

Plum Borough School District

**February 19, 2013
Finance Committee
Meeting Minutes**

(Finance Meeting #7/ 2012-13)

Plum Borough School District Finance Committee Meeting Minutes February 2013

MEETING DATE: Tuesday, February 19, 2013

LOCATION: High School Cafeteria Conference Room

PRESENT:

- **Committee Members:** Mr. Dowdell, Chairperson; Mr. Zucco, Committee Member
- **Board Members:** Mr. Colella, Mrs. White, Mr. Tommarello, Mr. Drake, Mr. Zucco, and Mr. McGough
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Solicitors:** Mr. Price, Andrews & Price
- **Invited Guests:** 1. Mr. Muscatello, Boenning & Scattergood to update Board on bond refinancing.
2. Mr. Garofalo of AON Consulting, Mr. Domenici of Highmark, and Mr. Geil, President of the AIU Board of Directors and President of Shaler SD Board of Directors to address health insurance matters.

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. Presentations:

1. Mr. Garofalo, the Allegheny County Schools Health Insurance Consortium's key representative for the school districts prepared and distributed detailed health care claims of the Plum Boro SD for the 2012 calendar year. It showed Plum's claims exceeded the premiums paid by \$380,912. Additionally he indicated the retiree's benefits are having major impacts on the paid claims. He recommended educating the staff and retirees to utilize least costly companies for medical testing, such as Quest vs. hospitals, etc. The Pros and Cons of using Health Savings Accounts (HAS's) was discussed. Mr. Geil who is the Director of Personnel and Benefits for Dollar Bank indicated HAS would not work for his company. It was noted that the Governor has not implemented a Health Care Exchange as yet. They discussed the "Full Time" ruling of the new health care act and noted there is no clear definition for the "30 hour per week rule"

Mr. Garofalo stated 2013-14 projected increase in health care premiums is +7% for PPO plans and +5% for HMO plans and promoted the HMO for cost savings. AIU dental and vision are projected to remain the same (no increases).

The Committee asked for the group to return in the fall for updates.

2. Mr. Muscatello of Boenning & Scattergood presented updated information that will affect the upcoming bond refinancings in May 2013. Joe indicated that the stock market was been strong thus causing bond issuance rates to increase thus causing potential savings to decrease. Last month he estimated the gross refinancing savings would be in the \$6.1 million dollar, compared to \$5.1 million, which after State reimbursement would yield the district approximately \$4.5 million.

May is the earliest the District can refinance the qualifying outstanding bond issues (G.O.B.'S) with a targeted settlement date of June 23, 2013. He indicated the board should determine how much monies will be needed for the upcoming construction projects and do any necessary borrowings with the refinancing to save issuance costs.

III. Agenda Action Item Discussions:

1. **Treasurer's Report:** Approve Treasurers' Report for the month of January 2013. Committee and board members reviewed the report.

Committee Recommendation: Move to Public Agenda

2. **Budget Transfers:** The committee and board members reviewed the budgetary transfers for the month of February 2013.

Committee Recommendation: Move to Public Agenda

3. **Approve final payment to Rhino Construction Company for completion of the High School Stadium Bleacher Project work; subject to release documents to be prepared by Solicitor.**

Committee Recommendation: Move to Public Agenda

V. Informational Discussion Items:

1. **Discuss Real Estate Tax Collector's Report for the months of January 2013.** The Committee reviewed Mr. Schlegel's monthly report for January 2013. The report indicated that \$25,379,234.34 or 95.3% was collected through January 2013.

2. **A. Discuss Plum Borough Earned Income Tax Collector's Reports for the month of January 2013.** Mrs. Pedrosky's Delinquent Earned Income Tax (EIT) and Local Service Tax (LST) report for the month of January 2013 was reviewed. The discussion included the number of payment plans and wage attachments Mrs. Pedrosky is currently collecting, which involves \$439,472.71 of back EIT taxes. Additionally, the subject of amnesty of back taxes was discussed.

B. Discuss Keystone Collection Group's Earned Income Tax Collections Report for the month of August 2012. Keystone became the new tax collector pursuant to Act 32 on January 1, 2012. The report includes January 2013 collections.

3. **Discuss Monthly Revenues and Expenditures Comparison Graphs and P&L for the month of August 2012.** The Committee reviewed the Revenues and Expenditures and YTD comparison information. These amounts reflect the first seven months of the fiscal year 2012-13.

4. Discuss Unofficial 2013-14 Preliminary General Fund Budget. The Board requested that Central Administration create an unofficial 2013-14 Preliminary General Fund (10) Budget based on logical assumptions and historical data to date. The Board was provided with an electronic copy of projected 2013-14 revenues and expenditures, sorted by Object Codes. The Governor's subsidies were included. The results were as follows:

2013-14 Unofficial Preliminary General Fund (10) Summary – Draft #4:

Projected Revenues:	\$ 55,562,330
Projected Expenditures:	(59,847,708)
Shortfall:	<u>\$ (4,285,378)</u>

* Does not include \$2,500,000 transferred to the Post War Capital Reserve Fund.

The Solicitor and Business Manager discussed the ramifications of the new county wide reassessments, especially the commercial properties, the Act 1 Index, and the Anti-Windfall mandate of the new reassessment.

5. Discuss Real Estate Tax Invoice No-Fault of Owner Policy. Previously, the Board agreed to develop new policy language that would give penalty and interest relief to property owners that, through no-fault of their own, incurred additional costs for lost discount and P&I. The Solicitor prepared Draft Policy language for the board's review. The draft outlines the terms and conditions to be followed by the Current Real Estate Tax Collector and District Business Manager.

VI. New Business Roundtable. None

VII. Next scheduled Finance Committee Meeting: March 19, 2013

VIII. Motion to adjourn. Committee adjourned at 8:37 PM

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