

Finance Committee Minutes
June 6, 2013

Meeting was called to order at 6:35 a.m. at the Pana Unit Office Board Room

Meeting was called to order by Clint Foor.

Members present: Foor, Beyers, Metzger (had to leave at 7:45 a.m.)

Members absent:

Superintendent Present: Yes

Visitors: David Dively

The committee discussed the following:

1. *Approval of the Minutes from 1/17/2013.* Motion by Metzger; Second by Beyers.
2. *Review FY13 4th Quarter Financials* – Dr. Lett stated that an initial review of the financial reports indicated that the ending budget balance for FY13 may be better than expected. The FY12 deficit was \$450,000. It appears that FY13 may be in a similar if not better range for the deficit. He plans to spend more time on the figures to determine the difference between the current projection and earlier estimates. Part of the reason is that raises on salaries actually lag behind by two months. Transportation was also better than expected with the district receiving 3rd quarter payments. O&M appears to have a positive fund balance as well. However, the district will still have a budget deficit.
3. *FY14 Budgetary/Salary/Personnel Considerations* - Dr. Lett recommended that the non-union support staff receive the same 1.7% increase received by the union support staff members. The committee supported this recommendation.

Dr. Lett reviewed financial information for the administrative team for the committee to consider in determining the amount of raise that would be afforded to the administrators. After review of the information the committee recommended that the administrative staff receive the 1.7% increase afforded the teachers. In addition, Ms. Zueck would receive a 2% longevity increase. This is last longevity increase that administrators will receive.

Dr. Lett also provided information to the committee regarding potential administrative retirements. Previous administrators have been afforded the same retirement incentives as the teaching staff. The incentive was intended to protect the district from ERO penalties and to have staff members retire as soon as they became eligible to provide a savings to the district. The stipulation to make the election to retire to access the incentive as soon as you are eligible was removed from the last contract. The committee discussed the impact this could have and noted that they are not required to offer the incentive to the administrative staff.

Dr. Lett also informed the committee that it is his intention to retire in 4 years. He pointed out that both he and Ms. McRoberts would not qualify for the retirement incentive provided in the teachers' contract due to the fact that they would not have the 20 full years in the district. He presented two options for the committee to consider for administrators that don't qualify for the incentive. Option 1 was to afford half of the new contracted incentive (5%) over four years. This would amount to 2.5% or a total of 10% for the 4 years. Option 2 was to provide the same increase received by the teaching staff. For years 1 and 2 this would be 1.7% and 2.45%. The committee decided to support the first option for Dr. Lett. No decision was made in the case of Ms. McRoberts due to the fact that her retirement decision is a year away.

Dr. Lett presented information for the committee's consideration regarding options for clerical staff needs for FY14 due to the retirement of Brenda Riley and the need to provide additional supports for the Pana Education Foundation and the Unit Office. No decision was made on the high school position. Dr. Lett will continue to work on this. The committee felt it the best solution for providing

support for the Foundation and the Unit Office would be to add a part-time clerical person to do both jobs if a suitable candidate can be found.

4. *Other Financial Considerations* – Dr. Lett informed the committee that Lake Land College has requested that the district considered extending their lease for the 1 year option under the same terms and conditions described in the original lease agreement. Dr. Lett indicated that he was in favor of this with the understanding that the next lease agreement would build in some increases in the amount of the monthly lease. After some discussion the committee agreed to support this recommendation.

In addition, Dr. Lett shared information regarding the fees to be charged for FY14. In particular he explained that it may be necessary to raise the lunch fees as much as \$.25 in order to stay within federal reimbursement guidelines. He will work with Amy Christian to review this issue further and then bring the information to the Board. He also indicated that he was not in favor of instituting athletic fees at this time. This may be something that will need to be considered if and when the fund balances are further depleted.

The committee decided to schedule a 90 minute Board retreat prior to the September 16, 2013 Board of Education meeting for the purpose of determining the course of action to be taken in regard to Mr. Dively's retirement at the end of FY14.

5. *Next Meeting Date* – August 1, 2013 6:30 a.m.

A motion was made by Beyers and seconded by Foor to adjourn the meeting of June 6, 2013 at 8:40 a.m.

Member

Member