

MINSTER LOCAL SCHOOLS  
NOTES TO 5 YEAR FORECAST  
JUNE 30, 2009  
MARCH UPDATE

1. Real Estate: Average increase due to new construction rates. Tri-ennial update occurred in 2008 with an average increase in market values of 7.8%. This increase equates to approximately \$33,000 due to the inside millage. New construction on residential properties adds approximately \$55,000 per year given current building trends. CAUV values also increased 3 times what it was.
2. Personal Tangible: Reduction due to phase-out. In 2010, remaining collection is on PUPP values only as equipment, F&F, and inventory will no longer be valued in calendar year 2009. 2009 amount based on actual received in October 2008 and that the PUPP amount received in March will equate the amount received in August 2008.
3. Income Tax: .5% passed in November 2006 with collections beginning in April 2007. Full amount will not be realized until fiscal year 2009. the July 2008 settlement was \$130,000 causing the total first cycle to be much higher than estimated by the Department of Taxation. After 2009, estimate decrease in income due to the state of the economy with many local employers reducing hours worked by employees or lay-offs and losses on investments in the marketplace. Will need to compare settlements with the first year to see how the market is affecting Minster Local. Includes a 1% income tax levy in calendar year 2011 being placed on the ballot.
4. Unrestricted Grants: increase in 2009 and thereafter due to receiving PT offset with declining valuation on the SF-3. ADM appears to be similar to FY08 despite the large class size of grades 1 and 3 and many move-ins—February count will be larger in FY2009 but that is only counted at 25%. Reduced future K enrollments to 64 per year. Minster is no longer on the guarantee but on the formula. Enrollment estimated to decline and valuation estimated to increase after triennial update in FY2012 but offset by the reduction in personal/tangible values. More of the CAT tax replacement dollars to come from the offset in the SF-3. State per pupil aid is flat-lined for FY2010 and FY2011 with an optimistic increase of 1% in FY2012 and FY2013. No anticipated decrease in FY2009 state aid.
5. Restricted Grants: Includes career tech and gifted identification supplement.
6. Property Tax Allocation: Includes homestead and rollbacks as well as direct payments of PT loss reimbursements. Amount of direct payments begins to decrease in FY2009 with a large portion being offset in the foundation and again in 2012 when the direct payment portion begins to be phased out. Any increase is due to the new homestead amounts given to residents 65 years of age and older—this is netted against any decrease in real estate taxes.
7. All Other Revenues: No change assumed in open enrollments. Other items include student fees and interest. Interest rates decreasing due to the current market.
8. Operating Transfers-In: Increase in FY09 is increased due to higher-set aside for textbooks and instructional materials established by the state.
9. Personal Services: Increase due to hiring lesser experienced teachers in place of 4 retirees and 2 mid year resignations. Includes a 3% in FY2009 and 2.85% in FY2010 and a 1% increase each year thereafter on salaries with the actual step

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- increases per year based on current staff levels. We also received Title I which allows for one teacher's salary to be offset from the general fund in the amount of \$23,000 and the additional aide for Title IIA. Includes the elimination of various positions in FY2010 & FY2011. Includes hiring an additional teacher for one year and replacement of 1 retiree in FY2009.
10. Employees' Retirement/Insurance Benefits: 15.5% increase on change in salaries as well as additional insurances (all currently selected family PPO plans). Actual increase in PPO plan for CY2009 was 6.5% increase with a 10% each year thereafter and employees paying 6.5% in CY2009, 7.5% in calendar year 2010, and 10% in calendar year 2011 and thereafter. Includes elimination of various positions.
  11. Purchased Services: Increase in natural gas level billing, increase in legal fees due to negotiations, decrease in post-secondary option fees assessed in FY09 for FY08—decreased number of students in PESOP, increase in excess costs due to paying 4<sup>th</sup> quarter billing for FY08 in FY09, all FY09 excess costs in FY09 and a decrease in Title VIB which was used in part to pay for excess costs. Includes an estimated natural gas true up savings of \$15,000 and elimination of professional development.
  12. Supplies and Materials: Increase due to purchase of math curriculum textbooks and kits district wide and a reading trial program for grades 5 & 6 as there was no set curriculum in the past for this. We will receive credit for that in FY2010 for making the purchase in FY2009. Average increase thereafter—next year language arts are on the replacement cycle. Includes elimination of language arts textbooks and reduction of supplies budget in FY2010 and purchase ½ of LA textbooks in FY2011 and remainder in FY2012.
  13. Capital Outlay: Decrease due the purchasing of a new bus in FY08 and freezing other purchases mid-year for 2009. Reducing purchase of hardware in FY2010 of \$32,100 but spending in FY2011.
  14. Other Objects: Fluctuations from year to year due to the 2 year audit cycle. We are being audited in FY09 for FY07 & FY08.
  15. Operating Transfers-Out: Increase due to establishing the 035 fund with the severance plan adopted in October 2007—transferring \$7000 per month during FY09. No transfer to 035 after 2009 as the fund will be re-evaluated at that time. Also includes the state textbook set-aside (equals Transfer-In amount in revenue).