

Finance Committee Minutes
April 12, 2012

Meeting was called to order at 6:00 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 01/12/2012.* Motion by Beyers; Second by Metzger.
2. *Review FY12 Third Quarter Financials* – Dr. Lett reviewed the third quarter financial reports with the Committee. Revenue is 85.28% realized overall. Only small amounts of income are yet to be received. GSA will be prorated at 95% with 21st payment being approximately \$200,000 and no 22nd payment. Education Fund revenues are 81.86% realized. Expenditures are at 77.31% of budget (77.65% for Ed Fund). Dr. Lett expects expenditures to reach 95 to 100% of the amount budgeted. Fund balances should decline over the next 3 months resulting in an estimated deficit of over \$700,000.
3. *FY13 Budgetary & Personnel Considerations* – Dr. Lett reviewed several items in this area. He provided the Committee with information on FY12 retirements, potential replacements, and potential non-replacements. One additional consideration in this area is that the district may have an art position open. This raised the question as to whether or not this position should be replaced. Reluctantly, the Committee agreed that given the financial atmosphere (projected proration of GSA at 85%), the district should not replace the potentially vacant art position.

Dr. Lett shared information with the Committee on the health insurance increase for FY2012 and provided a comparison of the increase for FY2013. The positive news was that the increase for 2013 is projected to be a single digit increase rather than the 16.9% increase in 2012. Cost of the 2012 increase was approximately \$77,000. Insurance will be an area of concern when negotiating the next contract. The district will need to work with the union on this issue. Possible solutions include going to a different plan or having employees pay a portion for coverage. Leaving the trust is probably not an option because of the buyout.

Dr. Lett shared with the Committee that he had discussed the possibility of extending the PEA contract for 1 year and splitting the salary increase for the 5th year over the next two years with PEA President Paul Donahue. Dr. Beyers pointed out that this would in effect be a freeze of the teachers' salaries. Dr. Lett said that it would, but it would mean that their insurance would remain intact for another year. However, the PEA has decided against extending the contract.

Dr. Lett provided the Committee with information regarding raises for the administrative team and the non-union support staff for the 2013 school year. The members discussed this issue and expressed concern about the amount of the increase, especially for administrators, given the gloomy financial outlook. They asked that the information be included in the Board packet for April so that all of the board members could review it. Dr. Lett also provided a spreadsheet to the Committee regarding the replacement of the Cafeteria Manager. No action was taken on either of these issues.

4. *Other Financial Considerations* – Lori Ade presented information on leasing two conventional buses and 1 transit bus. Mrs. Ade recommended the proposal submitted by Central States for Blue Bird Buses with a 5 year bumper-to-bumper warranty. The net cost for the 3 year lease to the district would be -\$2,537.55 at an assumed reimbursement rate of 64%.

Mrs. Ade also provided the results of a proposal to lease purchase one transit bus and 1 conventional bus. Central States made the successful proposal for the transit bus with a 3 –year guaranteed cost of \$69,460.67. Ponder Equipment had the best proposal for the conventional bus with a 3 – year guaranteed cost of \$45,909.21. Both lease/purchase agreements would be financed through People’s Bank. A motion was made by Beyers and seconded by Foor for the Finance Committee to support the recommendations at the regular board meeting.

5. *Other Financial Considerations* – Dr. Lett indicated that he is planning on reducing the supply budget by 5% across the board. Should be a savings of approximately \$49,000. The Committee asked for a summary of the athletic budget and discussed the possibility of implementing athletic fees.
6. *Next Meeting Date* – The next meeting for the Finance Committee was scheduled for May 15, 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 April 12, 2012 at 8:18 a.m.

Member

Member