

MONTROSE AREA SCHOOL DISTRICT

**FINANCE COMMITTEE MEETING
Via Zoom**

MEETING DATE FEBRUARY 8, 2022, 6:00 P.M.

Mr. Paul Adams, Co-Chairman
Mr. Richard Jordan, Co-Chairman
Mrs. Gloria Smith, Co-Chairman

Mrs. Michelle Lusk
Business Manager

Finance Committee Meeting

- I. February 8, 2022, Meeting began at 6:00 PM via Zoom
- II. Board Members present included Mrs. Mary Homan, Mr. Richard Jordan, Mr. Douglas Wilcox, Mrs. Gretchen Backer and Mr. Paul Adams
- III. Administrators present included Mrs. Michelle Lusk, Mrs. Christine Kresge, Mr. Eric Powers, Mrs. JoAnne McCain, Mr. Thomas Lonzinski, Mr. Craig Owens, Mrs. Connie Birchard and Mr. Christopher McComb
- IV. Attendees: Mr. Joseph Gilhool
- V. Public Present: None

Mr. Paul Adams began the meeting with an introduction of the agenda.

Mrs. Lusk began the meeting with old business. She reviewed fund balance for June 30, 2021. The board discussed the options to commit funds. All have agreed to commit funds in the amount of \$1,500,000 to pay off the debt in the amount as part of the June 30, 2021, audited financial statements. Mrs. Lusk also gave an update on the gas royalty money received to date. Gas Royalty income is not included in the revenue projections for next year.

Mrs. Lusk began her review of the overall district budget summary for the District. She began with an overall budget total for the district and then will review the individual budgets in future budget meetings. Mrs. Lusk discussed the resolution not to raise taxes above the index that was passed last month.

Mrs. Lusk gave a brief overview of the individual budgets including Facilities & Maintenance. There was a brief discussion relating to the need to forecast capital projects and the amount of funding needed in the 32 Capital Fund. Mrs. Lusk continued the budget conversation reminding everyone that each individual budget will be presented by the appropriate budget owner at their specific budget meetings that have been scheduled. We will revisit the usual items, including cyber charter tuition, vo-tech tuition, bus routes, personnel, etc.

Mr. Gilhool began his discussion with a details for his request to hire an additional football coach. The board agreed that with the large numbers of players and the rebuilding of the program that an additional coach needed to be hired. Mr. Gilhool then continued with a review of the Athletic budget. At the beginning of his review, the overall decrease will be offset by the hiring of the additional coach. Mr. Gilhool then led a discussion of the current athletic needs for a streaming agreement. All agreed to move forward with a 5-year agreement in the amount of \$20,000 to be paid with funds from the gas royalties. He presented the projected budget calculation for next year and addressed any questions that were presented to him by board members.

- The Athletic projected budget for 2022–2032 at the beginning of the meeting was \$211,450 as compared to the final approved budget of \$213,850 in 2021–2022, a decrease of \$2,400.
- Following the review of the budget the board members present indicated their satisfaction with the final document as reviewed.

Mr. Powers then reviewed the High School budget and addressed any questions that were presented to him by the board members. He discussed the methodology of each account review for budget amount requested as relates to the actual year-to-date numbers and the process of department head teachers in the budget process for departmental requests.

- The High School projected budget 2022-2023 at the beginning of the meeting was \$802,667 as compared to the final approved budget of \$921,926 in 2021-2022, a decrease of \$119,259. Mr. Powers discussed his process in reviewing the accounts.
- Mr. Powers discussed the projected decreased costs for our vo-tech students.
- Mr. Powers presented his request for the District to pay for dual-enrollment fees for students that are not covered by funding from The Community Foundation. Everyone agreed. An additional \$21,000 has been budgeted as sponsorships for next year.
- Mr. Powers will continue to review his budget requests, update as needed and will review the tuition expense budgeted for vo-tech again before the end of the budget process to project the anticipated enrollment for vo-tech. Mrs. Lusk will follow up with the board should there be any recommended budget changes for the High School budget.
- Following the review of the budget the board members present indicated their satisfaction with the final document as reviewed.

Mr. Lonzinski began the review of the Maintenance/Facilities budget and addressed any questions that were presented to him by the board members. He discussed the methodology of each account review for budget amount requested as relates to the actual year-to-date numbers and expenses to be incurred before the end of the school year.

- The Maintenance projected budget for 2022-2023 at the beginning of the meeting was \$910,139 as compared to the final approved budget of \$879,824 in 2021-2022, an increase of \$30,315.
- The increase in the budget is due to the increased in supply costs and the cost to replace the mowers for the District.
- Mr. Lonzinski expressed the need to purchase a scissor lift. This was added to his budget making the projected budget \$920,557 as compared to the final approved budget of \$879,824, an increase of \$40,733.
- Following the review of the budget the board members present indicated their satisfaction with the final document as reviewed.

Mr. Lonzinski will prepare to present to the board his 32 Capital Projects Fund project list containing many items that need to be addressed throughout the District. He will present this at the next Finance Committee meeting.

Mrs. McCain began with a review of the Transportation budget with an overview of the current transportation contracts and projected budget calculation for next year and addressed any questions that were presented by board members. Mrs. McCain answered questions proposed to her by the board pertaining to the transportation budget.

- The Transportation projected budget for 2022-2023 at the beginning of the meeting was \$2,246,630 as compared to the final approved budget of \$1,945,845 in 2021-2022, an increase of \$300,785. The increase is from the increase in the cost index for transportation. The District uses this index on the cost formula to calculate the contract amounts for our transportation contractors.
- There were no changes made to the proposed Transportation budget.
- Following the review of the budget the board members present indicated their satisfaction with the final document as reviewed.

Mrs. Lusk then discussed the overall balance budget of the District for 2022 - 2023, without an anticipated tax increase. She discussed the updated Budget Summary handout with preliminary projections. The overall deficit is \$643,871. When we apply the committed fund balance for curriculum in the amount of \$196,000, the revised deficit becomes \$447,871. During tonight's meeting, the Board agreed to pay off the debt with committed funds from June 30, 2021. Therefore, due to the early payoff, an additional \$509,702 will be removed from the budget for the July 2022 bond principal and interest payment. Also, based on the current financials for Food Service we agreed to remove the \$31,000 transfer from General Fund to Food Service. This changes the bottom line from a deficit to a surplus of \$82,412.

Mrs. Lusk then reviewed the overall status of the budget as of Tuesday, February 8, 2022, and open items for the budget process. As of that date, current expenditures projected for the 2022-2023 school year stood at \$27,647,199, an increase of \$257,965 over the 2021-2022 school year budget. At the beginning of the meeting, current revenue projected for the 2022-2023 school year stood at \$27,533,611, an increase of \$629,272 as compared to the 2021-2022 school year budget.

Mr. McComb and Mrs. Lusk answered several questions presented to them from the board. The next finance meeting is scheduled for March 22, 2022, 6:00PM via Zoom.

In conclusion, the budget meeting the current projected budget numbers for the departments that have been reviewed are as follows:

Montrose Area School District				
Budget Summary				
2022 - 2023				
		2022-2023 Budget	2021-2022 Budget	Difference '22-23 vs '21-22
Total Revenue		27,533,611	26,904,339	629,272
Budget Center		2022-2023 Budget	2021-2022 Budget	Difference '22-23 vs '21-22
Salaries & Benefits		20,544,605	19,965,798	578,807
Transportation - District Wide		2,246,630	1,945,845	300,785
Maintenance - District Wide		920,557	879,824	40,733
Choconut Valley Elementary School		95,018	95,018	-
Lathrop Street Elementary School		112,382	112,382	-
Special Education		723,200	723,200	-
Athletics		211,450	213,850	(2,400)
High School		802,667	921,926	(119,259)
Technology		460,205	460,205	-
Board / Superintendent		31,550	31,550	-
Curriculum *		196,000	196,000	-
District		1,128,046	1,637,747	(509,701)
Cafeteria Transfer		-	31,000	(31,000)
Capital Fund 32 Transfer		50,000	50,000	-
Title I Summer Camp		10,200	10,200	-
Title I & IV Federal Programs		39,689	39,689	-
Special Ed IDEA & ACCESS		75,000	75,000	-
Total Expenditures		27,647,199	27,389,234	257,965
TOTAL Over / Under difference		(113,588)	(484,895)	(371,307)
		Deficit Balance '22-23	Deficit Balance '21-22	
Deficit		(113,588)	(484,895)	
Use of Unassigned Fund Balance				
Use of Committed PSERS Funds			1,106	
Use of Committed Curriculum Funds		196,000	196,000	
Use of Committed Fund Balance			287,789	
Taxes - did not raise for '21-22				
Operating Deficit/Surplus		82,412	-	

The Board thanked Mrs. Lusk, Mr. McComb, and the administrative team for their work in the completion of their budgets and their efforts in bringing the Board the documents for review.

Meeting adjourned at 7:411PM and was followed by an Executive Session regarding personnel.

Michelle Lusk
Michelle Lusk, Business Manager