

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

**MEETING DATE:** Tuesday, December 11, 2012

**LOCATION:** Senior High School Cafeteria Conference Room

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- I. Call Meeting To Order.** Mr. Dowdell Called Meeting to Order at 8:23 PM. (Meeting followed the Facilities Committee Meeting.)
- II. In Attendance:** Mr. Dowdell, Chair; Mr. Zucco and Mr. St. Ledger, Committee Members  
Mr. Drake, Mr. Colella, Mr. McGough, Mr. McMasters and Mrs. White, Board Members  
Mr. Marraccini, Dr. Glasspool, Dr. Rossi, Mr. Brewer, Administrative Representatives  
Mr. Andrews, Solicitor, Andrews & Price
- III. Invited Guests:** None. (Mr. Garofalo was unavailable to attend and has been rescheduled for January.)
- II. Citizens Comments:**  
A. On agenda items: None  
B. On non-agenda items: None
- III. Invited Guests:** Mr. Garofalo, representative of the Health Care Consortium was scheduled to attend this meeting to discuss HSA plans, but was unavailable due to a scheduling conflict. Mr. Garofalo and a HighMark representative will make arrangements to attend a meeting in January 2013.
- IV. Agenda Action Items:**
- 1. Treasurer's Report:** 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 Public Agenda
- 2. Budget Transfers:** Board reviewed and discussed December's Budgetary Transfers.  
**Committee Recommendation:** Move to Public Agenda
- 3. Recommendation approval to authorize the following Business Office functions:** Board discussed the following two Business Office recommendations. Mr. Marraccini explained that District funds can only be invested into funds approved per the rules and guidelines of Section 440.1 of the PA School Code. District has the majority of its funds invested with RBC Public Fund Services, a/k/a PSDLAF and one CD with S&T Bank.
1. Using facsimile signatures on General Fund, Payroll Accounts, General Obligation Funds (5 accounts including the 2012B series), and Athletic Accounts.  
**Committee Recommendation:** Move to Public Agenda

2. Investing of school funds by Director of Business Affairs. Mr. Marraccini explained that District funds can only be invested into funds approved per the guidelines of Section 440.1 of the PA School Code. District has the majority of its funds invested with RBC Public Fund Services, a/k/a PSDLAF and one CD with S&T Bank. Mr. Andrews verified the same.

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

**4. Recommend approval to advertise for the following bid items for the 2013-14 school year:**

1. Athletic Equipment and Supplies
2. School Busses, Parts and Tires
3. Low Sulfur Diesel Fuel
4. Miscellaneous Custodial and Maintenance Supplies (supplies not provided by Aramark)

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

- 5. Act 1 Index Resolution.** Recommend approval to adopt an Act 1 Resolution indicating that the Plum Borough School District will not raise the rate of any tax for the support of public schools for the 2012-14 fiscal year by more than the Act 1 Inflationary Index of 1.7%, as adjusted. Plum's adjusted index is 2.4%. Mr. Marraccini explained that the 2.4% increase applies to the current millage of 22.2 only. Increasing the millage to the index could potentially generate approximately \$600,000 of additional property tax revenue for 2013-14. A copy of the Resolution was provided to the Committee for its review.

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

- 6. Approve new Student Activity Account.** Administration recommends approval to create the Senior High School "Student Development" activity account with Mr. Robert Fekety as its unpaid sponsor. Mr. Marraccini explained that student activity accounts are not part of the general fund operating accounts and is operated for the benefits of the students.

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

**IV. Informational Discussion Items:**

- 1. Discuss Real Estate Tax Collector's Report for the months of November 2012.** Mr. Schlegel's report for the month of November was presented and reviewed. The report indicates that 92.8% of the current fiscal year budgeted taxes have been collected. It was noted that after December 31, 2012, Mr. Schlegel will be exonerated for collecting the unpaid current year taxes and will forward the uncollected accounts to Andrews & Price, LLC for delinquent tax collections. Mr. Marraccini praised Mr. Schlegel and his staff for their collections efforts for fiscal year 2011-12., which based on preliminary audited figures, the real estate tax collection rate was 100.16%. (11-12 Budgeted = \$25,512,896 and 11-12 Actual = \$25,553,059 or \$40,163 more than budgeted.)

**2. Discuss Current and Delinquent EIT and LST tax collections.**

A. Discuss Plum Borough Earned Income Tax Collector's Reports prepared by Mrs. Pedrosky for the month of November 2012. It was noted that Mrs. Pedrosky collects delinquent EIT (prior to 12/31/11) and Local Service Taxes (LST). Additionally the Committee reviewed the data pertaining

to her office's payment plans and wage attachment programs that she collects and estimated potential outstanding collections from prior years.

B. Discuss the Keystone Collection Group's Earned Income Tax Collections Report for November 2012 and 2012 YTD.

- 3. Discuss Monthly Revenues and Expenditures Comparison Graphs for the month of November 2012.** Committee reviewed reports and questioned why the expenditures year-to-date are lower than prior year. Mr. Marraccini will review and comment to the Board.
- 4. Series of 2006/(now 2012B) General Obligation Bond Refinancing Update:** The final total savings from the refinancing was \$1,074,919.37. These funds will be available after the closing December 20, 2012 and will be deposited into a newly established district capital reserve fund (Fund 33) and will be used for elementary capital renovations and/or additions.
- 5. Discuss 2013-14 Budget Update.** The Committee was provided at the meeting with an update on the 2013-14 budget, based on building and department budgets recently received. It was noted these budgets were due in the Central Office by Friday, December 7, 2012. Mr. Drake indicated that he would prefer the monthly budgets be presented in an Excel format, sorted by object codes versus in a ProSoft format. Mr. Marraccini noted that the last two pages of the report, that contained actual data to date for everything except the salaries and benefits (100's and 200's). Mr. Marraccini indicated he will convert the ProSoft data to the Excel format and send it to the Board electronically as soon as possible.

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

- 1.** Mr. Colella stated that the State's pension crisis may be larger than originally anticipated, by as much as 15 billion dollars.
- 2.** Committee asked when Mr. Mertz will release the final annual audit report for 2011-12, which historically is provided to the Board in January. Mr. Marraccini noted that the PDE-2057 was submitted on time to PDE. Mr. Marraccini will contact Mr. Mertz for an update.

Minutes prepared by:

**Eugene J. Marraccini, Director of Business Affairs**