

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

**MEETING DATE:** Tuesday, November 13, 2012  
**TIME:** 6:00 PM  
**LOCATION:** Senior High School Cafeteria Conference Room

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**I. Call Meeting To Order.** Mr. Dowdell Called Meeting to Order at 6:00 PM

**In Attendance:** Mr. Dowdell, Chair; Mr. Zucco and Mr. St. Ledger, Committee Members  
Mr. Drake, Mr. Tommarello, and Mr. McGough, Board Members  
Mr. Marraccini, Dr. Glasspool, Dr. Rossi, Mr. Brewer, Administrative Representatives  
Mr. Andrews, Solicitor, Andrews & Price

**II. Citizens Comments:**

- A. On agenda items: None
- B. On non-agenda items: None

**III. Invited Guests:** None

**IV. Agenda Action Items:**

**1. Treasurer's Report:** Approve Treasurers' Report for the month of October 2012. Report was sent to board members electronically prior to the meeting for their review.

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

**2. Budget Transfers:** None.

**3. Final OCIP premium payment for New Pivik Elementary Project.** Mr. Marraccini presented an invoice in the amount of \$13,754 as the results of the final audit for the OCIP Program from the Willis Group. Notification was received after the Facilities Committee meeting and will be added to the Construction Invoices to be paid. The additional premiums were a result of \$547,202 in change orders at a premium rate of \$25.135 per \$1,000 of CV for Workers Compensation, General Liability and Umbrella/Excess Liability coverage. Claims after September 25, 2012 will be the responsibility of Nello Construction.

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

**4. FirstEnergy Solutions Friends & Family Revenue Sharing Initiative.** Administration recommends that the Board approve participation in the FirstEnergy Friends & Family Revenue Sharing Initiative for school entities. This initiative is coordinated by the Allegheny Intermediate Unit in conjunction with FirstEnergy Solutions and the Western Pennsylvania Electricity Consortium. There is no cost to the District for participation. The District will receive \$10 for every household or business enrollment in the program so long Plum Borough School District is the designee. Information

explaining the program was distributed to the Committee. Community will be notified via the District's website and through employee's emails.

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

- 5. Membership in the AIU#3 Joint Purchasing Board.** Administration recommends approval of the Resolution to participate as a continuing member in the Joint Purchasing Board with Mr. Michael Brewer as the District's Regular Member and Mr. Eugene J. Marraccini as the Alternate Member. This programs allows the District in group purchasing with other districts for items such as paper, general school and custodian supplies; diesel fuel for buses, electricity and natural gas, etc. Blank copy of proposed Resolution was provided for Committee's review.

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

- 6. Disposal of Unusable and Obsolete School Buses.** Administration recommends disposal of three unusable and obsolete school buses that were not in service and were used exclusively for parts. Mr. Mergen recommends selling of these buses for scrap value since most parts have been removed. The estimated net revenue for these buses is estimated \$3,000, net estimated revenue after cost of towing services. The Vehicle Identification Numbers (VIN's) are as follows:

BUS 235 - 1GBHG31YXSF212204

BUS 147 - 1HVLPCFN0JH531788

BUS 170 - 1HVBBAAN0TH288881

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

- 7. Purchase School Bus.** Administration recommends the purchase of a used 2003 or 2004 72 passenger school bus to replace Bus #109 damaged by a motorist in an accident. Estimates suggest bus may be deemed "totaled". Administration suggests the purchase of a used bus would be from the insurance proceeds from motorist's insurance company. Committee recommended purchasing bus. District has leased a replacement bus which is being paid from motorist's insurance company – no cost to the District.

On Monday, November 19, 2012, the motorist's insurance company's agent called and stated the vehicle may not be "totaled" and may be repaired instead. If this is the case, no replacement bus will be purchased. This is on hold until confirmation is received.

***Administration's Recommendation:*** Hold

#### **IV. Informational Discussion Items:**

- 1. Discuss Real Estate Tax Collector's Report for the months of October 2012.** See Exhibit #4
- 2. Discuss Current and Delinquent EIT and LST tax collections.**
  - A. Discuss Plum Borough Earned Income Tax Collector's Reports for the month of October 2012. Not available at this time. Report will follow.
  - B. Discuss the Keystone Collection Group's Earned Income Tax Collection / LST Report for October 2012 and YTD. See Exhibit #5

3. **Discuss Monthly Revenues and Expenditures Comparison Graphs for the month of October 2012.** Committee reviewed reports.
4. **2006 Bond Refinancing Update:** Mr. Muscatello attended the Facilities Committee Meeting on November 5, 2012 and received Board permission to move forward with the refinancing of the Series of 2006 bonds, so long the net proceeds to the District equal or exceeded \$1,000,000. The final total savings was \$1,074,919.37. These funds will be available on December 20, 2012 and will be deposited into a capital reserve fund to be used for capital renovations and/or additions. This bond series will now be known as the Series of 2012B bonds.
5. **District Current Outstanding Principal Amount and Remaining Borrowing Capacity:** The District's current outstanding bonds total \$95,005,000 (Principal Only) and the remaining borrowing capacity is \$22,203,372.50.
6. **2011-12 AFR (PDE-2057) update.** Mr. Marraccini presented financial data from the AFR (PDE-2057) filed by Mr. Mertz at the meeting. All in all, the Revenues were \$293,299 higher than budgeted: Expenditures were \$217,650 less than budgeted, thus adding \$510,949 to the year end fund balance making it \$3,370,500, after \$2,500,000 transfer to the Post War Capital Reserve Fund.

Committee recommended that Fund Balances should not be less than 3% of the expenditures. Administration will adjust projections to reflect this amount.

#### V. **New Business Roundtable.**

1. **Projected health premiums cost for 2013-14:** Mr. Marraccini reported the Consortium is now projecting 10% to 15% increases in premiums. The District used a 5% increase projection for the 2013-14 projected budget.
2. **Allegheny County Reassessment Update: District will need to budget for commercial and industrial reassessment cases refunds.** Districts currently have no information as to how many and the projected results. Mr. Andrews indicated that the districts have to adhere to a anti-windfall mandate as well. This means if the District's goes up, millage comes down and visa-versa. Excluded from this calculation are new construction and upgrades.
3. **District's state reimbursement for New Pivik Project:** The District has not received state reimbursement through the PlanCon process for the New Pivik Project. District will ask L. R. Kimball to check on status.

VI. **Next scheduled Finance Committee Meeting:** December 11, 2012.

VII. **Motion to adjourn.** Committee adjourned at 7:03 PM

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