

REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Tuesday, January 17, 2017 at 11:30 AM at the Cincinnati Public Schools Education Center in the Board Conference Room.

Finance Committee Members Present:

Chairperson Melanie Bates, Eve Bolton, Carolyn Jones

Administrators Present:

The below Administrators that reported under the Review of Contracts agenda item were present.

Review of Contracts (\$200K+)

The Committee conducted their six-month review of contracts due to expire or up for renewal. Contracts were reviewed from the following departments:

- Athletics, *Bill Myles, Assistant Superintendent*
- Auxiliary Services, *Sheila Radtke, Manager - Auxiliary Services*
- Cincinnati Learning Schools/Carpe Diem; Lighthouse Community Schools, *Dr. Gabe Lofton, Assistant Superintendent*
- Hamilton County Educational Service Center, *Bill Myles, Assistant Superintendent*
- Auxiliary Services, *Sheila Radtke, Manager - Auxiliary Services*
- Facilities, *Bill Moehring, Interim Chief Operations Officer*
- Family and Community Engagement, *Julie Doppler, Manager, Family and Community Engagement*
- Food Services, *Jessica Shelly, Director, Food Services*
- Information Technology, *Sara Trimble-Oliver, Chief Information Officer*
- Knowledge Works Foundation; Mayerson, *Laura Mitchell, Deputy Superintendent*
- Purchasing, *Enrique Lopez, Purchasing/Contract Administrator*
- Security, *Bill Moehring, Interim Chief Operations Officer*
- Student Services, *Susan Bunte, Director, Student Services*
- Testing, *Scott Sublett, Director, Test Administration*
- Transportation, *John Davis, Director of Transportation*
 - The Committee will add CPS students using the Connector as an agenda item upon meeting with the ACES (Alliance for Community and Educational Success. Council Member P.G. Sittenfeld) Committee.
 - Committee member Bolton will provide Mr. Davis with information about a grant that is available for CPS in providing students with medical needs.
- Treasury, *Jennifer Wagner, Treasurer/CFO*

A list of the contracts is available in the Board office.

Treasurer Financial Updates

Jennifer Wagner, CFO/Treasurer

Treasurer Wagner provided the Committee with the following update for General Fund monthly statements through December 2016.

- Revenues through December are lagging behind by \$7.5M from last year due to a revenue entry of \$8M dated in January 2017 in error.
 - \$267.6M of \$512.5 Anticipated (52.2%)
- Expenditures appear to be higher year to date in comparison for the following reasons:
 - Schoolwide pool transfer –recorded in November this year, while last year the transfers were not recorded until January 2016.
 - December 2016 had 3 payroll periods
 - December 2016 incurred the 2 percent cash lump-sum payout
 - \$277.7M of \$557.6M Anticipated (49.8%)

Schoolwide Pool (Fund 598):

- Revenues – \$93.9M of anticipated \$197.2 (47.6%)
- Expenditures – \$95.7M of anticipated \$189.7M (50.4%)

Payment In Lieu of Tax Agreements

The following Payment In Lieu of Tax Agreements will be submitted in the Treasurer’s Report for Board approval at the January 23, 2017 Regular Board meeting.

Agreement	Years of Agreement	Estimated Annual Revenue	Estimated Total Agreement Revenue
(A.) <u>Abington Race & Pleasant, LLC</u>	12-year	\$66,990.67	\$803,888.05
<i>Description:</i> improvements made to real property located at 33 Green Street, 1523, 1525, 1527, 1529,1531, 1533-1535 Race Street, 1530-1532 Pleasant Street in the Over-the-Rhine neighborhood of Cincinnati in connection with the remodeling of the upper floors of the buildings thereon into approximately 50 residential rental units.			
(B.) <u>ARP Commercial, LLC</u>	12-year	\$8,947.63	\$107,371.54
<i>Description:</i> improvements made to real property located at 33 Green Street, 1523, 1525, 1527, 1529, 1531, 1535 Race Street, 1532 Pleasant Street in the Over-the-Rhine neighborhood of Cincinnati in connection with the remodeling of a portion of the buildings on the property into commercial space.			
(C.) <u>BAM Realty Group, LLC</u>	12-years	\$17,933.01	\$215,196.13
<i>Description:</i> improvements made to real property located at 4426 Brazee Street, Cincinnati, OH 45209 in connection with the renovation of a Gold or Platinum standards.			
(D.) <u>OTR Holding Inc.</u>	12-years	\$113,498.95	\$1,361,987.43
<i>Description:</i> improvements made to real property located at 1425-1437 Vine Street and 5 West 15 th Street in the Over-the-Rhine neighborhood of Cincinnati in connection with the remodeling of existing buildings into commercial space.			

Note: 85 Active Agreements; 99 Pending Agreements (not including the above).

Ohio Department of Education Deficit Plan Acceptance

Jennifer Wagner, CFO/Treasurer

Mrs. Wagner reported that the Ohio Department of Education accepted the District's plan and they anticipate monitoring the District's progress.

Audit Summary

Jennifer Wagner, CFO/Treasurer

Mrs. Wagner updated the Committee on the various audits that are being conducted by either the Auditor of State or the Ohio Department of Education. She also stated that the District is cooperating with the governing bodies, but the amount of work required to meet audit data requests prevents the District from focusing on its core business.

Audits	Timing of Audit	Status
ODE Performance Audit	2015/16	Report Released - Nov 2016
Parthenon Financial Efficiency Study	2015/16	Report Released - May 2016
OAS Overpayment Review	2015/16	Letters Sent Nov 2016
OAS Annual Financial Audit (FY2015)		Report Released - Dec 2016
OAS Annual Financial Audit (FY2016)	Sept-Dec 2016	In Progress
ODE May 2016 %-yr Forecast Review	May 2016	Incomplete
OAS SERS Audit (FY2016)	Oct-Nov 2016	Clean Report Released - Nov 2016
OAS STRS Audit (FY2016)	Oct-Nov 2016	Clean Report Released - Dec 2016
OAS Medicaid Compliance Review (FY14 & FY15)	Jan 2017	In Progress
ODE IDEA-B Audit	Jan 2017	In Progress
DOJ Review	Complete	Awaiting Report
ODE Desk Review (Consolidated Fed Grants)	Deadline Jan 31 for submission of data	In Progress
ODE Four Competitive Grants Notification Onsite visit (Compentency & Straight A); Desk Reviews (Perkins, McKinney Vinto)	Notification January 11, 2017	Jan. 23, 24, Feb 9 onsite
ODE Auxillary Review - on site	Notification January 11, 2017	Arrive Feb 3
E-Rate Audit (2015-16 funding year)	Nov 2016	In Progress
Hamilton County Community Action Agency, Head Start Federal (FY15)	Complete	Awaiting Report

Bond Rating Update

Jennifer Wagner, CFO/Treasurer

Mrs. Wagner provided the Committee with a copy of Moody's Investors Service Surveillance Update on the District. She informed the group that David Conley, Manager/Owner of Rockmill Financial Consulting, stated that the Surveillance Update went well.

A copy of the presentation is available in the Board office.

Budget Discussion

Chandra Brown, Director of Budget and Accounting

Mrs. Brown updated the Committee on a draft of the Budget Timeline. The report included tasks around centrally managed and school budgets.

Other Business

Lobbyist Contract

The Committee discussed creating an Ad Hoc Committee of the Board to work with the Administration to come up with a federal and state agenda of topics for the lobbyist, as well as concerns with the Ohio Department of Education.

February 21, 2017 Agenda Topic

State Index Formula

The meeting adjourned at 12:56 PM.

Finance Committee

Melanie Bates, Chair
Eve Bolton
Carolyn Jones

Staff Liaisons

Mary A. Ronan, Superintendent
Jennifer Wagner, CFO/Treasurer
Bill Moehring, Interim Chief Operating Officer