

Plum Borough School District

**October 23, 2012
Finance Committee
Meeting Minutes**

(Finance Meeting #4/ 2012-13)

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

MEETING DATE: Tuesday, October 23, 2012

LOCATION: High School Cafeteria Conference Room

PRESENT:

- **Committee Members:** Mr. Dowdell, Chairperson; Mr. Zucco and Mr. St. Ledger, Committee Members
- **Board Members:** Mr. Colella, Mrs. White, Mr. McGough and Mr. Drake
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Solicitor:** Mr. Price, Solicitor, Andrews & Price

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. Invited Guests: None

IV. Agenda Action Item Discussions:

- 1. Treasurer's Report:** Approve Treasurers' Report for the month of September 2012. Committee and Board Members were sent the reports electronically for their review.

Committee Recommendation: Move to Public Agenda

2. Budget Transfers:

A. 2011-12: Year-end closing transfers. The Committee and Board Members were presented with year end closing budget transfers for the 2011-12 fiscal year. Mr. Marraccini noted that the Board authorized the Business Manager and Independent Auditor to make budget transfer after the June 30, 2012 for 2011-12. Mr. Marraccini noted this is the first time these budgetary transfers were presented to the Board for the purpose of transparency. Comments were made on the large amount spent on the buyout of unused sick and other benefits days for personnel retiring under the Early Retirement Incentive Program (ERIP) offered to teachers and administrators.

Committee Recommendation: Move to Public Agenda

B. 2012-13: Budget transfers for the month of October 2012. The School Code allows for budget transfers after 90 days from the start of the fiscal year (July 1st). The majority of the transfers were for account corrections.

Committee Recommendation: Move to Public Agenda

V. Informational Discussion Items:

- 1. Discuss Real Estate Tax Collector's Report for the months of September 2012.** The Committee reviewed Mr. Schlegel's monthly report for the real estate tax collections for the month of September 2012. This is the third month of collections the new fiscal year. The report indicates that 87.7% of the budgeted revenues were collected
- 2. Discuss Current and Delinquent Earned Income Tax (EIT) and Local Service Tax (LST) collections.**
 - A. 1. Plum Borough Earned Income Tax Collector's Reports for the month of August 2012.**

This report was not available at the last month's meeting and is being presented at this time for the Committee's review. Mrs. Pedrosky is collecting EIT for the 4-Q-2011 and Final 2011 earnings and prior year delinquencies.
 - 2. Plum Borough Earned Income Tax Collector's Reports for the month of September 2012.**

Mrs. Pedrosky's report for the month of September 2012 reflects the amounts collected for delinquent accounts and the LST taxes and information regarding the outstanding amounts from 2006 to 2009, based on information provided the State. The report indicated that there is a combined total of 977 payment plans and wage attachments for delinquent accounts.
 - B. Keystone Collections Group - Current Earned Income Tax (EIT) collections report.** Keystone Collection Group was elected to collect the Earned Income Taxes starting January 1, 2012. The EIT collections for the month of September 2012 is \$286,994.48 and the year-to-date collections from 7/1/12 to 9/30/12 are \$1,327,633.77 (net after collection fee of 1.59%).
- 3. Discuss Monthly Revenues and Expenditures Comparison Graphs for the month of September 2012.** The Committee was presented with comparative revenue and expenditure information back to 2006-07. Revenues and expenditures are consistent with prior years.
- 4. PDE Act 1 Adjusted Index for 2013-14 fiscal year.** The Official Act 1 Adjusted Index for school districts was recently released. The Base Index for all school districts is 1.7% with varying Adjusted Base Indexes ranging from 1.7% to 2.8% with Plum's being set at 2.4%, same as 2011-12. The Adjusted Index is the percent districts are permitted to increase their millage without having to seek public approval. If the Board would elect to increase the current millage rate of 22.2 by the Adjusted Index of 2.4%, it would increase the millage rate to 22.73, which would increase annual taxes on a property assessed at \$100,000 by slightly over \$50 per year. No decision on this matter has been finalized at this time and was presented for informational purposes only.
- 5. Bond Refinancing Update:** Mr. Muscatello will attend the Facilities Committee Meeting on November 5, 2012 to update the District on the upcoming bond refinancing. Mr. Marraccini indicated that the closing for the 2012 Series A bonds will occur on Thursday, October 25th, at which time a total of \$7,194,156.06 will be wired into the District's investment account. The proceeds amount is \$9,121 over the estimate Mr. Muscatello quoted at his last presentation due to lower estimated costs. Mr. Muscatello will attend the November 5th Facilities Committee Meeting to address the Board regarding the refinancing of the 2006 bonds. He will seek approve for the

rates and amount of proceeds to be generated. Mr. Pastel was invited to address any legal concerns as well.

6. **JROTC Funding Information:** Major Kolar notified the District Administrators that Plum's Air Force JROTC Program will receive \$26,825 funding from the Air Force for the 2012-13 school year. These funds are not part of the General Fund Budget (Fund 10).

VI. New Business Roundtable.

1. Mr. Colella suggested that the district establish a funded Preventive Maintenance (PM) program moving forward for the purpose of escrowing funds for big ticket replacement projects such as the football field turf and track resurfacing, ect.
2. Mr. Zucco suggested that the district periodically inspect the building and grounds for deficiencies so it can be proactive in addressing problems. Mr. Brewer stated that he and Mr. Holleran routinely do building walk-thru with our insurance company consultant for risk assessment purposes.
3. Mr. Dowdell stated the district was headed for massive deficits over the next five years if something isn't done to address spending and/or new revenue creation. He indicated hard financial decisions and contract concessions are needed to insure financial stability.

Dr. Glasspool prepared a pre-decisional document outlining possible spending cuts for the 2013-14 school year. These items will be discussed in more detail during the budget process.

VII. Next scheduled Finance Committee Meeting: November 13, 2012

VIII. Motion to adjourn. Committee adjourned at 7:44 PM

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