

MONTROSE AREA SCHOOL DISTRICT

**FINANCE COMMITTEE MEETING
ADMINISTRATION OFFICES**

MEETING DATE JANUARY 24, 2011 7P.M.

Mr. Chris Caterson
Chairman

Mr. Michael F. Ognosky
Superintendent of Schools

Finance Committee Meeting

January 24, 2011 Meeting began at 7PM in THE Administration Offices.

Board Members present included Chris Caterson, Pam Staats, George Gow, Kathy Mordovancey, Kristen Follert, and Mary Homan.

Administrators present included Mike Ognosky and Michelle Lusk.

Mr. Ognosky began by reviewing the status of the expenditure portion of the 2011-2012 proposed budget versus the final expenditure numbers in the 2010-2011 actual budget in the 9 areas reviewed to this point: Special Education Services, Transportation, Maintenance, Choconut Valley Elementary School, Lathrop Street Elementary School, Technology, Junior-Senior High School and Athletics. At the conclusion of those discussions, and with the changes made in those budgets based on discussions in the budget preparation meetings, the 2011-2012 projected expenditures in those areas are \$7,695,151 while the actual expenditures in those areas in the 2010-2011 budget are \$7,458,262, an increase of \$236,889, or 3.2%.

Mrs. Lusk then began the presentation of the new budgets with a review of the Salaries and Benefits budget and addressed any questions that were presented to her by board members.

- The Salaries and Benefits projected budget for 2011-2012 at the beginning of tonight's meeting was \$17,195,485 as compared to a final approved budget of \$16,597,303 in 2010-2011, an increase of \$598,182, or, 4%.
- Mrs. Lusk provided a general overview of the budget as follows:
 - ✓ The largest portion of the increase in the Salaries and Benefits portion of the budget was due to the increase of the PSERS employer rate of contribution from 4.2 to 8.6 % for the upcoming year – this reflects an increased dollar amount of approximately \$391,000.
 - ✓ The remainder of the increase was primarily due to an increase in the health insurance costs as well as the 3 % increase in salaries and wages to the employees.
- The following changes were made in the Salaries and Benefits budget and those changes are outlined in the chart below:
 - ✓ On page 7, the removal of the stipend for the Volunteer Coordinator position at Choconut Valley Elementary School at a cost of \$1,500.
 - ✓ On page 7, the removal of the stipend for the Volunteer Coordinator position at Lathrop Street Elementary School at a cost of \$1,500.
 - ✓ On page 10, the removal of the Long Term Substitute position at Lathrop Street Elementary School at a cost of \$26,500.
 - ✓ On page 10, the removal of the Long Term Substitute position at the Junior-Senior High School at a cost of \$26,500.
 - ✓ On page 42, adjusted the salaries and benefits allocations for an Emotional Support Aide position at the Junior-Senior High School at a savings of \$683.
 - ✓ On page 46, adjusted the salaries and benefits allocations for a Learning Support Aide position at Lathrop Street Elementary School at a savings of \$2,243.

- ✓ On page 91, adjusted the salaries and benefits allocations for a Custodian position at the Junior-Senior High School at a savings of \$8,884.
- ✓ On page 101, adjusted the retirement payouts of two retirees to accurately reflect amount to be received in the 2011-2012 at a savings of \$5,150.
- ✓ On page 9, reduced the amount budgeted for after school hallway supervision at the JSHS based on year to date actual expenditures for 2010-2011 at a savings of \$11,000.
- ✓ On page 11, reduced the amount budgeted for Teacher Aide Substitutes based on year to date actual expenditures for 2010-2011 at a savings of \$4,000.
- ✓ On page 59, reduced the amount budgeted for Homebound Special Education Services based on year to date actual expenditures for 2010-2011 at a savings of \$2,500.
- ✓ On page 63, increased the amount budgeted for Alternative Education Services at the JSHS based on year to date actual expenditures for 2010-2011 at an increase cost of \$11,000.
- ✓ On page 64, reduced the amount budgeted for Remediation Teacher Services at Choconut Valley based on year to date actual expenditures for 2010-2011 at a savings of \$1,000.

Page #	Budget Code	Budget Description	Original Amount Requested	New Amount Requested	+/-
7	10-1100-000-19-21-098-003 obj. 123	Volunteer Coordinator – CV	1,500	0	-1,500
7	10-1100-000-19-22-098-002 obj. 123	Volunteer Coordinator – CV	1,500	0	-1,500
10	10-1100-000-11-22-000-002 obj. 124	Long Term Sub – 1 st Grade – Lathrop	26,500	0	-26,500
10	10-1100-000-39-80-005-001	Long Term Sub – English HS	26,500	0	-26,500
42	10-1231-000-39-80-000-007	Salaries & Benefits – ES Aide – HS	12,935	12,252	-683
46	10-1241-000-19-22-000-007	Salaries & Benefits – LS Aide – Lathrop	14,495	12,252	-2,243
91	10-2600-000-39-80-000-006	Salaries & Benefits – Custodian – HS	47,349	38,465	-8,884
101	10-2835-000-00-00-000-010	Retiree Payouts – District	48,498	42,750	-5,748
9	10-1100-000-39-80-082-001	After School Hallway Supervision – JSHS	26,000	15,000	-11,000
11	10-1100-000-39-80-000-001	Teacher Aide Substitutes	8,000	4,000	-4,000
59	10-1430-000-39-80-000-001	Homebound Services – Special Ed HS	5,000	2,500	-2,500
63	10-1442-000-39-80-000-001	Alternative Education Services – JSHS	4,000	15,000	+11,000
64	10-1450-000-19-21-083-212	Remediation Services – CV	3,000	2,000	-1,000

- As a result of the changes in the budget made at tonight’s meeting, the Salaries and Benefits Expenditure allocation for 2011-2012 is \$17,128,103 as compared to the 2010-2011 expenditure allocation of \$16,597,203, an increase of \$530,900, or, 3.2 %.
- Mr. Ognosky reminded the board that this increase does not reflect any teacher retirements or other employee retirements at this time. As notification is given regarding retirements updated information will be provided to the Board regarding the savings generated through those retirements. The teacher notification deadline in regard to retirement is March 15th, per the current MEA agreement.
- Following the review of the budget the board members present indicated their satisfaction with the final document as reviewed.

Mrs. Lusk then presented a review of the Revenue portion of the budget and addressed any questions that were presented to her by board members.

- The Revenue portion of the budget shows a reduction in revenue generated for the 2011-2012 budget year of \$336,833. The reduction in the projection from the previous year is as a result of the expected decrease in state subsidies to be received by the District as a result of the change in governorship and legislative power. The District has reduced its revenue projections back to the 2008-2009 budget year – a reduction of almost \$500,000. The revenue projection for the District for 2011-2012 is \$23,985,142 as opposed to the revenue budgeted for 2010-2011 of \$24,321,975, a reduction of \$336,833 or, 1.4 %.
- In a comparison of Expenditures vs. Revenue as it is now projected for 2011-2012, the District shows that Expenditures are exceeding Revenues by approximately \$1.1 million.
- Mrs. Lusk and Mr. Ognosky will continue to review the data available, make adjustments to the current Budget Summary as in formation regarding retirees, potential state subsidy, PSERS rate, medical insurance costs and other budget data becomes available.
- Continued Finance Committee meetings will be scheduled as needed.

At the conclusion of the third budget meeting the current projected budget numbers for the departments that have been reviewed are as follows:

Budget Center	2010-2011 Budget	2011-2012 Projected Budget	Difference +/-	Percentage Increase/Decrease
Special Education Services	861,939	740,613	-121,326	-16.38
Transportation – District Wide	1,817,405	1,991,625	+174,220	+9.59
Maintenance- District Wide	1,212,912	1,094,959	-117,953	-10.77
Choconut Valley Elementary School	154,321	179,510	+25,189	+16.32
Lathrop Street Elementary School	177,864	208,266	+30,402	+17.09
Technology	598,024	614,316	+16,292	+2.72
Junior-Senior High School	748,491	841,668	+93,177	+12.44
Athletic Budget	196,560	187,705	-8,885	-4.73
Other Smaller Budgets	1,690,746	1,836,489	+145,743	+8.6
Salaries and Benefits	16,597,203	17,128,103	+530,900	+3.2
Total Expenditures	24,055,465	24,823,254	+767,789	+3.19

Meeting adjourned at 9:34 PM

Mike Ognosky

Mike Ognosky, Superintendent