

REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Thursday, May 16, 2019 at 4:00 PM at the Cincinnati Public Schools Education Center in the Board Conference Room.

ATTENDEES

Finance Committee Members

Chairperson Eve Bolton, Melanie Bates, Ryan Messer, absent

Administrators

Jennifer Wagner, Treasurer; Pamela Williams, Transportation Supervisor; Dan Hoying, General Counsel; Loren Johnson, Director Pupil Transportation; Laura Mitchell, Superintendent; Nathan Tyahur, Accounts Receivable Supervisor

Kearney and Kearney

Eric Kearney, CEO, President

Focused Capitol Solutions

George Glover, Co-Managing Director

Community Members/Parents

Marlena Brookfield, Marcia Futel, Craig Rozen

Governmental Relations Report

Mr. Kearney updated the Committee on the following information that is outlined in his monthly legislative report.

- Monitoring of the Ohio Budget
- Meeting with Superintendent Laura Mitchell regarding CPS Priorities
Mr. Kearney reported that he met with the Superintendent and presented the plan. Chairperson Eve Bolton again reminded Mr. Kearney about the priority of reforming the State Report Card.
- Plan CPS Meeting in Columbus
The Committee discussed meeting on either May 28 or May 29 in Columbus to provide testimony in the Senate. A meeting with representatives was determined to be the better opportunity for advising our representatives.
- Status of the Fair Funding School Funding Plan Cupp/Patterson was discussed.
It appeared that no action would be forthcoming this year.

ACTION

Mr. Kearney reported that he is attempting to arrange testimony in the Ohio Senate. If that is not possible, he is arranging a meeting with Senator Lou Terhar, Chair of the Finance Subcommittee. The meeting with Terhar would need to take place before June 5. Mr. Kearney will solicit the date of June 3 to the Senator Terhar and report back to the Committee with a confirmed date.

Senate Bill 121

To amend sections 3301.0718 and 3313.6011 and to enact section 3301.0727 of the Revised Code to require the State Board of Education to adopt health education standards and to require that only statewide venereal disease education standards and curriculum be approved by the General Assembly.

First Hearing May 7, 2019. This is of particular interest to our District, having just adopted our Health, Wellness and Physical Education Curriculums.

Senate Bill 4 (Rulli & Kunze)

To amend Section 237.30 of H.B. 529 of the 132nd General Assembly and Section 237.10 of H.B. 529 of the 132nd General Assembly, as subsequently amended, to make a capital appropriation for school facilities assistance. Increase from \$375M to \$475M, the amount of general obligation bonds that can be issued by the Ohio Public Facilities Commission for the purpose of paying the state share of the cost of constructing classroom facilities. **Passed the Ohio Senate on March 27, 2019 (31-0). 3rd Hearing, in House Committee on May 7, 2019.**

House Bill 43 (Ingram)

To amend sections 3313.41, 3318.08, and 5705.10, to enact new section 3313.411, and to repeal sections 3313.411, 3313.412, and 3313.413 of the Revised Code to eliminate the right of first refusal for certain schools in the acquisition of school district real property. 1st Hearing on February 19, 2019.

Mr. Kearney reported that no movement has taken place on the bill.

Mr. Kearney reported that testimony on the Report Card was provided by OASBO (Ohio Association of School Business Officials). He will provide an update on the Report Card at the June 20, 2019 Finance Committee meeting.

The following information was noted in Mr. Kearney's report.

- Senate offers competing plans for graduation requirements. <https://www.dispatch.com/news/20190514/ohio-senate-offered-competing-plans-for-new-graduation-requirements>
- Charter Schools are receiving \$60M in funding over the biennium.
- In the House, the omnibus amendment to the budget calls for separate studies to determine up-to-date costs associated with educating students who are gifted, impoverished and learning English, along with those who have special needs. The legislation also requires the completion of an analysis of Educational Service Centers. In a floor speech, Rep. Patterson mentioned the need for more funding for school bus transportation.

A copy of the legislative report is available in the Board office.

Community Reinvestment Agreements

The Committee discussed CRAs early in the meeting to allow Mr. Kearney and Mr. Glover to hear background on how the District is affected by tax abatements.

The Finance Committee will keep legislative liaisons Glover and Kearney updated on the District's tax abatement negotiations with the City.

ACTION: The Committee advised that the agenda for the June 20, 2019 Finance Committee meeting will be a discussion on the tax abatements to create options for a framework and discuss packages to consider. The information will then be presented to the full Board.

Community Member Craig Rozen reported that a Property Tax Working (PTW) group meeting is scheduled on June 20, 2019, 9 a.m., at 805 Centennial Plaza, 2nd Floor. On that day CPS Treasurer Wagner will present to the PTW group. She has been invited by the group to outline some aspects of school funding, abatements and levy collections.

Transportation Report

Mr. Johnson reported the following information to the Committee on the following transportation items.

- **Additional Monies for FY19**

Focusing on the budget for FY19 is now obvious that the FY19 budget should have been closer to \$51 million. Mr. Johnson is working with vendors on invoices, and reconciling their bills. Making sure invoices are valid and identifying what contracts will need to be submitted for change orders or cancellations.

- **Projected FY20 Transportation Budget**

Cutting \$1.5 million out of the Metro contract on the extra service funds. Bus cards with Metro will be addressed next year. Cutting \$500,000 out of the \$14.5 million for students with disabilities is a possibility as long as that reduction does not lessen service and only improves vendor capability.

- **Redesign of Services and Cost Savings and Additions**

Mr. Johnson has added a new bus vendor, ALC. They will be providing service at Bond Hill Academy, CANS, Mt. Washington School, and Roll Hill. He is tasking the vendor to bring in at least an additional 25 vehicles to support transportation for students with disabilities. The department will cut \$1.8 million out of Yellow Bus service. Both Dater and Western Hills High Schools will start school at 8 a.m. Oyler will move back to a time to be determined between the hours of 8 a.m. to 9:10 a.m. CANS will start school at 8 a.m. This will begin to move more schools to Healthy Start times. Current Healthy Start time schools will keep their Healthy Start time.

- **Vendor Contracts and Service Reviews**

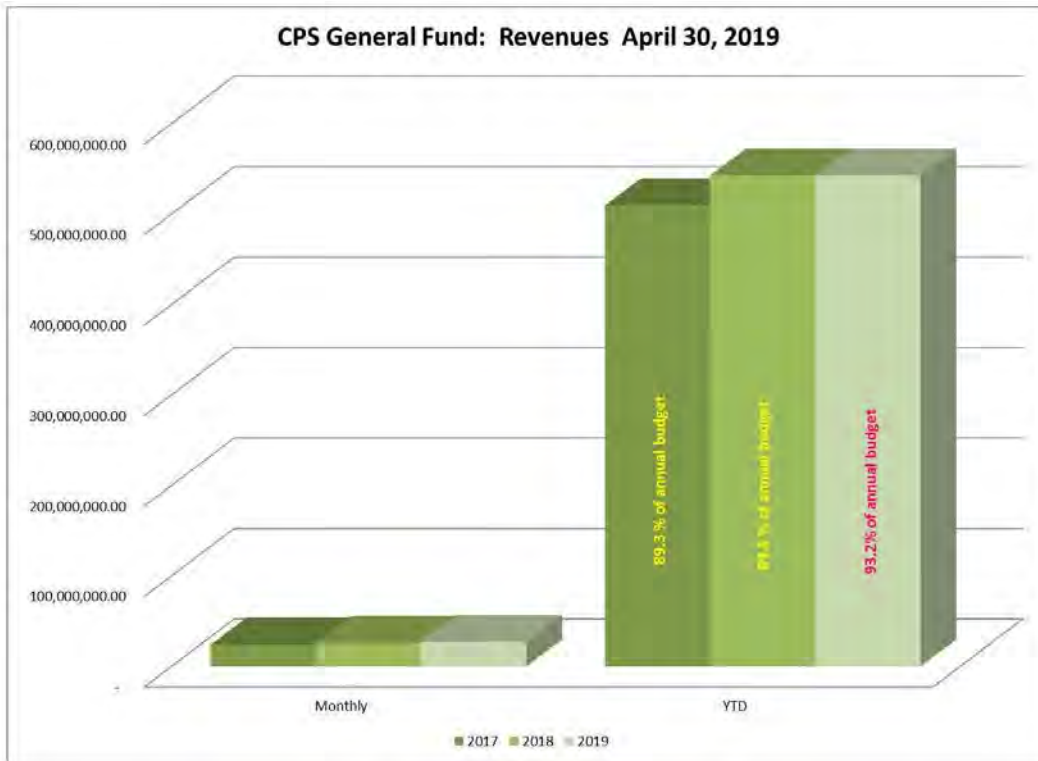
Met with Mike Suttle of National Express, East Regional CEO for Peterman and Queen City, and talked about quality of service. Met with Roger Moore, Senior Vice President of First Student, and tasked them with getting better resources for development of their drivers. Will get the Metro contract by mid-June 2019.

- **Serving Parochial and Charter Clients as Required by Law**

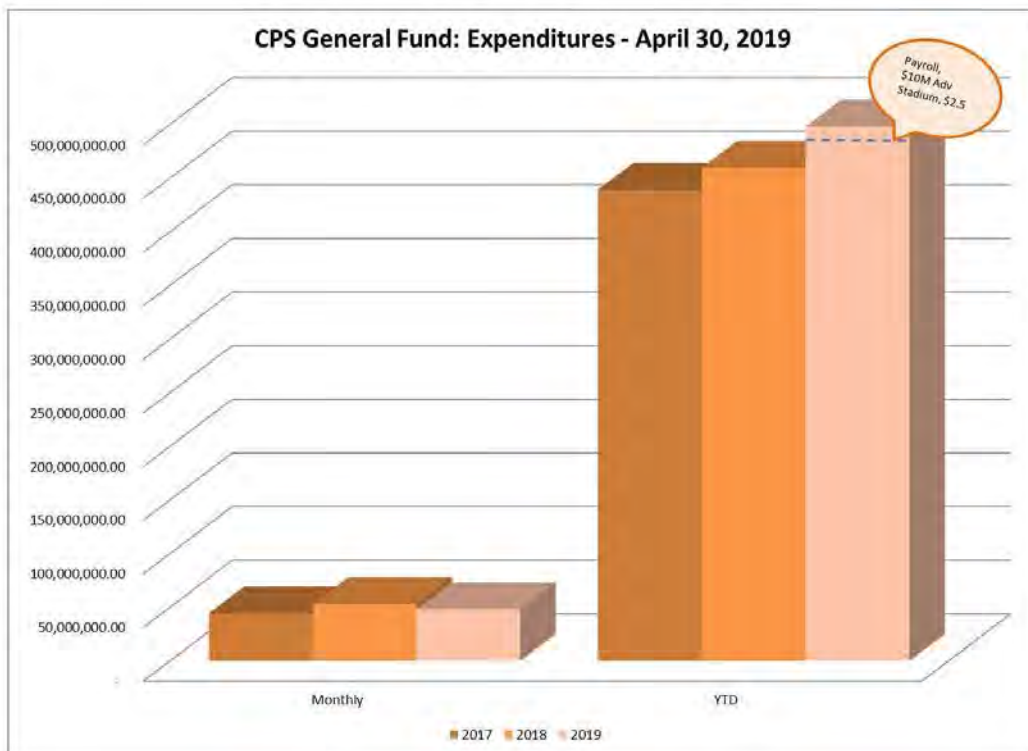
He met with the Ohio Department of Education in April and talked about determining the mode of transportation. The District is authorized to determine the mode of transportation. Yellow Bus service for CPS student is approximately \$1,000 per student. Transporting charter schools students is under \$1,300 per student. Transporting parochial students is close to \$1,500 per student.

Treasurer Monthly Updates

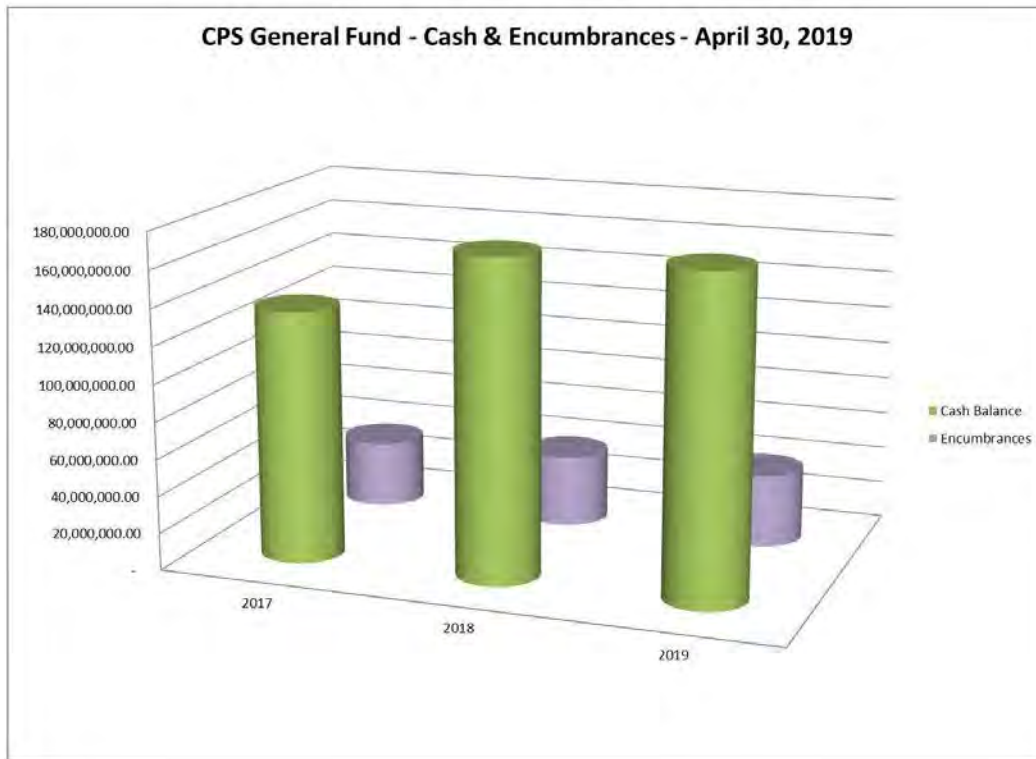
Treasurer Wagner updated the Committee on: *CPS General Fund: Revenues April 2019.*



Treasurer Wagner updated the Committee on: *CPS General Fund: Expenditures – April 2019.*



Treasurer Wagner updated the Committee on: *CPS General Fund–Cash + Encumbrances–April, 2019.*



Treasurer Wagner updated the Committee on: *State and Federal Grants – April 2019.*

State & Federal Grants April 2019

	State	Federal	Combined	FY18
Beg Cash	1,971,239.69	7,778,481.65	9,749,721.34	9,194,087.04
Receipts	11,340,594.33	32,964,016.07	44,304,610.40	55,804,604.09
Expenditures	9,460,373.04	40,380,026.85	49,840,399.89	56,703,495.83
Encumbrances	2,186,972.29	4,223,518.81	6,410,491.10	4,370,361.60
Ending Cash	1,664,488.69	(3,861,047.94)	(2,196,559.25)	3,924,833.70

Treasurer Wagner updated the Committee on: *CPS Preschool Expansion*.

CPS Preschool Expansion

	Budget	April YTD	APR YTD FY18
Revenues:			
General R/E Property Tax	13,649,553.39	14,018,946.33	14,924,369.95
Public Utility Property Tax	1,100,847.17	1,214,884.14	1,205,636.19
Homestead Exemption	249,599.45	131,467.92	135,154.65
Less: Auditor Fees	(165,000)	(223,953.63)	(230,769.61)
Revenues	\$ 14,835,000.01	\$ 15,141,344.76	\$ 16,034,391.18
Expenses:			
Tuition Assistance	4,376,878.00	3,717,847.21	3,525,687.84
Payments to United Way	8,887,251.00	5,901,749.39	7,081,837.16
Workforce Development	108,463.68	36,258.76	-
Special Education Support	654,353.44	449,160.07	350,009.19
Administrative Support	200,000.00	9,399.20	112,458.10
Expenses	\$ 14,226,946.12	\$10,114,414.63	\$11,069,992.29
Net Income	\$ 608,053.89	\$5,026,930.13	4,964,398.89

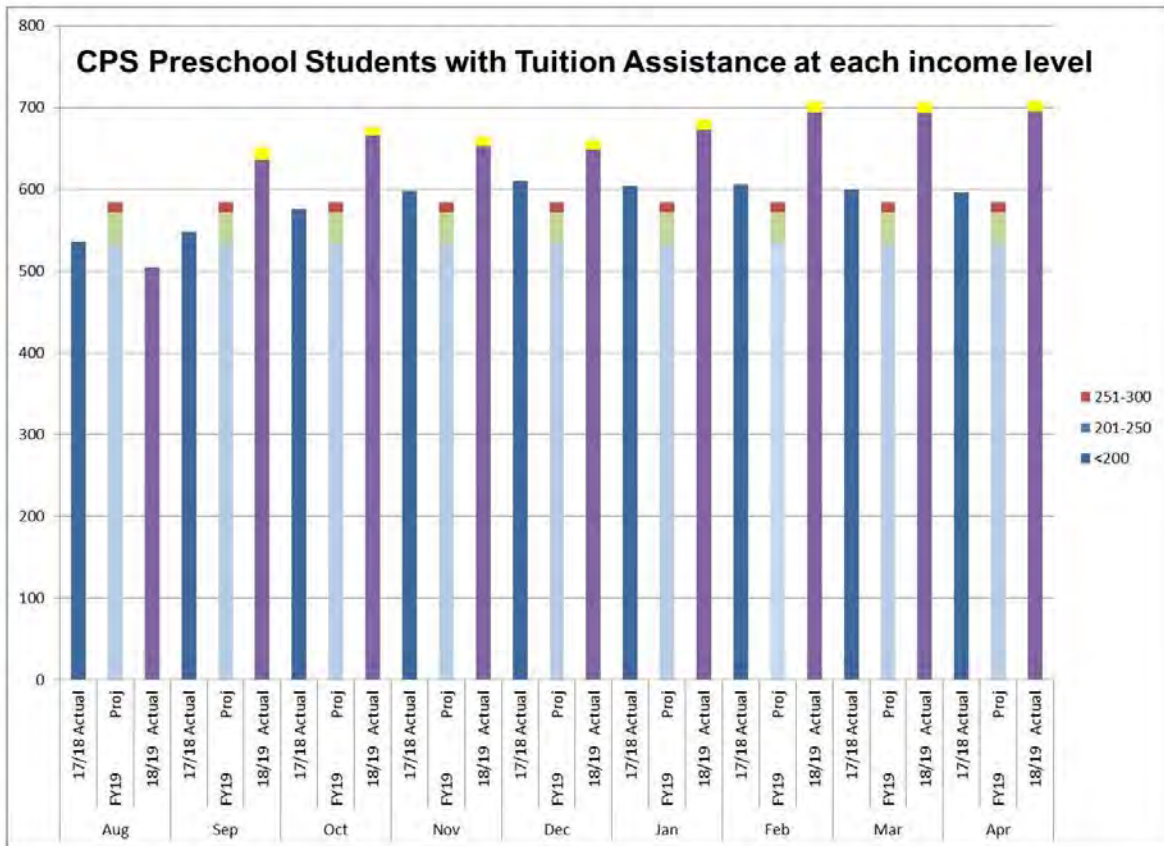
Treasurer Wagner updated the Committee on: *CPS Tuition Assistance Summary*.

CPS Tuition Assistance Summary

	Income	FT	HT	Total	Days	Tuition Assist \$
Apr	<200 %	645	50	695	15,143	593,696.26
	200-250	9	4	13	286	8,978.16
s/t		654	54	708	15,429	602,674.42
YTD				708	97,659	\$3,717,847.21
LY				596	87,351	3,525,687.84

Note: The data in the chart above represents only the CPS preschool students who participate in the Preschool Expansion Tuition Assistance program. CPS currently has enrolled 1,779 preschool students.

Treasurer Wagner updated the Committee on: *CPS Preschool Students with Tuition Assistance at Each Income Level.*

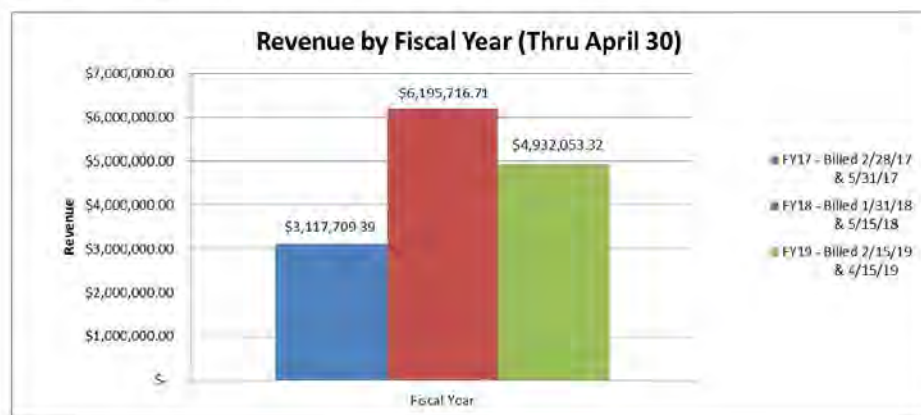


CRA Update

Nathan Tyahur, Accounts Receivable Supervisor, provided the Committee with following Community Reinvestment Act Agreements report.

CRA's Update

- New Agreements For Approval
 - No new agreements this month
- CRA Revenues Collected



[NTT1]

- Billed But Not Collected (Aging)

Billed But Not Collected (Thru April 30)

Year	0-30 Days Old	31-60 Days Old	61-90 Days Old	90+ Days Old	Total
FY17	\$ 55,701.31	\$ -	\$ -	\$ 108,601.42	\$ 164,302.73
FY18	\$ 210.58	\$ -	\$ -	\$ 169,159.59	\$ 169,370.17
FY19	\$ 3,448,152.75	\$ -	\$ 107,138.01	\$ -	\$ 3,555,290.76

[NTT2]

Non-City of Cincinnati Agreements

- New Agreement – No CPS Board Approval Required

Type	Area	Name	Agreement		
			Exemption	Length (Years)	Expires
CRA	Silverton	Just Jaax, LLC	50%	**15	2030

- All Agreements

Non-City of Cincinnati Agreements

Type	Area	Name	Agreement		
			Exemption	Length (Years)	Expires
CRA	Cheviot	Melodie Real Estate Partners, LLC (Family Dollar)	50%	10	2022
CRA	Columbia Township	Beechmont Motors, Inc.	50%	12	2021
CRA*	Silverton	Just Jaax, LLC	50%	15**	2030
EZ	Amberley Village	Novelart Manufacturing Co. dba Topicz	75%	6	2020
TIF	Amberley Village	Mercy Health TIF Site	100%	30	2049
TIF	Anderson Township	Project TIF's-Includes Belterra Park	100%	30	2042
TIF	Columbia Township	Project TIF-Columbia Medical Office Building (MOB)	100%	30	2044
TIF	Delhi Township	TIF District	100%	30	2037
TIF	Fairfax Village/Red Bank	Fairfax Regency Project	100%	30	2038
TIF	Green Township	TIF District	100%	30	2036
TIF	Sycamore Township	Kenwood High Development, LLC	100%	30	2038

* New - Village Council to review on 6/6/19 at 7:00 PM. Does not need CPS Approval due to tax exemption amount.

** Clarifying the number of years.

- Revenue

Non-City of Cincinnati Revenue

Type	Area	Name	Revenue		
			FY17	FY18	FY19
CRA	Cheviot	Melodie Real Estate Partners, LLC (Family Dollar)	\$ 2,132.99	\$ 407.58	\$ 419.04
CRA	Columbia Township	Beechmont Motors, Inc.	\$ -	\$ -	\$ -
CRA*	Silverton	Just Jaax, LLC	\$ -	\$ -	\$ -
EZ	Amberley Village	Novelart Manufacturing Co. dba Topicz	\$ -	\$ -	\$ -
TIF	Amberley Village	Mercy Health TIF Site	\$ -	\$ -	\$ 1,325,337.35
TIF	Anderson Township	Project TIF's-Includes Belterra Park	\$ 871,616.17	\$ 1,782,076.87	\$ 1,816,265.93
TIF	Columbia Township	Project TIF-Columbia Medical Office Building (MOB)	\$ 75,825.07	\$ 211,293.81	\$ 128,796.71
TIF	Delhi Township	TIF District	\$ 76,375.41	\$ 83,285.66	\$ 42,227.07
TIF	Fairfax Village/Red Bank	Fairfax Regency Project	\$ 238,895.72	\$ 372,437.07	\$ -
TIF	Green Township	TIF District	\$ 925,379.94	\$ 991,919.91	\$ 937,334.72
TIF	Sycamore Township	Kenwood High Development, LLC	\$ 239,608.29	\$ 254,752.45	\$ 253,639.09

[NTT3]

ACTION: Mr. Tyahur would like approval to increase student fees for school year 2019-2020. The Committee inquired about the amount of the increase as an increase may not be needed due to the November 2019 Levy. Treasurer Wagner will do an analysis and report back Finance Committee meeting.

Treasurer Evaluation Suggested Changes

Mrs. Wagner will update the Committee about her suggested changes to her evaluation and present her annual goals at the June 20, 2019 Finance Committee meeting.

Status of Five-Year Forecast Development

Mrs. Wagner reported that the Five-Year Forecast is complete and she will be presenting the document at the Board's May 20, 2019 Regular Business Meeting.

\$20 Million Budget Over Request and Current Proposed Reduction Strategy and Specific Cuts

Ms. Wagner reported the \$20 million gap was not as big as she thought after calculating the budget for school staff. The targeted budget is approximately \$635 million. Mrs. Wagner informed the Committee about reductions to the budget. Some reductions were in charter school tuition, the Mayerson Contract, facility upgrades, delayed expansion in the take-home program, reduction in positive school culture travel, curriculum items, financial cuts for transportation, and a non-academic initiative.

Continued Abatement Discussion

The Committee discussed this topic during Mr. Glover and Mr. Kearney's legislative update at the beginning of the meeting.

Continued Renewal Discussion

A discussion was not warranted as the Board, at its May 15, 2019 Regular Business meeting, approved *A Resolution (Ten-Year Renewal) Declaring it Necessary to Levy a Tax in Excess of the Ten-Mill Limitation*.

Continued Preschool Promise Financials and CPS Financial Issues to be Addressed at the Joint Board Meeting in June 2019

Hector Polanco was not in attendance at the meeting to provide an update. However, it was noted that during the Finance Meeting, the Preschool Promise Board also met and voted to up the subsidy to 300 percent of poverty which is specifically in conflict with the School Board's view of serving the families most in need.

Policies for Review

The Committee agreed with Treasurer Wagner's recommendation of no changes needed to the following policies and recommended that they be forwarded back to Policy Committee.

- 6621 Change Funds
- 6670 Trust Funds
- 6680 Recognition
- 6700 Fair labor Standards Act (FLSA)
- 6830 Audit

Other Business

Property Tax Working Group

Ms. Bolton reported that Jessica Powell of the Port Authority was in attendance at the Property Tax Working group. She also advised that the Port Authority is applying for a Seasongood Foundation Grant to study tax abatement concerns and using the Greater Ohio Policy Group to do the research.

Open Enrollment

Ms. Bolton advised the Administration to determine if Open Enrollment is currently beneficial to the District, and to continue monitoring Great Oaks Open Enrollment decision. Member Bates advised the Administration to strategize to counteract ReGeneration Schools opening a grade K-4 community school in Bond Hill.

The meeting adjourned at 6:00 PM.

Finance Committee

Eve Bolton, Chair
Melanie Bates
Ryan Messer

Staff Liaisons

Jennifer Wagner, CFO/Treasurer
Laura Mitchell, Superintendent
Scott Adams, Chief Operations Officer, *absent*