

Plum Borough School District

Finance Committee Meeting Minutes For August 2014

(Meeting #2 – 2014-15)

**Plum Borough School District
Finance Committee Meeting Minutes
August 2014**

MEETING DATE: Tuesday, August 19, 2014

LOCATION: High School Cafeteria Conference Room

IN ATTENDANCE:

- **Committee Members:** Mr. Dowdell and Mrs. Stepnick (by phone), Committee Members
 - **Board Members:** Mr. Colella, Mr. St. Ledger, Mr. Tommarello, Mrs. Gallagher, and Mr. Zucco
 - **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, and Dr. Rossi
 - **Solicitor:** Mr. Price and Mr. Giglio from the firm of Andrews and Price
 - **Invited Presenters:** A.) Mr. Joe Muscatello, District's Investment Banker and B.) Mr. Shawn Haupt and Mr. Ben Raible representing the Plum YMCA.
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I. Call meeting to order. Mr. Dowdell called the meeting to order at 6:18 PM. This meeting followed the Special Voting Meeting.

II. Citizens Comments:

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

III. Presenters:

A. Mr. Joe Muscatello, Managing Director, the District's Investment Banker from the firm of Boenning & Scattergood was invited to the meeting to discuss potential borrowing, interest rates and debt service proposals for anticipated capital projects. Mr. Muscatello explained that a he is required by the Municipal Securities Rulemaking Board to have a G-17 engagement letter signed by the Board prior to being the underwriter/placement agent for potential upcoming services. Mr. Colella signed the document. It was explained that by signing the document, the District is under no obligations. Joe prepared a hardcopy handout showing the estimated borrowing costs for project sizes from \$7 million to \$12 million dollars. He stated these models are based on current favorable interest rates, which are subject to change. Additionally, Joe discussed the District's borrowing limits which is 2.5 times the annual revenues. He explained if the District borrowed an additional \$7,000,000, the project annual debt service increase would be approximately \$286,000 per year + - which is all interest + \$5000 principle.

Mr. Colella asked that the Standard & Poor (S&P) Rating Report dated 5/9/13 for the District be distributed to all board members electronically. The rating then was A+ and Joe anticipates it will not change, which should give the District favorable borrowing interest rates again.

The report was sent to the Board electronically on 8/21/14.

The committee would like to know the current amount of uncommitted G.O.B. funds. Mr. Marraccini will complete information and sent to all board members.

B. Mr. Haupt and Mr. Raible attended at the request of the committee to answer questions related to the Use of Facilities request by the Plum YMCA for use of the HS swimming pool for the 2014-15 school year. Mr. Haupt explained the pool is used by the YMCA under an agreement that charges them a fee, which would be \$1,167 (a 3% increase over last year). He explained that the YMCA and District swim team coaches work hand in hand to develop swimmers. He mentioned their program at the HS operates at a loss and is more a community service than a revenue source for the YMCA. They pay the life guards and instructors directly.

Mrs. Stepnick asked Central Administration to estimate the cost of busing to students attending Regency Park Elementary and send it to board members. Additionally, she questioned the distribution of the Local Service Tax (LST) between the Borough and District. Mr. Marraccini stated the Borough receives \$47 of the \$52, thus leaving only \$5 for the District. The tax is collected at the rate of \$1 per week. She believes the statement states the tax is equally shared between the Borough and the School District, which is not the intent. Mr. Marraccini will review the matter and respond to the committee.

III. Agenda Action Item Discussions:

- 1. Treasurer's Report:** Approve Treasurer's Report for the Month of July 2014. Mr. Marraccini stated due to the posting out of the AR/AP administrative assistant, the report was not ready for the meeting and should be prior to the Public Board Meeting on Tuesday, August 26, 2014.

Committee Recommendation: Move to Public Agenda

IV. Round Table Discussion:

1. Mrs. Stepnick asked Central Administration to estimate the cost of busing to students attending Regency Park Elementary and send it to board members. Additionally, she questioned the distribution of the Local Service Tax (LST) between the Borough and District. Mr. Marraccini stated the Borough receives \$47 of the \$52, thus leaving only \$5 for the District. The tax is collected at the rate of \$1 per week. She believes the statement states the tax is equally shared between the Borough and the School District, which is not the intent. Mr. Marraccini will review the matter and respond to the committee. Mrs. Stepnick also requested the approximate cost to bus students to Regency Park Elementary School. Central Administration and the Director of Transportation will prepare the information and forward to the board.

V. Next scheduled Finance Committee Meeting: September 23, 2014

VI. Motion to adjourn. Committee adjourned at 7:09 PM

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