

REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Thursday, December 20, 2018 at 4:00 PM at the Cincinnati Public Schools Education Center in the Board Conference Room.

ATTENDEES

Finance Committee Members

Chairperson Ryan Messer, Melanie Bates

Administrators

Laura Mitchell, Superintendent; Jennifer Wagner, Treasurer; Scott Adams, Chief Operations Officer; Vera Brooks, Interim Director, Early Childhood

Kearney and Kearney

Eric Kearney, CEO, President

Focused Capitol Solutions

George Glover, Co-Managing Director

Governmental Relations Update

Mr. Glover reported that House Bill 491 was the final bill enacted by the Ohio General Assembly. The bill provides language that was supported by CPS former Board members: Ohio State Representatives Catherine Ingram and Bill Seitz. The Representatives drafted a memo for circumstances in which school treasurers may be liable for loss of public funds. The memo was accepted by the Ohio General Assembly and now a part of the below House Bill 491. Mr. Glover also reported that OASBO was helpful and supportive in their efforts of getting the Bill passed.

House Bill 491 Bill introduced by Representative Edwards to require the State Board of Education to issue a substitute license to specified pupil services personnel, to make changes regarding the circumstances in which school treasurers may be held liable for a loss of public funds, to require school districts to adopt a policy for assignments completed in connection with a suspension, to revise school resource officer training course requirements, to permit the Counselor, Social Worker, and Marriage and Family Therapist Board to temporarily approve certain counselor education programs, and to extend alternative high school graduation pathways through the class of 2020.

Mr. Glover informed the Committee that graduation rates will continue to receive a lot of attention in 2019 and that the bill is still moving in the direction to extend current criteria for a two-year phase in.

ACTION: The Finance Committee will write thank you letters to Ingram, Seitz, State Representative Bill Blessing and the Ohio General Assembly: Senators, Democrats and Republicans for getting the Bill passed.

Mr. Kearney informed the Committee that he met with the Governor-Elect's education liaison, LeeAnne Cornyn on behalf of the school board. He is also meeting with the transition team to find out when educational issues will be discussed and what appointments will be made. Mr. Glover reported that the political forecast at the House is that it is not known who will be the next Ohio Republican Speaker for the Ohio House of Representatives.

Mr. Kearney updated the Committee on the State’s budget timeline and reported that a budget will be created internally and the House will be referencing issues of concern in February 2019. The Governor will introduce his budget through the Chair of the Finance Committee. The House will break down the budget in three different Committees. Mr. Kearney will stay on top of educational items that affect the budget. The budget will be sent to the Governor in the late part of June 2019.

ACTION: Mr. Kearney inquired about the Finance Committee providing him with the District’s financial priorities. The Finance Committee will reach out to the Board for financial and policy priorities at the January 7, 2019 Organizational meeting

Mr. Kearney reported that the following Bill was signed into law:

House Bill 58 Introduced by Representatives Brenner and Slaby requires the State Board of Education to develop and adopt a model curriculum in cursive handwriting instruction, which may be used by public schools. It passed the Ohio House 89 to 4. Referred to Senate Education Committee.

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

200K+ Contracts Review

The Administration conducted their six-month review of contracts for the following departments. The group also informed the Committee about contracts that are due to expire and those being submitted for Request of Proposals (RFP) Assistant Superintendent’s Office

- Athletics
- Auxiliary Services
- Facilities
- Food Services
- Property Insurance
- Human Resources/Benefits
- Information Technology Mgmt
- Purchasing
- Research and Evaluation
- Security
- Student Services
- Transportation
- Treasurer’s Office

A copy of the full report is available in the Board Office.

Preschool Finances

Ms. Brooks updated the Committee about the following charts that show the number of enrolled students receiving tuition assistance and a budget summary for fiscal year 2019. She also informed the Committee that CPP (Cincinnati Preschool Promise) has discussed the possibility of increasing the Family Poverty Level from 250 percent to 300 percent for enrollment. There were 1,600 additional preschool enrollments.

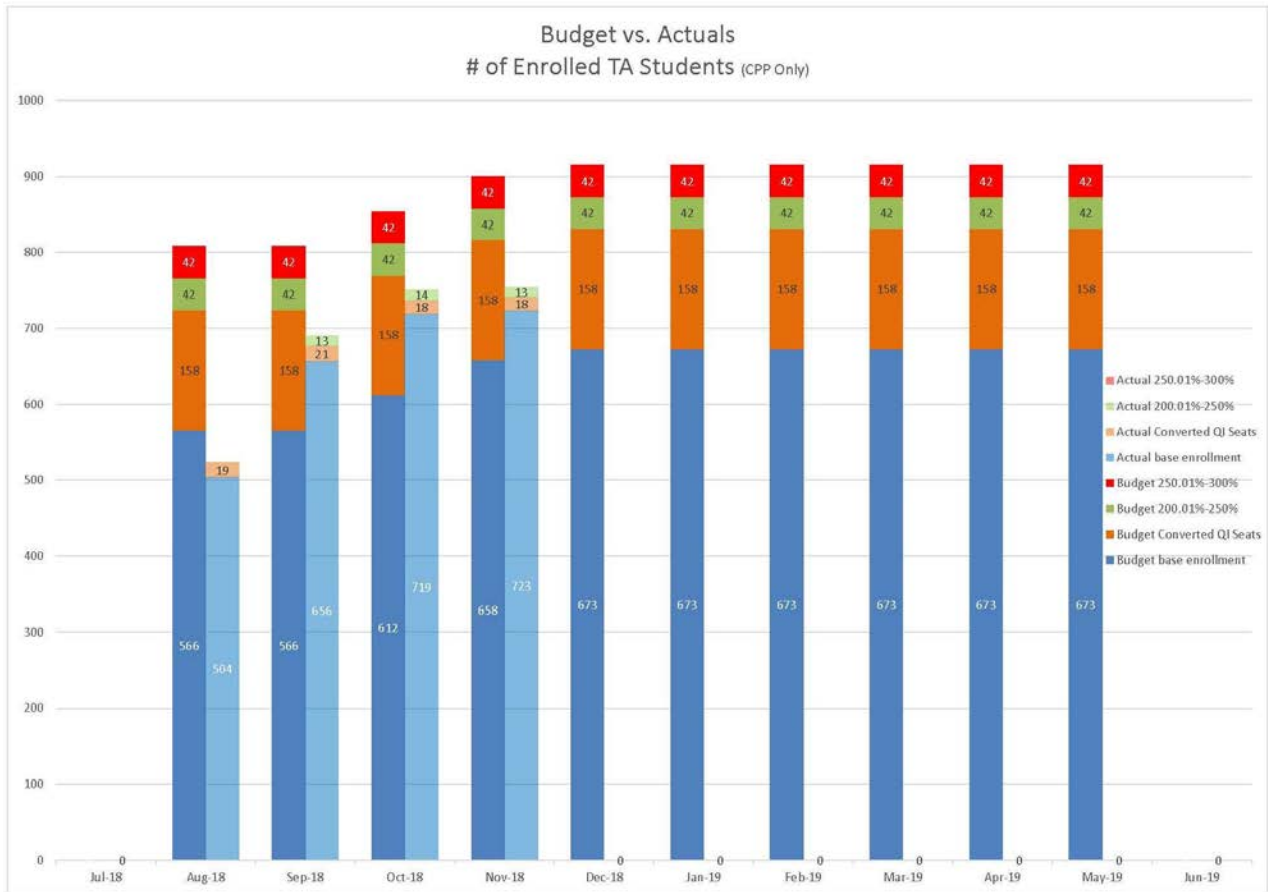
Summary FY19 Actuals

CPP + CPS¹

As of November 30, 2018

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Actuals YTD	Budget YTD	FY Budget	Budget YTD minus Actuals YTD
Tuition Assistance	\$0	\$350,066	\$704,862	\$896,546	\$911,194	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,762,668	\$3,315,124	\$8,836,443	\$552,456
Quality Improvement	\$7,000	\$14,076	\$69,121	\$6,257	\$110,621	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,074	\$830,400	\$1,639,400	\$623,326
Cost of Quality (Wages) & Workforce Development Council	\$0	\$0	\$0	\$0	\$550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$550	\$45,193	\$608,464	\$44,643
Special Education	\$32,950	\$34,793	\$37,454	\$54,881	\$54,881	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$214,960	\$272,647	\$654,353	\$57,688
SUM OF PROGRAMS	\$39,950	\$398,935	\$811,437	\$957,684	\$977,246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,185,252	\$4,463,364	\$11,738,660	\$1,278,113
Data & Enrollment Systems, Evaluation	\$36,356	\$36,356	\$36,356	\$36,356	\$36,356	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$181,779	\$343,584	\$840,124	\$161,804
Communications & Outreach	\$2,869	\$23,330	\$19,196	\$8,253	\$6,047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,695	\$66,810	\$176,582	\$7,115
M&A - General	\$4,181	\$4,881	\$6,060	\$17,973	\$4,728	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,824	\$31,917	\$346,100	-\$5,907
M&A - Staff Related	\$45,955	\$56,831	\$37,141	\$64,252	\$46,092	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,272	\$319,684	\$770,500	\$69,412
M&A - Facilities	\$2,401	\$3,061	\$3,013	\$3,798	\$2,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,044	\$26,060	\$54,980	\$11,016
UWGC & CPS Admin Fees	\$9,398	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,398	\$83,333	\$300,000	\$73,935
SUM OF ADMINISTRATIVE	\$101,160	\$124,459	\$101,766	\$130,632	\$95,995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$554,012	\$871,387	\$2,488,286	\$317,375
TOTAL	\$141,110	\$523,393	\$913,203	\$1,088,317	\$1,073,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,739,263	\$5,334,752	\$14,226,946	\$1,595,488

¹- estimated CPS data



ACTION: The Committee will discuss CPP’s recommendation of the 300 percent increase at the Board’s January 7, 2019 Regular Business meeting, under Board Matters. The next CPP Board meeting is January 24, 2019, 4:00pm – 6:00pm.

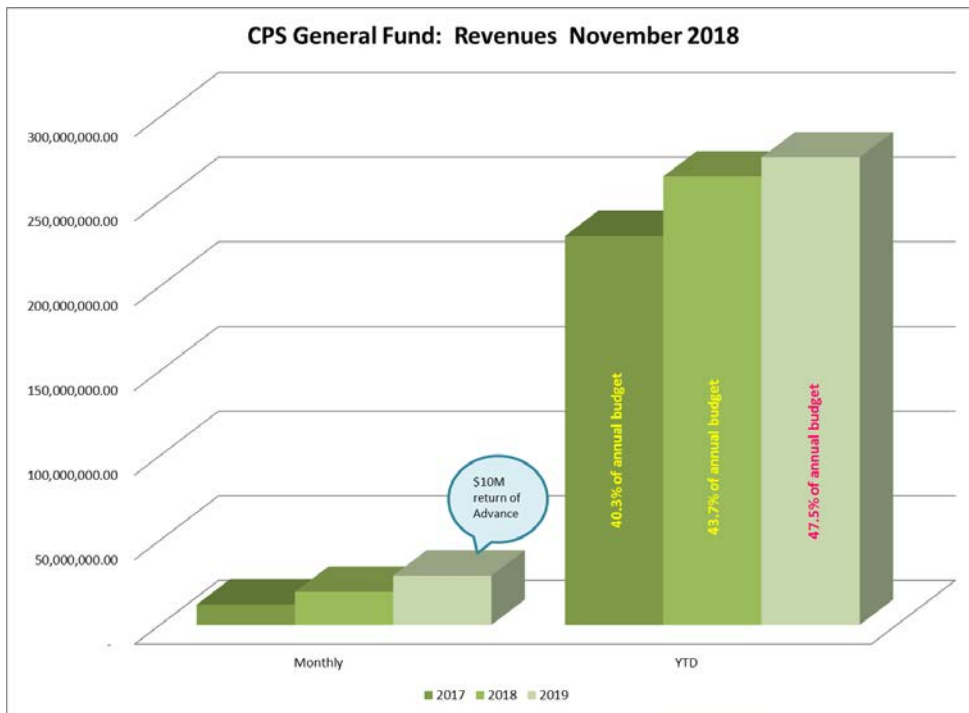
YMCA Contracts

ACTION: The Administration will follow-up on contracts that CPS has with the YMCA.

Treasurer Financial Updates

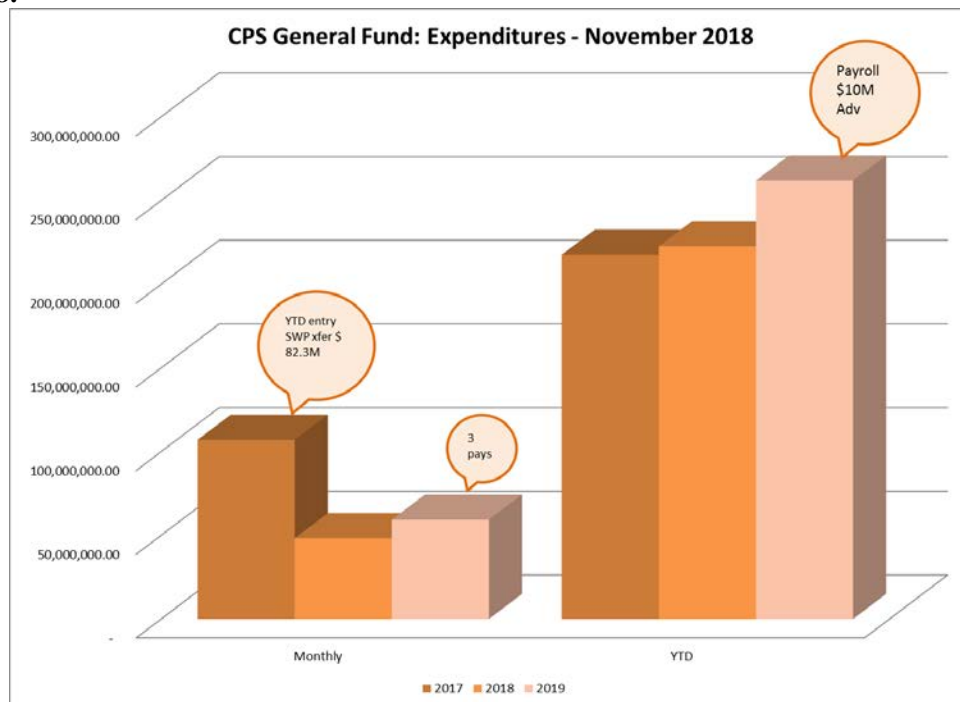
Monthly and Year-to-Date Revenue

Treasurer Wagner updated the Committee on the following: *CPS General Fund: Revenues for November 2018*

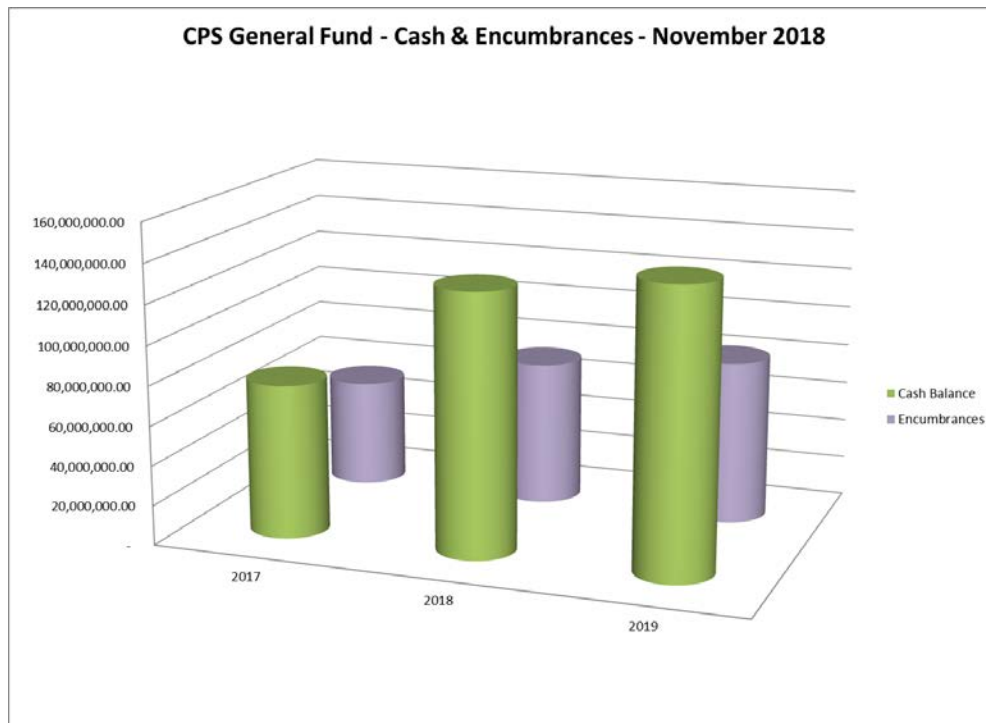


Monthly and Year-to-Date Expenditures

Treasurer Wagner updated the Committee on the following: *CPS General Fund Expenditures for November 2018.*



Treasurer Wagner updated the Committee on the following: *CPS General Fund – Cash and Encumbrances – November 2018*



State and Federal Grants

Treasurer Wagner updated Committee on the following **State & Federal Grants** for November 2018.

	State	Federal	Combined	FY18
Beg Cash	1,971,239.69	7,778,481.65	9,749,721.34	9,194,087.04
Receipts	5,409,933.18	20,120,451.88	25,530,385.06	30,036,486.13
Expenditures	3,861,255.29	23,612,047.33	27,473,302.62	32,430,254.75
Encumbrances	445,931.35	3,090,429.23	3,536,360.58	7,421,274.68
Ending Cash	3,073,986.23	1,196,456.97	4,270,443.20	(620,956.26)

Preschool Promise Expansion Report

Mrs. Wagner discussed with the Committee the following **Preschool Promise Expansion report**:

	Budget	November YTD	Nov YTD FY18
Revenues:			
General R/E Property Tax	13,649,553.39	6,578,542.97	6,637,693.14
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	\$ 7,215,265.74	\$ 7,267,719.57
Expenses:			
Tuition Assistance	4,376,878.00	1,535,355.24	-
Payments to United Way	8,887,251.00	1,458,123.85	3,540,918.58
Workforce Development	108,463.68	35,968.98	-
Special Education Support	654,353.44	231,536.05	46,610.36
Administrative Support	200,000.00	21,064.92	30,028.37
Expenses	\$ 14,226,946.12	\$ 3,282,049.04	\$ 3,617,557.31
Net Income	\$ 608,053.89	\$3,933,216.70	\$ 3,650,162.26

CPS Tuition Assistance Summary

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

	Income	FT	HT	Total	Days	Tuition Assist \$
Oct	<200 %	605	48	653	10,813	412,536.84
	200-250	7	4	11	177	3,604.87
s/t		612	52	664	10,990	\$416,141.71
YTD				664	41,323	\$ 1,533,145
LY				561	37,481	\$ 1,490,911

Community Reinvestment Act (CRA) Agreements

Treasurer Wagner updated the Committee on the following CRA Agreements that will be recommended to the Board for approval.

Agreement	Years of Agreement	Estimated Annual Revenue	Est. Agreement Revenue
(A.) E Barg, LLC	12-years	\$817.96	\$9,815.48
<i>Description:</i> the improvements made to the real property located at 1738 and 1740 Queen City Avenue, in the South Fairmont neighborhood of Cincinnati, in connection with the remodeling of an existing building to approximately 2,088 square feet of commercial space and 4,633 square feet of residential space - Ordinance #284-2018, Contract #95x2019-219			

<u>(B.) OTR Market Properties, LLC</u>	9-years	\$3,831.59	\$34,484.27
<i>Description:</i> the improvements made to the real property located at 1635 Race Street in Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of the building thereon into residential and commercial space - Ordinance #317-2018, Contract #95x2019-141			
Agreement	Years of Agreement	Estimated Annual Revenue	Est. Agreement Revenue
<u>(C.) 2347 Reading Road, LLC</u>	15-years	\$68,652.70	\$1,029,790.50
<i>Description:</i> the improvements made to the real property located at 2347 Reading Road in the Mt. Auburn neighborhood of Cincinnati, in connection with the construction of a 113-room hotel consisting of approximately 73,450 square feet of commercial space - Ordinance #352-2018, Contract #95x2019-227			
<u>(D.) University Townhomes, LLC</u>	12-years	\$6,380.06	\$76,560.76
<i>Description:</i> the improvements made to the real property located at 3561 Eden Avenue in the Avondale neighborhood of Cincinnati, in connection with the remodeling of four existing buildings to approximately 24,000 square feet of residential space containing 30 rental units - Ordinance #333-2018, Contract #95x2019-222			

ACTION: Mrs. Wagner reported that she is gathering residential technical data about TIFs (Tax Increment Financing) and General Counsel Hoying has an FOI for information regarding the Port Authority. The Finance Committee will discuss at its next meeting when a meeting will take place with City Council regarding the amount of years being granted for TIFs.

Financial Policies Review

Treasurer Wagner reviewed the following policies with the Committee at the December 20, 2018 Finance Committee meeting and recommended the following actions:

Changes recommended will be reviewed by the Policy Committee.

- 6520 – Payroll Deduction
- 6600 – Deposit of Public Funds

No changes recommended.

- 6470 – Payment Claims
- 6510 – Payroll Authorization
- 6610 – Student Activity Fund

The meeting adjourned at 5:45 p.m.

Finance Committee

Ryan Messer, Chair
Melanie Bates
Ericka Copeland-Dansby, *absent*

Staff Liaisons

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