

MINUTES OF REGULAR MEETING

Board of Education
Coventry Local School District

Tuesday, October 15, 2013

The Coventry Local School District Board of Education convened the Regular Meeting on Tuesday, October 15, 2013 at 6:00 p.m. at Coventry Schools Administrative Offices, 2910 South Main Street, Akron, Ohio 44319 with the following roll call: Mr. David V. Andrews, present; Mr. Mark Conner, present; Mrs. Vicki Tavenier, present; Mr. Bernard Thompson, present; Mr. Robert L. Wohlgamuth, present.

The Board observed a moment of silence and then led the meeting in the Pledge of Allegiance.

Acting upon the recommendation of Aaron Butts, Treasurer, it was moved by Wohlgamuth, seconded by Conner that the Board approve the following Board of Education meeting minutes: 13-118

- September 17, 2013 - Regular Meeting

Roll Call: Wohlgamuth, yes; Conner, yes; Tavenier, yes; Thompson, yes; Andrews, yes. President declared motion carried.

Acting upon the recommendation of Aaron Butts, Treasurer, it was moved by Thompson, seconded by Wohlgamuth that the following Treasurer's financial reports for the month of September 2013, be approved and placed on file: 13-119

- September 2013 Financial Reports
- September 2013 Paid Bills \$543,953.28 (warrant checks 074028 – 074183)

Roll Call: Thompson, yes; Wohlgamuth, yes; Tavenier, yes; Conner, yes; Andrews, yes. President declared motion carried.

Acting upon the recommendation of Aaron Butts, Treasurer, it was moved by Conner, seconded by Tavenier, that all of the following items appearing in the agenda constitute the consent calendar and are adopted by one single motion, unless a member of the Board requests that any such item be removed from the consent calendar and voted upon separately: 13-120

- that the Board approve the October 2013 Five-Year Forecast per Exhibit T-1

T-1

COVENTRY LOCAL SCHOOL DISTRICT - SUMMIT COUNTY
Schedule Of Revenue, Expenditures and Changes in Fund Balances
Actual and Forecasted Operating Fund

| | ACTUAL | | | FORECASTED | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 | Fiscal Year 2014 | Fiscal Year 2015 | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 |
| Revenue: | | | | | | | | |
| 1.010 - General Property Tax (Real Estate) | 9,612,906 | 10,109,335 | 8,714,895 | 9,587,621 | 9,603,456 | 8,683,479 | 7,871,825 | 7,873,825 |
| 1.020 - Public Utility Personal Property | (53,741) | 616,736 | 530,031 | 545,051 | 567,777 | 560,777 | 531,052 | 531,052 |
| 1.030 - Income Tax | | | | | | | | |
| 1.035 - Unrestricted Grants-in-Aid | 3,750,097 | 3,310,580 | 2,217,787 | 3,685,469 | 4,050,939 | 4,243,315 | 4,445,317 | 4,657,424 |
| 1.040 - Restricted Grants-in-Aid | 468,821 | 215,617 | 23,553 | 15,531 | 15,174 | 15,326 | 15,479 | 15,634 |
| 1.045 - Restricted Federal Grants-in-Aid - SFSP | | | 62,913 | | | | | |
| 1.050 - Property Tax Allocation | 1,912,120 | 1,588,117 | 1,491,163 | 1,444,616 | 1,484,563 | 1,341,941 | 1,210,034 | 1,210,034 |
| 1.060 - All Other Operating Revenues | 4,782,628 | 5,781,155 | 5,328,264 | 5,393,728 | 5,393,728 | 5,393,728 | 5,393,728 | 5,393,728 |
| 1.070 - Total Revenue | 20,472,831 | 21,621,540 | 19,368,606 | 20,672,016 | 21,115,636 | 20,238,567 | 19,469,435 | 19,681,697 |
| Other Financing Sources: | | | | | | | | |
| 2.010 - Proceeds from Sale of Notes | | 1,500,000 | 500,000 | | | | | |
| 2.020 - State Emergency Loans and Advancements | | | | | | | | |
| 2.040 - Operating Transfers-In | 7,343 | | | | | | | |
| 2.050 - Advances-In | 662,760 | 271,678 | | | | | | |
| 2.060 - All Other Financing Sources | 27,912 | 2,742 | | | | | | |
| 2.070 - Total Other Financing Sources | 698,015 | 1,774,420 | 500,000 | | | | | |
| 2.080 - Total Revenues and Other Financing Sources | 21,170,846 | 23,395,960 | 19,868,606 | 20,672,016 | 21,115,636 | 20,238,567 | 19,469,435 | 19,681,697 |
| Expenditures: | | | | | | | | |
| 3.010 - Personnel Services | 11,689,783 | 11,776,752 | 10,623,995 | 10,330,252 | 10,657,385 | 11,070,199 | 11,499,031 | 11,944,474 |
| 3.020 - Employees' Retirement/Insurance Benefits | 4,757,993 | 3,948,052 | 3,757,946 | 4,177,104 | 4,171,253 | 4,540,136 | 4,941,600 | 5,378,732 |
| 3.030 - Purchased Services | 2,912,587 | 3,568,122 | 4,423,749 | 4,024,681 | 4,144,404 | 4,300,976 | 4,343,986 | 4,387,426 |
| 3.040 - Supplies and Materials | 388,771 | 396,503 | 271,430 | 229,865 | 229,164 | 227,956 | 230,235 | 232,537 |
| 3.050 - Capital Outlay | 428,734 | 236,042 | (67,363) | 225,297 | 92,550 | 93,477 | 94,411 | 95,355 |
| 3.060 - Intergovernmental | | | | (114,613) | (229,226) | (229,226) | (229,226) | (229,226) |
| Debt Service: | | | | | | | | |
| 4.010 - Principal-All Years | 764,499 | 2,613,863 | 1,344,925 | | | | | |
| 4.020 - Principal - Notes | | | | 506,150 | 506,150 | 70,000 | 70,000 | 75,000 |
| 4.030 - Principal - State Loans | | | | | | | | |
| 4.040 - Principal - State Advances | | | | | | | | |
| 4.050 - Principal - HB264 Loan | | | | 226,549 | 192,970 | 123,978 | 53,039 | 55,437 |
| 4.055 - Principal - Other | | | | 62,000 | 64,000 | 67,000 | 70,000 | 73,000 |
| 4.060 - Interest and Fiscal Charges | 178,722 | 127,054 | 118,701 | 190,165 | 163,718 | 143,265 | 128,483 | 90,067 |
| 4.300 - Other Objects | 303,208 | 182,235 | 188,884 | 229,760 | 232,057 | 234,378 | 236,722 | 239,089 |
| 4.500 - Total Expenditures | 21,424,297 | 22,848,823 | 20,662,267 | 20,087,211 | 20,224,427 | 20,642,138 | 21,438,280 | 22,341,892 |
| Other Financing Uses | | | | | | | | |
| 5.010 - Operating Transfers-Out | 45,308 | | 47,857 | | | | | |
| 5.020 - Advances-Out | 271,678 | 400,000 | | | | | | |
| 5.030 - All Other Financing Uses | | | | | | | | |
| 5.040 - Total Other Financing Uses | 316,986 | 400,000 | 47,857 | | | | | |
| 5.050 - Total Expenditures and Other Financing Uses | 21,741,283 | 23,248,823 | 20,710,124 | 20,087,211 | 20,224,427 | 20,642,138 | 21,438,280 | 22,341,892 |
| Excess of Rev. & Other Financing Uses Over (Under) Expenditures and Other Financing Uses | (570,437) | 1,147,137 | (841,518) | 584,806 | 891,210 | (403,571) | (1,968,845) | (2,660,195) |
| Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies | 723,630 | 153,193 | 300,330 | (541,188) | 43,618 | 934,827 | 531,256 | (1,437,589) |
| 7.020 - Cash Balance June 30 | 153,193 | 300,330 | (541,188) | 43,618 | 934,827 | 531,256 | (1,437,589) | (4,097,285) |
| 8.010 - Estimated Encumbrances June 30 | 163,259 | 560 | 236 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Reservations of Fund Balance: | | | | | | | | |
| 9.010 - Textbooks and Instructional Materials | | | | | | | | |
| 9.020 - Capital Improvements | | | | | | | | |
| 9.030 - Budget Reserve | | | | | | | | |
| 9.040 - DPIA | | | | | | | | |
| 9.050 - Debt Service | | | | | | | | |
| 9.060 - Property Tax Advances | | | | | | | | |
| 9.070 - Bus Purchases | | | | | | | | |
| 9.080 - Subtotal | | | | | | | | |
| Fund Balance June 30 for Certification | | | | | | | | |
| 10.010 - of Appropriations | (10,066) | 299,770 | (541,424) | 42,618 | 933,827 | 530,256 | (1,438,589) | (4,098,785) |
| Rev from Replacement/Renewal Levies | | | | | | | | |
| 11.010 - Income Tax - Renewal | | | | | | 992,588 | 1,985,175 | 1,985,175 |
| 11.020 - Property Tax - Renewal or Replacement | | | | | | 992,588 | 2,977,763 | 4,962,938 |
| 11.030 - Cumulative Balance of Replacement/Renewal L | | | | | | | | |
| Fund Balance June 30 for Certification | | | | | | | | |
| 12.010 - of Contracts, Salary and Other Obligations | (10,066) | 299,770 | (541,424) | 42,618 | 933,827 | 1,522,843 | 1,539,173 | 864,153 |
| Revenue from New Levies | | | | | | | | |
| 13.010 - Income Tax - New | | | | | | | | |
| 13.020 - Property Tax - New | | | | | | | | |
| 13.030 - Cumulative Balance of New Levies | | | | | | | | |
| 14.010 - Revenue from Future State Advancements | | | | | | | | |
| 15.010 - Unreserved Fund Balance June 30 | (10,066) | 299,770 | (541,424) | 42,618 | 933,827 | 1,522,843 | 1,539,173 | 864,153 |
| ADM Forecasts | | | | | | | | |
| 20.010 - Kindergarten | | | | 146 | 151 | 151 | 140 | 130 |
| 20.015 - Grader 1-12 | | | | 2,125 | 2,122 | 2,125 | 2,139 | 2,149 |

Notes to Five Year Forecast

Coventry Local School District
 Summit County
 Five Year Forecast Assumptions

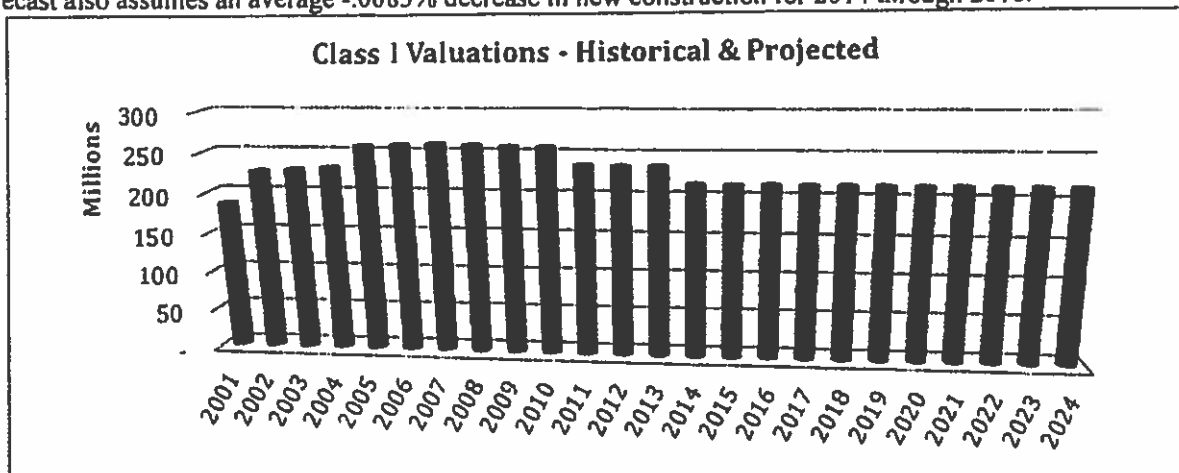
REVENUES

Property Taxes

The district was at the twenty-mill floor. Due to a drop in property value of -9.66% in tax year 2011, it has come off the 20 mill floor. Reappraisals are conducted every six years with an update in the third year.

| | | |
|---------------|---|---------------------------|
| | <u>3 year update</u> | <u>6 year reappraisal</u> |
| Summit County | 2014 | 2017 |
| | (half collected FY13 & half collected FY14) | |

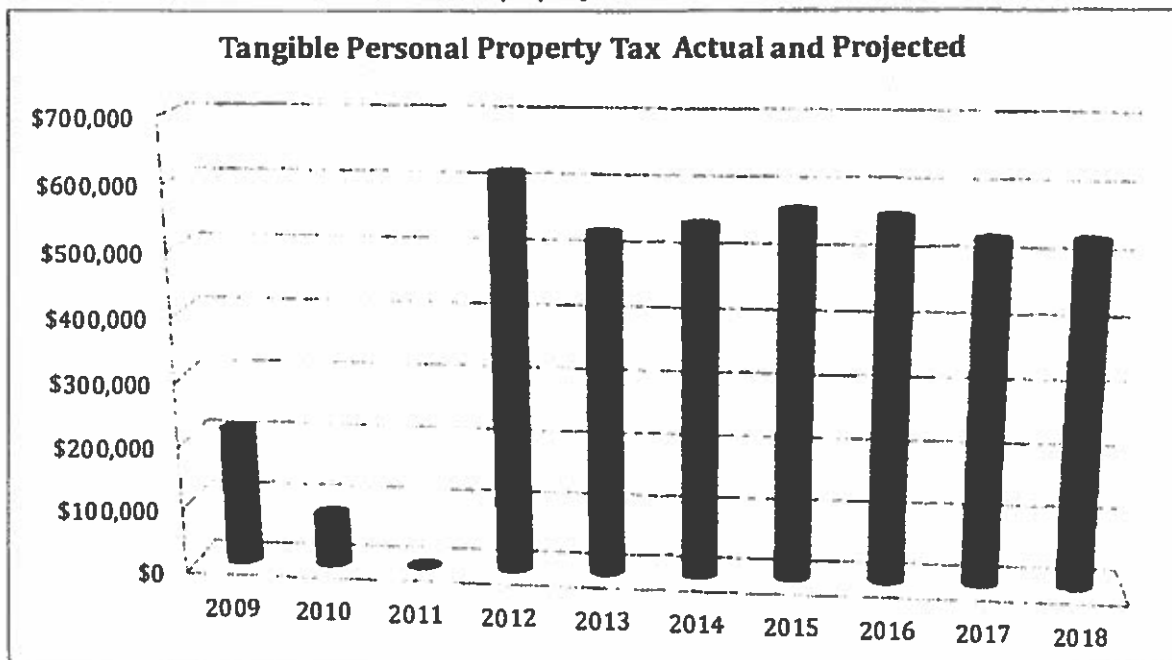
Forecast assumes Summit County real estate property values decreasing -9.3% for calendar year 2014 and 0% from 2015 through 2018. Forecast also assumes an average -.0085% decrease in new construction for 2014 through 2018.



In FY15, the forecast assumes the renewal of the 2010 emergency levy that generates \$2,045,538 each year for five years.

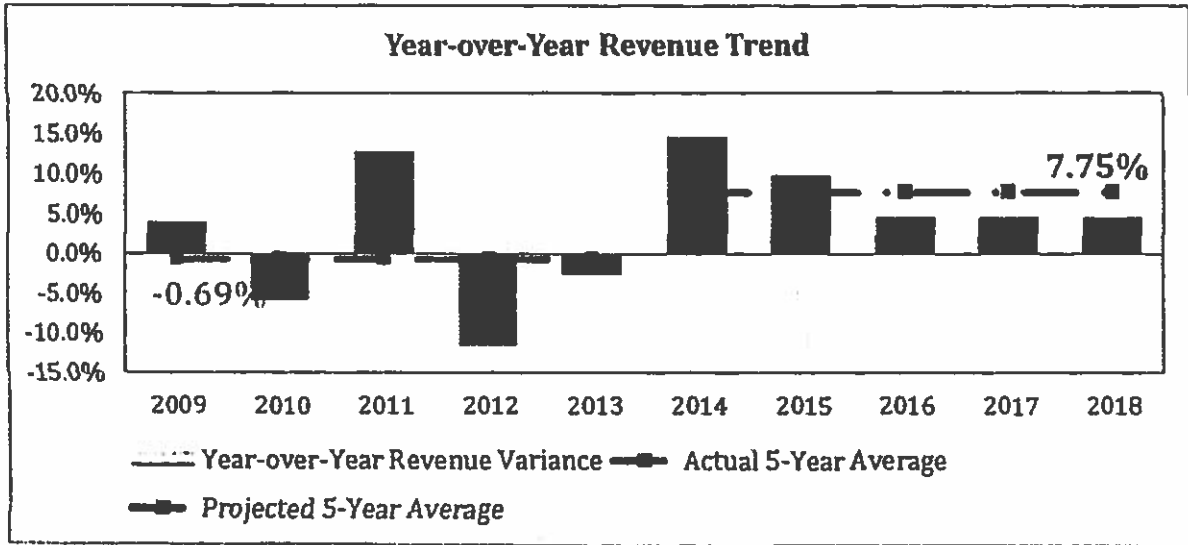
Tangible -Public Utility Personal Property

Starting in FY12 the forecast assumes the correct placement of \$616,736 on the Tangible Personal Property tax line of the forecast. Prior to FY12, this amount was built into the property tax allocation line.



Unrestricted Restricted Grants-in-Aid (state foundation)

FY 14 funding is based on the biennium formula amount of \$3,685,469 and \$4,050,939 for FY15. For FY16-FY18 the forecast assumes a small increase of 4.75% in state funding each year. Effective FY14-FY18, casino funding is now included in this line item.

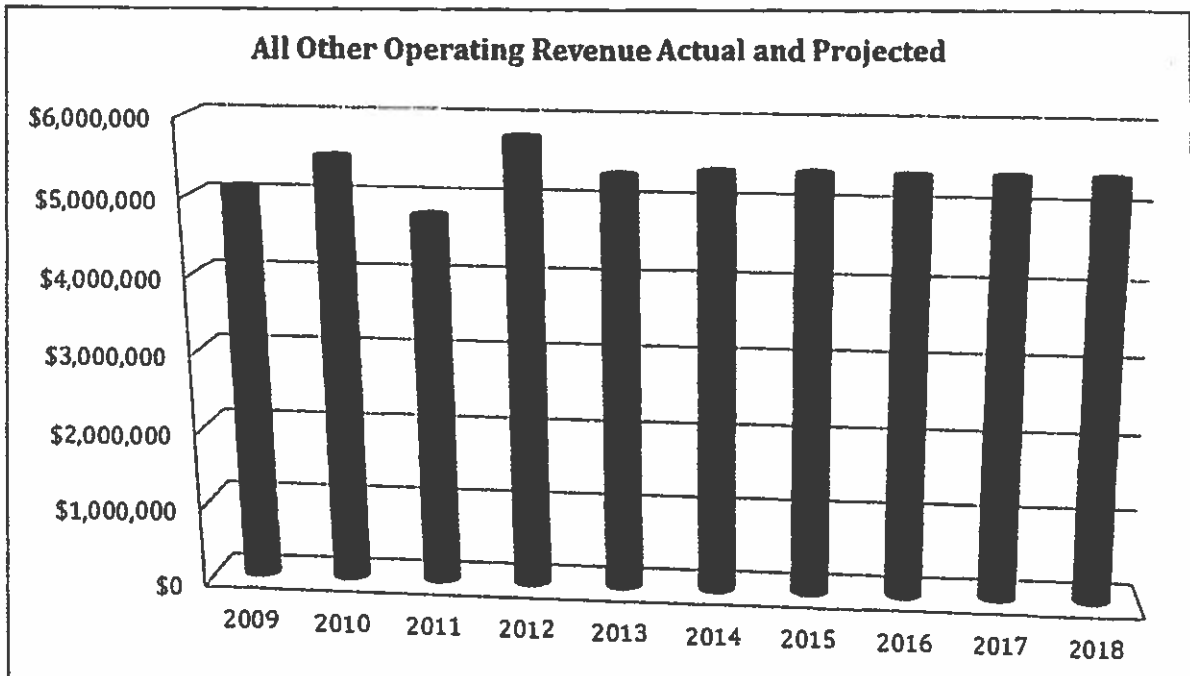


Property Tax Allocation (homestead & rollback)

The property tax allocation is calculated as a fixed percentage of real property tax receipts. The growth in this revenue parallels the anticipated growth in real property taxes.

All Other Revenues

These receipts are primarily for open enrollment and court placed students coming into the district. The forecast assumes an increase of \$65,464 in FY14.

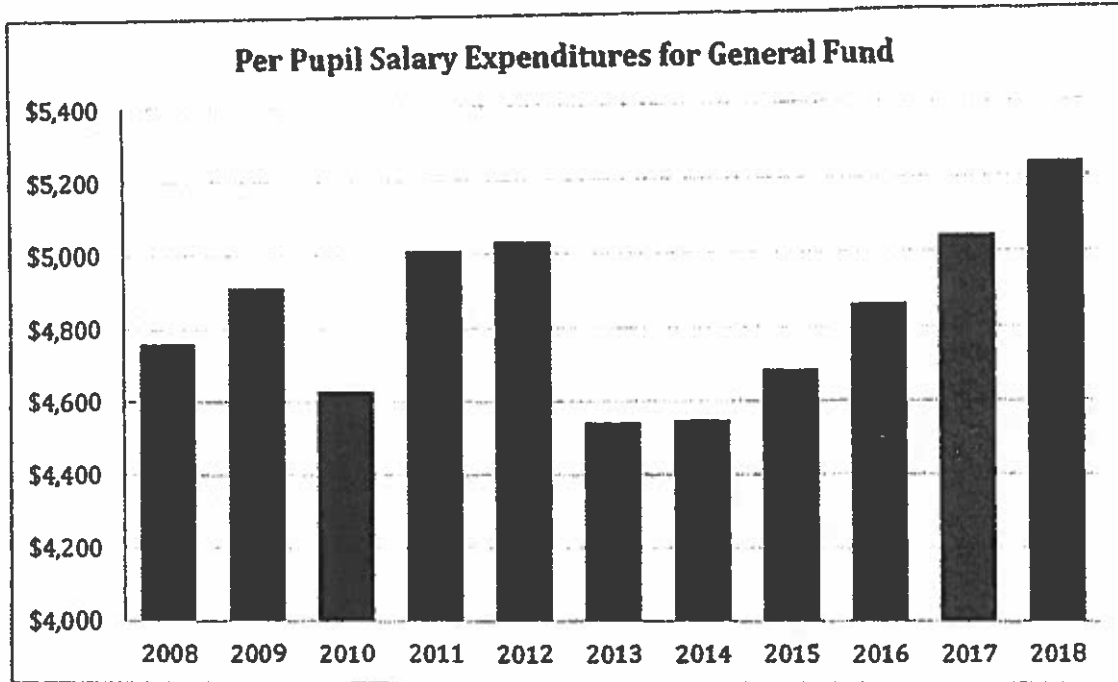


EXPENDITURES

Personnel Services and Benefits

In FY14, the forecast assumes a one time, 1% payment for certified and administrative staff. For FY15, the forecast assumes a 1% base raise and a step raise for certified and administrative staff. In FY16-FY18, the forecast assumes a 1% base raise and a step raise for all staff.

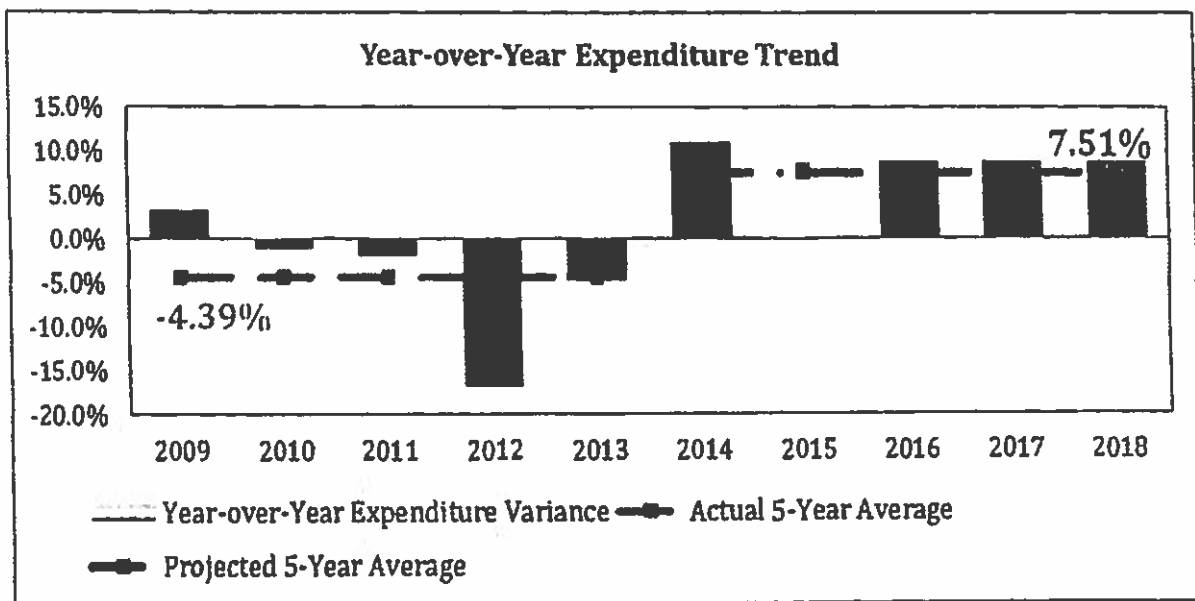
Due to the large RIF in FY13, you'll see the shift in the Per Pupil Expenditure amount below. Coventry should reflect the lowest per pupil expenditure in Summit County for FY13.



Retirements and Benefits

Beginning in FY14, the COG will assess a .75% interest rate and the repayments of \$260,000 will begin from the four month premium deferral in FY12. Due to a premium deferral in FY13, the forecast assumes a repayment of \$215,000 in FY14 along with the \$260,000. The repayment of \$260,000 will continue through FY18.

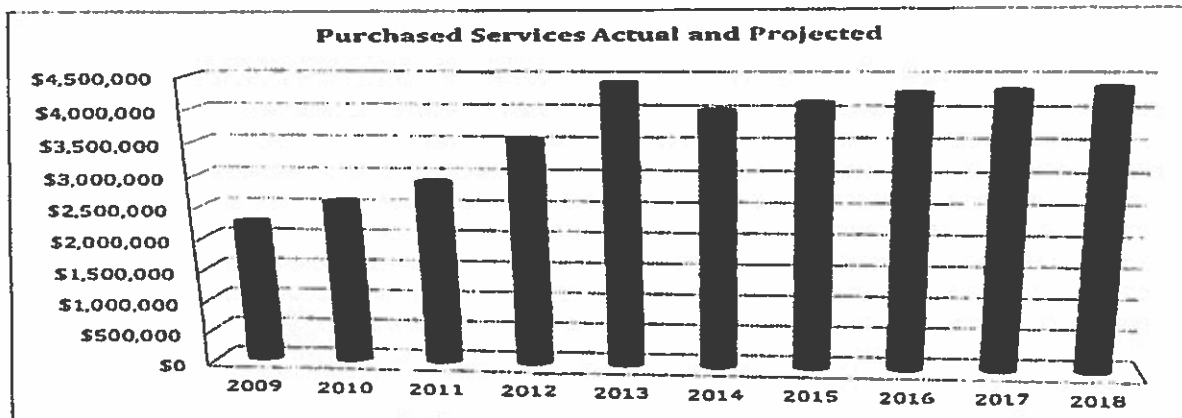
In FY14 the COG has secured a 4.5% insurance renewal. The forecast assumes a 10% renewal in FY15-FY18.



Purchased Services

In FY14, the forecast assumes a reduction of misc. expenses for \$125,816. Due to the passage of the May 2013 Bond/PI issue, the forecast assumes the elimination of duress spending in the amount of \$275,000. This elimination is due to the districts renovation of the current facilities and eventual building of the new 9-12 high school.

For FY14-FY18, the forecast assumes 1% increase



Supplies and Materials

For FY14-FY16 the forecast assumes a reduction of \$9,500 through gas savings in the transportation agreement with Peterman

For FY14-FY18 the forecast assumes 1% increase.

Capital Outlay

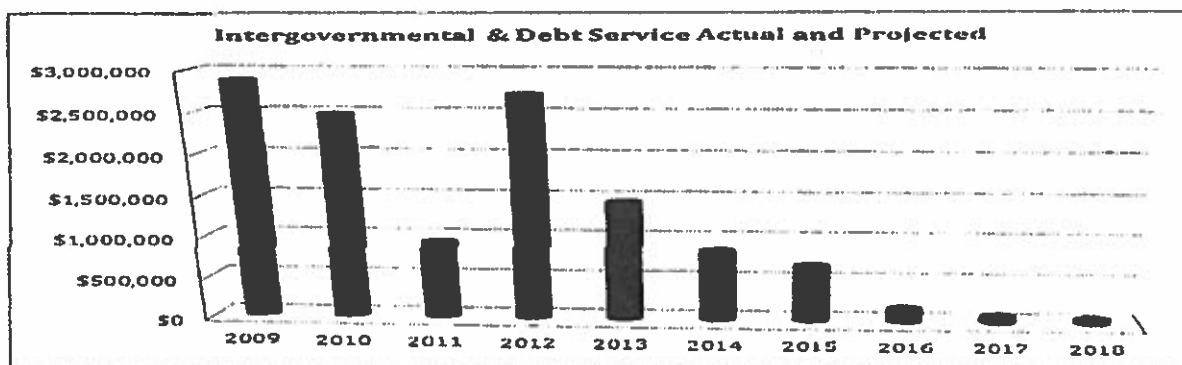
In FY14, the forecast assumes an increase of \$100,000 and \$135,000 for the purchase of property. In FY15, the forecast assumes a reduction of \$135,000 from the prior fiscal year purchase of property.

For FY14-FY18 the forecast assumes a 1% increase.

Debt Service

This area of the forecast includes all debt related to the general fund. In this case, the debt encompasses the three House Bill(HB) projects, the purchase of the modular's at our elementary building, the original purchase of our current high school, the 2012 renovation of our high school and the Tax Anticipation Note(TAN) from May 2010. In FY14, the total debt service for the general fund will be \$942,938 and \$926,839 in FY15. In FY16, you will see a large drop in debt service due to no longer paying the "TAN" from May 2010 and HB#1. The large spike you see in FY12 is due to the \$1,500,000 current tax revenue note (CTRN) that was used to offset the lack of "cash" needed to make payroll related expenses in December and January. In FY13, you will see another smaller spike due to a \$500,000 CTRN. These were repaid within the same fiscal years through property tax advances.

Due to the passage of the May 2013 Bond/PI Issue, in FY14 \$114,613 will be used to help subsidize the general fund facility related debt. In FY15-FY18, \$229,226 will be used each year to help subsidize the general fund facility related debt.



Aaron Butts
Treasurer / CFO
Coventry Local Schools
10-15-2013