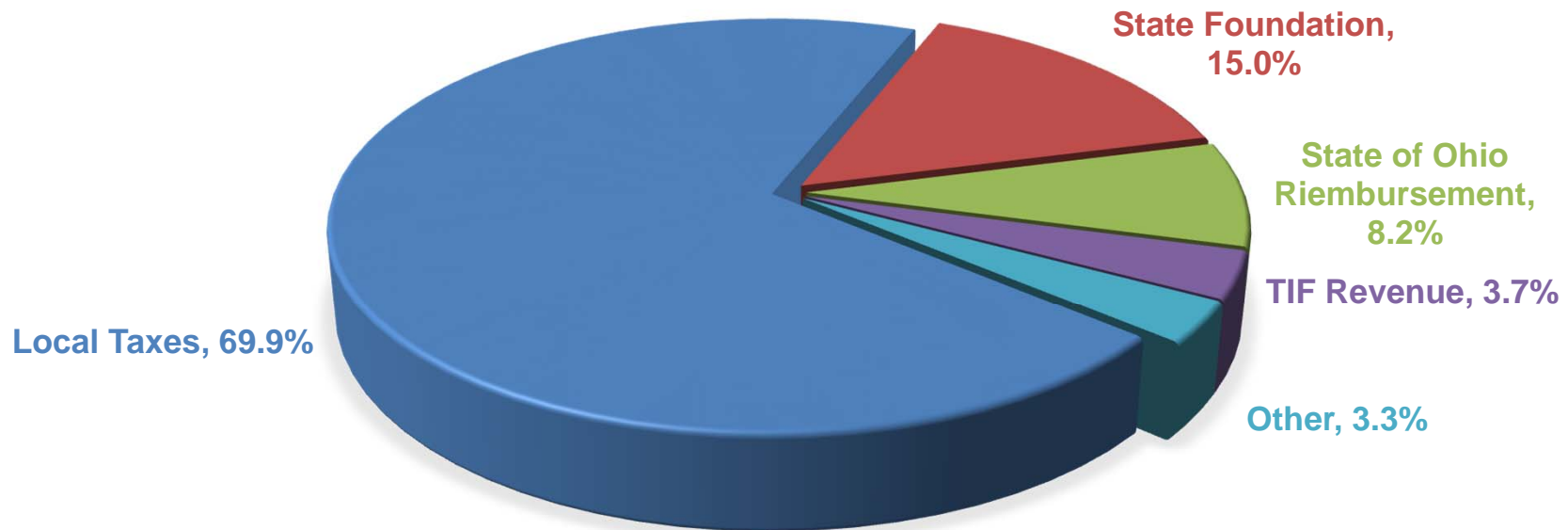
- General Fund Revenues



# Strongsville City Schools

## FY 2017-2018

### WHERE THE MONEY COMES FROM

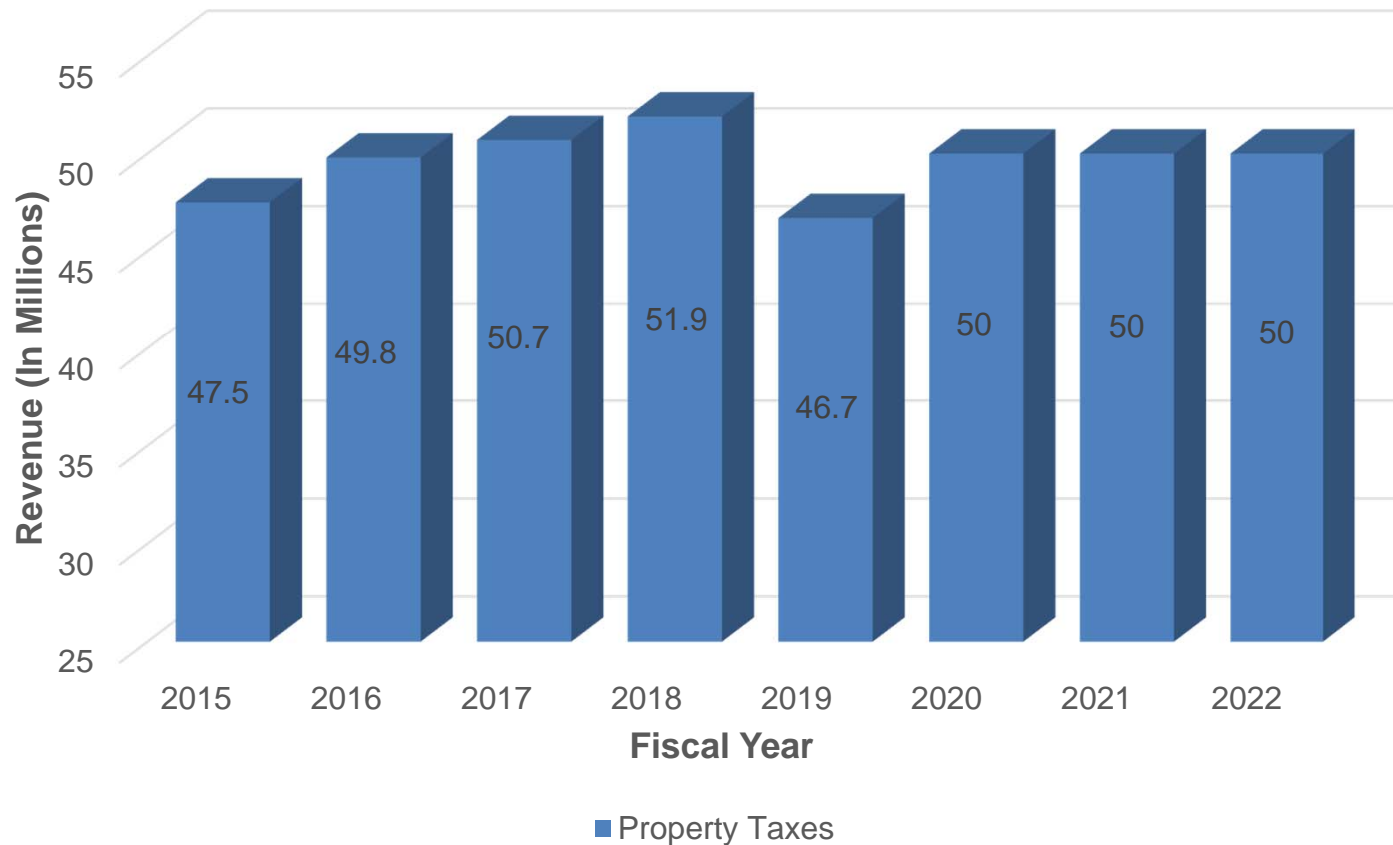


**\*During FY 16 and prior years, the District received \$3.6M of TPP Funding. Of the \$3.6M, \$600k was eliminated in FY 17 and in FY 18 the remaining \$3.0M will be eliminated for a total loss of TPP Funding of \$3.6M each year.**

# Strongsville City Schools

## Local Taxes – Property Tax Revenue

### Property Taxes



See next slide for a reconciliation of changes.

# Property Taxes

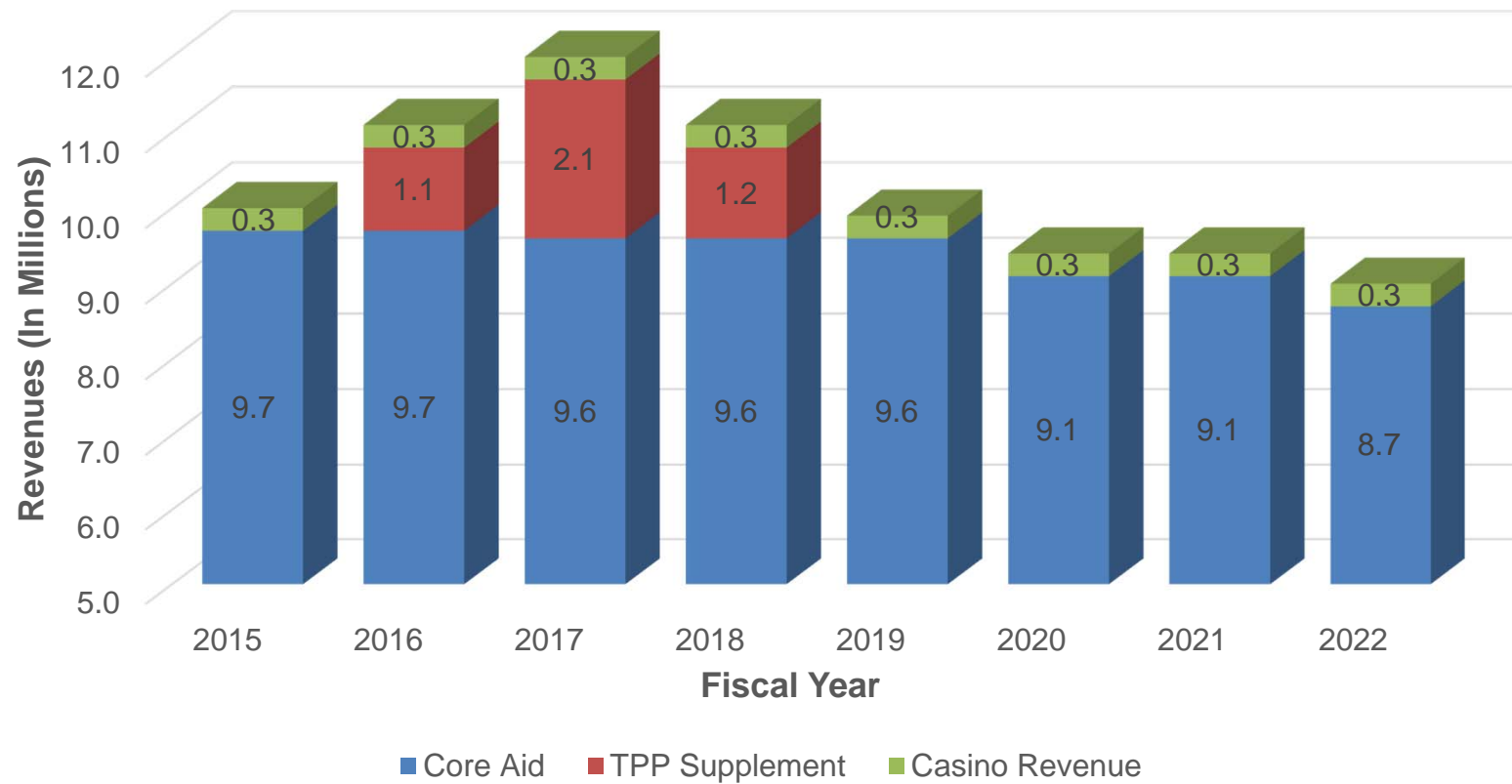
(In Millions)

## Adjustments:

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$50.7</u>	<u>\$51.9</u>	<u>\$46.7</u>	<u>\$50.0</u>	<u>\$50.0</u>
<b>Less:</b>					
Change in Delinquent Collection	\$0.0	(\$0.3)	\$0.0	\$0.0	\$0.0
Change Refunds (estimate)	(\$0.1)	(\$2.5)	\$1.6	\$0.0	\$0.0
Change in Collection Rate	(\$0.8)	(\$0.1)	\$0.0	\$0.0	\$0.0
Change in Valuation	\$0.0	(\$0.4)	\$0.0	\$0.0	\$0.0
Change Collection Split	\$0.0	(\$1.9)	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<u>(\$0.9)</u>	<u>(\$5.2)</u>	<u>\$1.6</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Additions:</b>					
Change in Delinquent Collection	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
Change in Delinquent Split	\$1.3	\$0.0	\$1.5	\$0.0	\$0.0
Change in Valuation	\$0.2	\$0.0	\$0.2	\$0.0	\$0.0
Change in Collection Rate	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$2.1</u>	<u>\$0.0</u>	<u>\$1.7</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Net Adjustments</b>	<u>\$1.2</u>	<u>(\$5.2)</u>	<u>\$3.3</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Ending Fiscal Year Amount</b>	<u>\$51.9</u>	<u>\$46.7</u>	<u>\$50.0</u>	<u>\$50.0</u>	<u>\$50.0</u>

# Strongsville City Schools

## State Foundation Revenue



See next slide for a reconciliation of changes.

# State Foundation Revenue

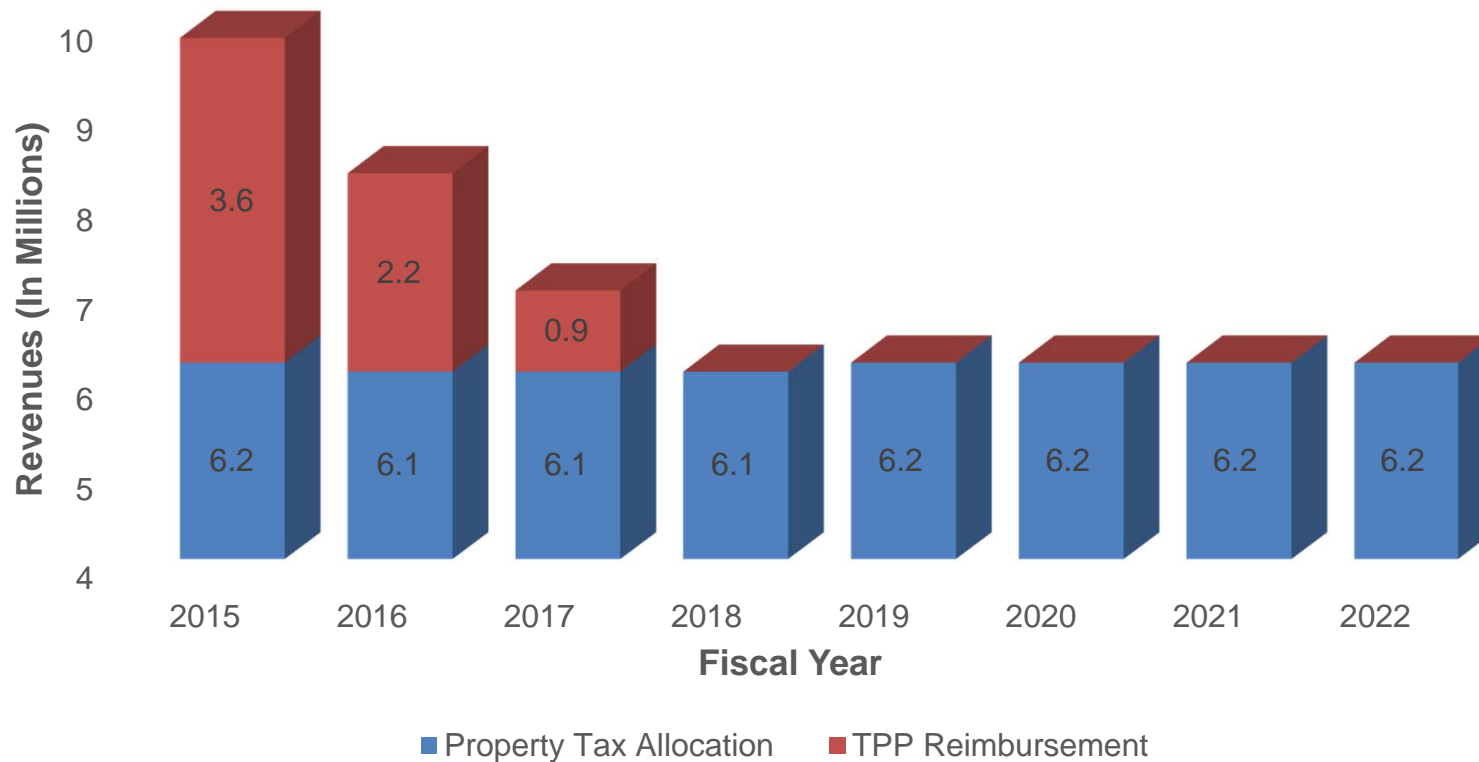
(In Millions)

## Adjustments:

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$12.0</u>	<u>\$11.1</u>	<u>\$9.9</u>	<u>\$9.4</u>	<u>\$9.4</u>
<b>Less:</b>					
Change in State Aide	(\$0.1)	\$0.0	(\$0.5)	\$0.0	(\$0.4)
Change in Casino Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Reduction of TPP Supplement	(\$2.0)	(\$1.2)	\$0.0	\$0.0	\$0.0
Prior Year Adjustment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<u>(\$2.1)</u>	<u>(\$1.2)</u>	<u>(\$0.5)</u>	<u>\$0.0</u>	<u>(\$0.4)</u>
<b>Additions:</b>					
TPP Supplement	\$1.2	\$0.0	\$0.0	\$0.0	\$0.0
Prior Year Adjustment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$1.2</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Net Adjustments</b>	<u>(\$0.9)</u>	<u>(\$1.2)</u>	<u>(\$0.5)</u>	<u>\$0.0</u>	<u>(\$0.4)</u>
<b>Ending Fiscal Year Amount</b>	<u>\$11.1</u>	<u>\$9.9</u>	<u>\$9.4</u>	<u>\$9.4</u>	<u>\$9.0</u>

# Strongsville City Schools

## Property Tax Allocation – State Hold Harmless Reimbursements



See next slide for a reconciliation of changes.

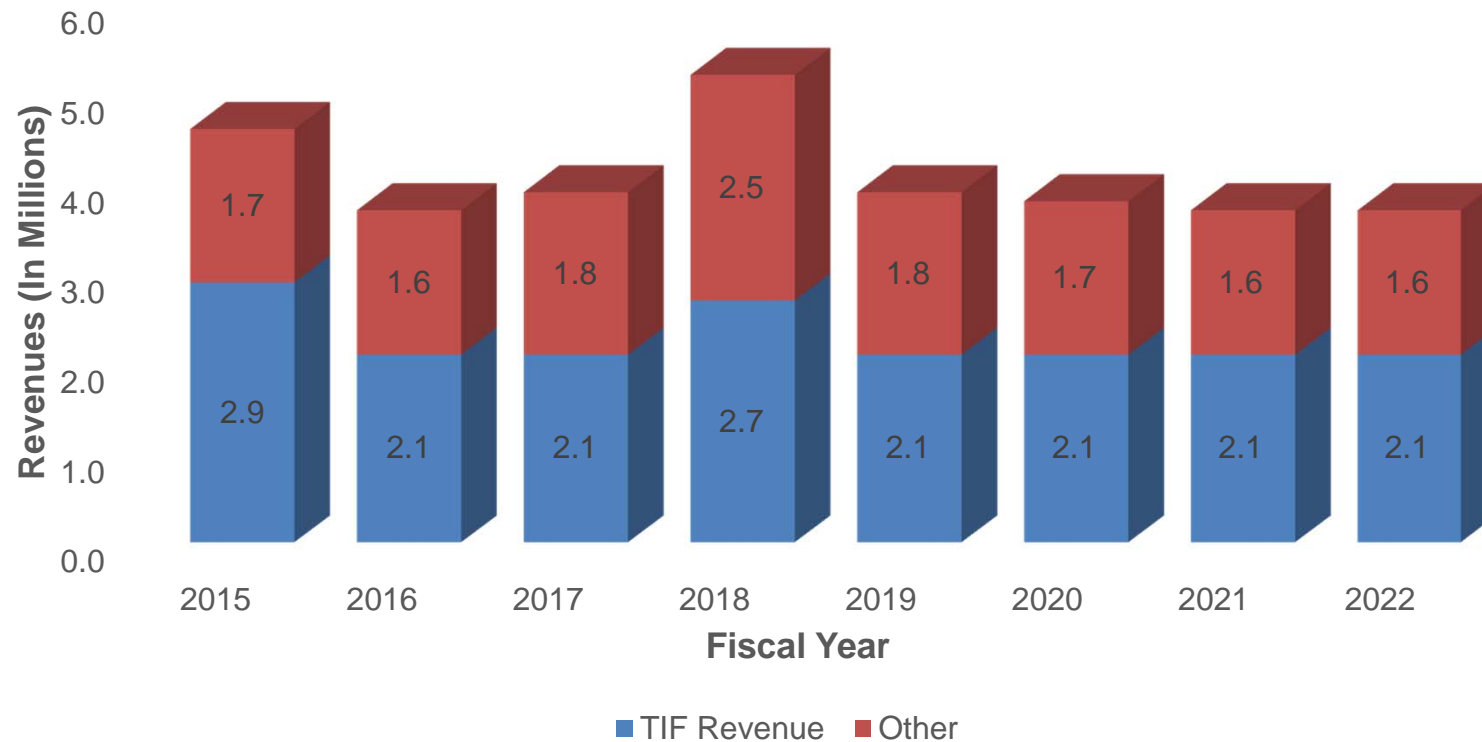
# Property Tax Allocation – State Hold Harmless Reimbursements (In Millions)

## Adjustments:

	FY 18 <u>Forecasted</u>	FY 19 <u>Forecasted</u>	FY 20 <u>Forecasted</u>	FY 21 <u>Forecasted</u>	FY 22 <u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<b>\$7.0</b>	<b>\$6.1</b>	<b>\$6.1</b>	<b>\$6.2</b>	<b>\$6.2</b>
<b>Less:</b>					
TPP Line Item VETO	(\$0.9)	\$0.0	\$0.0	\$0.0	\$0.0
Change in Property Tax estimate	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Expiration of Levy	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<b>(\$0.9)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Additions:</b>					
Change in Property Tax estimate	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0
<b>Total Additions</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Net Adjustments</b>	<b>(\$0.9)</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Ending Fiscal Year Amount</b>	<b>\$6.1</b>	<b>\$6.1</b>	<b>\$6.2</b>	<b>\$6.2</b>	<b>\$6.2</b>

# Strongsville City Schools

## Other Revenue



See next slide for a reconciliation of changes.



# Other Revenue

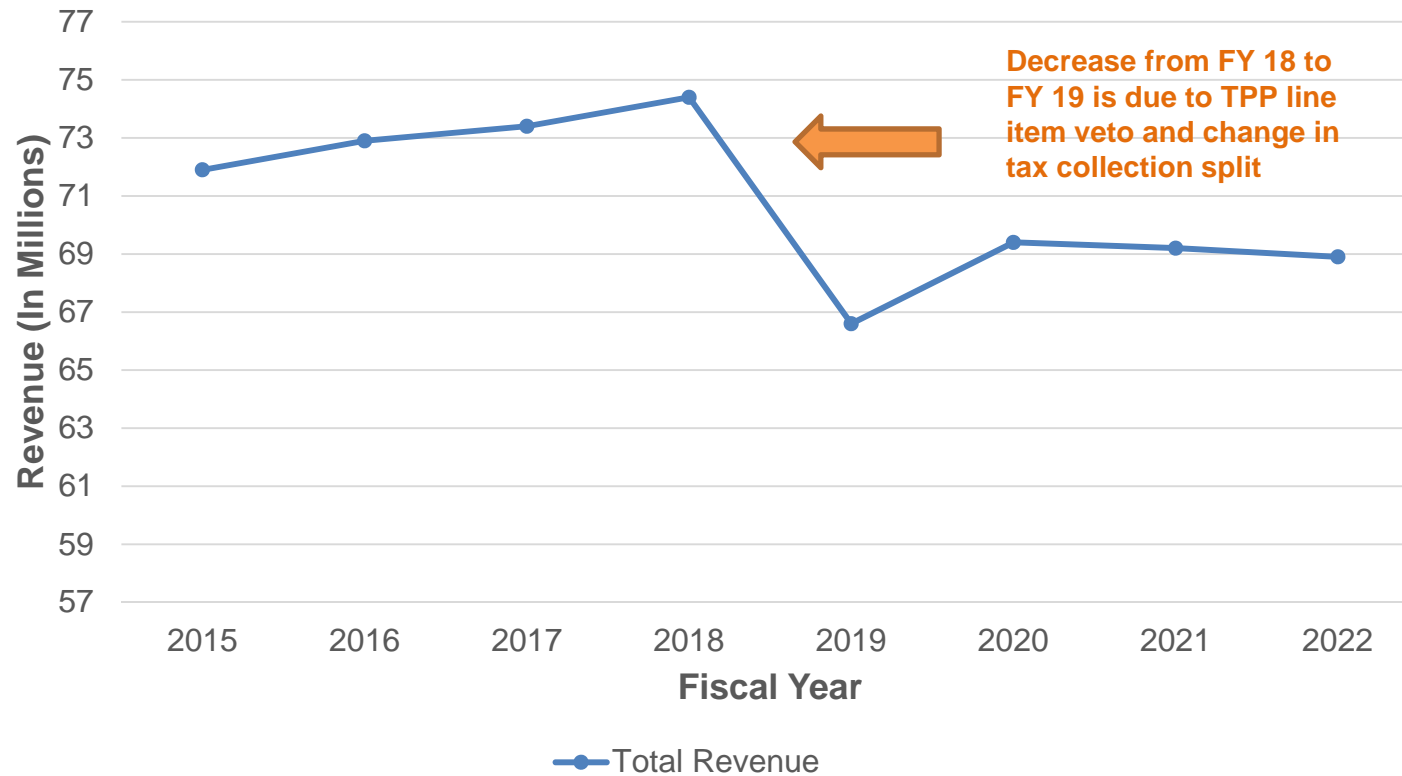
(In Millions)

## Adjustments:

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$3.9</u>	<u>\$5.2</u>	<u>\$3.9</u>	<u>\$3.8</u>	<u>\$3.7</u>
<b>Less:</b>					
Estimated Change in Misc Revenue	\$0.0	(\$0.7)	(\$0.1)	(\$0.1)	\$0.0
Double reimbursement of Medicare	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Decrease in TIF Funds	\$0.0	(\$0.6)	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<u>\$0.0</u>	<u>(\$1.3)</u>	<u>(\$0.1)</u>	<u>(\$0.1)</u>	<u>\$0.0</u>
<b>Additions:</b>					
Increase in TIF Funds	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0
Estimated Change in Misc Revenue	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$1.3</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Net Adjustments</b>	<u>\$1.3</u>	<u>(\$1.3)</u>	<u>(\$0.1)</u>	<u>(\$0.1)</u>	<u>\$0.0</u>
<b>Ending Fiscal Year Amount</b>	<u>\$5.2</u>	<u>\$3.9</u>	<u>\$3.8</u>	<u>\$3.7</u>	<u>\$3.7</u>

# Strongsville City Schools

## General Fund Revenue



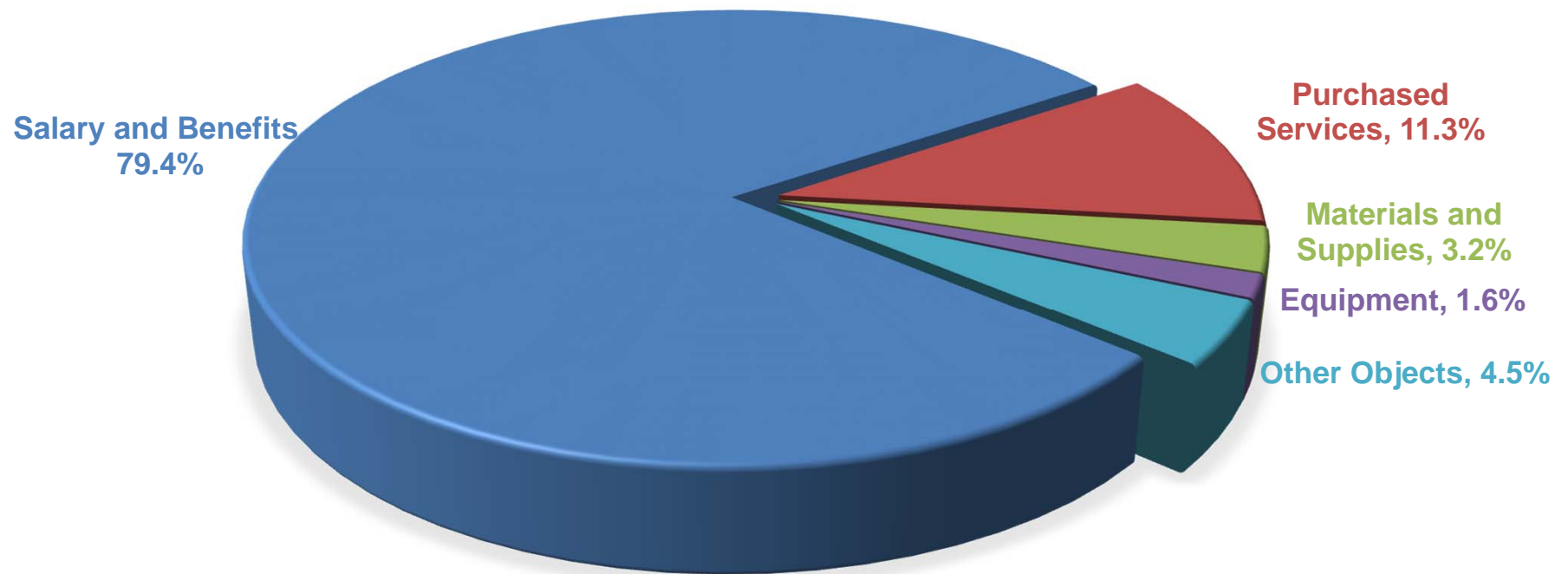
# Strongsville City Schools

- General Fund Expenditures

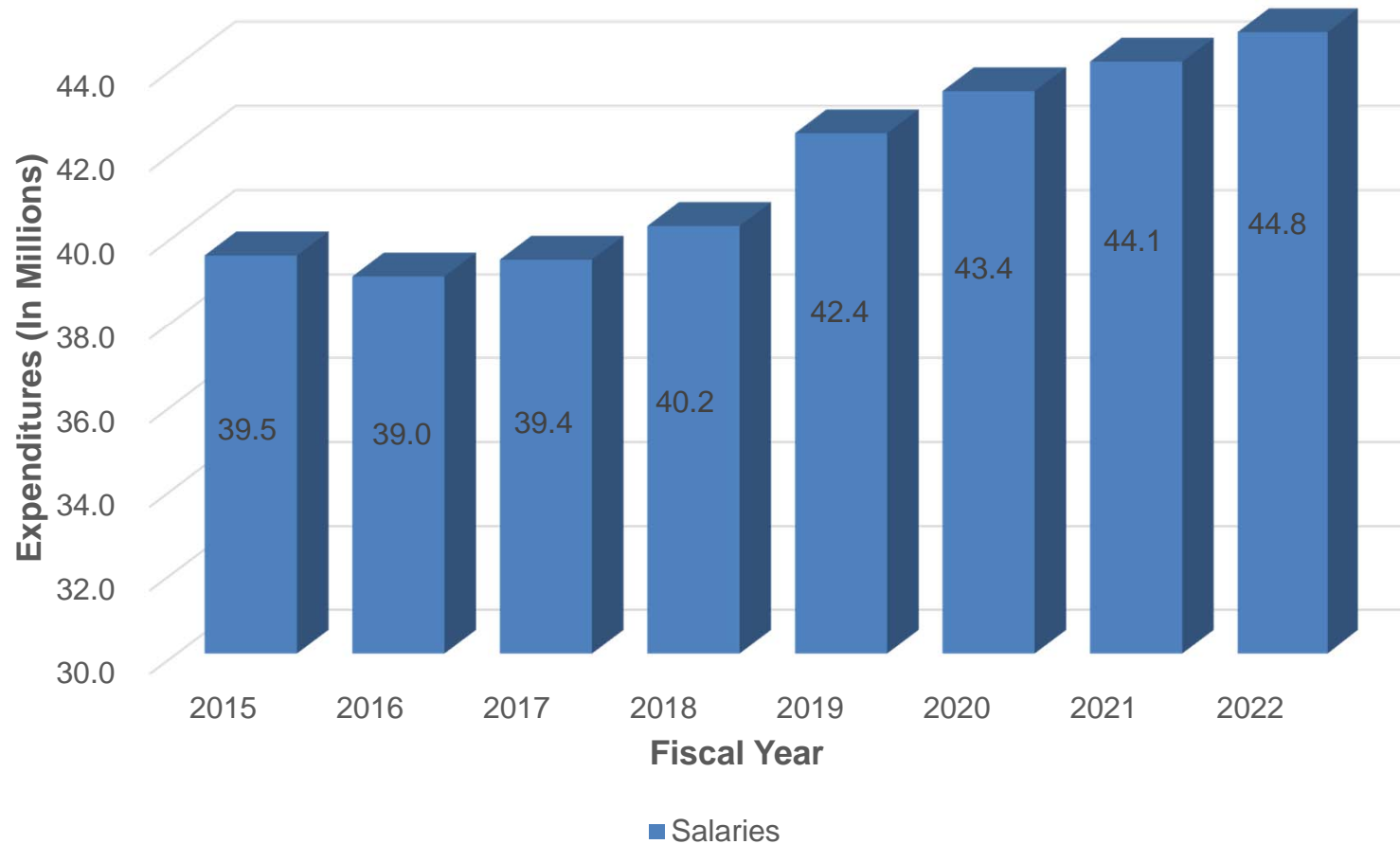
# Strongsville City Schools

## FY 2017-2018

### WHERE THE MONEY GOES



# Strongsville City Schools Salaries



See next slide for a reconciliation of changes.

# Salaries (General Fund)

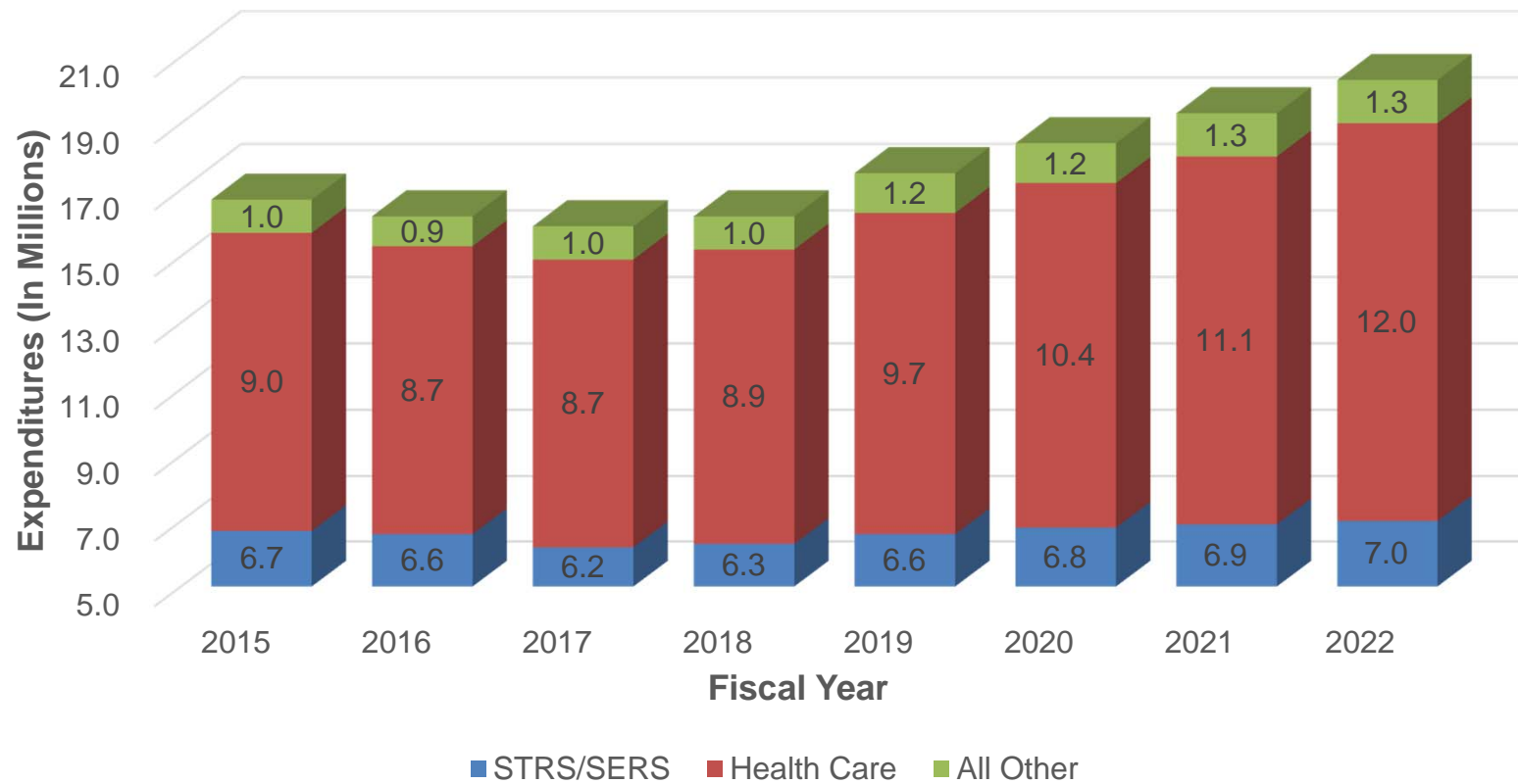
(In Millions)

## Adjustments:

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$39.4</u>	<u>\$40.2</u>	<u>\$42.4</u>	<u>\$43.4</u>	<u>\$44.1</u>
<b>Less:</b>					
Reduction of Positions (net)	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0
Budget Savings During The Year	(\$0.3)	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<u>(\$0.4)</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Additions:</b>					
COLA Increases	\$0.4	\$0.3	\$0.0	\$0.0	\$0.0
Step Increases	\$0.8	\$0.8	\$0.8	\$0.7	\$0.7
Additional Positions	\$0.0	\$0.7	\$0.2	\$0.0	\$0.0
Other Budget Adjustments / Savings	\$0.0	\$0.4	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$1.2</u>	<u>\$2.2</u>	<u>\$1.0</u>	<u>\$0.7</u>	<u>\$0.7</u>
<b>Net Adjustments</b>	<u>\$0.8</u>	<u>\$2.2</u>	<u>\$1.0</u>	<u>\$0.7</u>	<u>\$0.7</u>
<b>Ending Fiscal Year Amount</b>	<u>\$40.2</u>	<u>\$42.4</u>	<u>\$43.4</u>	<u>\$44.1</u>	<u>\$44.8</u>

# Strongsville City Schools

## Benefits



See next slide for a reconciliation of changes.

# Benefits (General Fund)

(In Millions)

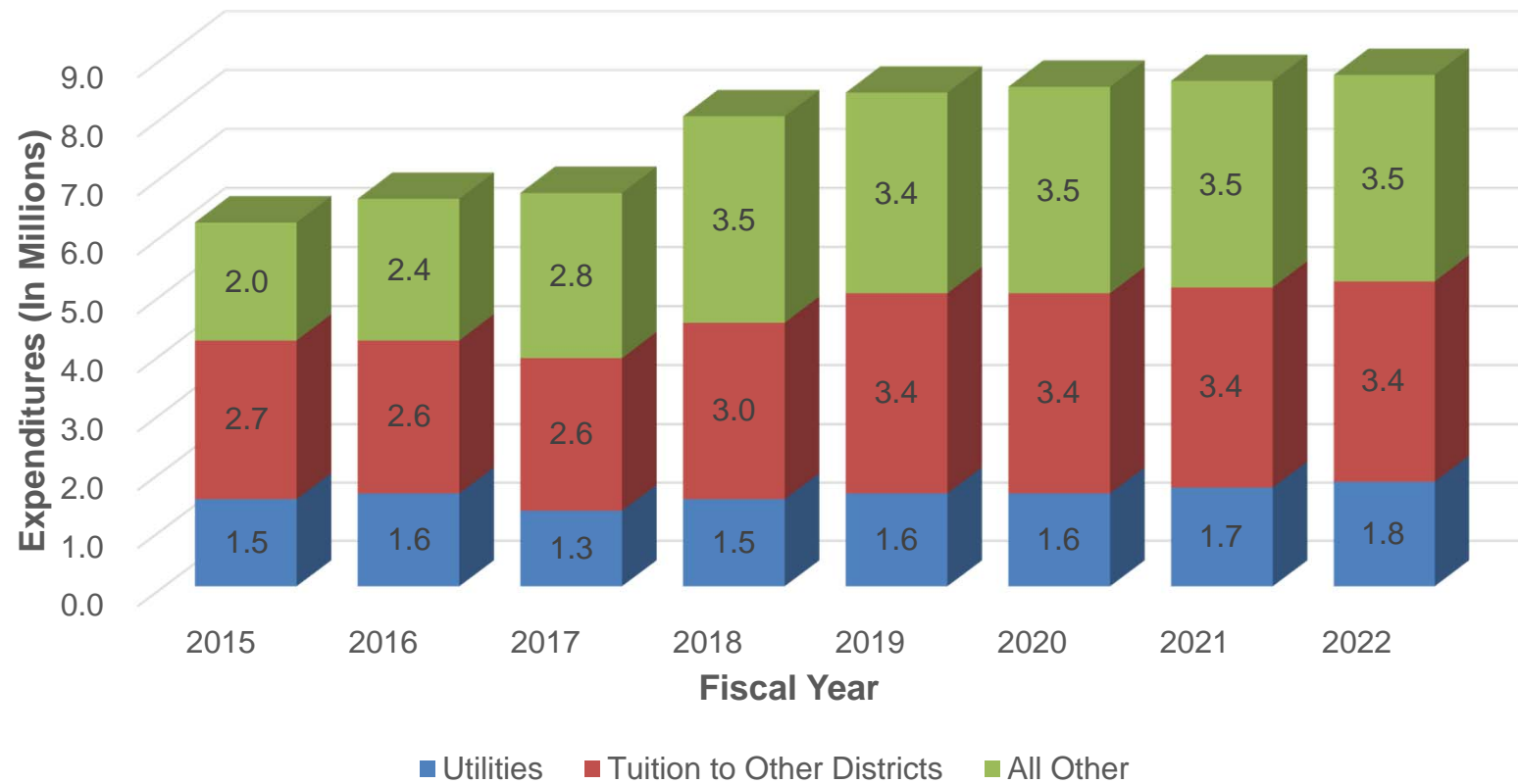
## Adjustments:

	FY 18	FY 19	FY 20	FY 21	FY 22
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<b>\$15.9</b>	<b>\$16.2</b>	<b>\$17.5</b>	<b>\$18.4</b>	<b>\$19.3</b>
<b>Less:</b>					
Reduction of Positions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unemployment / WC	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Open Positions Health Care / Pension	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Additions:</b>					
7% Predicted Health Care Increases	\$0.0	\$0.4	\$0.7	\$0.7	\$0.9
WC / Medicare	\$0.0	\$0.2	\$0.0	\$0.1	\$0.0
STRS / SERS	\$0.1	\$0.3	\$0.2	\$0.1	\$0.1
Open & New Positions Health Care	\$0.2	\$0.4	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<b>\$0.3</b>	<b>\$1.3</b>	<b>\$0.9</b>	<b>\$0.9</b>	<b>\$1.0</b>
<b>Net Adjustments</b>	<b>\$0.3</b>	<b>\$1.3</b>	<b>\$0.9</b>	<b>\$0.9</b>	<b>\$1.0</b>
<b>Ending Fiscal Year Amount</b>	<b>\$16.2</b>	<b>\$17.5</b>	<b>\$18.4</b>	<b>\$19.3</b>	<b>\$20.3</b>



# Strongsville City Schools

## Purchased Services



See next slide for a reconciliation of changes.

# Purchased Services (General Fund)

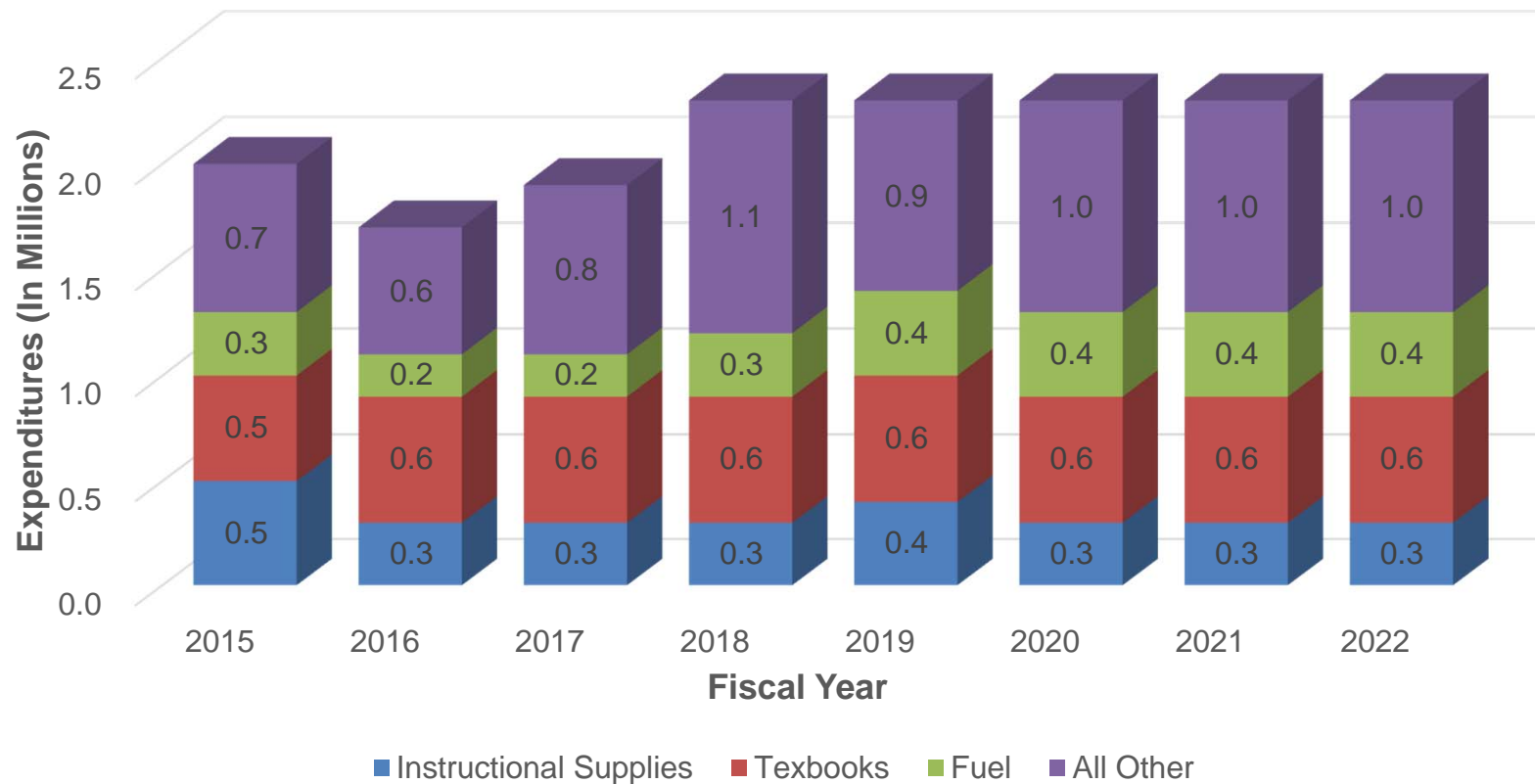
(In Millions)

## Adjustments:

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$6.7</u>	<u>\$8.0</u>	<u>\$8.4</u>	<u>\$8.5</u>	<u>\$8.6</u>
<b>Adjustments:</b>					
PO's Carried into FY 18, not spent in FY 17	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0
Increase in Tuition paid to other Districts	\$0.4	\$0.4	\$0.0	\$0.0	\$0.0
Increase in Utilities	\$0.2	\$0.1	\$0.0	\$0.1	\$0.1
Change in Other Purchased Services	\$0.1	(\$0.1)	\$0.1	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$1.3</u>	<u>\$0.4</u>	<u>\$0.1</u>	<u>\$0.1</u>	<u>\$0.1</u>
<b>Net Adjustments</b>	<u>\$1.3</u>	<u>\$0.4</u>	<u>\$0.1</u>	<u>\$0.1</u>	<u>\$0.1</u>
<b>Ending Fiscal Year Amount</b>	<u>\$8.0</u>	<u>\$8.4</u>	<u>\$8.5</u>	<u>\$8.6</u>	<u>\$8.7</u>

# Strongsville City Schools

## Materials and Supplies



See next slide for a reconciliation of changes.

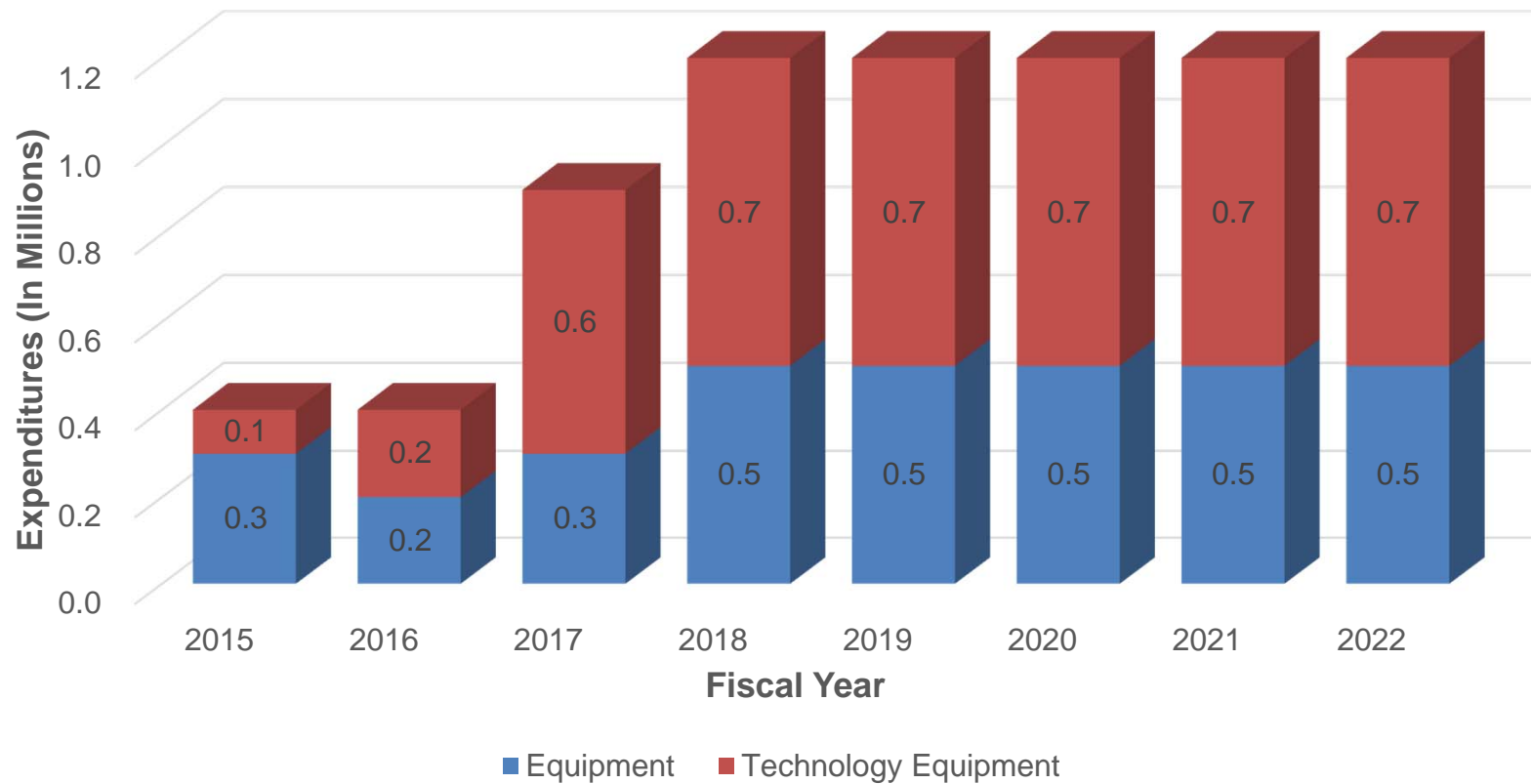
# Materials and Supplies (General Fund)

(In Millions)

## Adjustments:

	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>	<u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$1.9</u>	<u>\$2.3</u>	<u>\$2.3</u>	<u>\$2.3</u>	<u>\$2.3</u>
<b>Less:</b>					
<b>Total Reductions</b>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Additions:</b>					
PO's Carried into FY 18, not spent in FY 18	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
Budget Savings / Budget not spent	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
Potential One time cost	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$0.4</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Net Adjustments</b>	<u>\$0.4</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Ending Fiscal Year Amount</b>	<u><b>\$2.3</b></u>	<u><b>\$2.3</b></u>	<u><b>\$2.3</b></u>	<u><b>\$2.3</b></u>	<u><b>\$2.3</b></u>

# Strongsville City Schools Equipment



See next slide for a reconciliation of changes.

# Equipment (General Fund)

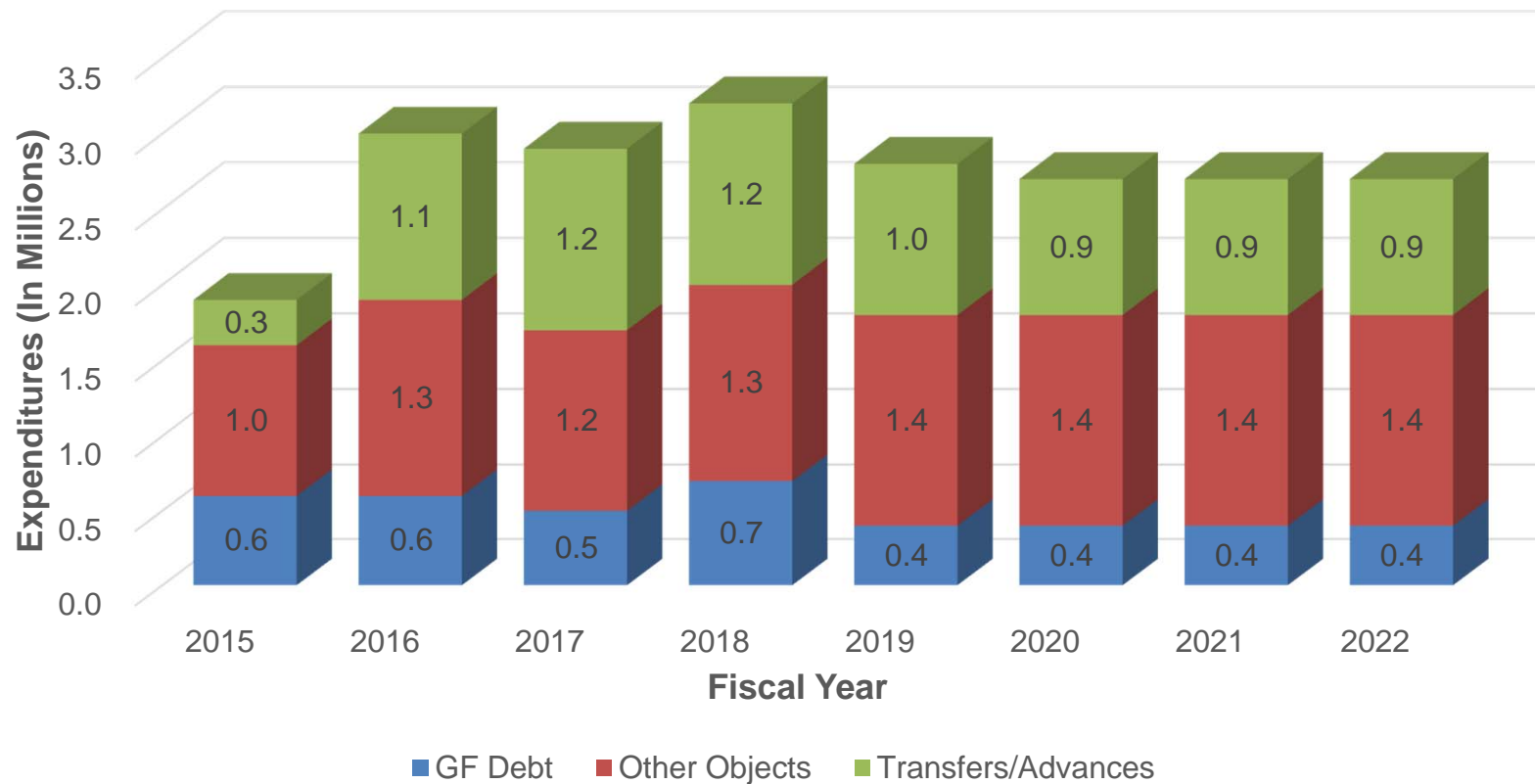
(In Millions)

## Adjustments:

	FY 18 <u>Forecasted</u>	FY 19 <u>Forecasted</u>	FY 20 <u>Forecasted</u>	FY 21 <u>Forecasted</u>	FY 22 <u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$0.9</u>	<u>\$1.2</u>	<u>\$1.2</u>	<u>\$1.2</u>	<u>\$1.2</u>
<b>Less:</b>					
<b>Total Reductions</b>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Additions:</b>					
PO's Carried into FY 18, not spent in FY 17	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$0.3</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Net Adjustments</b>	<u>\$0.3</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Ending Fiscal Year Amount</b>	<u><u>\$1.2</u></u>	<u><u>\$1.2</u></u>	<u><u>\$1.2</u></u>	<u><u>\$1.2</u></u>	<u><u>\$1.2</u></u>

# Strongsville City Schools

## Other Objects and Transfers/Advances



See next slide for a reconciliation of changes.

# Other Objects & Transfer/Advances (General Fund)

(In Millions)

## Adjustments:

	FY 18 <u>Forecasted</u>	FY 19 <u>Forecasted</u>	FY 20 <u>Forecasted</u>	FY 21 <u>Forecasted</u>	FY 22 <u>Forecasted</u>
<b>Beginning Amount/ Prior FY</b>	<u>\$2.9</u>	<u>\$3.2</u>	<u>\$2.8</u>	<u>\$2.7</u>	<u>\$2.7</u>
<b>Less:</b>					
Reduction of debt payment	\$0.0	(\$0.3)	\$0.0	\$0.0	\$0.0
Decrease in Transfers	\$0.0	(\$0.1)	(\$0.1)	\$0.0	\$0.0
Change in Budget Allocations	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Reductions</b>	<u>\$0.0</u>	<u>(\$0.4)</u>	<u>(\$0.1)</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Additions:</b>					
PO's Carried into FY 18, not spent in FY 17	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Budget not spent in FY 17	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Change in Budget Allocations	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Debt-Early Payoff	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
Increase in Transfers	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Additions</b>	<u>\$0.3</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Net Adjustments</b>	<u>\$0.3</u>	<u>(\$0.4)</u>	<u>(\$0.1)</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Ending Fiscal Year Amount</b>	<u><b>\$3.2</b></u>	<u><b>\$2.8</b></u>	<u><b>\$2.7</b></u>	<u><b>\$2.7</b></u>	<u><b>\$2.7</b></u>



# Strongsville City Schools

- General Fund Summary

# Financial Prudence Throughout the Years

## District Cost Savings Efforts - Past, Present, and Future:

Through the Districts proactive diligence, we were able to generate the following savings and efficiencies while still providing an exemplary educational experience for our students:

- **Investment Strategy** increased General Fund interest earnings by \$106,157 (\$37,333 to \$143,490) in FY 17 compared to FY 16.
- Switched to a self-insured health care plan – has **saved \$4.6 million** since FY 14.
- **Financial Transparency** as recognized by:
  - ASBO Meritorious Budget Award
  - ASBO Certificate of Excellence in Financial Reporting (CAFR)
  - GFOA Certificate of Achievement for Excellence in Financial Reporting (CAFR)
  - During November of 2017 – Moody's increased the District's Bond Rating from a Aa3 to a Aa2. Additionally, during that time, the District closed on a Bond refunding deal, **with a net present value savings of \$723,887.**

*(Continued to next slide)*

# Financial Prudence Throughout the Years

## District Cost Savings Efforts - District Cost Savings Efforts - Past, Present, and Future *(continued from previous slide)*:

Through the Districts proactive diligence, we were able to generate the following savings and efficiencies while still providing an exemplary educational experience for our students:

- Since 2010, the District eliminated six (6) buildings and repurposed one (1) building to save resources and **maximize educational offerings**.
  - Allen closed in 2010; Demolished in 2013.
  - Zellers closed in 2015; Repurposed in 2016
  - Drake, Albion, Center, OPS, and Board Office closed in June 2016; Demolished/Sold by 2017.

*(Continued to next slide)*

# Financial Prudence Throughout the Years

## District Cost Savings Efforts - Past, Present, and Future *(continued from previous slide)*:

- Since 2009, there are **199 less positions** compared to FY 2018, a 22% decline keeping pace with declining enrollment.
  - FY 2016 – Reduced 24 positions (all funds). **(\$1.4 million in savings)**
  - FY 2017 – Reducing 18 positions (all funds). **(\$500 thousand in savings)**

**Note: The discrepancy in savings in FY 2017 compared to the other years is due to the type of positions that were reduced. In FY 16, 18, & 19, the majority of the reductions were teaching positions, while in FY 17, the majority of reductions were in Aides.**
- Other Cost Efforts:
  - In FY 16, the District implemented Ohio Online Learning Program and now the Strongsville Academy to retain students in the District, which is projected to **save \$200K annually.**

# Strongsville City Schools

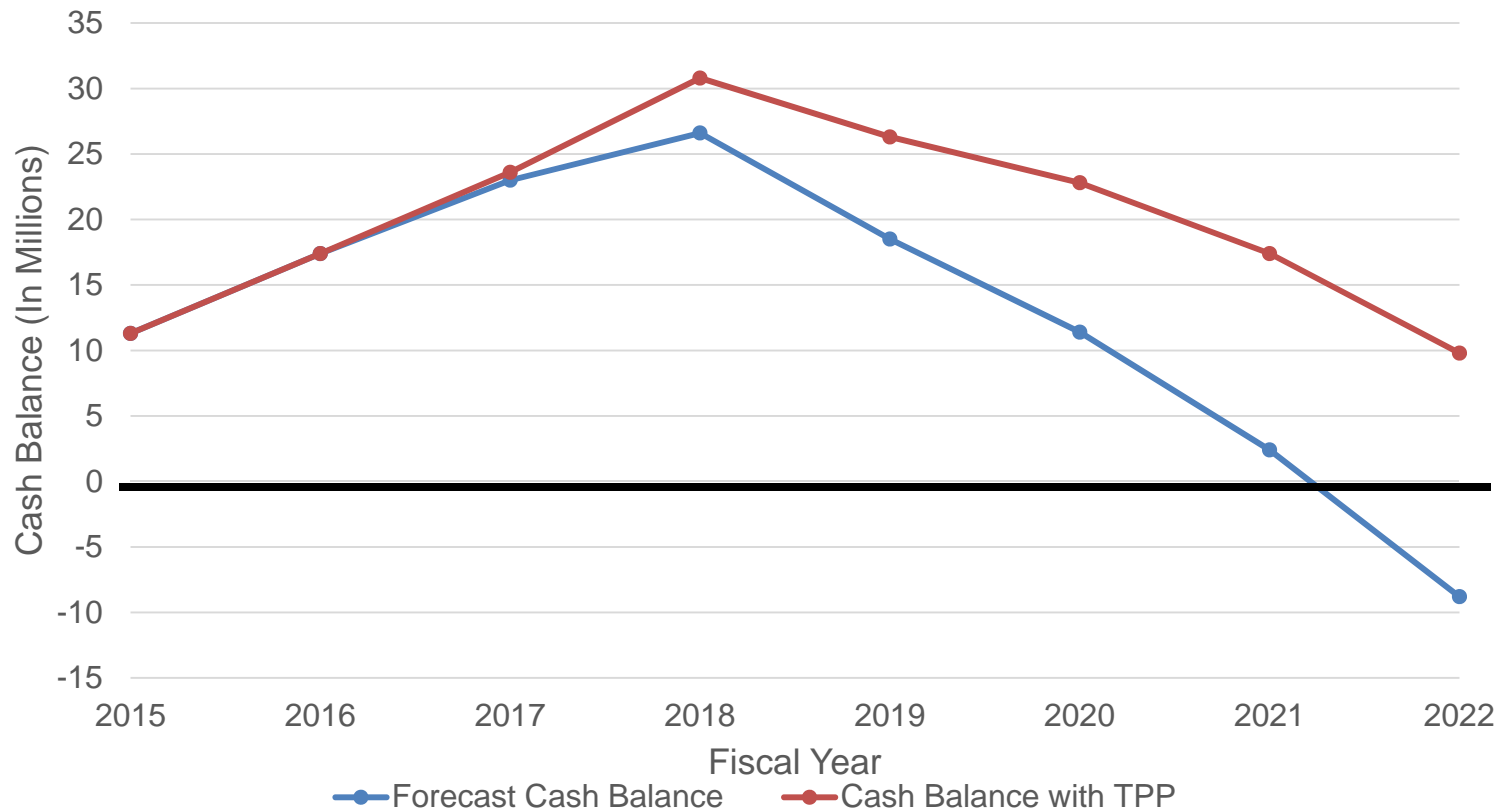
## May 2018 Five-Year Forecast

(in millions of dollars)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Beginning Cash Balance</b>	\$7.2	\$12.4	\$18.4	<b>\$24.2</b>	\$27.7	\$19.6	\$12.5	\$3.5
<b>Total Revenues</b>	71.9	72.9	73.4	74.4	66.6	69.4	69.3	68.8
<b>Total Expenses</b>	66.7	66.9	67.6	70.9	74.7	76.5	78.3	80.0
<b>Revenue over Expenses</b>	<b>5.2</b>	<b>6.0</b>	<b>5.8</b>	<b>3.5</b>	<b>(8.1)</b>	<b>(7.1)</b>	<b>(9.0)</b>	<b>(11.2)</b>
<b>Ending Cash Balance</b>	12.4	18.4	24.2	<b>27.7</b>	19.6	12.5	3.5	<b>(7.7)</b>
<b>Encumbrances/Reserves</b>	1.1	1.0	1.2	1.1	1.1	1.1	1.1	1.1
<b>Unencumbered Balance</b>	<b>\$11.3</b>	<b>\$17.4</b>	<b>\$23.0</b>	<b>\$26.6</b>	<b>\$18.5</b>	<b>\$11.4</b>	<b>\$2.4</b>	<b>(\$8.8)</b>

# Strongsville City Schools

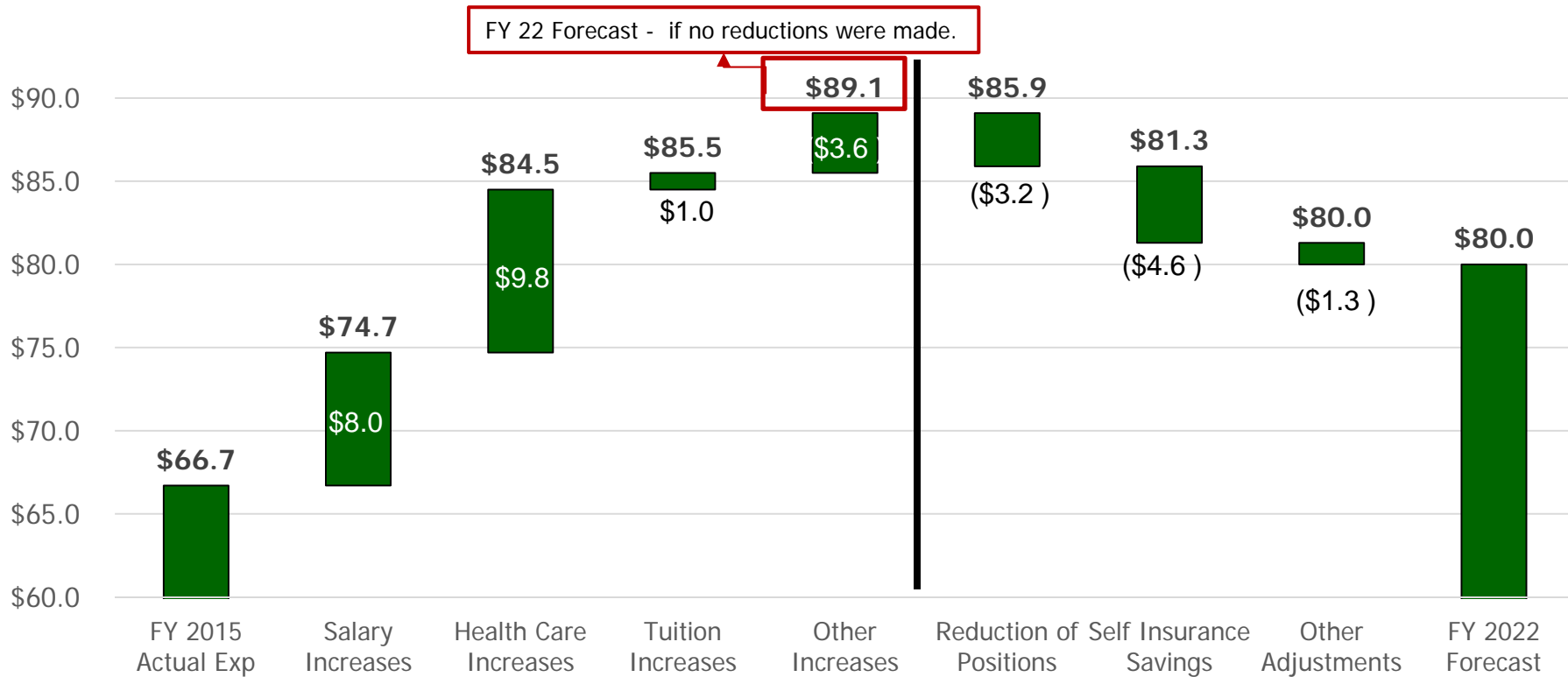
## Cash Balance



# Strongsville City Schools

## FY 2015 – FY 2022 General Fund Summary (in millions)

### Cumulative Summary of Adjustments



## Financial Prudence – Action Step & Evaluation Criteria

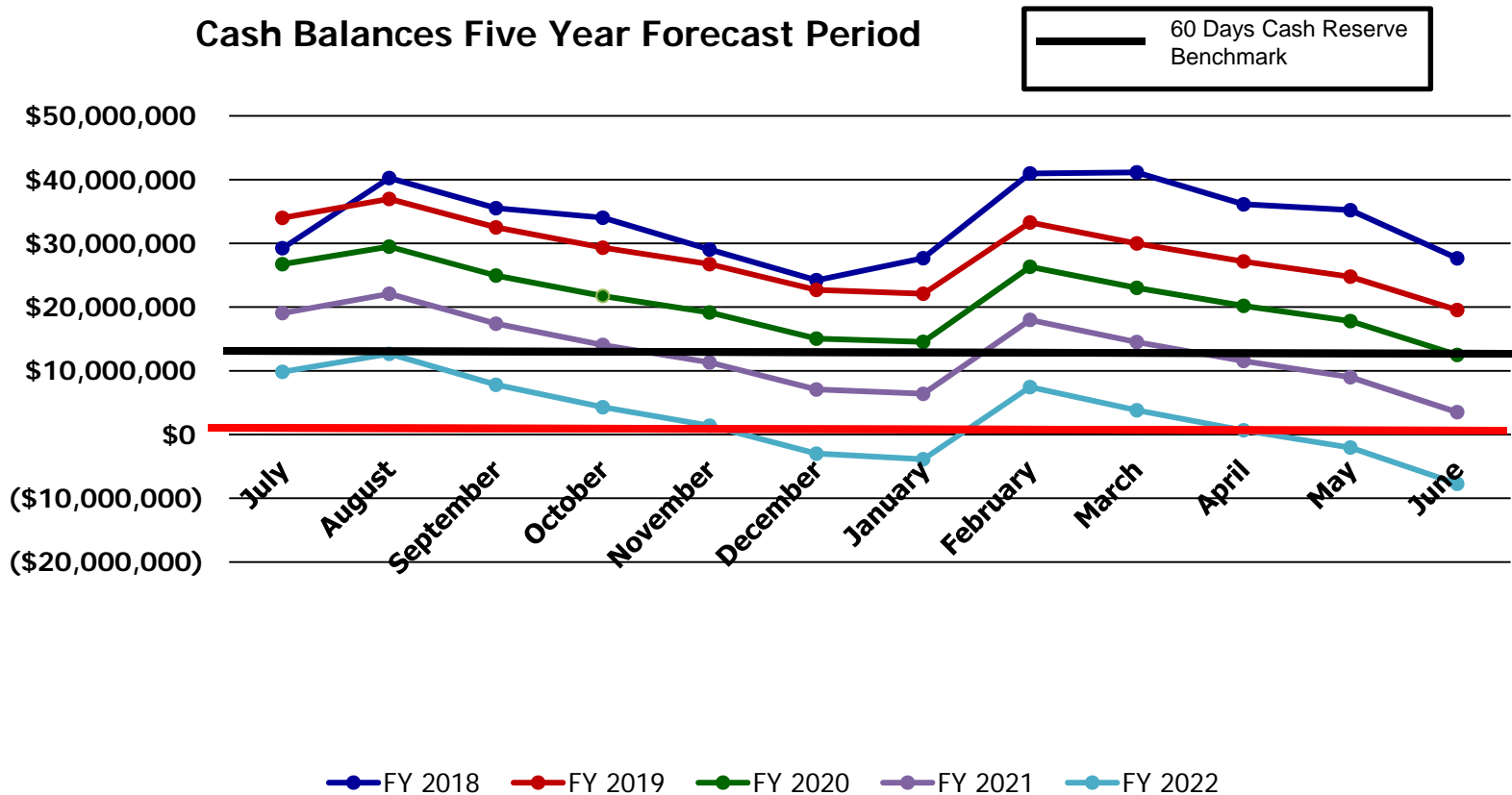
- **Objective:** Maintain financial management practices and a culture of budget consciousness that ensures focused spending.
  - **Action Step:** Maintain financial management practices that ensure focused spending by (1) analyzing departmental budgets in collaboration with directors to identify targeted savings and align resources to academic needs. (2) seeking out grant opportunities and/or community resources to offset district expenses, and (3) developing a cost reduction plan and levy implementation plan should components of the established evaluation criteria not be met.



# Financial Prudence – Action Step & Evaluation Criteria

- **Evaluation Criteria:**

- Assess “true cash days” of the district with a target of 60 days or more. – **Currently projecting to dip below this point in June 2020.**



## Financial Prudence – Action Step & Evaluation Criteria

- **Evaluation Criteria (continued):**
  - Maintain an annual unreserved general fund balance between 5% - 15% of the general fund operating revenue. – **FY18: 35.7%; FY19: 27.7%; FY20: 16.4%; FY21 3.5%; FY22 -12.8%.**
  - Year end expenditures will not exceed revenues – **Expenditures will exceed revenues beginning in FY 19 and moving forward.**
  - Five Year Forecast will project fiscal stability for two years beyond current school year. – **Current projection of deficit spending is not sustainable.**
  - Overall per pupil expenditures will be compared to similar districts. – **For FY 2016, expenditure per pupil was \$12,785 which is comparable to similar districts.**

## Revenue Generating Idea's

- **New Operating Levy**
  - ***Last new operating levy passed:***
    - November 2007 – 11 years ago. (continuing)
      - 6.5 mills, generates \$9.2 million.
    - August 2002 – 16 years ago (current renewal levy)
      - 6.0 mills, generates \$7.9 million.
  - ***State funding lost since 2007:***
    - Reduction of \$8.6 million annual Tangible Personal Property Tax (TPP) and Reimbursement.
      - The 2016 \$3.6 million TPP reduction was the latest phase to completely phase out this revenue.

## Revenue Generating Idea's

- **New Levy (continued)**
  - *District efficiency measures since 2007:*
    - 199 less positions compared to FY 2018.
    - District eliminated six (6) buildings and repurposed one (1) building.
    - Switched to a self-insured health care plan – saved \$4.6 million.
    - Strongsville Academy – online school to keep students in District.
    - Implemented an investment strategy to increase interest earnings.
    - Implemented a student fee collection policy to increase fee collections.

## Revenue Generating Idea's

- **New Levy (continued)**
  - **Potential New Offerings:**
    - Full Day Kindergarten tuition free District wide.
    - Increased extracurricular activities at elementary level.
    - Expand theater program – secondary level.
    - Other ideas.....
  - **Other Revenue Generating Ideas:**
    - Increase full day kindergarten and Preschool Tuition.
    - Increase pay to play fees.
    - Full Open Enrollment
    - Other ideas.....

## Forecast After Levy

- **New Levy (continued):**
  - When, how much, continuous vs renewal?
  - How long will the funds last?
  - Example below a range of mills (does not include any new offerings), if passed November 2018:

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>6 Mills (\$8.6M) - Unencumbered Balance</b>	\$26.6	\$22.6	\$23.7	\$22.2	\$18.3	\$12.4	\$4.1	(\$6.1)	(\$18.4)	(\$32.8)
<b>7 Mills (\$10.0M) - Unencumbered Balance</b>	\$26.6	\$23.3	\$25.8	\$25.8	\$23.3	\$18.8	\$11.9	\$3.1	(\$7.7)	(\$20.1)
<b>8 Mills (\$11.4M) - Unencumbered Balance</b>	\$26.6	\$24.0	\$27.9	\$29.3	\$28.3	\$25.2	\$19.8	\$12.4	\$3.0	(\$8.6)
<b>9 Mills (\$12.8M) - Unencumbered Balance</b>	\$26.6	\$24.7	\$30.1	\$32.9	\$33.3	\$31.6	\$27.6	\$21.7	\$13.7	\$3.5

## Election Calendar

- **Current District Ballot Issues:**
  - 2021 – November - Current Renewal Levy
  - 2022 – May – Current Renewal Levy, if not passed previously
  - 2022 – November – Current Renewal Levy, if not passed previously
- **2018 Filing Deadlines:**
  - November 6, 2018 General Election
    - August 8, 2018 filing deadline (no later than):
      - July 16, 2018 BOE Meeting – Resolution 1
      - August 2, 2018 BOE Meeting – Resolution 2
- **Next Steps:**
  - Superintendent and Treasurer Recommendation for discussion at 5/17/2018 Meeting.

# Cost Reduction Strategies

- **Cost / Savings Expenditure Reductions:**
  - Services
  - Programming
  - Staff
- **Timing:**
  - Would need to formulate a reduction strategy.
  - When to implement.



# Strongsville City Schools

- Questions?