

## TREASURER's EVALUATION – 2015-2016 School Year

**Treasurer: Jeff McCuen**

**Board of Education: Marc Schare, Sam Shim, Jennifer Best, Charlie Wilson, Julie Keegan.**

### OVERVIEW

It is the job of the Board of Education to evaluate the school district Treasurer on an annual basis. Worthington performs an evaluation based on the treasurer's job description as documented in Board Policy BCC. The job description contains numerous elements. For simplicity, this evaluation categorizes the elements using modified draft of a standards system created by the Ohio Association of School Business Officials (OASBO). Using this rubric, the Treasurer is to be evaluated by his or her work in each of 3 areas with each area containing multiple elements. The rubric will appear in italics in this document with the Board commentary in regular font.

In addition, as with the Ohio Superintendent Evaluation System, the Treasurer is given an overall rating of Accomplished, Skilled, Improving or Ineffective in each category.

**ACCOMPLISHED:** The Treasurer has demonstrated mastery of all or most of the elements in this area.

**SKILLED:** The Treasurer has demonstrated mastery of many of the elements in this area and is progressing on other elements in this area.

**DEVELOPING:** The Treasurer has demonstrated mastery of some elements and is progressing on other elements. In addition, the Board has specific concerns over some elements in this area.

**INEFFECTIVE:** The Treasurer has demonstrated mastery in few or none of the elements. The Board has concerns over major sections of the area.

**NOT YET RATED:** The Board lacks sufficient data to offer a meaningful rating. This might reflect projects that are not yet complete or external data (such as the State Report Card) that is not yet available.

***A. LEADERSHIP: An effective treasurer, in collaboration with the district superintendent and the board of education, develops, implements, and monitors policies and procedures based on sound fiscal practices and the analysis of financial resources that support the district's strategic plan and its annual goal setting process. The treasurer is an integral member of the district leadership team and strives to maintain an effective working relationship with the superintendent and the board of education. The treasurer works with stakeholders to ascertain a reasonable long-term view of the fiscal stability of the school district and uses financial data to make informed decisions; when called upon, the treasurer must use these same skills to propose options to respond to a changing fiscal reality in the short term. The treasurer provides oversight of personnel under their direct supervision and monitors the fiscal resources and financial data of the district. The treasurer regularly informs the district leadership team and board of education of the district's financial position and its sustainability and potential impact on instructional programs and personnel. Representative elements include participating as a member of the district's cabinet, collaborating with the Superintendent and the Board to develop, review and implement Board Policy, Participating in the district's goal setting process, supporting the effective use of data and providing leadership to the Treasurer's office in establishing a culture of trust, efficiency and high ethical standards.***

### COMMENTS

A running theme throughout this evaluation will be the professionalism and proficiency you display while making the financial trains run on time. The first Treasurer standard is leadership and your leadership is most evident in that the work gets done, gets done correctly and gets done on time.

You are a member of the district's leadership team and provide financial leadership in all areas of the operation. You have an effective relationship with the Superintendent and as the standard dictates, you allow the district to use financial data to make effective decisions.

The Board recognizes the difficulty involved in having 5 bosses, all of whom have different informational needs and different interests. We appreciate that you endeavor to provide information in a format the each member is comfortable with and that your door is always open should questions arise from the data.

This year, you displayed leadership in evaluating the financial sections of the Board's Policy Manual as part of our conversion to NEOLA. The process required you to go through hundreds of pages of material and match policy to current practice, suggesting new language when there was divergence. Your contributions were a major step towards bringing this process towards completion.

As the Chief Financial Officer of a 130 Million Dollar organization, it is especially important that trust be established at all levels of the organization and, just as important, with our constituents. You've worked hard over the years to establish that trust and, now that you have it, to maintain it. Our numbers are not questioned either internally or externally and as previous evaluations have noted, it was not always this way in Worthington.

While your leadership in Worthington is well established, your leadership across the state brings our district prestige and credibility. You are a frequent instructor for the Ohio School Boards Association and the Ohio Association of Small Business Officials. You are a past President of the Ohio Government Finance Officers Association. You are on the Board of Directors for the Ohio School Plan, a position that directly benefits our district and you are a go-to resource for members of the Ohio legislature.

#### **OVERALL EVALUATION: ACCOMPLISHED**

**B. FINANCIAL MANAGEMENT: The school treasurer demonstrates a clear understanding of financial resources and manages those resources in collaboration with the board of education and district leadership. An effective treasurer must know and be able to demonstrate the principles associated with school finance, budgeting, financial planning, accounting, auditing, financial reporting, cash management, investments, debt management, grant management and the technology to maintain the efficient financial operations of the school district. The treasurer is responsible for maintaining the public trust in the financial integrity of the school district by following and complying with acceptable financial accounting, auditing and reporting procedures. The treasurer also must comply with state and federal laws governing school finances. Another essential role of the treasurer is to assist the district leadership with future planning by forecasting income and expenditures to meet the district's strategic plan. Therefore, the treasurer must remain knowledgeable of district contracts, bargaining agreements and program changes. The treasurer is regularly and systematically collecting and analyzing the financial data of the district as conditions change by employing current technology and software. The treasurer serves on the district records commission and must comply with applicable Ohio public records laws. Representative elements include**

- 1) Collecting, analyzing and interpreting financial data for budgeting, forecasting and decision-making.**
- 2) Effectively manages district financial accounts including cash, budgetary, debt service, revenue and grant management.**
- 3) Demonstrates knowledge, performance and accuracy of standard accounting practices, auditing procedures and accurate financial reporting.**
- 4. Demonstrates knowledge of and compliance with state and federal laws.**
- 5. Executes depository contracts with eligible banking institutions through established legal procedures consistent with the Uniform Depository Act.**
- 6. In Cooperation with the Superintendent and/or designee, develops and presents the annual budget, appropriation resolution and spending plan.**
- 7. Prepares Five Year Forecast with reasonable, clear assumptions for the superintendent's and board of education's review and file that plan with the Department of Education.**

**Local elements include the management of a myriad of financial tasks commensurate with running a 130 million dollar operation, including responsibility for deposits, purchase orders, payroll, invoicing and investment, as well as serving as our representative to city government regarding economic development and tax increment finance agreements.**

## COMMENTS

Most of the elements in Standard B concern themselves with the day to day mechanics of running a school district from a financial point of view. In this area, the Board believes you are doing an outstanding job. You clearly understand at a deep level school district and governmental finance, debt management and financial auditing and reporting procedures. You also understand state and federal laws and maintain compliance with both at all times.

In addition to all this, you understand and successfully navigate the regulatory landscape with regard to investments and you have enabled the district to save money through self-funded workers compensation and self-funded health care. You also took advantage of low municipal bond interest rates to refinance district debt. Finally, you successfully secured low cost loans through which the district has implemented energy saving facility projects totally paid for out of actual energy savings which cost the taxpayer nothing.

This standard also incorporates the statutory requirement to produce a five year financial forecast. This year, you produced two forecasts with a complete set of documentation that allowed our constituents full visibility into the financial well-being of our district at a 10,000 foot level. For those wanting more detail, you took the initiative to include Worthington's data in the Ohio Treasurer of State's checkbook initiative, essentially placing our checkbook online at no cost to our district.

A local standard tasks you with the safe, effective and profitable management of Worthington's investment portfolio, now totaling over 120 million dollars. Despite the zero interest rate environment that you are operating in, the investment portfolio still managed a comparatively decent return with no undue risk.

Another local element relates to our partnership with the city of Worthington. The Board appreciates the cooperative nature of our relationship and notes that other city school districts aren't always so fortunate. By negotiating TIF agreements, you are able to fashion win-win agreement that generate funds for Worthington Schools without hampering economic develop in the city.

The Board has limited visibility into your other myriad responsibilities that are identified by the standard, including processing purchase orders, invoicing and payroll, but we duly note that these tasks are obviously getting done in a timely fashion.

## **OVERALL GRADE: ACCOMPLISHED**

***C. COMMUNICATION AND COLLABORATION: The school treasurer communicates and collaborates effectively with the board of education, district leadership and stakeholders. The effective treasurer values communication with all stakeholders. Particularly, the treasurer has procedures in place to facilitate regular and direct communication and collaboration with the school superintendent and board of education. The treasurer establishes and values communication with school personnel and other engaged external stakeholders to communicate the district's strategic plan and collaborate to achieve the district's financial objectives and goals. The treasurer is able to communicate financial information in multiple formats using a variety of communication technologies. Representative Elements Include: 1. Demonstrates competence in the communication of financial reports to all stakeholders. 2. Communicates effectively and openly while demonstrating a willingness to collaborate with internal stakeholders and external stakeholders including media. 3. Responsible for providing support for external and internal auditing processes. 4. Is responsible for ensuring the actions of the Board are completed and any necessary filings are executed in the areas that include but are not limited to; employment, levy and bond issues, notifications to other entities of the board's actions.***

## COMMENTS

The Board of Education believes financial transparency and communications are important goals for your department and we are very appreciative of your efforts in this area.

While our financial affairs do not fall under much scrutiny this far out from a levy cycle, the written documentation your office produces offers enough transparency and detail to satisfy virtually any constituent. In particular, the annual budget blueprint, the five year forecasts, the popular annual financial report (PAFR) and the comprehensive annual financial report (CAFR), in addition to the monthly financial checkpoints all provide both the Board and our constituents a comfort level that our finances are not about to go off the rails in some unexpected way. In addition, the Board considers the column you provide to the district's quarterly mailer an important outreach to constituents who don't have a personal connection with our district.

In addition to these routine financial documents, your office made several significant modifications this year in an effort to improve transparency. The five year forecast now reflects actual state funding net of charter school deductions rather than the myth perpetuated by the state. The impact of charter school tuition was the focus of a Board Meeting that drew two members of the General Assembly both of whom left promising to introduce legislation to deal with the issue, and you were invited to assist in the drafting of that legislation.

The Board also places a premium on your ability to communicate with external stakeholders. The Treasurer's Advisory Committee met several times through the evaluation year and provided meaningful input on community expectations surrounding revenue matters as well as our facilities project moving forward. The Board continues to encourage you to find ways to make the TAC more inclusive of the totality of taxpaying residents by including members who don't necessarily have a connection to our district other than to pay taxes to it.

The Board encourages you to take advantage of the district's emphasis on social media as an important communication tool. While many residents still get their district news through the weekly paper or our quarterly mailer, many others get district news through official and unofficial Facebook, Twitter and Instagram accounts. A Tweet with a link to a new monthly report, blog post or school funding article would get more eyeballs in a more timely fashion than any of our current communications. It is perhaps the holy grail of Ohio School Districts that levies are seen as ordinary events in the financial lifecycle of the operation rather than a condemnation that the district has somehow squandered its funds. Frequent, transparent and accurate communications lead the path to this particular holy grail and we encourage you to continue provide these in a timely fashion.

Finally, as noted above, the Board acknowledges the difficulty in effective communications with 5 "bosses", all of whom have different requirements for financial information. We appreciate your outreach in this area but we note that in general, financial information must be proactively requested or accessed. A communication similar to the Superintendent's weekly "Happy Monday" report consisting of financial information that we need to know, or just interesting items from the finance department, might be helpful since we don't know what we don't know.

## **OVERALL RATING: ACCOMPLISHED**

### ***OTHER ITEMS OF NOTE***

Worthington City Schools is perceived, rightly so, as an educational leader in the state of Ohio and that leadership includes our robust participation in the many legislative and regulatory affairs that govern school district finances. As mentioned above, you are a recognized leader in this area having taught classes and held leadership posts for many years for statewide education groups. This year, the Board took special note of two projects with statewide significance that are worth mentioning in an evaluation.

Medicaid reimbursements to school districts are relatively new in Worthington. For many years, Worthington was not eligible or did not file to receive these payments, but as our Medicaid-eligible population increased, so did our ability to receive meaningful reimbursement from the federal government. Those reimbursements were put in jeopardy by a number of adverse regulatory rulings. When you first discovered this, you demonstrated leadership by meeting with state and federal regulators as well as members of the Ohio General Assembly. When no fix was forthcoming, you involved statewide organizations and eventually, you held a meeting in Worthington that was livestreamed to dozens of affected school districts across the state.

The management of the many constituent-run organizations that support our curricular and cocurricular programs is challenging for the volunteers that run them. By their nature, turnover is frequent in the management of PTAs,

Booster Organizations and other such entities. This year, you created a handbook that standardized the financial operation of these non-profits and provided much needed assistance in their creation and maintenance.

*NEXT YEAR*

The Board acknowledges that the financial calendar for school districts is cyclical and that the main part of your job is the day to day operation of running the district. That said, the Board anticipates you once again taking a leadership position in the state budget cycle on issues such as charter school deductions, cap elimination and other opportunities for revenue enhancement in our district. The Board anticipates that the facilities task force will require accurate numbers for a variety of possible scenarios, as well as a determination whether to utilize the OFCC.

As 2017 is a negotiation year, we look forward to your leadership in providing the financial data necessary for the collective bargaining process.

Finally, the Board anticipates an uptick in financial communications as we move towards possible operating or capital improvement levies (or both).