

**MINUTES OF THE CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS
BOARD OF EDUCATION**

Special Board Meeting of February 17, 2009

The Board of Education of the Cleveland Heights-University Heights City School District, Cuyahoga County, held its Special meeting in the public meeting room of the Board of Education building at 2155 Miramar Boulevard, University Heights, Ohio, on Tuesday, February 17, 2009, at 7:00 p.m.

Mr. Kal Zucker, Board President, called the meeting to order at 7:00 p.m.

Present at Roll Call: Mr. Kal Zucker, President
Mr. Ronald Register, Vice President
Mr. Michael Cicero, Board Member
Mr. Eric Coble, Board Member
Ms. Nancy Pepler, Board Member

Also Present: Ms. Christine Fowler-Mack, Interim Superintendent
Mr. Scott Gainer, Chief Financial Officer
Members of the Central Office Staff
Patrons of the School District
Representatives of the News Media

Kal Zucker, Board President, clarified that although the work session topic for the evening is on the *Budget*, at the current time there is no levy planned for this calendar year. The Board wishes to be proactive in its review of the Budget to see if there are areas for reduction, while being careful to align with District priorities.

WORK SESSION TOPIC: Budget Alignment

Interim Superintendent Christine Fowler-Mack and Scott Gainer, Chief Financial Officer, presented their initial thoughts on aligning the budget in order to achieve District goals. Being an educational organization, Ms. Fowler-Mack stated, we must keep our students' needs on the table.

Ms. Fowler-Mack posed the essential question: How do we create and sustain a rigorous, relevant, student-centered learning environment that prepares all students for the 21st century while maintaining costs in an efficient and effective manner?

Mr. Gainer, CFO, reviewed the most current five-year forecast and discussed the budget and the academic initiatives of the District. Scott Gainer reviewed the sources of income for the District, the majority of which comes from property taxes, as well as the expenses for 2008-2009.

Mr. Gainer continued by describing the unsettling economic times everyone is facing. Job losses, declining interest rates, uncertainty in State revenue, the local foreclosure crisis, and increasing utility costs are among the contributors to the financial concern.

At the same time, Ms. Fowler-Mack interjected, we are experiencing unprecedented changes in the field of education and in the lives of our children. Thanks to the Internet and its ever-expanding capabilities, children have access to a monumental array of information at the click of a button.

Ms. Fowler-Mack addressed some of the expectations of our communities, beginning with accountability, quality teachers, administration and support staff, anchored upon fiscal responsibility.

Mr. Gainer pointed out that fiscal responsibility is ongoing within the District. In an effort to be efficient and effective, we have cut \$8 million since 2004-2005. Through the negotiated agreements with our unions, employees now share in health care costs. We have gone through some voluntary operational audits in Business Services, Human Resources, and some of our academic programs. These are all efforts to identify efficiencies and to be fiscally responsible.

The National Stimulus Package was signed by President Obama today, but at this point, Mr. Gainer said we do not know the specific impact it will have on our school district. Governor Strickland has proposed the new State budget. If it is approved, we are not sure what it will mean for our budget. In light of the residential foreclosures, we will not know what we will collect until June when property taxes are received.

Scott Gainer, CFO, said the five-year forecast is a working document, constantly being revised as information becomes known to us. Built into this forecast is a 92% estimate for property tax receipts; we are traditionally at a 97% collection rate on real estate taxes. Interest on investments is currently about 50% less than what was received in 2007 and is expected to drop precipitously in 2010 forward based on present interest rates.

One highlight in the forecast is that we have increased the receipts from federal sources in the Medicaid program. We have been successful, to some degree, in getting reimbursements for providing Medicaid services to students.

The last levy we passed was in 2007 for 7.2 mills on a three-year cycle. Mr. Gainer said the next levy would be expected in at some time during calendar year 2010. In order to get the millage requirement down to the 7 mill range, Mr. Gainer presented a mill mod to show what cuts need to be made. Assuming a 5% reduction in property value assessments, the District needs to cut approximately \$2 million in 2009-2010.

Ms. Fowler-Mack said discussion needs to take place on how to achieve the \$2 million target. Part of the process in approaching this target, she stated, will be to review our past procedures and determine what has really worked for us. Ms. Fowler-Mack said we will need to take an in-depth look at our data, our trends, and the identification of our priorities. We will also look at categories for potential reduction to ensure that no area of our system is dramatically impaired from functioning. Recommendations for reduction will be brought before the Board for review and action. Crucial to the budget alignment process is timely and ongoing communication.

During the budget reduction process, Ms. Fowler-Mack listed the following as priorities she wishes to maintain within the District:

- Collaboration/professional learning time
- Instructional coaching model
- Targeted core content support
- Teaching and learning with technology
- Intervention and positive behavior supports
- Equity and access

Interim Superintendent Fowler-Mack was pleased to note that the District's six initiative plan and the Governor's education reform proposal are quite comparable. This tells us our District strategy is the right direction. Ms. Fowler-Mack also pointed to a similar vision on the national level in President Obama's inaugural address.

Ms. Fowler-Mack said her team will be prepared to present comprehensive options for the budget alignment to the Board at its March 17 special Board meeting. After having an opportunity to review the options, the Board will then present its reaction at the April 7 regular meeting.

Board President Kal Zucker notified the meeting attendees that part of the agenda for the evening included discussion with South Euclid about the Cedar Center TIF; however, Mr. Zucker was notified earlier in the week that South Euclid asked to be removed from the agenda.

Board Members posed questions and exchanged dialogue with Administration on this budget alignment presentation.

UPCOMING MEETINGS

Tuesday, March 3, 2009 – Regular Board Meeting – 7:00 p.m.

Tuesday, March 17, 2009 – Special Board Meeting – Work Session Topic: Budget – 7:00 p.m.

MOTION TO ADJOURN

It was recommended that the meeting be adjourned.

No. 09-02-022

It was moved by Mr. Cicero, seconded by Mr. Register, that the meeting be adjourned.

Vote on the motion was as follows:

Ayes: Mr. Register, Mr. Coble, Ms. Pepler,
Mr. Zucker, Mr. Cicero

Nays: None

The meeting was adjourned at 8:25 p.m.

Kal Zucker, President

Scott Gainer, Chief Financial Officer