

REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Thursday, February 21, 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

Administrators

Laura Mitchell, Superintendent; Vera Brooks, Interim Director, Early Childhood; Lauren Roberts, Internal Auditor; Brittany Treolo, Director of Financial Reporting and Transparency; Scott Adams, Chief Operations Officer

Kearney and Kearney

Eric Kearney, CEO, President

Focused Capitol Solutions

George Glover, Co-Managing Director

Community Members/Parents

Marlena Brookfield, Craig Rozen, Jakob Synder, Intern, CPS Internal Audit Department

Preschool Promise

Hector Polanco, Finance Manager

Cincinnati Federation of Teachers (CFT)

Kendra Phelps, Professional Issues Representative

Governmental Relations Update

Mr. Glover and Mr. Kearney updated the Committee on the following House and Senate Bills:

H.B. 22 (Antani) To require the Ohio Facilities Construction Commission and the Department of Education to conduct a study regarding certain school building amenities. 1st Hearing, Sponsor Testimony on February 12, 2019.

H.B. 23 (Antani) To amend section 3313.5315 of the Revised Code to authorize any student from a country or province outside the United States who holds an F-1 visa to participate in interscholastic athletics. 1st Hearing, Sponsor Testimony on February 12, 2019.

H.B. 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, Sponsor Testimony on February 12, 2019.

S.B. 34 (Kunze) To amend sections 2953.25, 3314.03, 3314.101, 3319.151, 3319.227, 3319.31, 3319.311, 3319.313, 3319.316, 3319.40, 3319.99, 3326.081, 3326.11, 3328.18, 3319.393, 3328.24, and 5153.176 and to enact sections 3319.0812, 3319.318, 3319.319, and of the Revised Code regarding school employee employment and educator licensure and conduct. 1st Hearing, Sponsor Testimony on February 27, 2019.

Additionally, the new leadership for the Ohio Senate Education Committee was shared as well as information shared about the newly elected and newly formed Ohio House Primary and Secondary Education Committee Leadership.

On each Committee there is local leadership that should provide CPS an opportunity to advocate and inform legislative members.

Chairing the House Committee is Louis Blessing from Colerain Township. The Vice Chair of the Senate Committee is Senator Lou Terhar also from the District's westside.

Beyond those updates, the Committee discussed with Mr. Glover and Mr. Kearney the possibility of expanding their role within the established government liaison contract.

That role would include additional interfacing with the City on an as needed basis as well as specific advice and strategizing regarding any upcoming relationships and agreements between the City and CPS.

Finally, Committee members shared that there may be a need also to explore more robust follow up at the federal level. In order to do that, it will be required to develop an RFP (Request for Proposal) for such services. CPS does have ongoing relationships with the District's Congressmembers, Chabot and Wenstrup. Ohio Senators, Brown and Portman also have very recently expressed their interest in providing assistance to CPS.

Representative Chabot and Senator Portman both expressed interest in the CPS JROTC locally funded program.

Senator Brown continues to support Community Learning Centers, nutritional programs and school infrastructure expansion due to enrollment.

Draft Finance Committee Workplan

A modified draft of the Committee's Workplan was distributed in order for members to review and revise. The Treasurer and Chair met previously with some revisions agreed upon. Passage of a final draft will be scheduled for recommendation of approval at the Board's March 20, 2019 Regular Board meeting.

The Work Plan is developed around the Board Protocol Finance Committee Responsibilities.

Please find attached to this report a copy of the *Responsibilities of the Finance Committee*.

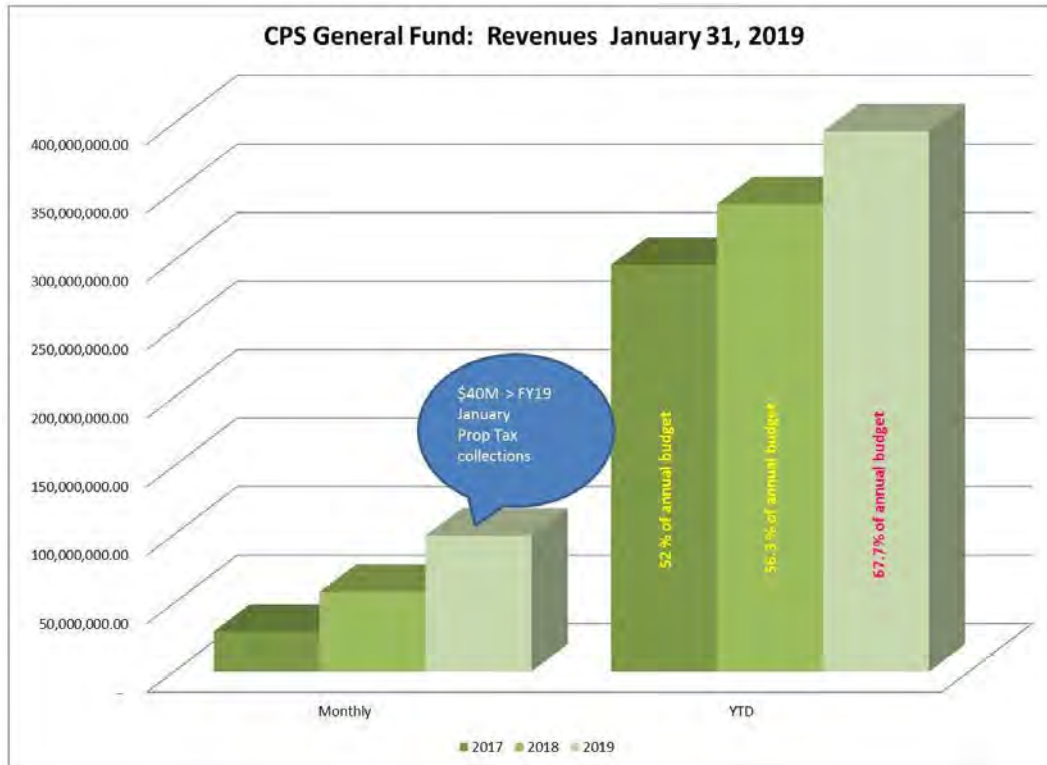
YMCA Contracts

The entire list of the YMCA contracts is still being developed. The Melrose YMCA public engagement and the YMCA and CPS arrangements for the Vine Street School were discussed. Preschool sign up at Vine is slow and space will be available.

Treasurer Financial Updates

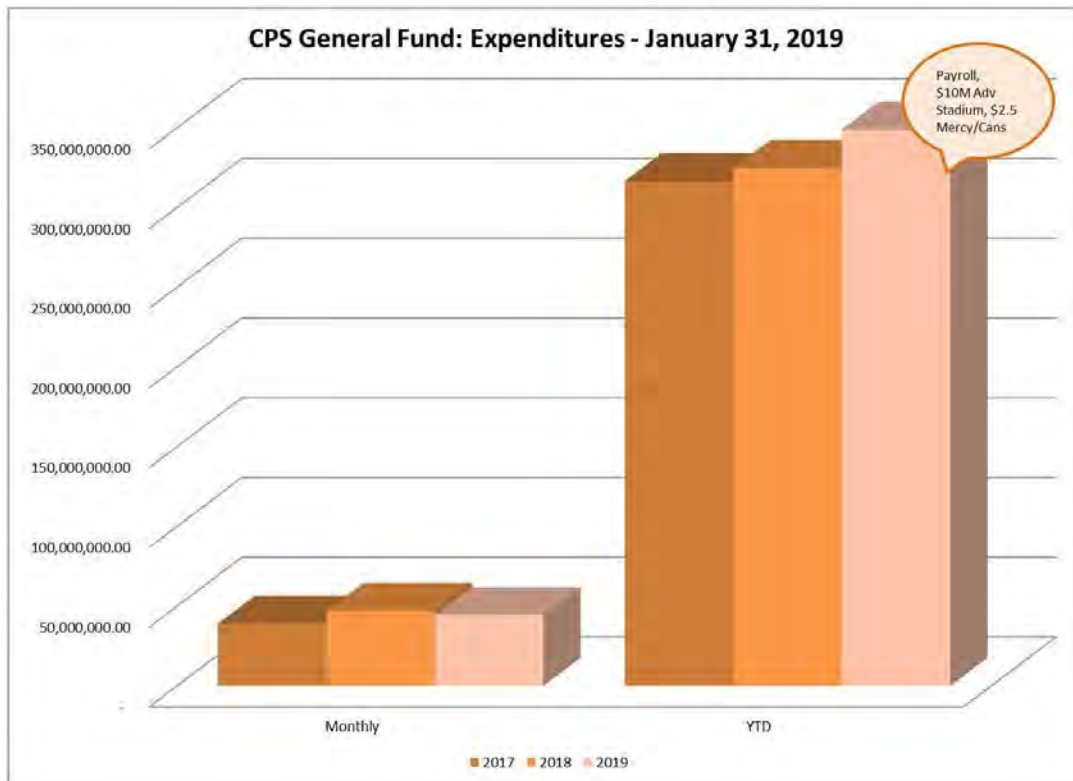
Monthly and Year-to-Date Revenue

Brittany Treolo, Director of Financial Reporting and Transparency updated the Committee on the following: ***CPS General Fund: Revenues for January 2019.***

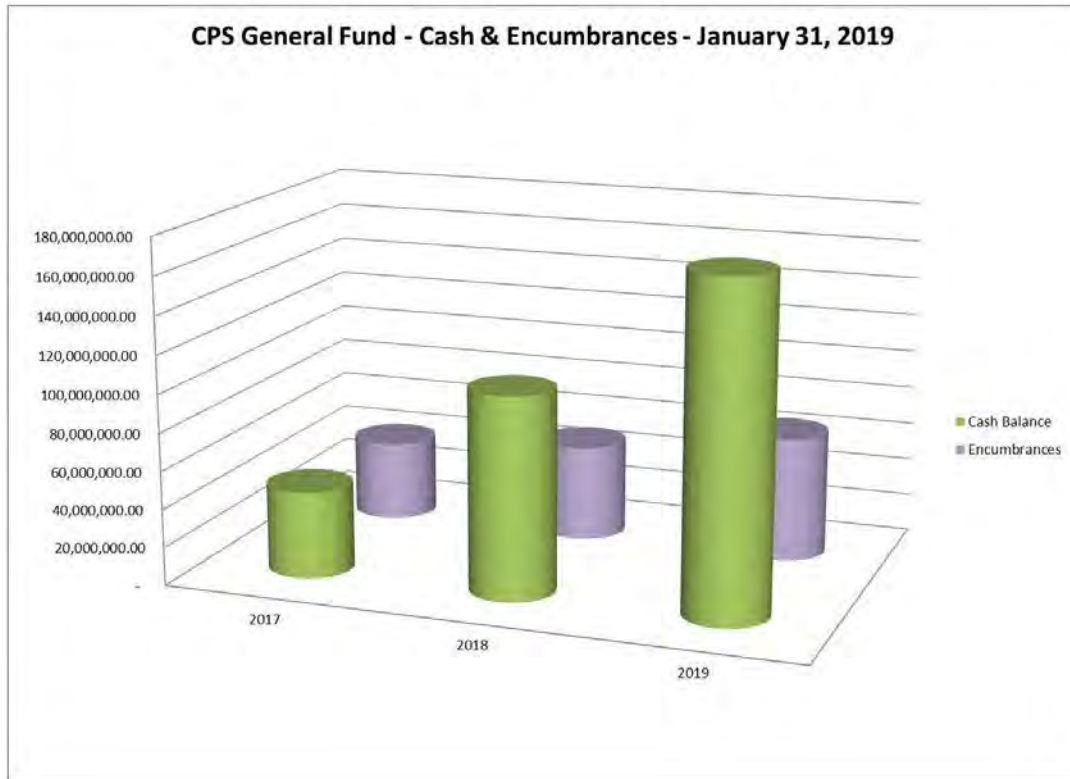


Monthly and Year-to-Date Expenditures

Mrs. Treolo updated the Committee on the following: *CPS General Fund Expenditures for January 2019.*



Mrs. Treolo updated the Committee on the following: *CPS General Fund – Cash and Encumbrances* for *January 2019*.



State and Federal Grants

Mrs. Treolo updated Committee on the following: *State and Federal Grants* for *January 2019*.

State & Federal Grants
January 2019

	State	Federal	Combined	FY18
Beg Cash	1,971,239.69	7,778,481.65	9,749,721.34	9,194,087.04
Receipts	5,564,103.33	26,317,040.90	31,881,144.23	37,495,274.51
Expenditures	5,347,656.12	29,790,293	35,135,949.12	43,188,852.23
Encumbrances	804,739.77	4,537,170.64	5,341,910.41	3,472,710.77
Ending Cash	1,382,947.13	(231,941.09)	1,151,006.04	27,798.55

Preschool Promise Expansion Report

Mrs. Treolo informed the Committee about the following: *Preschool Promise Expansion* data.

CPS Preschool Expansion

	Budget	January YTD	Jan YTD FY18
Revenues:			
General R/E Property Tax	13,649,553.39	10,812,917.97	8,524,775.27
Public Utility Property Tax	1,100,847.17	592,221.38	581,685.47
Homestead Exemption	249,599.45	131,467.92	135,154.65
Less: Auditor Fees	(165,000)	(86,966.53)	(86,813.69)
Revenues	\$ 14,835,000.01	\$ 11,449,640.74	\$ 9,154,801.70
Expenses:			
Tuition Assistance	4,376,878.00	2,292,286.71	2,176,878.24
Payments to United Way	8,887,251.00	3,679,936.62	5,311,377.87
Workforce Development	108,463.68	54,325.01	-
Special Education Support	654,353.44	316,785.56	350,009.19
Administrative Support	200,000.00	26,306.72	112,458.10
Expenses	\$ 14,226,946.12	\$ 6,369,640.61	\$ 7,950,723.40
Net Income	\$ 608,053.89	\$5,080,000.13	1,204,078.30

CPS Tuition Assistance Summary

Mrs. Treolo discussed with the Committee the following *CPS Tuition Assistance Summary*.

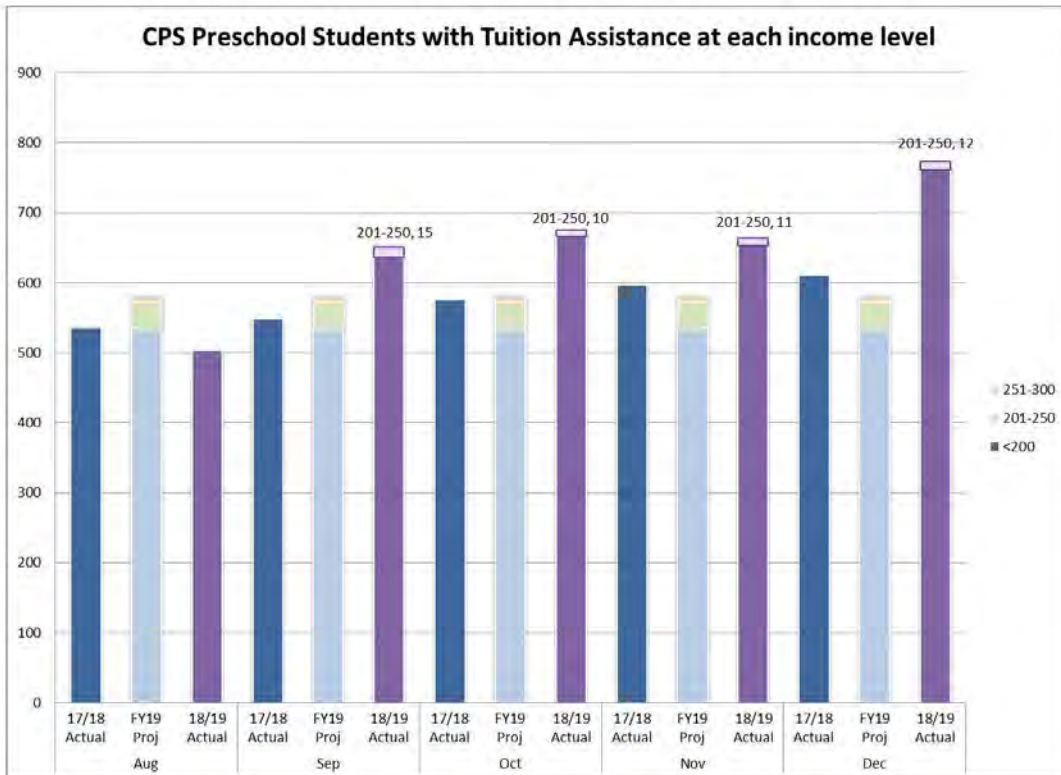
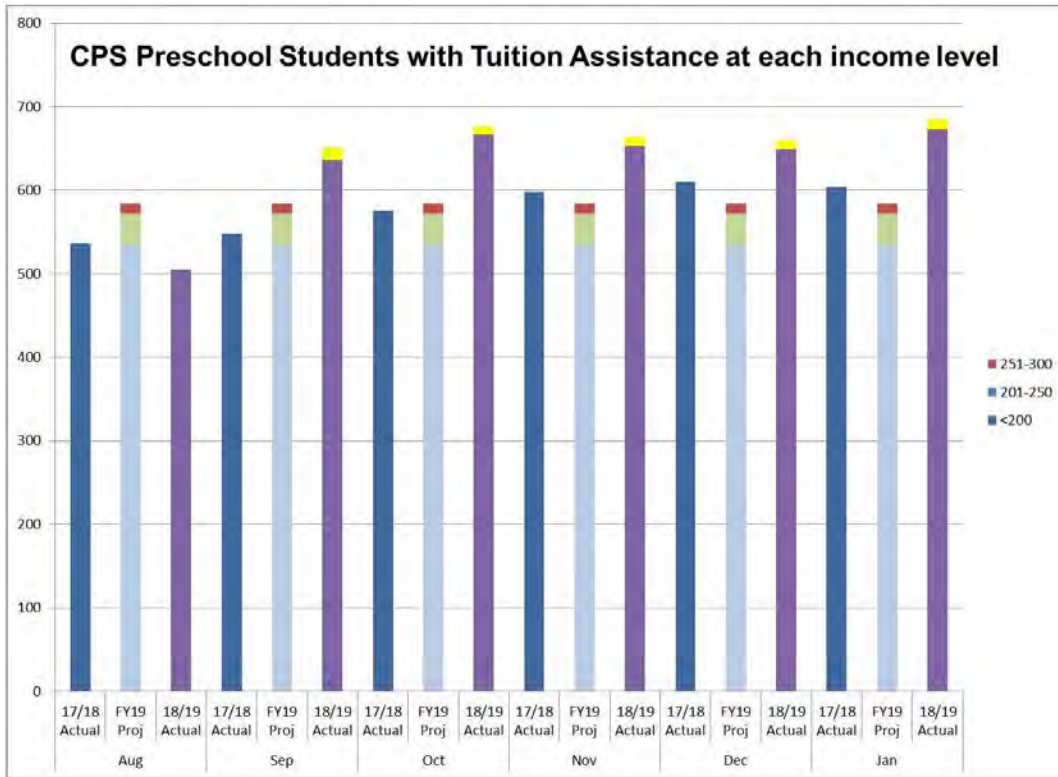
CPS Tuition Assistance Summary

	Income	FT	HT	Total	Days	Tuition Assist \$
Jan	<200 %	626	47	673	9,927	383,687.34
	200-250	8	4	12	175	3,557.78
s/t		634	51	685	10,102	387,245.12
YTD				685	62,884	\$ 2,360,668.95
LY				568	54,342	\$ 2,176,878.24

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.

CPS Preschool Students with Tuition Assistance at each income level

Mrs. Treolo reported that an update will be provided about the following *CPS Preschool Students with Tuition Assistance at Each Income Level* data at the March 21, 2019 Finance Committee meeting.



Community Reinvestment Act (CRA) Agreements

Ms. Marks updated the Committee on the following CRA Agreements that will be recommended for approval at the Board’s February 25, 2019 Regular Business meeting.

Payment in lieu of Tax Agreements for 2/21/19:

Agreement	Years of Agreement	Estimated Annual Revenue	Estimated Total Agreement Revenue
<p>(A.) Race and Vine Offices, LLC (Revision) <i>Description:</i> the improvements made to the real property located at <u>1432 Vine Street</u>, 1434 Vine Street, 1502 Vine Street, and 1537 Race Street in the Over-the-Rhine neighborhood in Cincinnati, in connection with the remodeling of existing buildings thereon into commercial space - Ordinance #<u>320</u>-2018, Contract #95x2019-<u>242</u>.</p>	11-years	<u>\$135,097.09</u>	<u>\$1,486,068.01</u>
<p>(B.) Urban Legacy VIII, LLC <i>Description:</i> the improvements made to the real property located at 1401 Walnut Street (Unit 100) in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of the first floor of the existing building into approximately 1,205 square feet of commercial space - Ordinance #11-2018, Contract #85x2018-244.</p>	12-years	\$3,096.43	\$37,157.21
<p>(C.) Building #1, LLC <i>Description:</i> the improvements made to the real property located at 100 East Clifton Avenue, 101 Peete Street, and 105 Peete Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of two residential structures and a mixed-use structure, which remodeling shall be completed in compliance with LEED or LBC standards - Ordinance #360-2018, Contract #95x2019-244.</p>	12-years	\$22,341.55	\$268,098.56
<p>(D.) 57 East, LLC <i>Description:</i> the improvements made to the two buildings located at 57 East McMicken Avenue in the Over-the-Rhine neighborhood of Cincinnati, in connection with the creation of ten residential units and one commercial space - Ordinance #384-2018, Contract #95x2019-248.</p>	12-years	\$7,415.65	\$88,987.85
<p>(E.) EWH 2806, LLC <i>Description:</i> the improvements made to the real property located at 2804-2806 Woodburn Avenue in the East Walnut Hills neighborhood of Cincinnati, in connection with the remodeling of an existing building, including the construction of an addition, into commercial and residential space - Ordinance #390-2018, Contract #95x2019-249.</p>	15-years	\$31,004.03	\$465,060.43
<p>(F.) NMC Holdings, LLC <i>Description:</i> the improvements made to the real property located at 1907 South Street (837 Evans Street) in the Lower Price Hill neighborhood of Cincinnati, in connection with the construction of an office, manufacturing and warehouse facility - Ordinance #60-2017, Contract #75x2017-248.</p>	15-years	\$83,606.62	\$1,254,099.30

Other Business

Cincinnati Preschool Promise Dialogue

Vera Brooks reported on a number of issues regarding a Cincinnati Preschool Promise Board dialogue regarding expanding subsidized tuition. The possibility of having One and Two Star Providers receive subsidized tuition was presented. Finance Committee members in attendance were opposed as was the Superintendent and Director Brooks.

The Committee also discussed the need for clarity as to communications among the CPS Board and CPP Board and People for Early Childhood (P4Ec). A letter from the Director of Development and Co-op Organizing Cincinnati Union Cooperative Initiative, Ellen Vera, MBA, raised an issue of concern regarding the absence of wage pilot development.

Finally it was determined to hear from the CPP Executive Director at the Board’s February 25, 2019 Regular Business meeting.

There was no follow up needed regarding the Budget Presentation that was discussed at the Board's February 20, 2019 Regular Business meeting.

The meeting adjourned at 5:30 PM.

Finance Committee

Eve Bolton, Chair

Melanie Bates

Ryan Messer

Staff Liaisons

Jennifer Wagner, CFO/Treasurer

Laura Mitchell, Superintendent

Scott Adams, Chief Operations Officer