

# **Plum Borough School District**

## **Finance Committee Meeting Minutes for January 2012**

(Finance Meeting #7 / 2011-12)

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January 24, 2012

Finance Committee Meeting Minutes

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

**MEETING DATE:** Tuesday, January 24, 2012

**LOCATION:** Board Room

**PRESENT:**

- Committee Members: Mr. Dowdell, Chairperson; Mr. St. Leger and Mr. Zucco, Committee Members
- Board Members: Mr. Colella, Mrs. White and Mr. Drake
- Administrative Representatives: Mr. Marraccini, Dr. Glasspool, Dr. Rossi and Mr. Brewer
- Solicitor: Mr. Price, Andrews & Price LLC
- Invited Guest: Mr. Ed Mertz CPA, Independent Auditor, firm of Hosack Specht Muetzel & Woods LLC

**I. Call Meeting to Order.** Mr. Dowdell called the meeting to order at 6:04 PM

**II. Citizens Comments:**

A. On agenda items: None

B. On non-agenda items: Mr. Paul Freese inquired about an AFJROTC supplies purchase of \$1,042.55 and requested the details. Details were forwarded to Mr. Freese and Board Members. It was noted on response that all AFJROTC related costs are reimbursed by the US Treasury, thus no cost to the District.

**III. Presentations:** Mr. Mertz provided hard copies of the 2010-11 Financial Statements and the Management Letter for the Board Members and Central Administrators. He explained the the different sections of the report, including the purpose of the OPEB – Retiree’s future costs, and provided an explanation regarding the amount due from the Food Service entity from past years being carried as a receivable to the General Fund (Fund 10) and a liability to the Food Service (Fund 50).

**IV. Agenda Action Item Discussions:**

1. Approve Treasurers’ Report for the month of December 2012. Report was sent to Board Members electronically prior to the meeting for their review.

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

2. Approve Budget Transfers for the Month of January 2012. No budget transfers were presented at this time.

3. Approve Letter of Understanding with Plum Borough for the continuance collection of the Local Service Taxes (LST). Mrs. Pedrosky, Local Services Tax Collector, employed by the Borough will continue to collect the District's portion of the LST at a fixed fee of 1.99% of collection for the 2012 calendar year. Details were discussed at the Intergovernmental Meeting held on 1/10/12. Mr. Price suggested a Letter of Understanding be drafted stating the terms and conditions of arrangement for the record. Mr. Marraccini will contact Mr. Thomas accordingly.

***Committee Recommendation: Move to the Public Agenda – (Subject to receipt of L.O.U)***

4. Approve the sale of unusable and obsolete classroom technology equipment to the highest bidders as presented. The District solicited bid quotations for unusable classroom technology equipment via a district-wide electronic posting notification. Sealed bids were received and Administration recommended acceptance of bids, as presented.

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

5. Approve the exoneration of the Current Real Estate Tax Collector for 2011 property taxes. Mr. Schlegel turned over his 2011 uncollected real estate tax accounts to the District as of December 31, 2011 in the amount of \$ 990,017.91 with a collection variance of \$998.33 (.000999%). Variance is due to rounding and Homestead / Farmstead Exclusion exceptions. These uncollected accounts will be collected by Andrews & Price, the District's delinquent real estate tax collector.

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

#### **V. Informational Discussion Items:**

1. Real Estate Tax Collector's Report for the month of November 2011. Committee reviewed Mr. Schlegel's real estate tax collections for the month of December 2011. Mr. Marraccini explained that after December 31, 2011, the uncollected accounts will be turned over to Andrews & Price as delinquent.
2. Earned Income Tax Collector's Report for the month of November 2011. Committee reviewed Mrs. Pedrosky's report for EIT & LST collections for the month of December 2011. Mr. Marraccini noted that effective January 1, 2012 all Earned Income Taxes for 2012 will be collected by Keystone Collections under the mandate of Act 32. The fourth quarter and final earned income tax returns for 2011 will still be collected and processed by Mrs. Pedrosky which is expected to last until May or June 2012. Note: Mrs. Pedrosky will continue to collect the LST for the entire calendar year of 2012 for a fee of 1.99% of collections, with not additional costs.
3. Monthly Revenues and Expenditures Comparison Graphs for the month of December 2011. Committee reviewed the year-to-date comparison of revenues and expenditures. A column was added to reflect the percentage (%) of revenues / expenditures remaining from budgeted amounts.

4. Discuss Informal Proposal for the Purchase of the Former Administration Building. Mr. Marraccini informed the Board that he received an informal proposal from a real estate agency, on behalf of his client, indicating a renewed interest in purchasing the former Administration Building located on School Road. Mr. Price indicated this is an Executive Session item and will be discussion after the meeting.
5. Discuss 1<sup>st</sup> Draft of the 2012-13 Preliminary General Fund (Fund 10) Budget. Committee and Board members were given an electronic copy of the Draft prior to the meeting for their review and a copy was posted on the District's website as well. Additionally, an overview report explaining the changes and assumptions used to prepare the report. Mr. Marraccini explained that no districts, to date, have received any 2012-13 State or Federal funding amounts or information and that revenues from 2011-12 were used. It was noted that the majority of outside the district travel was eliminated, the majority of support and administrative salaries were frozen or minimized, a net reduction in teachers of 18 positions attributed a large cost reduction. The District pension contribution (PSERS) increased by over \$1,100,000 (1/2 is returned in subsidies), health care premiums were budgeted to increase by 8% or an additional \$ 460,000 in new cost, repairs to the High School bleachers and track is estimated to be in the \$220,000 range, etc. Mr. Marraccini explained the survey for teacher's tuition reimbursement has not incurred and that no place holder amount was included at this time. A suggestion for reinstating the after school activities fees was discussed. Administration will provide electronic copies of the cost analysis prepared for the after school sports and will prepare a non-sports after school activity cost report for the next meeting. Work will continue on the budget and the 2<sup>nd</sup> Draft will be presented at the February 2012 Finance meeting scheduled for 2/21/12.
6. Discuss update on the refinancing options of outstanding bond issue series. Mr. Marraccini contacted Mr. Joe Muscatello and discussed which issues are callable in the 2012-13 fiscal year and subsequent years. Mr. Muscatello will attend the February 2012 Finance Committee Meeting to discuss options and potential debt service cost savings. Mr. Muscatello indicated the financial climate is very favorable for refinancing and the potential savings to the District is anticipated to be substantial.

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

#### **VI. New Business:**

1. Mr. Drake requested that Mr. Dowdell allow a motion authorizing Administration to prepare and distribute a Request For Proposal (RFP) for Contracted Student Transportation Services for the purpose of establishing a benchmark for operating costs for the Student Transportation operations. It was noted the current contract with the Transportation Union expires in August 2012. Mr. Marraccini will send a copy of the RFP issued in 2007 for the Board's review.

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

2. Dr. Glasspool explained that prior to the meeting he was informed by Mr. Davis, Technology Supervisor, that the purchase of new software and a server that runs the landline telephones needs replaced. Mr. Davis is securing estimates and has requested a budget transfer to cover the unbudgeted costs for this fiscal year. The preliminary estimate is in the \$100,000 range.

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

**VI. Next scheduled Finance Committee Meeting:** February 21, 2012

**VII. Motion to adjourn.** Meeting adjourned at 9:13 PM.

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