

School Administrative District No. 53

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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Budget/Finance Committee

Minutes

9/29/09

Members in attendance: B. Poirier, J. Laux, M. Hodgins, business manager L. Glidden, Superintendent Gallagher

Item 1. Review of July and August Expenditure Reports – Lori Glidden had prepared the expenditure reports for July and August. The committee review indicated that there was one area of over expenditure, Package Insurance. This over expenditure of \$535 will not increase through the year, since it is paid only once annually. The reason the budget line was over-expended is that there were some additions to the costs based on outbuildings that had not previously been included in the insurance billing. Additional insurance charges beyond the over expenditure were removed as a result of Mrs. Glidden's work with the insurance company.

Item 2. Review of Monthly Budget Calculations Chart – It was noted that the percentage of the budget expended through August 31, 2009 was higher than any of the previous three years. It was twenty-nine one hundreds of a percent (.29%) higher than last year which was the highest percentage over the past three years. Since this higher percent of expenditure was noted prior to the meeting it was decided to complete a preliminary run of expenses during the month of September to see if the higher percentage carried through to another month. The percentage for September was twenty-eight one hundreds of a percent higher than the highest percentage during the past three years. One probable reason is that no purchases were made out of the 2008-09 budget at the end of the fiscal year that were for items budgeted in the 2009-10 budget. Although this practice has occurred in past years, last year's budget had been frozen in an attempt to have a larger unexpended balance at the end of the year. Additionally some of the teachers employed had more experience and were higher on the salary scale than what was budgeted.

Item 3. Other - Business Manager L. Glidden also shared with the committee that the FY 2008-09 budget was under expended by \$396,263 at the close of the budget year on June

30, 2009. This was a direct result of the freeze that was placed on all but essential expenditures last year.

Additionally the committee discussed the idea being floated at the legislative level of furlough days for district staff as a means of saving funding as opposed to a curtailment which potentially/likely could mean layoffs this school year. If this idea is found to be legal (the legality of breaking local bargaining agreement contracts) the estimated savings per day would be approximately \$23,500. If curtailments occur, the guidance that we are now receiving, indicate that they would be about the same as last year, approximately \$85,000 less than what we expect to receive in state funding. However, some estimates of revenue shortfalls are approximately three times greater than the amount of shortfall last year. Obviously if our curtailment was in the range of a couple hundred thousand dollars it would require some significant considerations to reduce costs.

The discussions at the DOE are to use district staff development days first for the furlough days. However, by the end of October, the district will have used five of the seven in-service days in our calendar. It was suggested that perhaps the district could use additional CIPS1 funds to still hold district in-service even during a furlough day to continue to pay staff. If furlough days become a reality this idea would be explored. The committee also discussed the district's two other large contracts. It would seem that the bussing contract and the contract with MCI would still need to be honored.

Being no further business the committee adjourned at 6:00 P.M.

Respectfully submitted,

Michael A. Gallagher