

**Finance Committee Minutes**  
**August 13, 2012**

Meeting was called to order at 6:30 a.m. at the Pana Unit Office Board Room

Meeting was called to order by Clint Foor, Chairman.

Members present: Metzger, Beyers, Foor

Members absent:

Superintendent Present: Yes

Visitors: David Dively

The Committee discussed the following items:

1. *Approval of the Minutes from 06/18/2012.* Motion by Beyers; Second by Metzger.
2. *Review Projected FY12 End of Year Financials* – Dr. Lett reviewed the unaudited FY 12 year-end financial reports. He explained that the main reason that the budget needed to be amended was because of the transportation fund. The budget included 3 payments, but end with 2. The third payment was realized on 7/2/2012. Dr. Lett reported that historically the actual expenses have been approximately \$200,000 under the budgeted expenses. He indicated that this will be more difficult for 2013 because there isn't much margin in the budget. The unaudited numbers should be close to the audited figures.
3. *Review of FY13 Budget* – Dr. Lett reviewed the proposed FY13 Budget. Education Fund. Dr. Lett indicated that with \$350 - \$400,000 in increases for salary and benefits for both unions combined with lost revenues the budget will have a deficit again in FY13. GSA will be reduced by \$402,000 on top of the \$306,000 from last year. GSA will be prorated over 22 payments for FY13. In FY12, the last two payments were shorted. He also reported that CPPRT was \$40,000 less. Part of the reason for this is that cost for the ROE is now paid from this fund. The poor economy also is contributing to lower tax revenues. The total loss in revenues is projected to be \$502,442. The Education Fund budget deficit is projected to be \$1,099,318 with a projected fund balance of \$5.4 million

Operations and Maintenance – Budget deficit of \$34,171. Fund balance projected at \$1,039,612. Payments on QZAB bonds are contributing to the deficit. The \$50,000 matching maintenance grant is also a factor.

Transportation – Actual deficit is less than \$404,889 show on budget. The accounting procedures required for the new buses inflate this figure. Actual deficit \$276,615. For FY13, included the last two payments for FY12 and two payments for FY13 with a proration of 65%. It wouldn't be a deficit if we collected all of the payments. Budget includes the sale of 5 buses. Greatest concern for this fund because the fund balances will be consumed by the deficit in the next 2 years if it continues at the current rate.

The Municipal Retirement Fund is estimated to have a slight positive balance. Dr. Lett indicated that he had been reducing this balance down, but didn't plan to reduce it any further.

Fund 80 deficit is mainly due to higher legal fees than anticipated for the last year. Dr. Lett indicated that he plans to reconsider the current risk management plan to determine if the current percentage charged to this area could be raised from 10% to 15%. This could result in a possible \$80,000 reduction to the Ed Fund.

Dr. Lett explained that we are currently basically maxed out on the levy and that the district has to rely on EAV growth.

The Working Cash Fund has a projected positive balance of \$189,896. This fund will be used to help support the Transportation Fund if necessary.

Dr. Lett explained that because the district does have positive fund balances, it was not necessary to submit a deficit reduction plan. He also reviewed the Administrative Cost Cap worksheet that demonstrated that the increase in administrative costs was less than the 5% limit.

Dr. Lett suggested that the budget hearing be moved to September 24, 2012 in order to meet the 30 day requirement between putting the budget on display and adoption.

Dr. Beyers asked when we planned to have PMA come to report to the Board. After some discussion, it was agreed that it may be necessary to have them come to both a public meeting later in the year and a Finance meeting or Board Retreat.

4. *Kindergarten/1<sup>st</sup> Grade Positions* – The committee discussed the current enrollment numbers for Kindergarten and 1<sup>st</sup> grade. Dr. Lett explained that kindergarten basically has classes of 26 and 25 while first grade has classes of 25 and 24 students. The committee discussed the possibility of adding a teacher or an aide. After some discussion, it was decided to try the starting with the current staff to see how it works and if necessary add staff later.
5. *Other Financial Considerations* – Dr. Lett informed the Committee that Gary Ade is anticipating some problems with the transportation for away soccer games. The games start at 400 p.m. and they are concerned that they may not have enough drivers. It may be necessary for the district to provide transportation and the soccer program to reimburse for the cost.

Mr. Dively reviewed copier proposals prepared by TAP business systems. He recommended that the district lease 6 copiers (2 for each school, Washington, Lincoln, and Jefferson) to replace the current copiers. The monthly cost for the 6 copiers will be \$407.64 with .006 cents per copy charge for maintenance. After some discussion the Committee voted to support the leasing of the 6 copiers from TAP. A motion to that effect was made by Beyers and seconded by Foor.

6. *Next meeting* - October 11, 2012 at 6:30 a.m. in the Unit Office Board Room.

A motion was made by Beyers and seconded by Foor to adjourn the meeting of August 13, 2012 at 8:20 a.m.

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Member

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Member