

The Finance Committee of Franklin City Schools met at the Hampton Bennett Building in the Board Conference Room on Monday, February 2, 2009, at 6:00 p.m.

Roll By Sign-In

Present: Board Co-Chairs: Mrs. Lori Raleigh Mr. Chris Sizemore
Mr. Arnol Elam, Superintendent and Mrs. Jana Bellamy, Treasurer
Mr. Cicero Feltner

Absent: Mr. Denny Centers, Mrs. Amy Creech, Mr. Ivan Madden, Mr. Gary Myers, Ms. Caris Orsborne, Mr. Ron Ruppert

Staff: Mrs. Jean Creech, Technology Director

Guest: Mr. Paul Hillard, Board Member

Discussion Items:

I. Investment Policy

The committee discussed the investment objectives, specifically liquidity and maturity date more than five years. A five year investment may not be currently advantageous. However, the ever changing economical climate may provide investment opportunities at some point. Therefore, the committee felt the language could remain as provided in the draft policy.

The current depository agreements are valid through August 23, 2011. The District requests proposals from all local (Franklin School District) banks every five years.

The committee agreed to recommend the draft investment policy to the Board of Education for their consideration to adopt.

II. Local Efforts to Generate Revenue

Mr. Chris Sizemore reviewed the following information:

Today, Mrs. Feltner is in Washington, D.C. at the Federal Relations Network Conference. She will have the opportunity to discuss federal funding and its impact on our school district. We wish her the best in her endeavors at this conference.

Our committee is devoted to assure sustainable financial resources and long-term financial stability. This devotion covers a wide spectrum of resource generation and cost effective endeavors.

Inside Millage to Permanent Improvement

\$450,000 est.

In September 2008, the Board of Education unanimously approved the Finance Committee's recommendation to move 1.03 mills from inside millage to a Permanent Improvement Fund. This will generate approximately \$450,000 per year.

(Note: \$490,000 without Atrium exemption)

Tax Increment Financing (TIF) Invoicing

\$130,000 est.

On December 20, 2005, the City of Middletown passed Ordinance #O2005-142 creating Tax Increment Financing areas. Although the ordinance requested distribution of funds directly to the Franklin School District, our treasurer has discovered the distribution of the funds were made directly to the City of Middletown. Therefore, it is necessary to invoice the City of Middletown for these funds.

Mrs. Bellamy has forwarded spreadsheets for prior year (\$55,556.50) and current year (\$121,250.93) and is working with the Middletown Economic Development Director to receive the \$176,807.43 currently owed the district.

This revenue is estimated at \$130,000 per year. However, the disbursement is dependent upon the property owners in the TIF district who actually file for the TIF.

(Note: Second year invoice includes 1.03 mills for PI fund)

Education Management Information System (EMIS) Reporting

\$66,141 est.

During the past couple of months, the Franklin City School District staff have worked together to streamline the EMIS reporting. As a result, 11 students are coded as open enrolled instead of student following parent, which generated approximately \$63,000. In addition, the EMIS Coordinator followed up on a student whose parents moved from the district last year. As of the date of the move from our district, we were credited \$3,141 in tuition charged by Mary Haven.

These are just two recent examples of how our staff work together each day to secure resources and to properly manage the resources of our district.

Mrs. Bellamy has submitted forms for catastrophic cost reimbursement for 13 students exceeding the threshold qualification and for excess costs of special education students placed in our district.

TOTAL ESTIMATED ANNUAL RESOURCES \$646,141.00

HOT TOPIC – POSSIBLE RESOURCE

Atrium Medical Center --- Non-Profit Exemption?

\$1,801,060 est.

On January 15, 2009, the Ohio Department of Taxation completed a letter which notified the District that the “Middletown Regional Hospital” had filed applications for exemption from real property taxation.

Mrs. Bellamy contacted the Ohio Department of Taxation on 1/21/09 for more information regarding the applications. During her conversation, she found that Atrium had filed for exemption of Tax Year 2007 (taxes paid in 2008), which would require repayment of taxes. However, she also found out that all hospital exemption applications had been placed on hold. When inquiring about the “hold”, it was discovered that there is a court case at the Board of Tax Appeals, which could affect whether hospitals are “entitled” to a non-profit exemption in Ohio.

The property values and estimated tax revenue for the Atrium Medical Center have increased 60% from 2007 to 2008. The current estimated annual income, upon exemption denial would be \$1,801,060! (See attached information-Exhibit A)

Recommendation Request: Hire tax attorney to file request to become a party in the exemption application process.

Committee members expressed their support for the Superintendent and Treasurer to retain an attorney to file against the Atrium applications for exemption.

Thank you to all participants.

Adjournment

The Finance Committee adjourned at 7:12 p.m.