

Plum Borough School District

Finance Committee Meeting Minutes for July 16, 2013

Plum Borough School District Finance Committee Meeting Minutes July 2013

MEETING DATE: July 16, 2013

LOCATION: Plum Senior High School Cafeteria Conference Room

PRESENT:

- **Committee Members:** Mr. Dowdell, Chairperson; Mr. Zucco, Committee Member
- **Board Members:** Mr. Colella, Mrs. White, and Mr. Drake
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, and Dr. Rossi
- **Solicitor:** Mr. Price, Solicitor, Andrews & Price LLC
- **Invited Guests:** A. RBC Public Fund Services (PSD) and B. Kelly Educational Services

I. Call Meeting to Order. Mr. Dowdell called the meeting to order at 6:00 PM

II. Citizens Comments:

- A. On agenda items: None
- B. On non-agenda items. None

III. Invited Guest:

- A. Representatives from RBC Public Fund Services (PSDLAF), the District's Investment Management Firm discussed the Public School Code 440.1 regulations that regulates the allowable investments for school districts current investment performances, etc..
- B. Representatives from Kelly Educational Staffing Services will discuss substitute staffing fill rates for 2012-13 and their proposal for 2013-14. The Board previously recommended a performance based agreement for consideration and Kelly Services indicated that they will not change the pricing structure for 2013-14 because it conforms with their national agreements and that they do not charge the District any fees if a vacancy is not filled. Discussion occurred regarding the number of absences by the various employee groups and Kelly Services fees.

IV. Agenda Action Item Discussions:

- 1. **Treasurer's Report:** Committee was presented with and reviewed the Treasurers' Report for the month of June 2013. Mr. Zucco had questions regarding the balances of the GOB and Post War Capital Reserve Funds. Mr. Marraccini had prepared and presented a Summary of Investments for the Fund 30 accounts showing the total, allocation projected for the New Holiday Park Project and estimated balance that could be used for the Capital Projects over the next 5 to 10 years. Mr. Zucco commented that the Summary clarified his question.

Committee Recommendation: Move to Public Agenda

- 2. **Budget Transfers:** Mr. Marraccini indicated that budget transfers were under review and will be sent to the board, if any, before the public meeting.

3. Approve two (2) Resolutions for the Eastern Area Special School Joint Committee (a/k/a Sunrise School). Mr. Marraccini provided copies of a Resolution to approve balloting by mail and another for the school's 2013-14 General Operating Budget.

Committee Recommendation: Move both To Public Agenda

4. Approve four (4) PlanCon Part-K submissions. Mr. Muscatello of Boenning & Scattergood prepared the four (4) PlanCon Part-K submission documents for the refinanced General Obligation Bonds (GOB) series (Series A, B, C and D of 2013). Mr. Marraccini indicated that PDE will recapture their share of the savings through reductions in future sinking fund subsidies.

Committee Recommendation: Move All To Public Agenda

5. Approve GASB 45 Valuation of OPEB (retiree's benefits) report for the FYE June 30, 2013 and June 30, 2014. Hawley Consulting Group prepared and presented the report for the Board's review. This report calculates the future liabilities for retirees' benefits. It is required and becomes incorporated as a part of the Annual Financial Reports.

Committee Recommendation: Move To Public Agenda

6. Approve extension of School Physician's Agreement with Premier Medical. Dr. Crossey's office agreed to an extension for his services at the 2013-14 rate. ***Committee Recommendation:***

Committee Recommendation: Move To Public Agenda

7. Approve extension of School Dentist's Agreement with Dr. Stepnick. Dr. Stepnick agreed to extend of his services for the 2031-14 school year at the same unit price – no increase.

Committee Recommendation: Move To Public Agenda

8. Approve L R Kimball's proposal for additional redesign work for the installation of water boosters and fire pumps for the New Holiday Park School in the amount of \$24,750. The Committee was presented with LRK's proposal for redesign work necessitated by the discover of low water pressure conditions at the old AS site.

Committee Recommendation: Move To Public Agenda

V. Informational Discussion Items:

1. Real Estate Tax Collector's Report for the month of June 2013. Committee was provided with the Real Estate Tax Collector's Report that shows nearly a 100% collection of the budgeted amount for 2012-13.

2. Current and Delinquent Earned Income Tax (EIT) Reports for June 2013:

A. The Keystone Collections Group's Earned Income Tax Collection Report through June 2013. Their report shows and District's records confirm collections are greater than budgeted for the 2012-13 school year. Mr. Marraccini noted that the July and August current EIT collection are credited to the April – June 2012 quarter and 2012-13 FY.

B. Delinquent Earned Income Tax Collector's Reports for the month of June 2013. The report shows below average collections for delinquent accounts the FYE June 30, 2013. Committee inquired as to when the delinquent accounts can be turned over to another collection agency.

3. **Review Revenues and Expenditures Comparison Graphs for the month of June 2013.** Committee reviewed information. Mr. Marraccini explained the 2012-13 expenditures will include the teachers' payroll and related payroll taxes through the end of August 31, 2013.
4. **School Physician Group and School Dentist Agreement update.** Both agreed to continue their agreements with the District for the 2013-14 school year at no increase in cost. Committee authorized Mr. Marraccini to offer three year agreements. *This will be moved to the Action Item Section of the Public Agenda.*
5. **Request For Proposals (RFP) updates** – Business Office is in the process of preparing RFP's for the following professional services:
 - A. **Financial Management Services** to manage GOB proceeds and District General Fund Operating Fund investments in accordance with 440.1 of the PA School Code.
 - B. **Broker of Record for Insurance Services** for General Liability, Workers' Compensation Insurance, Vehicle Coverage, etc. for the 2014-15 fiscal year.
 - C. **Auditing Services** for FYE June 30, 14 and beyond. It was noted that Hosack, Specht, Muetzel & Wood LLP agreement was extended for the 2012-13 fiscal year audit and that a RFP will be prepared for 2013-14 fiscal years and beyond.
6. **Insurance claims update:** Mr. Marraccini update the Committee regarding outstanding damage claims as follows:
 - A. **Baseball Field Damage:** Gleason Agency was contacted by the Business Office and an insurance damage claim was filed with Ohio Casualty for wind damage for the High School Baseball Field Outfield Fence.
 - B. **Center Elementary Storm Water Damage:** Exploratory work has started at Center Elementary for the storm water pipes damage. The insurance company assigned an outside engineering firm to review the damage to determine coverage. Mr. Marraccini, Mr. Holleran and Mr. Brewer observed the damage on July 17th and it appears more than anticipated.
7. **Discuss General Obligation Bonds (G.O.B) eligible projects.** The Board sought clarify if extension of fencing and purchase of pre-fabricated ticket booth for High School Stadium complex would be qualified capital expenditures. Both items have a useful life of more than five years and are deemed as capital projects, and were confirmed by Mr. Pastel, Bond Counsel. *This is a carry-over item from the recent Facilities Committee Meeting.*
8. **GOB borrowing and refinancing savings.** Based on information from Mr. Joe Muscatello, the District would have loss \$2,500,000 in savings hadn't the Board executed on the new bond borrowing and refinancing when they had, versus today's market rates. Additionally, Mr. Marraccini prepared a spreadsheet showing how much funds the District has for capital projects and improvements. After setting aside \$18,200,000 for the New Holiday Park project, it is estimated that \$8,472,805 (plus accrued future interest earnings) for the other capital improvements items outlined for the next 5 to 10 years, which was estimated in the \$8.4 million range.
9. **Capital Improvement List for next 3 to 10 years.** A list of recommended capital improvements was presented to the Board. Dr. Glasspool indicated the list will be updated and represented in

October 2013. It appears there is currently enough funds to do the projects without any additional borrowings.

10. **LR Kimball's (LRK) Proposal for Additional Professional Design Services for Water Booster and Fire Pumps at the New Holiday Park Elementary School.** It was discovered that the water pressure that supplies the new school does not have enough pressure and a redesign by LRK is necessary at a cost of \$24,750. Dr. Glasspool and Mr. Russo met with Borough representatives and it was determined that no external matter could be corrected to avoid the addition of water booster equipment. LRK agreed not to charge a percentage on the cost to purchase equipment and installation of these items to avoid double charging. *This will be added to the Action Item section of the public agenda.*

VI. New Business Roundtable.

1. Agreement updates for School Physician and School Dentist.

Mr. Marraccini informed the Committee that the three year agreements with Premier Medical Associates - Dr. Crossey, (school physician) and Dr. Stepnick (school dentist), expires on June 30, 2013. The Committee indicated they were in favor of continuing both agreements. Administration will contact both to discuss their term and fees. This will be added to the Action Item section of the public agenda.

VII. Next scheduled Finance Committee Meetings: August 20, 2013

VIII. Motion to adjourn. Committee adjourned at 8:05 P.M.

Minutes prepared by:
Eugene J. Marraccini
Director of Business Affairs