

Upper Arlington Board of Education
The Graf Center, 2020 Builders Place, Columbus 43204
June 8, 2020 – 12:00pm
Special Board Meeting

CALL TO ORDER

Members present: Ms. Nancy Drees, Mr. Scott McKenzie, Ms. Jenny McKenna, Ms. Carol Mohr and Ms. Lori Trent

Members absent: None

Administrative officials present: Dr. Paul W. Imhoff, Superintendent; Mr. Andrew Geistfeld, Treasurer; Dr. Kathy Jenney, Associate Superintendent; Dr. Andy Hatton, Associate Superintendent; Laura Mickens, Assistant Treasurer

ROLL CALL

APPROVAL OF AGENDA

Ms. Trent moved, Mr. McKenzie seconded to approve the agenda. **20-60**

AYES: Ms. Mohr, Ms. Trent, Ms. McKenna, Mr. McKenzie and Ms. Drees

NAYS: None

ITEMS FOR INFORMATION

Superintendent's update

Dr. Paul Imhoff thanked the board for their efforts leading conversations during the last several years related to diversity, equity and inclusion (DEI) and including a DEI focus in the strategic plan.

Your Voice Matters: Planning for the 2020-2021 school year: Review Phase One: Data Phase

Dr. Imhoff reminded the board this is a six-week planning process prepare for Fall. Looking at designing two different educational models for next year: a distance learning model and in-person model. This process will help in understanding student, community and staff expectations for both models.

Dr. Andy Hatton shared preliminary results from the data phase (first phase). The data phase included 5 surveys (completed by students, staff and family) and 21 focus groups consisting of families, staff, students, and principals. After preliminary review, the following were common themes from the data points:

VALUES: consistency/clarity, flexibility, learning, and relationships/connection

PROBLEMS: accountability, consistency/structure, overwhelm/balance

IDEAS: differentiation, establish clear structures, parent/student/learning/info hubs, working in teams

Dr. Hatton shared the processes included in the second phase – design phase. This phase will include design principles, ideas and constraints, flare and focus, and prototypes. The third phase – decisions phase will include narrowing of prototypes through feedback.

Treasurer's update

Mr. Geistfeld reviewed the five-year forecast approved in May to set the stage for discussions later in the meeting. Mr. Geistfeld reviewed two of the revenue revisions that occurred in May forecast:

- State Revenue Basic-aid was decreased by \$1.8million (53%) in fiscal year 2019-20 related to state budget reductions made to help reduce the impact of the poor state economy due to the pandemic. The district reduced state revenue through fiscal year 2023-24 by the \$1.8 million, as few believe state funding for districts like Upper Arlington will return to previous amounts. The district's forecast of the casino allocation was also reduced since casinos were closed for several months.

- Other Revenue also decreased as facility rentals and extracurricular fees that were forecasted will no longer be collected this spring as the district’s buildings were closed due to the pandemic.

The five year forecast approved in May showed a cash deficit of approximately \$9.2million in fiscal year (FY) 2023-24 and unreserved fund balance deficits (after taking into consideration the budget reserve) of approximately \$145,000 in FY2021-22, \$17.8 million in FY2022-23 and \$39.1 million in FY2023-24.

As was discussed at a previous meeting, property taxes is an area of concern. Property taxes impact approximately 92% of general fund revenue. The Franklin County Auditor has delayed the due date of the second half property tax settlement by approximately 2 months. This change will not affect year-end forecasted revenue balances but will affect monthly cash flow. Additionally, the County Auditor proposed delaying the triennial update by one year. This change would delay the increase in property values, which would decrease forecasted revenue tied to inside millage in fiscal year 2020-21. The tax commissioner ruled against the request to delay the triennial update. This ruling will increase the forecasted property tax revenue for calendar year 2021 by approximately \$800,000; however, this increase is offset by a 1% increase in forecasted delinquent tax payments resulting in a decrease of property tax revenue of \$800,000.

Mr. Geistfeld shared the district will receive approximately \$250,000 (net) of Care Act funds from the federal government. These funds will be used to purchase personal protective equipment (PPE) and other safety supplies associated with the pandemic.

EXECUTIVE SESSION

At 1:14 p.m. Ms. Mohr moved, Ms. McKenna seconded to go into Executive Session in accordance with ORC 121.22(G)(1) to consider the appointment, employment, dismissal, discipline and/or compensation of public employees; 121.22 (G)(4) to prepare for bargaining sessions with public employees concerning their compensation or other terms and conditions of their employment; and ORC 122.21(G)(3) conference with an attorney for the public body concerning disputes involving the public body that are the subject of pending or imminent court action.

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- AYES: Ms. Mohr, Ms. McKenna, Ms. Trent, Mr. McKenzie and Ms. Drees
- NAYS: None

The board returned to regular session at 3:30 p.m.

DIVERSITY, EQUITY AND INCLUSION (DEI)

Dr. Imhoff shared later this summer the district will launch the hiring process for the executive director of DEI. The district will create a process that will include multiple voices and end with the superintendent’s recommendation of a candidate to the board. The details of the entire process will be shared at a future board meeting. Dr. Imhoff also reminded the board that the work around DEI started in 2015 when the board determined this was an area of priority and then included it in the strategic plan.

FINANCIAL REVIEW

Mr. Geistfeld shared that he expects the current fiscal year (2019-20) to end approximately \$1.8 million better than forecasted. A large portion of this variance is the result of the district’s buildings being closed during the pandemic resulting in lower than forecasted expenses in staff overtime, substitute costs, utilities, professional development and instructional supplies.

However, even with these additional funds the district is in a challenging financial time. Unreserved fund balances (after the addition of the \$1.8 million) show a deficit of \$16 million in FY2022-23 and \$37.3million in FY2023-24. There are 3 ways to impact the unreserved fund balance: 1) increase forecasted revenue, 2) decrease forecasted expenditures, and 3) use a portion of the budget reserve. These can be considered 3 different levers that can be used individually or together to affect the fund balance.

Increase forecasted revenue

Property taxes affect approximately 92% of all revenue. This district has a history of an additional operating levy every 3 years. During the passage of the November 2017 levy, the district shared with the community the next levy would occur in November 2020. The question in front of the board - Has the pandemic impacted the board’s plan for an operating levy? Should the operating levy occur in November 2020 or be delayed to November 2021? The answer to this question affects the reliance on the other 2 levers.

Decrease forecasted expenditures

Typically, to impact this area, as in the past, a budget reduction/efficiency goal would be implemented for “x” amount of dollars over a specific amount of time. Since 85% of district expenditures relate to personnel (payroll and benefits) some type of hiring freeze of additional FTE would be associated with this type of goal.

Budget reserve

The board planned ahead many years ago and formalized this process in 2016, to follow the private sector’s lead and create a budget reserve to help during financial challenging times. The district’s budget reserve is 25% of annual expenditures or 3 months of expenditures. The district’s reserve policy helped the district obtain a AAA bond rating in 2017. Budget reserves are meant to be used during challenging times (i.e. delay of revenue, pandemic, etc.). The question is how much of the reserve fund does the board use to offset a future levy and also what is the plan to replenish the reserve for future financial challenges?

The board asked questions regarding the history of the budget reserve and the implication of delaying a levy. Board members discussed the challenging financial times in the community. Board members shared they believe the district should continue tightening its belt and use reserve funds to delay an operating levy, if possible.

The board asked administration to bring back a plan that delays the operating levy to November 2021, create a budget reduction plan that includes a hiring freeze, and to use a portion of the budget reserve for a period of time but also include a plan to replenish the budget reserve. As always, the plan should protect the classroom and students as much as possible.

PERSONNEL

Ms. Mohr moved the Board to approve the following personnel action item as recommended by the Superintendent:

Certified Staff

Extended Duty June 2020

Position	Employee	School	Amount
Extended Duty – June 2020 (10 days)	Kathy Moore	UAHS	\$5,697.40
Extended Duty – June 2020 (2 days)	Amy Aspengren	UAHS	\$945.06
Extended Duty – June 2020 (2 days)	Allen Banks	UAHS	\$1,082.22
Extended Duty – June 2020 (2 days)	Matthew Biedenbach	UAHS	\$1,062.10
Extended Duty – June 2020 (2 days)	Elizabeth Hughes	UAHS	\$1,062.10
Extended Duty – June 2020 (2 days)	Mary Anne Holloway	UAHS	\$1,135.00
Extended Duty – June 2020 (2 days)	Heather Buffer	UAHS	\$1,132.78
Extended Duty – June 2020 (3 days)	Erin Miguel	District	\$1,712.55
Extended Duty – June 2020 (2 days)	Debra Amling	District	\$1,130.54
Extended Duty – June 2020 (2 days)	Andrea Rowson	District	\$1,082.22

Ms. Trent seconded to approve the personnel action item.

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AYES: Ms. Mohr, Ms. Trent, Ms. McKenna, Mr. McKenzie and Ms. Drees

NAYS: None

ADJOURNMENT

At 4:16 p.m. Mr. McKenzie moved, Ms. McKenna seconded to adjourn.

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AYES: Ms. Trent, Ms. Mohr, Ms. McKenna, Mr. McKenzie and Ms. Drees

NAYS: None

Treasurer

Board President