

# RSU 13 Finance Committee Minutes

## May 9, 2013

	Finance Committee		Committee		Visitors
P	Darryl Sanborn, Chair	P	Don Robishaw	P	Tess Kilgour, Board Chair
P	Sherm Hoyt	P	Christine Curtis		
P	Arvilla Collins	P	Scott Vaitones		
		E	Lewis Collins		
P	Present	A	Absent	E	Excused

### Agenda

#### 1. New Business

- a. Tess Kilgour started the meeting by saying that the Board reorganization takes place in July and at that time she will be recommending Don Robishaw as Chair of the Finance Committee. She went on to review the role of the Finance Committee and stated that the Committee needs to be looking at the broad picture, but at the same time paying attention to trends without being micro managers of the day to day budget.

It was noted the District's financials are audited every year by an outside independent auditing firm and the June 30, 2012 audit showed no material weaknesses.

Scott suggested that if an area of concern starts to emerge during the year, that the Committee ask the Business Manager for a separate report out on that area each month.

- b. Signed Warrants

#### **April General Fund Revenues & Expenditures Reviewed the April General Operating reports**

**Don Robishaw submitted the following questions with *Scott Vaitones' responses after each in italic print:***

A lot of line items are in danger of overspending if not already overspent. I also feel a couple of articles will be overspent also. That is providing we don't have any additional State cuts or any major money items that are unforeseen.

***Scott's response: There are and always will be some lines that will be overspent and many that will be underspent in a budget this complex that was developed a year ago. It is important to look at all the related accounts such as all the supply accounts and see what the whole picture looks like not just one small sub-section. As for articles that will be overspent, there is a slight possibility that the Transportation Article may be overspent by year's end. I don't have any concerns about any other articles.***

1. Teacher sub lines salaries: Cushing 8.96% left, GB (23.08%) over, OH (0.03%), South (52.36%) over, St. G (0.46%) over, Alt. Ed K-8 (172.43%) over, Alt. Ed 9-12 (314.18%) over, ESL teacher (55.59%) and their entire lines are overspent (26.80%). Several of the Benefit

lines are also going to be overspent. This is troubling with 1 1/2 months left before school is out.

**Scott's response:** *I have expressed concern all year about the cost for subs and the fact the line would be overspent by the end of the year. When all sub lines are looked at, it will be very close by the end of school in terms of being under or overspent.*

2. Books, Periodicals, and Instructional Supply lines. Throughout the budget for lines which were frozen, watched to gap the \$151,000. State cuts, they are in most cases spent or in some cases overspent. Where will the "shortfall" money come from?

**Scott's response:** *It is important to look at all the related accounts when looking at all of the book and supply accounts there is currently an unspent balance of \$56,000. We had projected to freeze \$40,000 from these lines to cover the mid-year State subsidy cuts. We had projected to have an under expenditure in Special Education of about \$120,000 and we will meet that target and more.*

3. Teacher salary lines for the following schools will probably be overspent or are in danger of being overspent by the end of June. LL, OH, RDMS, St. G, OSH-E, Alt. Ed K-8, (ESL 9-12). Will the \$31,865. be enough to cover these lines?

**It is important to look at all the related accounts as of April 30, 2013 we have paid 21 of the 26 payrolls for the year. This equates to 80.77% of the year complete. We have spent 80.77% to date. Exactly on target.**

4. Guidance lines are also very low in the following schools. RDMS, SS, OSH-E.

**Scott's response:** *Target is 80.77% spent and we have only spent 78.89%, the overall guidance accounts are in good shape.*

5. Library, do the library media salaries based on school year or 12 months like all other teachers?

**Scott's response:** *The librarians are paid in 26 payrolls as they are under the teacher contract.*

Salaries in the following schools are very low, CCS, GB, LL, SS, St. G, OSH-E, OSH-W.

**Scott's response:** *It is important to look at all the related accounts as of April 30, 2013 we have paid 21 of the 26 payrolls for the year. This equates to 80.77% of the year complete. All library accounts are at 84.59% spent. However, there were two retirements from last year that had payments in this current year that were paid out in July and inflated the cost. This group of accounts may have a \$5,000 +/- overrun by the end of the year.*

6. On page 25, 26 under Instruction Staff K-8, the last report from the end of February listed the total line as \$6,444, 12.78% remaining. April's report for the same line listed as \$6,557 13.01% remaining. What created an increase in this line after an additional two months have passed?

**Scott's response:** *This is an adjustment of \$113 in an overall budget of just under \$27 million. This is micro managing the Superintendent and Business Manager.*

7. Why are Administrator benefits lines being overspent or will be before the end of June, in the following GB (\$1,064), St. G (\$2,508), SS only has \$8,190, remaining in salary, and the benefit line is over spent by (\$2,751)?

**Scott's response: It is important to look at all the related accounts as of April 30, 2013 we have paid 21 of the 26 payrolls for the year. This equates to 80.77% of the year complete. The administration lines for the schools are at 77.87% spent. The accounts are in good shape overall.**

8. Transportation Article 7. The driver salary lines are overspent by (\$18,525). I see we have a lot left in the Sub lines; will this cover the last 2 months of school?

**Scott's response: Yes**

Contracted transportation lines are overspent at the end of April by (\$42,853). We seem to be averaging \$5,481. a month. I am glad you made adjustments and added some money to these lines in next year's budget.

**Scott's response: This area continues to be difficult to forecast with a number of out of district placements of students.**

Line 5810, bus loan principal is overspent by (\$65,947), I would guess it was the third bus purchased that was not budgeted for? When do we get the money back for these three busses we purchased from the State? If not in this budget year this will contribute to the Article being overspent with only \$90,518 remaining. This will make this article approximately (\$133,246) overspent for the year.

**Scott's response: The 3<sup>d</sup> bus has been paid for and we will be receiving a check this week from Gorham Leasing Company that will be applied as a credit to this line bringing it back to the budgeted amount for the year.**

9. The maintenance for the district is in trouble of overspending. It appears we average approximately \$194,581 a month in expenses. With only \$152,112 left for the year. Are there any ongoing projects being done or see being completed in this budget? The contingency account doesn't have enough to cover expenses through the end of the year.

**Scott's response: It is important to look at all the related accounts. Much of the maintenance is spent in July and August and in heating oil and snow plow contracts. As of April 30, 2013 the year (vs. payroll year) is 83.33% complete. The maintenance budget is 84.00% spent with all the major expenses already paid. This account group is in good shape**

10. Custodial service in LL is overspent by (\$1,719) at the end of April. Do you feel there will be enough in the rest of the district to get through the end of June?

**Scott's response: As of April 30, 2013 we have paid 21 of the 26 payrolls for the year. This equates to 80.77% of the year complete. The custodial accounts are 73.10% spent. The accounts are in very good shape.**

Scott:

Scott, do you have a general feeling of how much the budget will come in under the budgeted amount?

**Scott's response: It is very difficult to project at this point in time. I am confident that expenses will come in at least \$100,000 below budget at this point.**

## 2. Other Business

### a. Set Goals:

The Finance Committee needs to do long range planning to include:

- i. The Budget
- ii. Insurances
- iii. Impact of the 5<sup>th</sup> and final year of the funding equalization
- iv. School consolidation
- v. Auditing services

Next meeting: June 13<sup>th</sup> - Don Robishaw will be away and Arvilla Collins will Chair

Adjourned 7:30 PM