

**Plum Borough School District
Finance Committee Meeting Minutes
April 2, 2013 Special Meeting**

MEETING DATE: Tuesday, April 2, 2013
LOCATION: Oblock Jr. High School Auditorium
PURPOSE: Discuss 2013-14 Cost Savings Options

Committee Chairperson: Mr. Kevin Dowdell
Committee Members: Mr. Richard Zucco and Mr. John St. Ledger, Committee Members
Committee Administrative Representatives: Mr. Marraccini, Director of Business Affairs

- I. Call Meeting To Order:** Mr. Zucco called meeting to order at 6:10 PM
- II. In Attendance:** Mr. Dowdell, Mr. Zucco and Mr. St. Ledger; Committee Members
Mr. Drake, Mr. Colella, Mr. Tommarello, and Mrs. White; Board Members
Mr. Marraccini, Dr. Glasspool, and Dr. Rossi; Central Administration
- III. Citizens Comments:**
- A. On agenda items: None
 - B. On non-agenda items: None
- IV. Invited Guests:**
1. Mr. Joe Muscatello of Boenning & Scattergood, the district's Investment Banker updated the Board Members regarding the potential savings that will be generated from the May refinancing of outstanding bonds. Joe indicated the potential savings rose favorable to around the \$5 million mark due to market conditions. He explained that the earliest the District can lock-in on refinancing rates is May 23, 2013 and asked that he be permitted to work with Mr. Marraccini to gather financial and demographic data for the refinancing Official Statement. Joe cited that is willing to work the District in terms of the rating fees. Joe suggests the Board passes a "Not-to-Exceed" resolution. Mr. Drake asked if additional borrowing could occur with the refinancing and the answer was yes. Joe stated he prefer keeping the debt service level and that it would cost the District approximately \$40,000 in interest annually for each \$ 1 million dollars of borrowing.
- Mr. Pastel, Bond Counsel, was asked by Mr. Marraccini if the practice field project costs at the New could be paid out of the New Pivik's remaining bond issue funds and Mr. Pastel stated he will need to review the bond language and get will back to us. Mr. Pastel also explained that the capitalized interest during construction for the New Pivik School in the amount of \$595,985.97 can be used by the District to pay the bond interest expense if so desired to do so.
- Mr. Muscatello and Mr. Pastel will attend the next Finance Meeting scheduled for April 23, 2013 to address any questions for concerns related to the refinancing and new borrowings.
- V. Agenda Discussion Items: The Committee discussed issues related to the current year and next fiscal year and suggestions as follows:**

1. Determine if extra borrowing be necessary for other expenditures and/or purchase of other capital items.
2. Research with Mr. Pastel if any capital project or expenditures items in the 2012-13 be paid from the Post War Capital Improvement funds. *Mr. Pastel indicated they can be paid from this fund.*
3. Will the cash flow during July, August and September be sufficient if the current fund balance drops too low? Mr. Marraccini indicated he will run some historical data in ProSoft and provide the information at the next finance committee meeting on 4-22-13.

VI. Round table discussion:

1. A Board Directive was issued to Administration to take any capital expenditure which occurs in 2012-13 out of the GOB funds instead of the General Fund 10.
2. Mr. Drake authorized Administration to use the Post War Capital Reserve Funds for major building repairs, such as the floor repairs, tennis court repairs and roof repairs at the HS.
3. Mr. Zucco suggested the board make a final decision regarding the use of the Regency Park Elementary Building.
4. Committee wanted to make sure funds will be available to add air conditioning to Center Elementary and the other schools moving forward.
5. Dr. Glasspool indicated that no restricting will occur in 2013-14. Additionally he introduced an activity fee model that would generate about \$92,500 in revenues.
6. Mr. Colella asked that Mr. Greg Bachy of the Borough be contacted to get the number of new housing starts, etc. to determine if real estate assessments rose. He commented about BCMC.
7. Mr. Drake he is waiting to hear from the teachers unions regarding going from 9 classes to 8 classes, changes in languages offered and that he is not in favor of going to ½ day kindergarten.
8. Mr. St. Ledger inquired about the history of the \$6,000 donation given to the Hockey Club.
9. Mr. Dowdell inquired about expenditures for Jr. HS computers and attrition of retiring teachers.
10. Mr. Drake closed the meeting by stating "Our budget needs to be balanced!"

VII. Adjournment. The meeting adjourned at 7:47 PM

VIII. Next scheduled Finance Committee Meeting is on April 23, 2013.

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