

# **Plum Borough School District**

**September 18, 2012  
Finance Committee  
Meeting Minutes**

**(Finance Meeting #3/ 2012-13)**

**Plum Borough School District  
Finance Committee Meeting Minutes  
September 2012**

**MEETING DATE:** Tuesday, September 18, 2012

**LOCATION:** New Pivik Elementary Cafeteria

**PRESENT:**

- **Committee Members:** Mr. Dowdell, Chairperson; Mr. Zucco and Mr. St. Leger, Committee Members
- **Board Members:** Mr. Colella, Mrs. White, Mr. McMasters, Mr. Tommarello, Mr. Drake, and Mr. McGough
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Solicitors:** Mr. Price and Mr. Giglio, Andrews & Price
- **Invited Guests:** Mr. Muscatello, Boenning & Scattergood and Mr. Pastel, Eckert Seamans to address proposed elementary renovations borrowing and refinancing of existing bonds.

**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. Agenda Action Item Discussions:**

**1. Treasurer's Report:** Approve Treasurers' Report for the month of September 2012. Committee reviewed the report.

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

**2. Budget Transfers:** None

**3. Approve New Student Activity Accounts:** Administration recommends approval of the two requests to establish new Student Activity Accounts as follows:

**A.** Recommend approval to create a new student activity account to be named "Plum Golden Girls Twilling Club" at the Senior High School. Ms. Catherine Pribozie will be the club sponsor. A copy of the Ms. Pribozie's request was attached.

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

**B.** Recommend approval of request to create a new student activity account to be named "AEO Football Club" at the Oblock Jr. High School. Mr. Ryan Silvis will be the club sponsor. A copy of the Mr. Silvis' request was attached.

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

**4. Real Estate Tax Assessment Appeal:** Administration recommends approval of Solicitor's recommendation to accept the Assessment Appeal Negotiated Settlement for parcel no. 852-F-38 for years 2011, 2012 and 2013 as presented. Solicitor explained that this settlement is a result of

their challenge to the disparity between the purchase price and assessed value. Overall, the District was successful and will realize additional tax revenues. A copy of the Solicitor's detailed summary of case was provided to the Board.

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

- 5. Adoption of Resolutions for new borrowing for elementary renovations and refinancing of Series 2006 Bonds.** Recommend approval to adopt Resolutions authorizing the incurring of non-electoral debt (a) to finance a portion of the cost of the School District's elementary school renovations / construction project and (b) to refund the School District's General Obligation Bonds, Series of 2006.

Mr. Muscatello, the District's Investment Banker and Mr. Pastel, the District's Bond Counsel were present and explained the details of the borrowing and refinancing of outstanding Series of 2006 bonds and to answer questions. Mr. Pastel prepared the following two motions for Board consideration related to new borrowing / refinancing of outstanding bonds as follows:

- A. Motion # 1: New borrowing of \$7,500,000.

Recommend adoption of a Resolution as presented to the Board authorizing the incurring of non-electoral debt to finance a portion of the cost of the School District's elementary school renovation/construction project and studies, equipment, software, capital improvements and/or renovations to various School District facilities.

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

- B. Motion #2: Refinancing of Series of 2006 Bonds.

Recommend adoption of a Resolution as presented to the Board authorizing the incurring of non-electoral debt to refund the School District's General Obligation Bonds, Series of 2006.

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

**V. Informational Discussion Items:**

- 1. Discuss Real Estate Tax Collector's Report for the months of August 2012.** The Committee reviewed Mr. Schlegel's monthly report for August 2012. The report indicated that \$12,494,554.03 was collected through August 31, 2012. Mr. Marraccini noted that through September 7, 2012 an additional \$6,262,049.88 was collected making the YTD collections through September 7, 2012 are \$18,636,232.22 or about 70.2% of budgeted real estate tax collection for the 2012-13 school year.
- 2. A. Discuss Plum Borough Earned Income Tax Collector's Reports for the month of August 2012.** Mrs. Pedrosky's Delinquent Earned Income Tax (EIT) and Local Service Tax (LST) report for the month of August was not available due to the fact she was out for surgery and just return to work. Mr. Marraccini explained that he will forward the report upon receipt. Additionally, Mr. Marraccini noted EIT revenues are lagging not on pace with the budgeted amount of collections, which is \$3,200,000. It was noted that Keystone Collections group started collecting the current EIT since January 1, 2012 pursuant to Act 32 and Mrs. Pedrosky was appointed as the Delinquent EIT Collector for periods prior to December 31, 2011.

- 2. 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 August 2012 and YTD data for the period from January 1 to August 31, 2012. The YTD amounts were discussed. Mr. Marraccini will provide comparative information of collection from prior years at a later date.
- 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 two month of the new fiscal year 2012-13. It was noted that the teachers’ salaries and benefits for July and August are accrued back to FY 2011-12 and are not posted to the 2012-13 year.
- 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. The Board was provided with an electronic copy of projected 2013-14 revenues and expenditures and fund balances. Mr. Marraccini explained changes of major expenditure increases such as increases in pension cost, health care costs, teachers’ salaries, charter/cyber school tuition.. He cited some major expenditure reduction which included assessment appeals refunds, costs of retiree’s health care obligations, tuition for approved private schools and interest on outstanding bond issues. It was noted that it was assumed interest during construction of any potential renovations would be capitalized (deferred during construction), but if not, the interest expense would be approximately \$270,000 for 2013-14.

**2013-14 Unofficial Preliminary General Fund (10) Summary:**

<u>Operations:</u>		<u>Fund Balance Projection:</u>	
Revenues:	\$ 55,021,535	Projected Beginning Fund Balance* 7-1-13	\$ 1,784,632
Expenditures:	<u>(58,155,273)</u>	2013-14 Operating Deficit	<u>(3,133,738)</u>
Deficit	<u>\$ ( 3,133,738)</u>	Projected Ending Fund Balance* 6-30-14	<u>\$(1,349,106)</u>

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

**VI. New Business Roundtable.** None

**VII. Next scheduled Finance Committee Meeting:** October 23, 2012

**VIII. Motion to adjourn.** Committee adjourned at 7:08 PM

Minutes prepared by:  
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Director of Business Affairs.