

# **Plum Borough School District**

## **Finance Committee Meeting Minutes for October 22, 2013**

# Plum Borough School District Finance Committee Meeting Minutes October 2013

**MEETING DATE:** October 22, 2013

**LOCATION:** Plum Senior High School Cafeteria Conference Room

**PRESENT:**

- **Committee Members:** Mr. Dowdell, Committee Chairperson  
Mr. Zucco & Mr. St. Ledger; Committee Members
- **Board Members:** Mr. Colella, Mrs. White and Mr. McGough
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi and Mr. Brewer
- **Solicitor:** Mr. Giglio and Mr. Price; Solicitors, Firm of Andrews & Price LLC

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**I. Call Meeting to Order.** Mr. Dowdell called the meeting to order at 6:01 PM.

**II. Citizens Comments:**

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

*Board Member Comments – Non-agenda : Mr. Colella asked Administration to inquire about changes to LERTA zone regulations (tax free zones for business). Dr. Glasspool indicated there is a new bill in the State Senate addressing changes for LERTA's and that he will discuss this matter with the Borough Manager and officials in the near future.*

**III. Agenda Action Items:**

**1. Treasurer's Report for the month of September 2013:** Board Members were presented with an electronic copy of the Treasurer's Report for the month of September 2013 prior to the meeting for their review. Mr. Marraccini noted that the total GOB funds that are available is now \$25,131,479, which will be used for the building of the New Holiday Park Elementary School and capital improvement items in the five year capital plan.

***Committee Recommendation: Move to Public Agenda***

**2. Budget Transfer Request:** Mr. Marraccini noted that there is only one budget transfer request. The High School Administration is requesting \$8,800 be transferred from the High School Supplies (1110-610) – ASN 05228 to High School Textbooks (1110-640) – ASN 01392.

***Committee Recommendation: Move to Public Agenda***

**3. PDE PlanCon Part J Audit in New Pivik Elementary Project.** Administration recommends acceptance of a proposal by Bielau, Tierney, Coon & Company, P.C. (CPA Firm) to perform the mandatory PDE Part J. Independent Audit for the New Pivik Elementary School process for a total fee of \$2,800.00. A copy

of the proposal was provided to the Committee. Mr. Marraccini explained that the original person that was awarded this audit passed away. His amount was \$3,000.

***Committee Recommendation: Move to Public Agenda***

**4. Donation of Bus Service for the 2013 Sugar Plum Days.** Administration recommended donating of bus service for the Sugar Plum Days event to be held on Saturday, December 14, 2013. This is an annual event.

**Recommendation: Move to Public Agenda**

**5. Request to sale obsolete and unusable piece of pool equipment.** The Athletics Department requested that an obsolete and unusable piece of pool equipment (divers' tank) be sold to North Hills Water Gardens for fifty dollars (\$50). This represents the only offer to purchase.

**Recommendation: Move to Public Agenda**

**6. Recommend approval of PlanCon - Part F, Attachment C, for the New Holiday Park Elementary Project.** Central Administration stated the bid amounts are being tallied as the bid open was held this afternoon and that the total of all apparent low bidders is \$15,183,935. It was noted that the total is for "hard costs" and does not include architect and owner's representative services, furniture and fixtures, insurances, etc. Mr. Ackerman of LR Kimball will provide a copy of the PlanCon document for the public meeting.

***Committee Recommendation: Move to Public Agenda***

**7. Administration recommends acceptance of donation from Walmart for Regency Park Elementary.** Regency Park Elementary School received a grant for twenty-five (25) fifty dollar (\$50) gifts card totaling \$1,250, which is to be used by each building teacher at Regency Park Elementary for classroom purchases.

***Committee Recommendation: Move to Public Agenda***

**8. Tax Appeal Settlement for tax parcel Nos. 734-C-359 and 734-C-328.** Recommend approval to settle 2013 commercial real estate tax assessment appeal for tax parcel Nos. 734-C-359 and 734-C-328, as presented. *This item moved from executive session.*

***Committee Recommendation: Move to Public Agenda***

**9. Approve 2013-14 Substitute and Non-Bargaining Unit Employees Rates Schedule.** Administration recommends approval of the 2013-14 school year daily and hourly rates for substitutes and non-bargaining unit employees, as presented.

***Committee Recommendation: Move to Public Agenda***

#### **V. Informational Discussion Items:**

**1. Discuss Real Estate Tax Collector's Report for the month of September 2013.** Mr. Schlegel's report shows 85% of the collections have been made through the end of September 2013. Mr. Marraccini indicated these funds are currently used to fund the day-to-day operations of the District.

## **2. Discuss Delinquent and Current Earned Income Tax (EIT) collections for September 2013.**

**A. Delinquent Collections:** Discussed Plum Borough Delinquent Earned Income Tax Collector's Reports for the month of September 2013. Collections are in line with the reduced budgeted collection amounts for 2013-14.

*Mrs. White asked if the District plans to move to Keystone Collections soon, as this matter was discussed previously. It was noted that the Borough is requesting that the transition to Keystone be delay for one more year or until 01/01/2014. More discussions will occur with Borough officials on this matter. It was noted the District pays the Borough 1.59% of collections for this service.*

**B. Current Collections:** Discussed the Keystone Collection Group's Earned Income Tax Collection Report through from January 1 to September 30, 2013. Keystone Collections is in line to collect the budgeted amounts. Administration is pleased with the service and detailed reporting provided by Keystone Collections.

## **3. Discuss monthly revenues and expenditures comparison graphs for the month of September 2013.** Committee was provided with fiscal year comparison graphs which shows revenue collections and expenditures are on par with prior years.

## **4. Substitute daily and hourly rates for 2013-14 non-bargaining unit employees.** Committee was provided with a schedule of the historical rates for these employees. Committee concurred to increase Food Service Worker substitutes' hourly rate by \$1.00 per hour effective 11/1/13. Mrs. Lazzaro was contacted and agrees this increase is necessary to be competitive and to attach substitutes for the Food Service Department. This item will be moved to an action items in the public meeting.

***Committee Recommendation: Move to Public Agenda***

## **5. RFP updates.**

**1. Insurance Brokerage Services** - Mr. Marraccini reported that he received two (2) RFP responses. One is from our current Broker of Record, The Gleason Agency, a division of Arthur J. Gallagher Risk Management Service, Inc. and the other from Seubert & Associates. The Committee request electronic copies of the proposals for their review. There aren't monetary considerations associated with these RFP's, as the brokers are compensated from the insurance companies and not from the District.

2. Independent Auditing Services – Incomplete at this time.

3. Banking and Investment Services – To be completed for November Finance Committee Meeting. Draw down schedule for New Holiday Park is needed for the GOB funds.

## **6. Center Elementary Insurance Claim update.** Mr. Marraccini updated the Committee on claim and recovery for the storm drain damage repairs. Preliminary the District is expected to recovery over \$36,000 (after the deductible) from its insurance company. The board members were pleased with the recovery and thanked Administration for its efforts.

**7. PSERS Update.** PSERS is the District's mandatory pension program for which it is required to pay 16.93% of all salaries for its employees. The District is subsidized 50% of its contributions. The District's total contribution for the 2012-14 school year is budgeted to pay \$4,757,054 and is expected to go to up \$6,013,000 in 2014-15 because the District's contribution increased by over 25%. Pension cost is a looming problem for all school district with no relief in sight for many years. After reimbursement, the District net cost increase for PSERS is about \$631,000. It was noted if salaries increase for the unions still in negotiations, the PSERS cost will increase as well.

**8. Discuss Draft Copy of 2014-15 Preliminary General Fund Budget (Fund 10).** Mr. Marraccini and Dr. Glasspool were asked to produce an estimated 2014-15 Preliminary General Fund (Fund 10) Budget for this meeting. A copy was provided to all Board Members. The estimates were based on contractual, historical and known economic and financial factors that would impact the 2014-15 budget. It is projected that the District would have to contribute \$1,562,423 from its budgetary reserves to produce a balanced budget. It was noted that because of the numerous number of union negotiations, this amount could increase, based on the outcome of the various negotiations.

Mr. Price explained that if the District plans to apply for the "Budget Exceptions" and increase millage, it must plan to file a Preliminary Budget in January 2014 for the 2014-15 General Fund Budget. Otherwise, it would only be permitted to increase millage up to the Index of 2.1% of the 18.758 millage or .39 mills which is expected to generate about \$550,000 (subject to change pursuant to the assessment appeals process changes). Administration will continue to monitor factors influencing the 2014-15 budget.

The Committee and attending Board Members indicated they liked the projected budget format (sorted by object codes for expenditures) because it was not complicated and easy to understand. They indicated the budget model will serve as good management tool to help them monitor the budgetary reserve fund balance and to make financial decisions moving forward.

#### **VI. New Business Roundtable Discussions.**

- Mr. Colella asked for a breakdown of payments made to the various Cyber/ Charters schools for the 2012-13 school year. Mr. Marraccini indicated he would prepare this information and send it to all board members by the end of the week.

*Information was electronically sent to all board members on 10/24/13.*

#### **VII. Next scheduled Finance Committee Meetings:** Tuesday, November 19, 2013

#### **VIII. Motion to adjourn.** Committee adjourned at 7:46 P.M.

*It was noted the Board would be meeting in Executive Session after the Finance Committee Meeting.*

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