

Plum Borough School District

Finance Committee Meeting Minutes For January 2014

(Meeting #7 – 2014-15)

Plum Borough School District Finance Committee Meeting Minutes January 2014

Meeting Date: Tuesday, January 21, 2014

Location: High School Cafeteria Conference Room

In Attendance:

Committee Members: Mr. McGough, Chair; Mr. Dowdell and Mrs. Stepnick, Committee Members

Board Members: Mr. Tomarello, Mr. Colella, Mrs. White, Mrs. Gallagher and Mr. Zucco

Administrative Representatives: Mr. Marraccini, Dr. Glasspool, Dr. Rossi and Mr. Brewer

Solicitor: Mr. Price of Andrews and Price (joined meeting at 8:24 PM)

I. Call Meeting To Order: Mr. McGough called the meeting to order at 7:32 PM.

II. Citizens' Comments:

A. On agenda items.

1. Mr. Ken Wesnick commented on the current teachers' contract salaries and suggestions for negotiating the next contract.

B. On non-agenda items.

1. Mr. Sal Colella, Board President, made budget comments on what he would like for the 2014-15 General Fund Budget. He addressed increasing the Fund 10 fund balance, increasing millage to the PDE Index, savings from retiring teachers (6 to date), repayment of interest (capitalized) paid for New Pivik Elementary Project from the Fund 10 (Repayment from Fund 30) and remove all capital asset purchases in the preliminary budget.

III. Invited Guests: None

IV. Agenda Action Item Discussions:

1. Treasurer's Report: Approve Treasurers' Report for the month of December 2013. Report was electronically sent to board members prior to the meeting for their review. Mrs. White asked where is the payment information for the purchase of rifles that were damaged at the rifle range. Mr. Marraccini indicated that they were paid from Fund 30 and would have appeared on a prior Treasurer's Report. Mr. Marraccini indicated he filed an insurance claim for the lost, but it was not covered because the ventilation equipment did not mechanically fail, but was inoperable because the electrically supply tripped and was not reset because the rifle range was cleaned early in the summer and not revisited until the start of school. He stated he would provide her and the Board with the details of the purchase electronically this week.

Committee's Recommendation: Move to Public Board Meeting Agenda

2. Budget Transfer Request: None at this time. Mr. Marraccini indicated that any would be forwarded to the Board prior to the public meeting.

3. Construction Invoices: Recommend approval of New Holiday Park Elementary Project construction in voices received after Facilities Committee Meeting.

Committee's Recommendation: Move to Public Board Meeting Agenda

- 4. Recommend approval for Assignment of Agreement(s) from Equitable Energy to UGI Energy Services LLC.** Equitable Energy request the District's consent to assign District natural gas accounts to UGI Energy. Equitable Gas will no longer be serving this market and is assigning their accounts to UGI Energy Services. A copy of the agreement was provided to the committee for their review.

Committee's Recommendation: Move to Public Board Meeting Agenda

- 5. Recommend approval of M.O.U. Agreement for sharing attending students' contact information with Forbes Road Career and Technology Center.** Committee was provided with a copy of the M.O.U. for their review. Dr. Glasspool commented that this Agreement would allow the sharing of emergency information for Plum students that attends Forbes.

Committee's Recommendation: Move to Public Board Meeting Agenda

- 7. Broker of Record for Insurance Services recommendation effective July 1, 2014.** Mr. Marraccini explained that four administrators conducted interviews with Seubert & Associates and A.J. Gallagher Company. Both companies proved competent in serving school district's insurance needs. The administrators scored both companies and A.J. Gallagher Company scored slightly higher overall. Mr. McGough and the consensus of the committee and attending board members recommend both companies submit insurance quotation for all lines of business. Mr. Marraccini explained that each participating insurance carriers will provide only one quotation to broker for Plum. Mr. Marraccini will contact both companies and get the process started.

Committee's Recommendation: Remove as action item and contact both companies.

- 8. Administration recommends authorization to solicit investment service quotations for the investing of the New Holiday Park Construction Project proceeds for the duration of the project.** Russo Construction Services and Administration has completed the Draw Schedule for the New Holiday Park Project and is seeking approval to solicit earning quotations to maximize interest income on Fund 30 investments from qualified banking and financial institutions. A copy of the Draw Schedule was presented for committee review.

Committee's Recommendation: Move to Public Board Meeting Agenda

- 9. Administration recommends waiving of any penalty & interest for late paying of real estate property taxes due to no fault of taxpayer, pursuant to Policy 606.1 for owner of property 735-C-201.** Owner met all requirements for waiving of penalty and interest in accordance with Policy 606.1. Solicitor reviewed circumstances and details and concurs property owner was not at fault.

Committee's Recommendation: Move to Public Board Meeting Agenda

- 10. Finance Committee recommends reimbursement of qualified G.O.B. interest expense for the New Pivik Elementary Project from Fund 30 accounts to Fund 10.** Motion to read:

RESOLVED, that the School District transfer \$1,500,000.00 from proceeds of the 2010 Bonds (held in GOB Series of 2010 Certificates of Deposit - Fund 30) to the General Operating Fund (Fund 10) to reimburse the General Fund for interest on the 2010 Bonds accrued prior to 8/15/2012 and paid 3/15/2011, 9/15/2011, 3/15/2012 and 9/15, 2012.

Committee's Recommendation: Move to Public Board Meeting Agenda

IV. Informational Discussion Items: Committee reviewed and discussed the following items:

- 1. Discuss Current Real Estate Tax Collector's Report for the month of December 2013 (6111).** Committee was provided with copy of Mr. Schlegel's monthly report for the month of December 2013. Mr. Marraccini noted that this afternoon he received Mr. Schlegel's exoneration information and would place it on for board approval at a later date.

2. Discuss Delinquent and Current Earned Income Tax (EIT) collections for December 2013:

A. Delinquent EIT Collections (6461): Discussed Plum Borough Delinquent Earned Income Tax Collector's Reports for the month of December 2013. Mr. Marraccini indicated that Mrs. Pedrosky is collecting only delinquent taxes due prior to December 31, 2012.

B. Current EIT Collections (6151): Discuss the Keystone Collection Group's Earned Income Tax Collection Report through from January 1 to December 31, 2013. Collections are on target with budgeted estimate.

3. Discuss Monthly Revenues and Expenditures Comparison Graphs for the month of December 2013. Committee reviewed reports. Mr. Dowdell was concerned that revenues to date are below prior years. He also noted that expenditures to date were lower as well. He recommends close monitoring of revenues and expenditures. Mr. McGough asked if the current budget will produce a surplus at the end of this fiscal year. Administration indicated that the budget is a guide and that circumstances sometimes

4. RFP updates. The Board directed Central Administration to prepare Request for Proposals (RFP) for the following services:

1. **Insurance Brokerage Services** – Both interviews are complete. Administration updated Committee in action item section of this report.

2. **Independent Auditing Services** – In progress.

3. **Banking and Investment Services** – Mr. Russo provided the construction information and Mr. Marraccini provided the non-construction costs to the draw schedule and presented it to the Committee for its review. This will be moved to the action item section of the public agenda to solicit investment proposals.

Committee's Recommendation: Move to Public Board Meeting Agenda

5. Invitation to the 126th Annual Allegheny County School Board Directors Convention. Committee and Board Members were provided with a copy of the invitation to attend.

6. Discuss 2014-15 Preliminary General Fund Budget (Fund 10) Revenues and Expenditures. An electronic copy of the Preliminary GF Budget prepared by Central Administration was sent to the Board on January 16, 2014 for their review. The Board Members were asked to submit questions to Administration so they could be addressed at this meeting.

Dr. Glasspool indicated that this budget contains only necessary budget items with no extras included. Board discussion occurred regarding various line items. It was noted that this preliminary budget did not contain wage increases and related payroll taxes and pension contributions for the three unions in negotiations (teachers, custodians and secretaries). Committee was provided with financial information regarding raising millage to the index, and referendum exceptions for PSERS and Special Education expenses. Additionally, Mr. Marraccini suggested the Committee and Board consider repayment from Fund 30s to Fund 10 for qualified interest for the New Pivik Elementary Project, which equated to about \$1,500,000. The Board asked that Mr. Cliff Pastel, Bond Counsel provide a written opinion stating this action would not violate any Debt Act or IRS Code regulations.

Additional changes to the budgeted amounts for contingency fund, savings from six retiring teachers, raising millage to the PDE index be considered and reflected in an update preliminary budget. Mr. Marraccini will update the preliminary with recommended changes.

V. New Business Roundtable.

- 1. Discuss Real Estate Tax Collector's Exoneration Letter.** Mr. Marraccini stated he received collection data from Mr. Harry Schlegel regarding his exoneration for the collection of 2013 real estate taxes. Mr. Marraccini will prepare the motion for exoneration.
- 2. Discuss Allegheny County Schools Health Insurance Consortium Trustee nominee information.** Application to submit nominee information was attached for review.

VI. Next scheduled Finance Committee Meeting: February 18, 2014

VII. Motion to adjourn. Meeting adjourned at 9:25 PM