

## REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Thursday, November 15, 2018 at 4:00 PM at the Cincinnati Public Schools Education Center in the Board Conference Room.

### ATTENDEES

#### Finance Committee Members

Chairperson Ryan Messer, Melanie Bates

#### Administrators

Scott Adams, Chief Operations Officer; Vera Brooks, Interim Director, Early Childhood; Brittany Marks, Director of Financial Reporting and Transparency; Lauren Roberts, Internal Auditor; Laura Sanregret, District Wide Lead Teacher

#### Kearney and Kearney

Eric Kearney, CEO, President

#### Preschool Promise

Hector Polanco, Finance Manager

#### Community Members/Parents

Marlena Brookfield, Craig Rozen

#### Cincinnati Federation of Teachers (CFT)

Julie Sellers, President

### Governmental Relations Update

Mr. Kearney updated the Committee on the following *projects*:

**Graduation Rates** – The Bill is moving in the direction to extend current criteria for two to three years. The Administration Team and the Urban 8 need to keep the pressure on the legislature, as the outlook is favorable.

**House Bill 705** Introduced by Representatives Hambley and Ingram (former CPS Board member) deals with circumstances in which school district and educational service center treasurers may be held liable for a loss of public funds. It is currently in the Houser Government Accountability and Oversight Committee. Prospects for the Bill are very positive.

The following education bills are in the legislature:

**House Bill 58** Introduced by Representatives Brenner and Slaby requires the State Board of Education to develop and adopt a model curriculum in cursive handwriting instruction, which may be used by public schools. It passed the Ohio House 89 to 4. Referred to Senate Education Committee.

**Am Sub HB 87** Bill introduced by Representative Roegner to enact section 3314.52 of the Revised Code regarding public moneys returned to the state as a result of a finding for recovery issued pursuant to an audit of the enrollment records of a community school. Passed House on March 7, 2018. Passed Senate on June 27, 2018. Becomes effective November 2, 2018.

**House Bill 160** Bill introduced by Representative Antonio to enact the Ohio Fairness Act to prohibit discrimination on the basis of sexual orientation or gender identity or expression, to add mediation to the list of informal methods by which the Ohio Civil Rights Commission may use to induce compliance

with Ohio's Civil Rights Commission may use to induce compliance with Ohio's Civil Rights Law before instituting a formal hearing, and to uphold existing religious exemptions under Ohio's Civil Rights Law. It has been referred to the House Government Accountability and Oversight Committee.

A copy of the full monthly legislative report is available in the Board office.

Committee member Bates gave a legislative update from the Ohio School Boards Association Capital Conference.

### **Green Initiatives**

*Scott Adams, Chief Operations Officer; Robin Brandon, Director of Facilities; Michael Catanzaro, The Utility Group; Oliver Kroner, Green Cincinnati Plan and Sustainability Coordinator, City of Cincinnati*

Ms. Brandon updated the Committee on the District CPS' Green Initiatives. A copy of the report is attached to the end of this Finance Committee meeting report.

Mr. Catanzaro, contractor with the Utility Group presented on Real Time Energy monitoring.

Oliver Kroner presented the *2018 Green Cincinnati Plan Summary of Goals and Recommendations May 2018* report. Mr. Kroner updated the Committee on climate changes and how it is affecting the environment. The report also included 2001-2009 life expectancy for by Cincinnati neighborhoods.

A copy of the report is available in the Board office.

**ACTION:** The Committee will advise Superintendent Mitchel to assign a "point person" to determine what a "green plan" would look like for the District and who could work with the Policy Committee to help build a longer-range plan.

**ACTION:** The Policy Committee will have a conversation with the full Board for Green Initiatives to be considered as a part of the Superintendent's goals.

### **Update from Reconciliation Specialist**

Updates from the Reconciliation Specialist are presented in the Audit Committee.

### **Workforce Development Budget Presentation**

Vera Brooks, Early Childhood, Interim Director, and Laura Sanregret, District Wide Lead Teacher, updated the Committee on the following 2018-2019 proposed budget for the Workforce Development Committee and the proposed budget for the 2019-2020 instructional year.



TO: Jennifer Wagner, Treasurer

FROM: Vera Brooks, Interim Director ECE  
Julie Sellers, CFT President  
Laura Sanregret, WFD Facilitator

DATE: November 5, 2018

RE: Work Force Development Budget

**INTER-OFFICE  
CORRESPONDENCE**

Early Childhood Department  
Phone: 363-0240 FAX: 363-0245

Please see below the 2018-2019 proposed budget for Workforce Development Committee.

Amount	Purpose/Use of Funds	
\$1000.00	Security for WFD meetings during evening hours, Listening Community meeting locations.	Extended Time to AFSCME Facility fees
\$65,000.00	Provide opportunities for community based providers/centers to acquire credentialed teachers to assist in quality improvement.	Venders: CFT, UC, 4C, Cincinnati State
\$10,000.00	Professional Development toward Step Up to Quality (SUTQ) for community providers and CPS employees	Venders Extended Time
Up to 100 hours: estimated \$3690.00 +fringes	WFD liaison work for summer hours. i.e. Research, meetings to share findings, Cost of Quality	Venders Extended Time
.4 FTE for WFD Facilitator Estimated \$31,065.91	Facilitates WFD council meetings and business. Liaison support between CPS entities and WFD.	Staffing

Proposed budget for 2019-2020 instructional year.

\$1000.00	Security for WFD meetings during evening hours, Listening Community meeting locations.	Extended Time to AFSCME Facility fees
\$85,000.00	Provide opportunities for community based providers/centers to acquire credentialed teachers to assist in quality improvement.	Venders: CFT, UC, 4C, Cincinnati State
\$20,000.00	Professional Development toward Step Up to Quality (SUTQ) for community providers and CPS employees	Venders Extended Time

**Preschool Expansion Renovation Costs**

Ms. Marks reported that there is a need to add a couple of preschool classes at Aiken and Saylor Park schools. Renovations are needed to prep the schools for a total of \$101,447. Approximate dollars from

the Administrative Budget is \$87,000 for Aiken and \$13,000 for Sayler Park. Funding for the renovations is not available in the Facilities budget.

**ACTION:** Treasurer’s Office is asking permission to move unspent Preschool expansion administrative budget to assist with renovation of classrooms at the schools in order to expand capacity.

**Preschool Promise Finances**

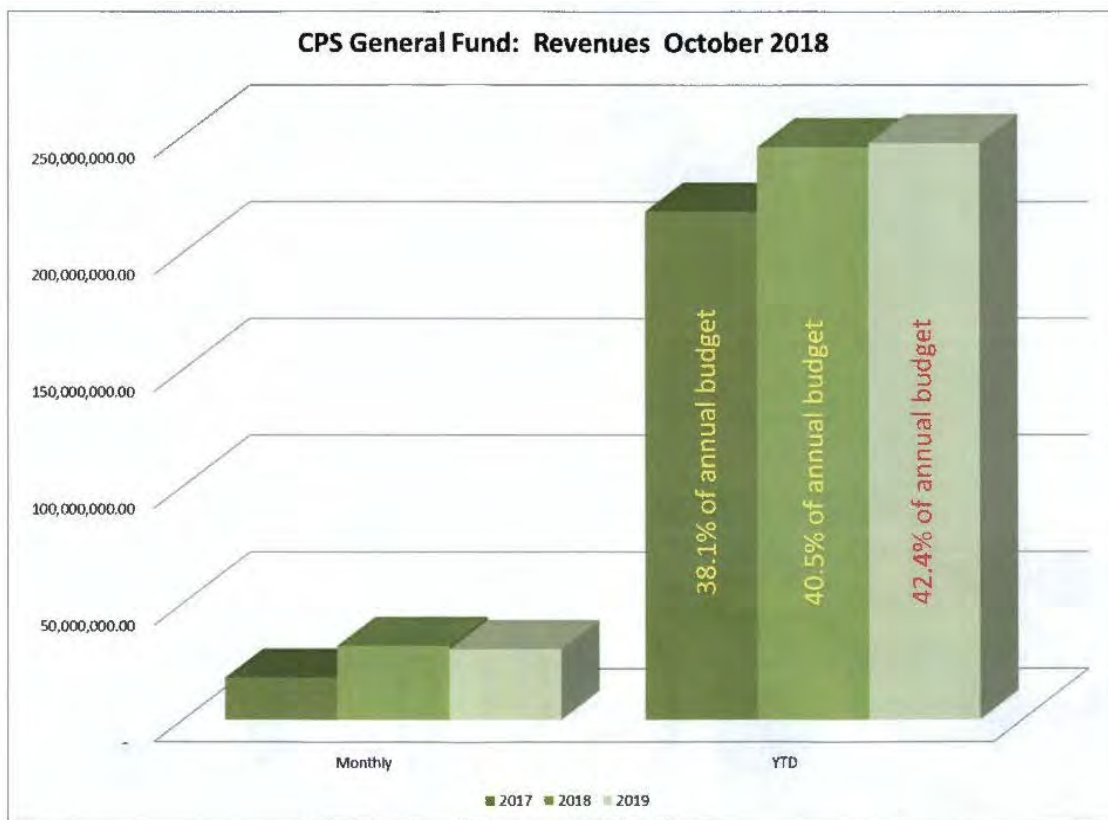
Hector Polanco, Preschool Promise updated the Committee on the process he is using to track students that are on tuition assistance versus the budget. He is working to inform the Committee about how many students are new to preschool and how many are already in preschool and now being funded.

Mr. Polanco advised the Committee that it is taking time to collect the data because he is calling families to gather the information. He will bring the information to the Committee upon completion.

**Treasurer Financial Updates**

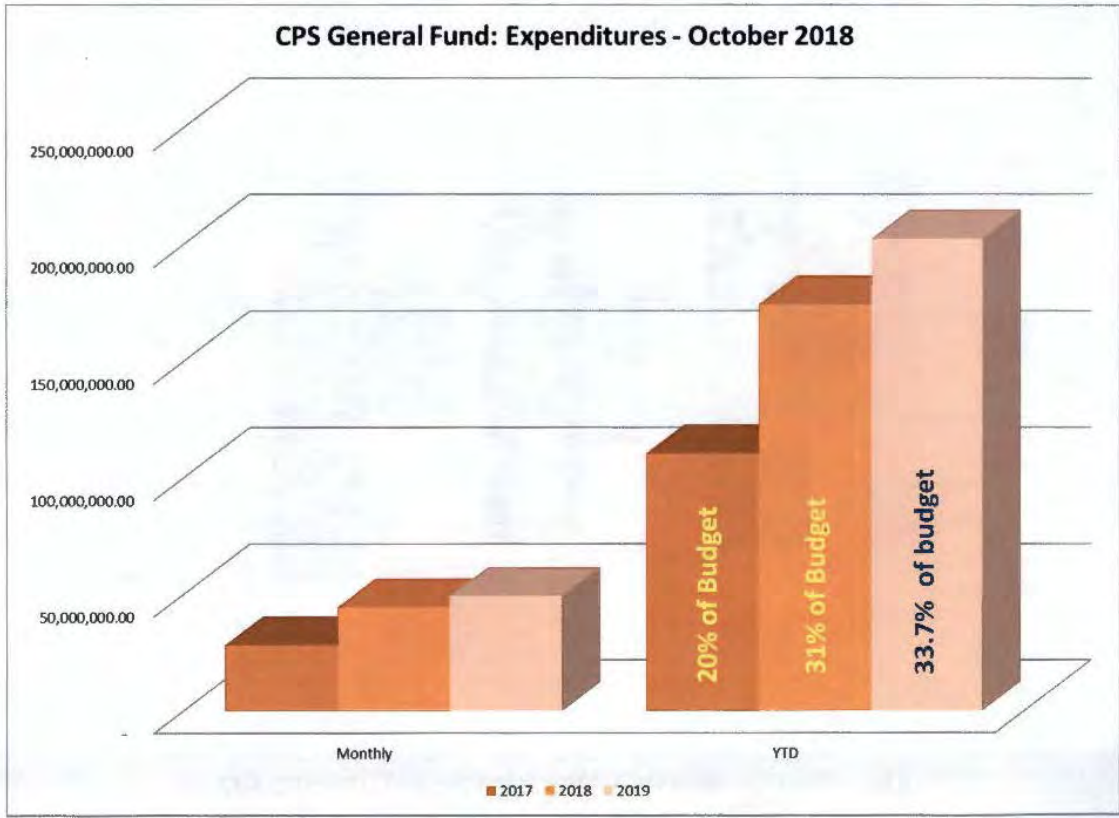
**Monthly and Year-to-Date Revenue**

Treasurer Wagner updated the Committee on the following: *CPS General Fund: Revenues for October 2018.*

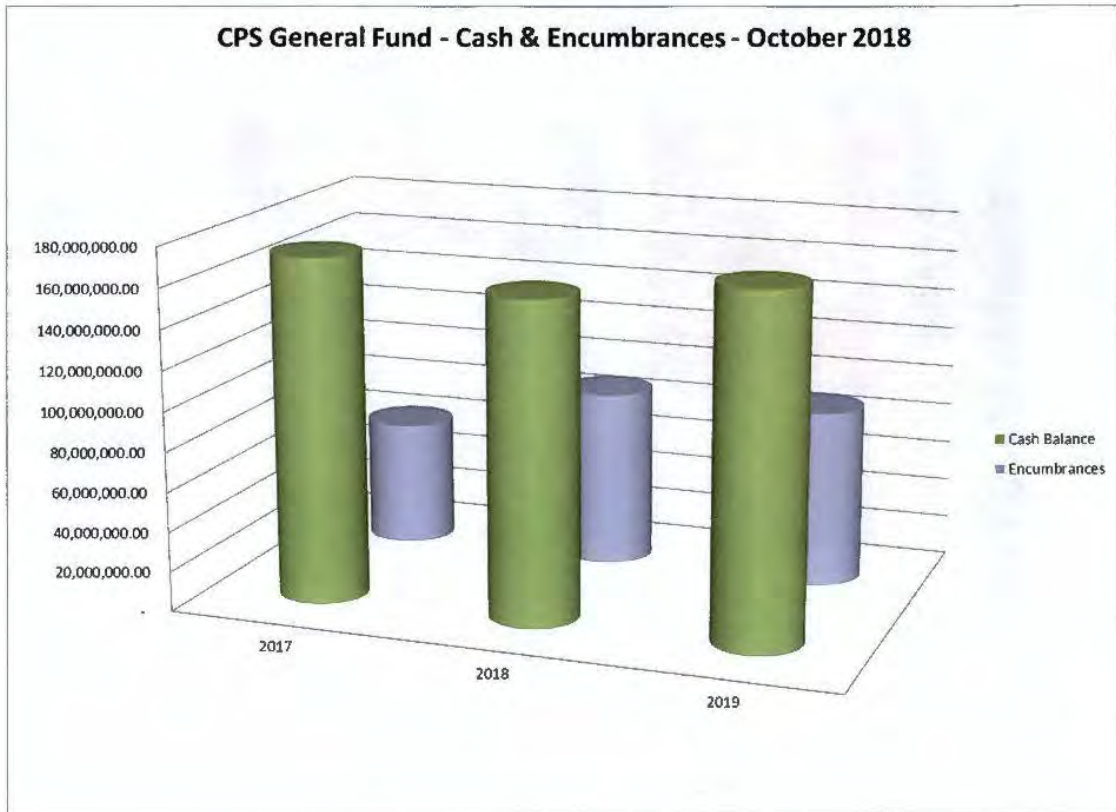


**Monthly and Year-to-Date Expenditures**

Treasurer Wagner updated the Committee on the following: *CPS General Fund Expenditures for October 2018.*



Treasurer Wagner updated the Committee on the following: *CPS General Fund – Cash and Encumbrances – October 2018*





**State and Federal Grants**

Treasurer Wagner updated Committee on the following State & Federal Grants for October 2018.

**State & Federal Grants**  
October 2018

	State	Federal	Combined	FY18
Beg Cash	1,971,239.69	7,778,481.65	9,749,721.34	9,194,087.04
Receipts	2,694,048.45	7,935,273.25	10,629,321.7	16,935,222.60
Expenditures	3,092,880.22	19,834,466.28	22,927,346.50	28,625,554.78
Encumbrances	490,655.34	2,987,213.43	3,477,868.77	8,023,472.94
Ending Cash	1,081,752.58	(7,107,924.81)*	(6,026,172.23)	(10,519,718.08)

*\*Federal reimbursements requests have been submitted but not received as of Oct 31*

**Preschool Promise Expansion Report**

Mrs. Wagner also discussed with the Committee the following Preschool Promise Expansion report:

**CPS Preschool Expansion**

	Budget	October YTD	Oct YTD FY18
<b>Revenues:</b>			
General R/E Property Tax	13,649,553.39	6,578,542.97	6,637,693.14
Public Utility Property Tax	1,100,847.17	592,221.38	581,685.47
Homestead Exemption	249,599.45	131,467.92	-
Less: Auditor Fees	(165,000)	(86,966.53)	(86,813.69)
<b>Revenues</b>	<b>\$ 14,835,000.01</b>	<b>\$ 7,215,265.74</b>	<b>\$ 7,132,564.92</b>
<b>Expenses:</b>			
Tuition Assistance	4,376,878.00	1,119,213.53	-
Payments to United Way	8,887,251.00	1,458,123.85	3,540,918.58
Workforce Development	108,463.68	9,578.86	-
Special Education Support	654,353.44	160,078.86	46,610.36
Administrative Support	200,000.00	9,398.25	30,028.37
<b>Expenses</b>	<b>\$ 14,226,946.12</b>	<b>\$ 2,756,393.15</b>	<b>\$ 3,617,557.31</b>
<b>Net Income</b>	<b>\$ 608,053.89</b>	<b>\$ 4,458,872.59</b>	<b>\$ 3,650,162.26</b>

# CPS Tuition Assistance Summary

	Income	FT	HT	Total	Days	Tuition Assist \$
Oct	<200 %	616	50	666	13,736	\$ 519,210.73
	200-250	7	3	10	213	\$ 6,631.56
s/t		<b>623</b>	<b>53</b>	<b>676</b>	<b>13,949</b>	<b>525,842.29</b>
YTD				<b>676</b>	<b>30,333</b>	<b>\$ 1,119,214</b>
LY				<b>576</b>	<b>24,426</b>	<b>\$ 1,085,169</b>

## Community Reinvestment Act (CRA) Agreements

Ms. Marks updated the Committee on the following CRA Agreement that will be recommended to the Board for approval.

### CRA PILOT Agreements

Agreement	Years of Agreement	Estimated Annual Revenue	Est. Agreement Revenue
(A.) <u>Findlaomi, LLC</u>	10-years	\$1,799.50	\$17,995.05
<i>Description:</i> the improvements made to the real property located at 1706 Central Parkway in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of the building located on the property into approximately 1,970 square feet of office space - Ordinance #204-2018, Contract #95x2019-178.			

**ACTION:** The Committee will make an assignment for the Board President to write a letter to the City to conduct a meeting with the Board to gain an understanding about 30-year TIFs.

Ms. Marks reported the following information to the Committee:

- On October 30, 2018 Cincinnati Public Schools received \$10,000,000 payment from FC Cincinnati to fund the new Stargel Stadium;
- The funds were deposited into Fund 003 Permanent Improvement Fund; and
- In November, the Return of Transfer (\$10M) that was advanced to Fund 003 to begin contracting for services to build the new stadium will be recorded.

## Financial Policies Review

Mr. Adams will review the following policies with the Committee at the December 20, 2018 Finance Committee meeting.

- 6320 – Purchasing of Goods and Services
- 6320.01 – Determination of Lowest Responsible Bidder
- 6320.02 – Business Policy
- 6320.03 – Local Business Enterprise Initiative
- 6350 – Prohibition against Contracting with a Person Whom an Unresolved Finding for Recovery Has Been Issued

### **Other Business**

#### Transportation Fleet

Mr. Adams informed the Committee that bus companies Ayers Transportation Services and Paul's Bus Service no longer do business with the District.

The meeting adjourned at 5:30 p.m.

#### **Finance Committee**

Ryan Messer, Chair

Melanie Bates

Ericka Copeland-Dansby, *absent*

#### **Staff Liaisons**

Jennifer Wagner, CFO/Treasurer

Laura Mitchell, Superintendent

Scott Adams, Chief Operations Officer



# CPS Green Initiatives



## Leadership in Energy and Environmental Design (LEED)



Additional \$47M in energy efficiency upgrades



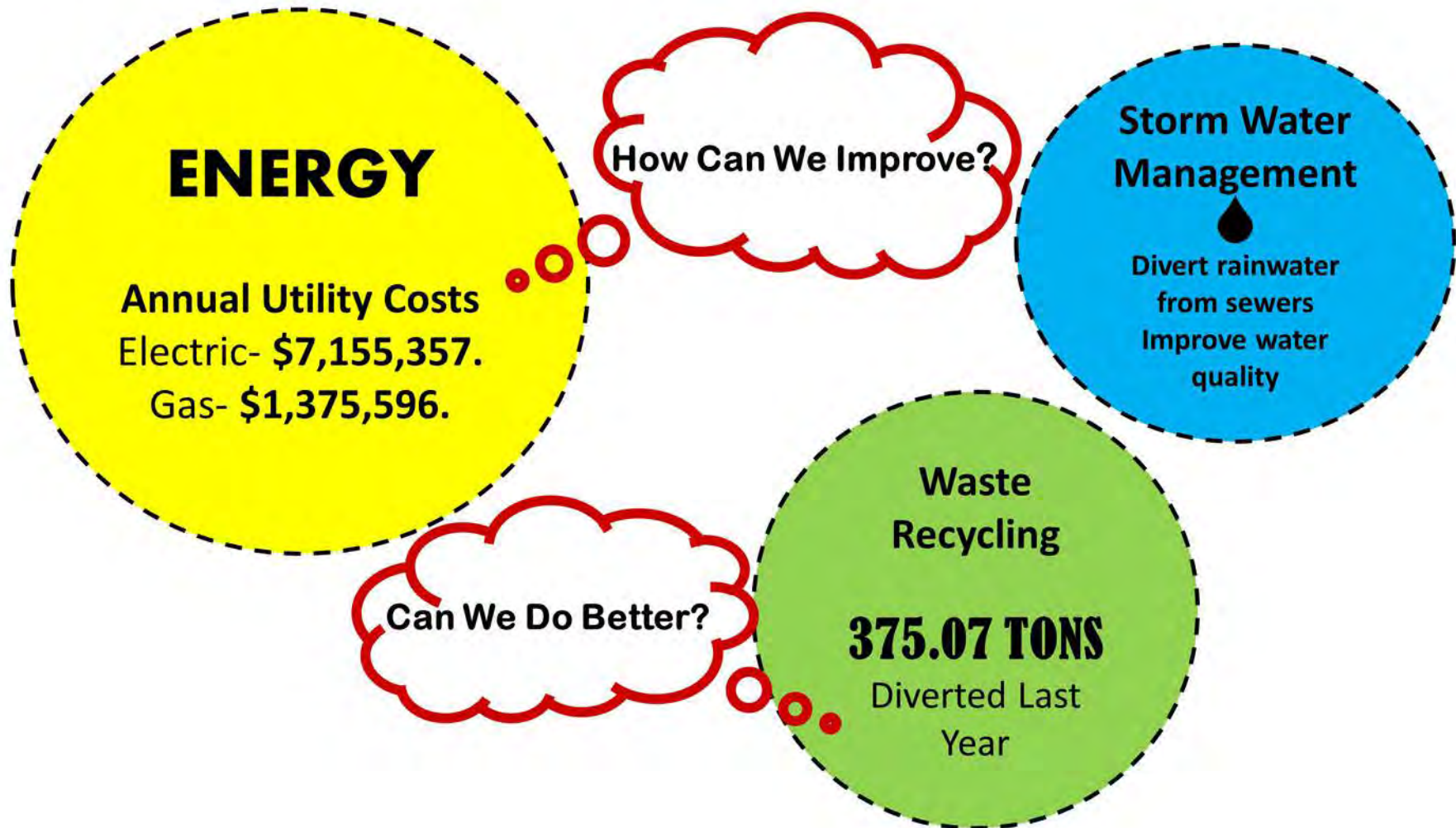
22 LEED Buildings

- 16 LEED Silver
- 5 LEED Gold
- 1 LEED Platinum



# Sustainability in Action

A three tiered program focusing on Energy Conservation, Waste Recycling and Storm Water Management.





# Energy Efficient Upgrades

## **All CPS schools receive energy upgrades through FMP, HB 264 and COPS Projects**

- 6 Geothermal schools

- Over \$47M spent on Energy Upgrades utilizing HB264 and COPS Funding

- Scope includes new HVAC, energy efficient lighting systems, new windows  
energy efficient plumbing fixtures, Building Automation Systems, building  
envelope improvements

## **HB 264 Upgrades- Quick Payback Projects**

- 25 Phase 1 & 2 Facilities Master Plan schools and administrative buildings

  - Lighting retrofits and Occupancy Sensors

  - Building Automation System installation and integration

  - New Windows

## **LED Retrofits 2016-2018**

- Over 2100 HID, HPS, CFL lights replaced with LED fixtures

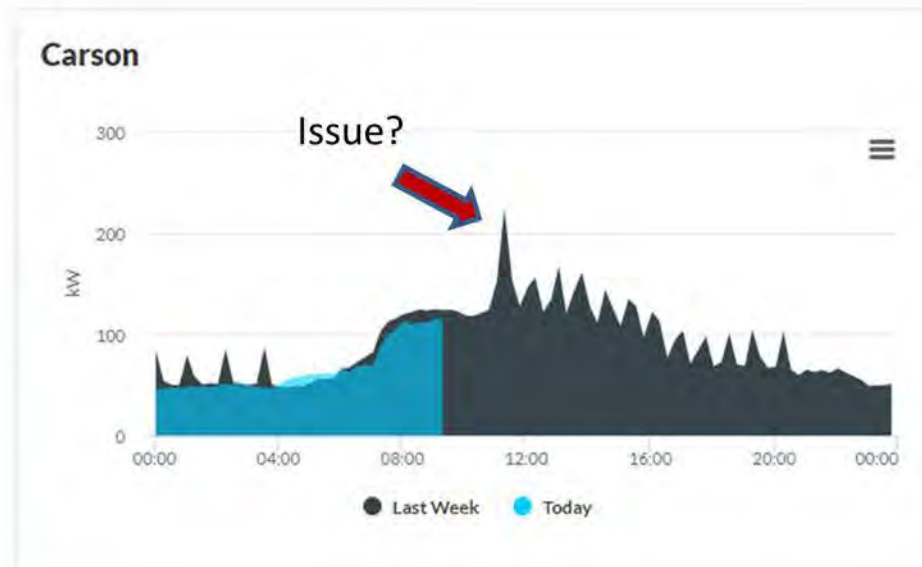
# HVAC Controls Commissioning Project

<b>Controls / Commissioning Projects January 2018 - October 2018</b>			
<b>School</b>	<b>Controls / Commissioning Cost</b>	<b>10 Month Utility Cost Savings</b>	<b>ROI</b>
Hartwell	\$ 55,600.00	\$ 39,956.20	71.86%
<b>School</b>	<b>Controls / Commissioning Cost</b>	<b>8 Month Utility Cost Savings</b>	<b>ROI</b>
Walnut Hills	\$ 46,882.30	\$ 23,909.39	51.00%
<b>School</b>	<b>Controls / Commissioning Cost</b>	<b>4 Month Utility Cost Savings</b>	<b>ROI</b>
Dater HS	\$ 110,345.00	\$ 4,107.87	3.72%
<b>School</b>	<b>Controls / Commissioning Cost</b>	<b>6 Month Utility Cost Savings</b>	<b>ROI</b>
Taft HS	\$ 49,000.00	\$ 2,993.34	6.11%
<b>All 4 Schools Above</b>	<b>Controls / Commissioning Cost</b>	<b>Utility Cost Savings</b>	<b>ROI</b>
<b>Grand Total:</b>	<b>\$ 261,827.30</b>	<b>\$ 70,966.80</b>	<b>27.10%</b>
<b>Net Expense to date:</b>	<b>\$ 190,860.50</b>		



# Real Time Energy Monitoring

- Quickly identify and correct anomalies
  - Equipment or Control issues
- Improve and maintain efficiency
  - Reduce energy usage/demand costs



# Utility Bill Capture and Reporting

- Track Annual Costs and
- Benchmark Year over Year Progress
- Forecast and Report

## Cincinnati Public Schools

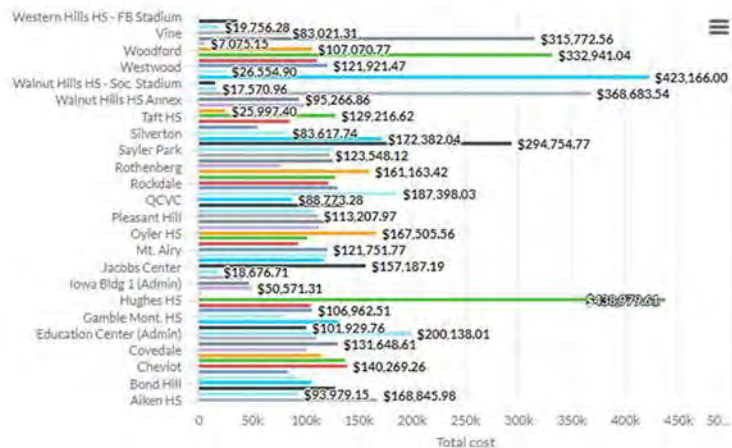
70  
Facilities

6,415,811  
Total Floor Space (Ft<sup>2</sup>)

\$1.33  
12 Month Cost/Ft<sup>2</sup>

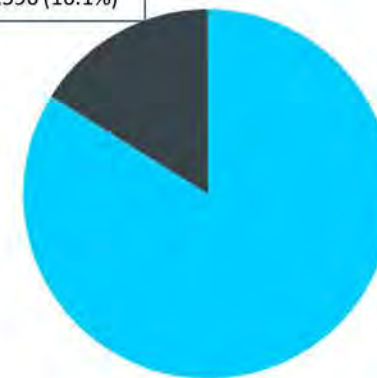
\$8,530,953.53  
12 Month Total Spend

### Last 12 Months Cost Breakdown



### Last 12 Months Cost By Commodity

Gas - \$1,375,596 (16.1%)



Elec - \$7,155,357 (83.9%)

Electric - Grid Natural Gas



# Solar Project Analysis

- North Avondale
  - 961,000 kWh/yr
  - Current cost - \$0.04768/kWh
  - Annual total - \$45,820/yr
  - Peak Demand – 258 kW
- Solar
  - 150 kW array @ \$2,250/kW = \$337,500
  - Assume 20 yr project
  - Generates 182,000 kWh/yr (19% of load)
  - Cost - \$0.093/kWh
  - About \$11,000/yr savings (30 yr payback)
    - Not including interest, M&O, etc.
    - Assume 1% annual energy cost increase
- Other Considerations
  - Lowers efficiency rate – 47% to 38%
  - Tax & financing options not advantageous to CPS
  - Monitor future solar costs

