

# Lexington

11 Consecutive Years Ranked "Excellent"

## Staff Update

August 28, 2015

From the office of the Treasurer...

### All Staff

- Welcome back for another school year! We'd like to offer a special welcome to our new employees and long term subs:
  - High School: **Alyssa Crist, Jonathan (Tad) Davis, Alyssa Horn (High School and Junior High), Katherine Nixon, Rick Stephens;**
  - Junior High: **Rachel Frantz, Mark Hoover, Sarah Pearce;**
  - Eastern: **Amy Parker, Katie Rogers, Sarah Wentz, Lauren Pahl;**
  - Western: **Christa Pore, Angela Rietschlin, Benjamin Garrett;**
  - Elementary Guidance: **Lisa Zupan;**
  - Bus Mechanic: **Silas Clay.**

### Annual Section 125 Enrollment

It's that time of year again. Representatives from American Fidelity will be in District buildings meeting with all employees from September 28<sup>th</sup> through October 2<sup>nd</sup>. We will be sending out the schedule and sign-up sheets for each building once we receive American Fidelity's schedule approximately one week prior to their visit. Please remember, all staff must meet with a representative and sign the required documents. As an employer, we are required to have all employees sign a document to have their insurance premiums and Flexible Spending Account monies withheld as a "before tax deduction."

Additionally, as a reminder, in an effort to assist our employees with planning family medical needs, we have coordinated our Flexible Spending Account plan year with our medical/dental plan year of January 1<sup>st</sup> through December 31<sup>st</sup>.

### Student Activity Advisors

Within the next few weeks, student activity advisors will receive budget forms for fiscal year 2016. Please complete these forms timely and return to the Treasurer's Office.

Also, for any planned student activity fundraisers, please complete a Fundraiser Project Proposal Form prior to the anticipated fundraiser. Thank you for all you do to ensure the success of the various student activities throughout the District.

### Useful? Information:

Back-to-school shopping season is the second largest seasonal shopping period of the year in terms of consumer spending. The shopping season was expected to produce approximately 75 billion U.S. dollars in spending in 2015.

### Financial Communications:

**1) Percentage of Revenues Spent on Personnel Costs** – Personnel costs are the largest expense in any school district. We are a service organization, but we don't want staff costs to be out-of-line with revenues coming in each year. As previously discussed, a general guide to salary and benefit costs as a percentage of revenues is the following:

Tolerable – not to exceed 85% of Revenues  
Acceptable – 83% of Revenues  
Optimal – 80% of Revenues or less

Lexington Local School's Personnel Costs as a % of Revenues:

Fiscal Year 2011 – 91.9%  
Fiscal Year 2012 – 81.9%  
Fiscal Year 2013 – 75.6%  
Fiscal Year 2014 – 71.5%  
Fiscal Year 2015 – 70.9%

Note: As noted above, the optimal level for the percentage of salary and benefit costs is 80% or less. As with any such benchmark, other factors certainly play into a school district's financial health. Therefore, benchmarks should never be viewed in a vacuum but rather considered along with other important financial factors. However, the closer a school district operates within optimal benchmarks, the healthier it will be financially.

### 2) Overview of District Self Insurance Fund –

I recently met with CBIZ, our insurance consultant, to review the overall activity of our Self Insurance Fund for the year through June 2015. Below is an overview of Lexington Local School's Self Insurance revenue and expenditure activity for calendar year 2015 through June:

	Medical	Pharmacy	Dental
Ave Employee Enrollment	223	223	229
Revenue	1,476,798	265,452	100,245
Claims	1,567,639	351,863	97,406
Stop Loss Reimbursement	(296,493)	n/a	n/a
Fixed Costs	268,309	0	6,719
Total Costs	1,539,455	351,863	104,125
Net	(62,657)	(86,411)	(3,880)

This information provides a quick snapshot of the Self Insurance Fund through half the calendar year. While there are many variables and factors that will play into the Self Insurance Fund activity through the remainder of the year, this overview provides useful information as to the calendar year to date Self Insurance Fund activity thus far.

Wishing everyone an AWESOME school year!