



REPORT OF THE BUDGET, FINANCE AND GROWTH COMMITTEE

The Budget, Finance and Growth Committee met on Friday, February 18, 2022, at 10:30 AM in the Rosa E. Blackwell Interactive Learning Center, 2651 Burnet Avenue, 45219.

The public viewed the meeting via Video Conference.

ATTENDEES

Finance Committee Members

Chairperson Eve Bolton, Brandon Craig

Administrators

Tianay Amat, Interim Superintendent; Jennifer Wagner, Treasurer/CFO; Kevin Ashley, Director, Financial Reporting; Dean Blasé, Director of School Leadership; Tya Grengbondai, Manager, State and Federal Grants; Dan Hoying, General Counsel; Kimberly Hughes, Assistant Treasurer; Shauna Murphy, Assistant Superintendent; Connie Solano, Interim Chief Operations Officer

Committee Chair Bolton opened the meeting and welcomed *School Board School* to the meeting. School Board School's vision is to activate a diverse coalition of education advocates and aspiring school board members to create significant and sustainable change in the school systems.

Financial Reports

Kevin Ashley, Director of Financial Reporting and Transparency, updated the Committee on the following information related to Monthly Financial Graphs for Fiscal Year 2022, through January 2022.

Summary – Finances are on track and no significant, unexpected issues.

- **General Fund Cash Balances** as of January 31, 2022 are up over this point last year. (As noted in the next section, the District's General Fund will be receiving \$78.7M.)
- **General Fund Revenues** through January 2022 are down; however, this is directly related to the impact of the new state funding adopted for this fiscal year that eliminates pass-through funding for Community Schools and other scholarship programs. Therefore, the District is on-track, given that Revenues are down but the related Expenditures are down at a higher rate. Also, due to a timing delay in Hamilton County Property Tax Advances, the District was notified the General Fund will receive \$78.7M in the next week.
- **General Fund Expenditures** through January 2022, as mentioned above, are down related to the elimination of the pass-through funding. Alternatively, salaries and benefits expenditures are higher based on collective bargaining agreements.
- **School Wide Pool Expenditures** through January 2022, primarily salaries and benefits are higher based on collective bargaining agreements.

- **Preschool students funded through Tuition Assistance** for January 2022 were 872 students vs. 589 at this point last year. United Way distributions are down due to the CPP underspend which offsets the quarterly payments due to United Way.

A copy of the presentation is available in the Board office, upon request, and [BoardDocs](#).

FY2021-2022 State and Federal Grants

Tya Grengbondai, Manager, State and Federal Grants, updated the Committee on the status of the District’s State and Federal Grants.

She informed the Committee about allocations, expenditures and individual percentages spent by 50 State and Federal Grants for the District.

The District receives public grants, grants to respond to COVID-19 and non-public grants for the District.

A copy of the grants report is available in the Board office, upon request and [BoardDocs](#).

Community Reinvestment Agreements (CRA)

Kimberly Hughes, Assistant Treasurer, updated the Committee on the following Community Reinvestment Act – Payment in Lieu of Tax Agreements.

She reported that a mixture of nine commercial and residential properties that will be remolded or constructed, will be recommended to the Board for approval at the February 28, 2022 Regular Business meeting. The Agreements range from 10 to 30 years. She also stated that are more commercial properties than residential.

She will also continue to follow up with Michael Banish from the City’s Community and Economic Department to schedule a presentation from the City about the CRA’s.

Finance Committee - Friday, February, 18, 2022
CRA – Payment in Lieu of Tax Agreements

Agreement	Years of Agreement	Estimated Annual Revenue	Estimated Total Agreement Revenue
1) <u>1735 Vine, LLC</u>	12 years	\$8,589.14	\$103,069.71
<i>Description:</i> remodeling of an existing OTR building into approximately 4,500 square feet of residential rental space, across six residential rental units, and approximately 693 sq. ft. of commercial space; Ordinance #529-2019, Contract #15x2021-182.			
2) <u>2600 Apartments, LLC</u>	15 years	\$52,273.97	\$784,109.62
<i>Description:</i> the construction of approximately 2,128 sq. ft. of commercial space (restaurant/retail) and approximately 33,606 sq. ft. of residential rental units (27 family units). Ordinance #267-2020, Contract # 15x2021-194.			
3) <u>Bleh Property Holdings, LLC</u>	10 years	\$2,045.83	\$20,458.27
<i>Description:</i> the remodeling of the existing building into approximately 3,438 square feet of commercial space (existing family owned meat market). Ordinance #309-2021, Contract #25x2022-057.			

- | | | | | |
|----|--|-----------------|---------------------|------------------------|
| 4) | Fountain Place, LLC | 30 years | \$404,909.45 | \$12,147,283.51 |
| | <i>Description:</i> located in the Central Business District of Cincinnati (Vine Street), redeveloping the former Macy's into approximately 205,000 sq. ft. of new office space; 20,000 sq. ft. of renovated commercial space; and a renovated 165-space underground parking garage. Ordinance #538-2019, Contract #05x2020-273. | | | |
| 5) | Graphite Oakley, LLC | 12 years | \$292,478.97 | \$3,509,747.67 |
| | <i>Description:</i> the construction of five vibrant new five-story buildings with approximately 360,828 sq.ft. of residential rental space (316 family apartments) and a 564 space enclosed parking area. Ordinance #364-2020, Contract # 12x2021-224. | | | |
| 6) | MKRB 1, LLC | 15 years | \$1,138.69 | \$17,050.35 |
| | <i>Description:</i> the remodeling of an existing OTR building into approximately 1,200 sq. ft. of commercial retail space and approximately 5,250 sq. ft. of residential space (8 apartments). Ordinance #140-2021, Contract # 15x2021-275. | | | |
| 7) | Robel 1, LLC | 15 years | \$2,466.83 | \$37,002.49 |
| | <i>Description:</i> the remodeling of an existing building into approximately 500 square feet of commercial space and approximately 3,300 sq. ft. of residential space, consisting of 7 residential rental units. Ordinance #100-2021, Contract #15x2021-260. | | | |
| 8) | SLD Enterprises, LLC | 12 years | \$14,636.54 | \$175,638.51 |
| | <i>Description:</i> the improvement to existing structures and construction of a new building, consisting of approximately 11,200 sq. ft. of industrial space and approximately 2,800 sq. ft. of office space. Ordinance #315-2021, Contract # 25x2022-037. | | | |
| 9) | Zeta House Corporation | 14 years | \$18,501.25 | \$259,017.46 |
| | <i>Description:</i> the construction of a new sorority house at the University of Cincinnati, consisting of approximately 15,478 square feet of residential (sleeps 33 students) space as well as dining and meeting space for over 200 students each academic year. This house will have a live in house director year round. Ordinance #331-2020, Contract #15x2021-238. | | | |

District Insurance Update

Dan Hoying, General Counsel, provided the Committee with an historical and current update of the District's Property and Liability Insurance Programs for 2016-2023 school years.

The report included the following liabilities:

- Abuse/Molestation
- Automobile
- Educator's Legal
- Employment Practices
- General
- Property

Mr. Hoying reported that rates have increased over the years and very significantly in the last two years. The District had a very low number of claims and minimal property claims. He stated that the District has approximately 100 vehicles that are used in various departments within the District.

He reported that liability insurance has been challenging over the years with increases, but is starting to stabilize.

Mr. Hoying reported that the District discontinued cyber coverage due to excessive increases in premiums, and that the District is adequately insured without additional coverage.

He also recommended that it may be cost beneficial for the District to consider increasing its self-insurance in order to maintain reserves in fiscal year 2024. Committee Chair Bolton asked Mr. Hoying if that reconsideration would best be stated for FY24. Mr. Hoying responded yes.

A copy of the report containing the historical data is available in the Board office, upon request and on [BoardDocs](#).

Workplan Discussion and Adoption

The Committee reviewed the workplan and agreed, at the suggestion of the Treasurer, to add Tax Abatement as a topic for discussion in March 2022.

Committee Chair Bolton asked for a motion to approve the Revised 2022 Budget, Finance and Growth Committee Workplan. Committee member Craig motioned, and Committee Chair Bolton seconded the motion.

ACTION: The motion was unanimously approved and the Revised 2022 Budget, Finance and Growth Committee Workplan will be recommended for approval at the Board's Regular Business meeting on February 28, 2022.

Annual Comprehensive Financial Report (ACFR) Distribution

Mr. Ashley provided the Committee with a copy of the Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30 2021.

The ACFR gets submitted to the Government Finance Officers Association (GFOA).

The Basic Financial Statements must be filed with the Auditor of State by the end of November.

The *Annual Comprehensive Financial Report (ACFR)* is the highest level of financial reporting for a governmental organization. The ACFR Program was established by the Governmental Finance Officers Association (GFOA) in 1945 to provide a more comprehensive and detailed illustration of a community's financial condition.

The Treasurer's Department has been awarded the highest accolades for many years for the ACFR.

City Council Property Abatement Change

Julie Sellers, CFT President, joined the meeting virtually and reported that six new housing 30-60 units each have been approved for development and will get a 25- to 30-year tax abatement.

Ms. Sellers asked how much money the District is losing from the TIFs (Tax Increment Financing) and what are they costing the District.

Treasurer Wagner reported that the District is not losing as much money as President Sellers suggested due to the fixed levies.

The Treasurer also reported that there is not a limit on the years of the abatements in the Agreement.

Ms. Sellers expressed interest about being on a committee with the City and District to monitor the TIFs and the possible effects on the District.

ACTION: Committee Chair Bolton agreed with Ms. Sellers being on a Committee and recommended that a mutual AdHoc Committee be formed. She will talk with Board President Lindy about the request and Treasurer Wagner will take the lead.

The Committee will contact the City Administration to develop the Ad Hoc Committee.

ACTION: Treasurer Wagner reported that she will do a presentation on abatements and TIFs for the Board and Council and the Ad Hoc committee.

New Shore Budget Development Progress

Treasurer Wagner updated the Committee on the following:

- Strategic Plan – Year 3 Initiatives and COVID influenced modifications.
- New Shore Initiatives Student Centered Decision Making
- **Health and Safety Community Engagement Optimized Capabilities**

Interim Superintendent Amat reminded the Committee to have discussions about the CLIFF as part of any public discussion.

Ms. Wagner updated the Committee on the revised budget timeline:

Feb 9 th	COW	-----
Feb 14	canceled	
Feb 28	BOE Monday	Budget Initiatives Review & Board Feedback Budget Redesign Process
Mar 7	BOE Monday	School Budget Review
Mar 16	COW	ESSER update/CLIFF
Mar 21	BOE Monday	Central Administration Budgets
Mar 28- Apr 1	SPRING BREAK	
April 11	CGCS/OASBO	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Apr 20	COW	Consolidated Budget
Apr 20	LSDMC Districtwide	
Apr 25	BOE Monday	
May 9		Budget Update TOWN Hall #1 (May 3 5-6 pm)
May 18	COW	
May 23	BOE Monday	Five year Forecast TOWN HALL #2 (May 31 5-6pm)
Jun 13	BOE Monday	Budget Update if needed
June 22	COW	Budget Update if needed
June 27	BOE Monday	Board Adoption of Budget

Treasurer Wagner recommended to do a Request for Proposal for funding the Strategic Plan in the Spring of 2022.

Review Cincinnati Youth Collaborative (CYC) and Project Grad Contracts for Return on Investment

Shauna Murphy, Assistant Superintendent, reported that the District does not have a contract with GRAD Cincinnati for college access services, but instead for Resource Coordinators and Lead Agencies for CPS Community Learning Centers.

She also stated that the organization is providing services at Riverview East Academy, Taft Information Technology High School, Western Hills University High School, Virtual High School, Ethel Taylor Elementary School, Roll Hill Elementary School, and Westwood Elementary School.

Dr. Blasé updated the Committee on her below memo regarding the current partnership with the Cincinnati Youth Collaborative.

Cincinnati Public Schools has enjoyed a long-term partnership with CYC, dating back several decades. Most recently, CYC has provided services through a work readiness program provided by Jobs for Cincinnati Graduates (JCG). The services include their “School to Career Program” which is a year-round one-credit course. Students learn to develop an achievable career plan, career exploration, assistance in preparing for state examinations, participation in leadership/career activities. In addition, students participate in a summer program that provides students with real-life work experiences.

Please see below for a summary of current services offered.

Programming by School: Jobs for Cincinnati Graduates (*fully funded by CPS*):

- Aiken New Tech
- Hughes STEM
- Oyler
- Riverview East (Middle School only)
- Shroder
- Taft
- Western Hills
- Withrow
- Woodward

Number of students receiving JCG Programming:

- SY2020-2021: 519
- SY2021-2022: 642

Additional Programs Offered:

Resource Coordination (partially funded by CPS):

- Gamble Montessori High School, 650 students: Food pantry
- Dater High School, 939 students: ESL Family Engagement, ACT Prep, Food/Clothing Resources

Mentoring (*not funded by CPS*):

- Saturday Hoops
- Group Mentoring – After School Girls Clubs, 63 students served at 6 elementary schools
- UC Medical Students Mentoring Program, 90 students served at 6 additional elementary schools
- One on One Mentor Matches, 242 students served at 35 schools

Transportation Review

Connie Solano, Interim Chief Operations Officer, updated the Committee on her first meeting with SORTA/METRO. She also reported that the Administration is having a national search firm seek a Director of Transportation for the District.

ACTION: Committee Chair Bolton advised Ms. Solano to put together a packet of the information she has presented about transportation and Board staff will do the same by collecting documents from the last 2021 and 2022 Committee meetings that highlight transportation and forward to Ms. Solano.

Committee member Craig asked about the process when students' busing needs are not met.

Interim Superintendent Amat reported that enrollment also plays a part in transporting students and that she will be reviewing the enrollment process and an audit and will present the information at the Regular Business meeting on February 28, 2022.

Committee Chair Bolton distributed to the Committee a summary document—2021 Budget, Finance and Growth Committee – Notes from Over a Year of Direct and Active Public Agenda Action on Transportation (*available upon request in Board Office*).

Ms. Solano distributed to the Committee a memo dated February 17, 2022, regarding Follow-Up Request for Information – Transportation (*available upon request in Board Office*).

Annual Board Member Training

Treasurer Wagner informed the Committee that Board President Ben Lindy advised the Committee to postpone the training until the Superintendent Search meetings are completed.

Other Business

Treasurer Wagner informed the Committee that she will be submitting a Fiscal Year 2022-2023 Amended Appropriations resolution for approval at the Regular Business meeting on February 28, 2022.

The meeting adjourned at 12:25 PM.

Finance Committee

Eve Bolton, Chair
Brandon Craig,
Mike Moroski, *absent*

Staff Liaisons

Jennifer Wagner, CFO/Treasurer
Tianay Amat, Interim Superintendent