

MONTROSE AREA SCHOOL DISTRICT
FINANCE COMMITTEE MEETING
JR/SR HIGH SCHOOL COMMUNITY LEARNING CENTER
MEETING DATE MAY 4, 2010, 8 P.M.

Mr. Chris Caterson
Chairperson

Mr. Michael F. Ognosky
Superintendent of Schools

Finance Committee Meeting

I. May 4, 2010 Finance Committee meeting began at 8:15 PM in the Community Learning Center of the Junior-Senior High School.

II. Board Members Present: George Gow, Chris Caterson, Gloria Smith, Doug Wilcox and Mary Homan.

Administrators Present: Mike Ognosky and Michelle Lusk

III. There were no items under Old Business discussed this evening.

IV. The following New Business items were discussed:

- **Review of the current status of the 2010-2011 Budget:** Michelle Lusk reviewed the status of the 2010-2011 budget with a review of the changes since the March budget meeting. The latest recommendation in regard to next year's budget is the reduction of staff at Choconut Valley by not posting, or replacing, the kindergarten position that resulted from the transfer of a kindergarten teacher to a 5th grade position. The kindergarten registration process at Choconut Valley has just been completed and there are 30 students registered for kindergarten for next year. That results in the need for only 2 kindergarten teachers. With the removal of that position from the budget, the current projected expenditures for 2010-2011 are now at \$24,601,978 while the projected revenue is at \$24,531,900 – an expenditure over revenue number of \$70,078. There are still a number of factors that could bring those numbers closer together and Michelle will continue her weekly updates to Mr. Ognosky and the board as the process continues toward the final approval of a 2010-2011 budget in June.
- **Setting of the Preliminary Budget Motion for the May Board meeting:** Michelle will develop a motion that sets our May Preliminary Budget approval at the current expenditure number of \$24,601,978. This is only a preliminary budget number as the final budget will be approved in June.
- **Presentation by PNC regarding refinancing:** Dave Payne, representative of PNC Bank, reviewed the current status of our refinancing and the need to add a motion to the May agenda in order to complete the refinancing as presented in April. Currently, the market conditions are not favorable for the 2 % interest that is required in order for us to complete the refinancing. Dave believes that the market conditions will change and improve to the extent that we will be able to do so. The concern he has is that when those conditions are right, we will need to move quickly in order to take the necessary steps to complete the refinancing. With that in mind, he is asking that the board approve a "Parameters Bond Resolution" that will allow for the district, utilizing signatures from the Board President and Business Manager, to complete the transaction in a timely fashion. We would do so only if the market conditions are such that the district is guaranteed the 2 % interest that is required for the savings desired. After the presentation, the board members present directed the administration to place such a motion on the May agenda for action. Dave also reviewed the current rating status of the district following a study conducted by Standard and Poor's. The results of that study and the rating provided by S & P was an "A+". In our last bond actions our rating was an "A". The improved rating was a result of our current financial status and operations. Dave commented that there are only about 20-30 districts in the state of Pennsylvania with a higher rating than the "A+" rating we were given.

V. Open Forum: There were no items presented during the Open Forum.

The meeting adjourned at 8:50 p.m.

Mike Ognosky

Mike Ognosky, Superintendent