

**Finance Committee Minutes**  
**February 25, 2010**

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

Chairman Metzger called the meeting to order.

Members present: Metzger, Foor, Beyers

Members absent:

Superintendent Present: Yes

Visitors: David Dively, Paul Donahue,

The committee discussed the following:

1. Approval of the Minutes from February 4, 2010. Motion by Beyers; Second by Foor.
2. Review of FY10/FY11 Education Fund (Fund 10) Budgetary Issues. Dr. Lett reviewed several budgetary issues with the committee. Enrollment trends show a decrease in ADA which could result in \$100,000 loss in GSA. Projecting a slight increase from FY2011 to FY2015. Information was provided through a service that cost \$185. The district is set to lose \$185,000 if GSA remains level.

Dr. Lett reviewed a packet of information from PMA Financial Network. The packet provides history of the education fund. There was a significant increase in both revenues and expenditures in 2011 due to ARRA funds in the form of GSA, IDEA, and Title I funding. There was also an increase in expenditures due to increases in salary and benefits and the adding of positions. TRS increase is due to paying teachers and principals TRS. This has been phased in over 2 years for principals and 3 years for teachers. Dr. Lett reviewed the GSA worksheets. The worksheets reflected declining ADA and an increase in low-income students. Two scenarios were presented for GSA. If the Foundation rate is held level it could result in \$100,000 decrease in GSA. Foundation level reduced by \$612 would be a decrease of GSA by approximately \$815,000. Question remains as to whether foundation level will be reduced or prorated and by how much.

Dr. Lett reviewed a handout on proposed education fund reductions. These included a 25% cut in supplies and expenses. Also included a proposed 50% cut in district paid professional development. Dr. Lett suggested a discussion at the Board Retreat on the Board's attendance at the Triple – I Conference.

Dr. Lett also reviewed the staff reductions for the district which included retirements, reduction in certified staff, (one kindergarten section, 1 business education position), reduction in assistant coaching positions, and reduction in non-certified staff positions (Jefferson custodial position)

Other possible savings will come from the cap of the cash-in-lieu option, reduction of the Pre-K district supplant for FY2011 (\$17,047), and reduction in overtime.

Dr. Lett also presented some reduction in force information due to the uncertainty of grant funds. These included the RIF of 6 to 7 reading aides and the adult education staff. The intention would be to bring back as many of these employees as the grants will support.

Dr. Lett presented some information on the collection of athletic fees that was developed by Mr. Ade. The district would still need to waive fees for low-income students; therefore that amount collected would not be large. He indicated that he is not sure that the sports fee is the way to go and that the Board could have further discussion of this at the Board Retreat.

Dr. Lett presented information on his plan to utilize the Tort fund to pay for some expenses that are currently paid for from the Education Fund. This would not be a true savings but would maximize the use of the Tort Fund. Dr. Lett indicated that he felt a starting point was \$175,000 to \$200,000 in expense. He also added that the district's attorneys probably wouldn't recommend this but did indicate that it was legitimate under a properly designed risk management plan.

Dr. Lett shared with the committee that the IDEA ARRA funds used to supplant the Mid-State Co-op assessment will create about a \$200,000 hole for 2011. However, Mid-State may be able to make up some of this for next year.

3. Retirement/Job Realignment – Dr. Lett reviewed some options that he had developed for the replacement of Ron McMillen, Director of Transportation and Facilities for the district. The options varied in complexity. The committee asked which option was preferred by the administration. Dr. Lett indicated that it was probably Option 1 because it addressed more problems. He indicated that a decision was not necessary at this time and that it would be discussed further at the Board Retreat.  
Mr. Metzger left at 8:55 a.m.

4. Next Meeting Date – TBD.

A motion was made by Foor and seconded by Beyers to adjourn the meeting of February 25, 2010 at 9:20 a.m.

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Member

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Member