

# **Plum Borough School District**

## **Finance Committee Meeting Minutes For May 2014**

**(Meeting #11 – 2013-14)**

# Plum Borough School District Finance Committee Meeting Minutes May 2014

**MEETING DATE:** Tuesday, May 13, 2014

**LOCATION:** High School Cafeteria Conference Room

**IN ATTENDANCE:**

- **Committee Members:** Mr. McGough, Chair; Mr. Dowdell and Mrs. Stepnick, Committee Members
- **Board Members:** Mr. Colella, Mrs. White, Mrs. White, Mr. St. Ledger, Mr. Tommarello, and Mrs. Gallagher
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi and Mr. Brewer

**I. Committee member calls meeting to order.** Mr. Dowdell called meeting to order at 6:47 PM.

**II. Citizens Comments:**

A. On agenda items:

Mr. Jim Rogers commented on the use of the \$2,500,000 Post War Capital Reserve Account funds.

B. On non-agenda items:

Mr. Dave Gray, Teachers Union Representative, commented on sick-days stats for the teachers in the Kelly Services monthly reports. He stated maternity days should not be classified as sick days.

**III. Agenda Action Item Discussions:**

**1. Treasurer's Report:** Approve Treasurer's Report for the Month of April 2014. Report was sent electronically to board members prior to the meeting for their review.

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

**2. Acceptance of Builders Risk Insurance Coverage Proposal for the New Holiday Park Elementary School Project from AJ Gallagher Risk Management Services (Gleason Division).** Administration recommends acceptance of the Builders Risk insurance coverage proposal in the amount of \$16,163 for the period of May 14, 2014 to June 15, 2015. Coverage protects District's interest for construction work completed, equipment and materials added during construction and before completion of project. Mr. Marraccini explained this coverage was purchased for the New Pivik Elementary Project and is necessary.

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

**3. Administration recommends acceptance of the FY 2012-13 Audited Financial Statements prepared by Hosack Specht Muetzel and Wood LLP as presented and Administration's Management Letter response.** Printed copies of the audited financial statements were previously distributed to the Board Members in March 2014 for their review. Administration responded to the one audit exception noted.

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

**4. Committee recommends acceptance of the 2014-15 Preliminary General Fund (10) Budget, as presented.** 2014-15 General Fund 10 Budget revenues and expenditures are projected to be \$58,109,391 with the millage rate unchanged at 18.758. The Preliminary General Fund Budget is subject to change prior to adoption scheduled for June 27, 2014. Board members engaged in discussions regarding tax increases to the Act 1 Index, reduction of expenditures, program cuts and future projected deficits matters. A copy of the 2014-15 Preliminary Budget will be on display on the District's website and in the Office of the Superintendent. Please forward any questions, comments, suggestions to Dr. Glasspool or Mr. Marraccini.

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

5. **Recommend reappointment of AJ Gallagher (AJG) Risk Management Services (Gleason Division) as Broker of Record for Insurance Services for the 2014-15 fiscal year with authorization to bind insurance coverage as presented.** Insurance quotations for the 2014-15 presented by AJG were reviewed and discussed in the informational discussions. As a result of the RFP process, the committee recommended AJG be reappointed.

*Committee Recommendation: Move to Public Agenda*

6. **Administration recommends approval of the 2014-15 Athletic and Transportation parts and bus bids, as presented.**

*Committee Recommendation: Move to Public Agenda*

**IV. Informational Discussion Items:**

1. **Discuss Current Real Estate Tax Collector’s Report for the month of April 2014 (6111).** None.
2. **Discuss Monthly Revenues and Expenditures Comparison Graphs for the month of April 2014.** See Attachment.
3. **RFP updates.** The Board directed Central Administration to prepare Request for Proposals (RFP) for the following services:

**A. Insurance Brokerage Services:** Mr. Marraccini presented the quotations secured by the incumbent Broker of Record for Insurance Services as follows:

1. AJ Gallagher (Gleason Division) submitted quotations on May 5, 2014 for the 2014-15 fiscal year coverage as follows:

	<u>2014-15</u>	<u>2013-14</u>	<u>Change</u>	
1. Workers’ Compensation	\$170,858	\$185,985	(\$15,127)	decrease
2. Auto, Package, etc.	<u>\$169,693</u>	<u>\$165,580</u>	<u>+\$ 4,113</u>	increase
3. Total Premiums:	<u>\$340,551</u>	<u>\$351,565</u>	<u>(\$11,014)</u>	net decrease

2. **Seubert & Associations:** No quote provided.

Mr. Marraccini explained AJ Gallagher, the incumbent Broker of Record for Insurance Services shopped various carriers and provided their competitive quotes for the Committee’s review. As shown above, the net premiums decreased by **(\$11,014)**. Mr. Marraccini stated that AJ Gallagher has provided exemplary service when dealing with claims. He sighted the Center Elementary and HS Gym claims as examples. Further it was recommended by Administration that the AJ Gallagher (Gleason Division) be retained/reappointed as the Broker of Record for Insurance Services for the 2014-15 fiscal year. It was noted that the district’s workers’ compensation modifier has a downward trends that will lead to lower premiums in the future.

*Committee Recommendation: Move to Public Agenda*

**B. Independent Auditing Services RFP –** In progress. Recommendation will be presented in June 2014.

4. **Homestead/Farmstead Property Tax Exclusion for 2014 update.** The District was recently notified by the Allegheny County Office of Assessments that the District’s number of approved Homestead approved properties number is 7,856. The H/F allocation from the State Gaming is anticipated to be \$1,653,000. The estimated school tax property reduction for the approved properties is anticipated to result in a property tax reduction of \$210.41. Mr. Schlegel will be presented with the CD containing the information and determine if there are any

duplications or assessments under the limit which will modify the number of qualified properties for the final calculation. The final calculation will be presented for approval in June.

**5. Discuss Transportation and Athletic Bid Results.** Mr. Mergen, Transportation Supervisor, reviewed and tallied the 2014-15 tires and replacement parts bids awards and cost to purchase four (4) new buses (GOB). Mr. Alpino presented a partial/incomplete tally and explained to Mr. Marraccini that due to the volume of the quotes, he needed more time, but would have the results by the week's end. Mr. Marraccini will forward the results electronically to the Board Members for their review. This will be moved to the Public Agenda.

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

**V. New Business Roundtable.**

- Discussion occurred amongst the committee and board members regarding suggestions of raising taxes to the index, state funding, additional School Resource Officer, AFJROTC program, Kelly Services, and cutting expenditures.

**VI. Next scheduled Finance Committee Meeting: June 17, 2014**

**VII. Committee motioned to adjourn at 9:51 PM.**

Minutes prepared by:

Eugene J. Marraccini  
Director of Business Affairs