



Jonathan Alder Local School District

Financial Advisory Council- *“Communication, Stewardship and Community Perspective”*
Central Office Board Room (228) October 7, 2014 (7:00-8:30pm)

I. Welcome

Present: Aaron Johnson, Shannon Foust, Bethany Beachy, Steve Votaw, Heidi Kellet, Doug Schrock, Brent Lombardi and Gary Chapman

II. Five Year-Forecast

Mr. Johnson presented the Forecast to the Advisory Committee. The passage of the May 2014 ½% income tax levy releases some pressures and will begin to allow for controlled-future growth (from the perspective of the forecast). However, the district will not receive additional revenue from the passage of the levy until April of 2015.

a. Considerations to the Forecast

i. State Funding

1. Current formula based upon:

- a. Per Pupil (\$5800)-District wealth/state average-State Share Index (43%)

ii. History and Future Levies- Revenue collected from the passage of the May 2014 Income Tax levy will not begin to be collected until January of 2015-

1. 3/4 % 5-year Income Tax Renewal in 2016

A discussion of the time-line for renewal of the 3/ 4% Income tax currently on the books was held with possible terms and lengths of the renewal.

2. 1/2 % 7- year Income Tax Renewal in 2021

iii. Employee Compensation- Future and current employee compensation features were discussed

iv. District Insurance/Health Plan- the self-funded Health Insurance Plan for the district’s employees is working as designed. Employees should be expecting a Premium Holiday for the month of November 2014.

b. Prioritizing our future student needs and the impact on the district’s financial stability

The perceived areas of greatest needs (Co & Extra- Curricular, Professional Development, Staffing/Personnel, Technology, District Cash Reserve, Facilities/Maintenance/Busing, Early Childhood Programming, Curriculum/Resources & Curriculum) were discussed. **The District now faces the challenge of strengthening its financial position while planning for growth, addressing areas of deficiency and meeting current and future student needs.**

“... striving to provide the opportunity, flexibility and accessibility our students need to achieve, compete and succeed.”

Proposal for District Cash Reserve Balance *(for discussion only)*

The district currently does not have a Cash Reserve balance that is equal to one month of expenditures. As our cash reserve increases (see Five Year Forecast) it is important to be clear in the minimum amount necessary to operate within a 17 million dollar budget.

1. Policy?
2. Guideline?
3. Goal?
4. Target?

DRAFT:(For Discussion Purposes only) *“In efforts to preserve and strengthen the district’s financial stability while demonstrating solid financial planning, stewardship and alignment to our student’s needs, it is necessary to grow and maintain a Cash Operating Reserve Balance of two (2) months. If the district’s Cash Operating Reserve Balance is at or below a one (1) month average, the administration may take appropriate action which may include, but is not limited to, freezing and or reducing the district’s budget.”*

The Advisory Committee agreed to continue discussions in the area an appropriate Operating Cash Reserve Policy moving forward.

III. Schedule Next Meeting: The Advisory Council agreed to meet in the Spring of 2015.

(Handouts)

- ✓ JALSD Five Year Forecast
- ✓ 2013 CUPP Report
- ✓ JA Levy History
- ✓ District Enrollment History
- ✓ 2014 JA Measures of Success
- ✓ 2014 District Report Card

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