

MONTROSE AREA SCHOOL DISTRICT
FINANCE COMMITTEE MEETING
CHOCONUT VALLEY ELEMENTARY SCHOOL FACULTY ROOM
MEETING DATE JANUARY 3 2008 7:00 P.M.

Mr. Chris Caterson
 President, Board of Directors

Mr. Michael F. Ognosky
 Superintendent of Schools

Finance Committee Meeting

January 3, 2008 Meeting began at 7:00 PM in the in the Faculty Room of the Choconut Valley Elementary School.

Board Members present included Chris Caterson, Gloria Smith, Doug Wilcox, Kathy Mordovancey, Julie Humphrey, Pam Staats and Mary Homan.

Administrators present included Mike Ognosky and Lew Plauny.

Visitor present were Heidi Zenefski and her son.

The meeting began with a review of the Other Smaller Budgets led by Mr. Plauny.

- The review began with Other Smaller Budget expenditures for 2008-2009 of \$1,600,905 as compared to expenditures for 2007-208 of \$1,567,074, a difference of \$33,831.
- During the review a number of questions were asked by board members present and during the course of the discussion the following items were adjusted in the Other Smaller Budgets as presented:

| Page # | Budget Code | Budget Description | Original Amount Requested | New Amount Requested | +/- |
|--------|---------------------------|---------------------------------|---------------------------|----------------------|--------|
| 8 | 10-2310-000-00-01-000-010 | Board Services – Misc. Expenses | 5,000 | 0 | -5,000 |
| 13 | 10-2360-000-00-01-000-009 | Superintendent Staff Travel | 8,000 | 5,000 | -3,000 |

- The above adjustments resulted in a reduction in expenditures for 2008-2009 of \$8,000, or a new expenditure total of \$1,592,905.
- Other Smaller Budget expenditure total of \$1,592,905 for 2008-2009 versus expenditures of \$1,567,074 in 2007-2008 results in an increased expenditure total of \$25,831, or 1.6 %.
- In other discussion items regarding Other Smaller Budgets, Mr. Plauny will investigate the question regarding the need for an Act 1 mailing by the District for 2008-2009.

Mr. Plauny then continued with a review of the Salaries and Benefits portion of the expenditure side of the budget – the last of the areas to be reviewed in the Expenditure area.

- The review began with Salary and Benefit projected expenditures for 2008-2009 at \$14,978,583 as compared to the final approved budget of \$14,390,077 in 2007-2008, an increase of \$588,506, or, 4.1 %.
- Mr. Plauny reviewed the procedure utilized in moving all of the salary figures in relation to the salary schedule that now exists in the current contract and the fact that the 2008-2009 budget numbers represent a two year change in salary. During last year's budget cycle, due to the fact that the contract was in negotiations, the salary numbers reflected the 2006-2007 salary data.

- Mr. Ognosky explained that this is the one area of the budget that will need continued examination as it is the most extensive. The Board will meet again in March and review any changes made within the Salary and Benefits section and the ramifications that may have on the budget as a whole.
- Mr. Plauny explained that he entered benefits as an increase of approximately 13.1 % based on discussions with NEIU personnel. The Montrose Area School District is part of the NEIU Health Consortium and our rates are determined through that consortium.
- Mr. Plauny also explained that the PSERS rate is in the budget at 7.13 % (as recommended by the Department of Education) as compared to the 4.76 % rate recommended by PSERS.
- There were no changes made to the Salaries and Benefits document this evening.

With the completion of the Salaries and Benefits review the expenditure side of the budget has been presented in its entirety.

- In the 10 budget areas the total expenditures for 2008-2009 are \$23,200,642 as compared to a total of \$22,439,500 for 2007-2008, an increase of \$761,142, or 3.4 %.

Mr. Plauny then reviewed the Revenue side of the budget with the Board. The revenue is from three sources: Local, State and Federal.

- Total Local Revenue in 2007-2008 was budgeted at \$10,013,710 as compared to \$10,315,323 for 2008-2009, an increase of \$301,613. Local Revenue entered in the budget is based on actual revenue received from the last audited year. There was no increase in tax mills placed in the current proposed budget for 2008-2009. Tax mill rate would remain at 43 mills.
- Total State Revenue in 2007-2008 was budgeted at \$11,217,912 as compared to \$11,305,968 for 2008-2009, an increase of \$88,056. Due to the fact that the governor has not yet presented his budget for the next fiscal year, the Basic Education Subsidy does not reflect an increase. Historically, we have received an increase in the subsidy between 2 -4 % from the prior year.
- Total Federal Revenue in 2007-2008 was budgeted at \$870,187 as compared to \$882,234 for 2008-2009, n increase of \$\$12,047. Again, the major contributors to federal revenue have been entered at a zero increase for the next fiscal year.
- Total Revenue placed in the budget for 2008-2009 is \$22,741,975 as compared to \$22,334,009 in 2007-2008, an increase of \$407,866, or 1.8 %.
- Mr. Caterson requested that Mr. Plauny revisit the estimated revenue to be received from co-premiums received in the budget from the MEA.

A motion will be placed on the January board agenda to approve a preliminary budget of \$24.6 million for the 2008-2009 year.

Following the conclusion of the budget discussions, a few other items were also discussed and reviewed:

- Gloria Smith and Mary Homan have expressed a desire to attend this year's National School Board Association Convention in Orlando, Florida. Their attendance will be approved at the January board meeting.
- Doug Wilcox volunteered to complete the vacate term of Celeste Ridler on the NEIU board through June, 2008. This will be acted upon at the January board meeting.
- Mary Homan volunteered to serve as both the PSBA Liaison and the Alternate PSBA Legislative Representative.
- A discussion was held regarding the contractor request for consideration of an additional fuel subsidy for the 2008-2009 school year. It is the recommendation of the Superintendent that the Board not act upon that request at this time. Mr. Ognosky will place this as an informational item on the January 14th work session agenda.
- Mr. Plauny discussed an administrative request to supply each of the buildings in the district (4 in all) with their own postage machines in order to expedite the delivery of mail. This will be placed on the January 14th work session as a discussion item. All of the building administrators will be asked to attend to offer information regarding the request and Mr. Plauny will develop a detailed cost analysis on the request for the board's consideration.
- Mr. Ognosky reminded the Board of the various opportunities provided by the IU and PSBA for Board continuing education on various board governance issues. The list has been in the summaries the last few weeks and if you

would like to attend any of the sessions please contact Diane. Please refer to the previous summaries for information on each of the programs including date, time and location.

Meeting adjourned at 8:40 PM

Mike Ognosky

Mike Ognosky, Superintendent

Here is a summary of the budget centers with totals:

| Budget Center | 2007-2008 Final Budget | 2008-2009 Approved Budget | +/- | % |
|-----------------------------------|------------------------|---------------------------|-----------------|--------------|
| Choconut Valley | 194,074 | 196,395 | +2,320 | 1.2 % |
| Lathrop Street | 243,496 | 250,248 | +6,752 | 2.8 % |
| Technology | 501,063 | 514,557 | +13,494 | 2.7 % |
| Special Education | 1,259,456 | 1,254,216 | -5,240 | -0.4 % |
| High School | 636,501 | 654,208 | +17,707 | 2.8 % |
| Athletics | 375,078 | 417,738 | +42,660 | 11.4 % |
| Maintenance | 1,234,100 | 1,285,211 | +51,111 | 4.1 % |
| Transportation | 2,038,581 | 2,056,581 | +17,563 | 0.8 % |
| Other Smaller Budgets | 1,567,074 | 1,592,905 | +25,831 | 1.6 % |
| Salaries and Benefits | 14,390,077 | 14,978,583 | +588,506 | 4.1 % |
| Expenditures Total to Date | 22,439,500 | 23,200,642 | -761,142 | 3.4 % |
| Revenue Total to Date | 22,334,009 | 22,741,975 | +407,866 | 1.8 % |
| TOTAL TO DATE | | | -353,276 | |