

# **Plum Borough School District**

## **Finance Committee Meeting Minutes For February 2016**

**(Meeting #8 – 2015-16)**

# **Plum Borough School District Finance Committee Meeting Minutes February 2016**

**Meeting Date:** February 16, 2016  
**Location:** Plum Senior High School Cafeteria Conference Room  
**Purpose:** Discuss District Financial Matters for the Month of February 2016  
**In Attendance:**

- **Committee Members** Mr. Colella, Chairperson; Mrs. Stepnick, and Mr. Schlauch, Committee Members
- **Board Members:** Mr. Dowdell, Mrs. Caldwell, Mrs. Roessler, Mr. Rogers, and Mrs. Gallagher
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Solicitor:** Mr. Lee Price, firm of Andrews and Price LLC

**I. Chairperson calls meeting to order.** Mr. Colella called the meeting to order at 9:05 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. Approve Treasurer's Report:** Approve Treasurers' Report for the Month of January 2016. The report was sent electronically to board members prior to the meeting for their review.

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

- 2. Budgetary Transfers for the Month of January 2016.** The Committee was presented with a listing of budgetary transfer for their review.

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

- 3. Approve Real Estate Tax Collector's Exoneration for 2015 unpaid property taxes:** Administration recommends exoneration for Mr. Harry Schlegel, Real Estate Tax Collector, in the amount of \$942,029.36 for 2015 uncollected taxes, per attached. Uncollected taxes will be turned over to Andrews and Price LLC, the District's Delinquent Real Estate Tax Collectors for collections. It was noted that this turnover was less than prior year due to more taxes being collected by tax collector.

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

- 4. Recommend acceptance of Donation in accordance with board policy.** Recommend acceptance of donation in the amount of \$1,596 from Mr. Edwin L. Edwards Jr. for the purchase of 15 new boys' basketball uniforms.

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

- 5. Recommend proceeding with Tax Revenue Anticipation Note borrowing (TRAN) process.** Due to the State Budget Impasse, the District finds it necessary to borrow \$14,000,000 to continue the financial operations of the District through the end of June 2016. Resolution to follow.

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

6. **Recommend increase for the Plum Borough School Evening School Police staff.** Committee recommends a fifty cent (\$ .50) hourly increase for the Evening School Police staff effective July 1, 2016. This item was moved from Informational to Action Items.

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

7. **Recommend approval of a Resolution for Pivik PTA for a small game of chance license.** The Pivik PTA requested the District approve a Resolution for the Pivik PTA for purpose of fund raising.

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

#### **V. Informational Review Items:**

1. **Discuss 2016 Real Estate Assessment Appeals criteria.** Annually, the District reviews property tax assessments criteria. Andrews and Price LLC, the District's solicitors prepared a detailed written explanation about the current assessment appeals criterion is \$13,000 or greater difference between assessment and purchase price. Committee was provided with information prepared by Andrews and Price LLC explaining the process and criteria used in prior years and examples. After much discussion about the criteria used, it was decided by the Committee and attending Board Members to investigate the amount of tax revenues generated by the appeals process and decreases in real estate revenue by increasing the criteria from \$13,000 difference to a higher amount. No action taken at this time.

2. **Series of 2014 Bond Issue Allowable / Non- Allowable expenditure update.** Mr. Clifford Pastel, Bond Counsel, Firm of Dinsmore & Shohl LLP, provided correspondence outlining the allowable & non-allowable expenditures, for reference purposes, pursuant to the Series of 2014 borrowing for Regency Park Project. Mr. Pastel outlined criteria under the Local Government Unit Debt Act Requirements and the Federal Income Tax Law (IRS).

3. **TRAN borrowing.** Due to the State Budget Impasse and no mention of distribution of funds to school districts, the District needs to consider borrowing to fund upcoming operational funding in March and future months. Mr. Marraccini provided the Committee with borrowing details and costs proposed by First Commonwealth Bank and provided a cash flow analysis that indicated the funds will be necessary to operate the district in mid-March, if the State Budget Impasse continues. Committee recommended Mr. Marraccini contact other financial lending institutions for additional pricing. Mr. Price indicated a specific borrowing resolution is necessary to proceed.

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

4. **Discuss District Management Council (DMC) Proposal, as presented.** The Committee requested additional information. *No action taken at this time.*

5. **Discuss request from Plum Borough School Evening School Police staff for hourly wage increase.** The nine members of the staff requested a \$1.00 per hour increase in their hourly wage rate. Mr. Marraccini stated they are now paid \$12.50 per hour, but the corrected hourly rate is \$12.75 per hour. The Board recommended this item be moved to the public agenda with an increase of \$.50 per hour. This group collectively works approximately 1,183 hours per year.

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

**6. Review cash positions of General Operating Fund (10) and Capital Accounts (Fund 30's), as requested by Mr. Colella in anticipation of TRAN borrowing.** Mr. Marraccini prepared the following for the Committee's review:

**A. General Fund (Fund 10) Cash Balance at January 31, 2016:**

1. Cash in Bank (Per books)	\$ 908,838
2. Investments at PSDLAF (RBC)	8,894,925
3. CD at S&T Bank*	1,206,984
Total Cash Available @ 1/31/16:	\$ 11,010,747
4. Less: committed funds for 2015-16:	(155,931)
<b>5. Total Net Cash Available at January 31, 2016:*</b>	<b>\$ 10,854,816</b>

*\*Agrees with Treasurer's Report*

<b>Estimated Cash Flow 02/01/16 to 03/31/16:</b>	<i>Beginning balance :</i>	\$ 10,854,816
Less: Estimated February Benefits, Payroll and Operating Costs	\$(5,300,000)	5,554,816
Less: Estimated March Debt Service payments	(2,114,000)	3,440,816
Less: Estimated March Benefits, Payroll and Operating Costs:	\$(5,300,000)	<b>(1,859,184)</b>

TRAN WILL BE NEEDED BY MID-MARCH TO MEET PAYROLL, BENEFITS AND OPERATIONAL COSTS FOR MARCH AND UNTIL THE END OF JUNE .

**B. Capital Funds (Fund 30's) Cash Balances at January 31, 2016:**

1. Fund 30- New Pivik – Series of 2010	\$ 2,176
2. Fund 31- Post War Capital Reserve Fund	178
3 a. Fund 32 – New Holiday Park – Series A of 2012 GOB	10,417
b. Fund 32 - Invested Funds at S&T Bank (CD)	179,278
4. Fund 33 – Series B of 2012	3,856
5. Fund 34 – Series E of 2013 GOB	401,834
5 a. Fund 35 – Regency Park Project – Series of 2014 GOB - Checking	207,786
b. Fund 35 – Regency Park Project – Series of 2014 GOB – CD	4,720,000
<b>6. Total Capital Accounts Cash Balances at January 31, 2016*</b>	<b>\$ 5,525,525</b>

Committee authorized Central Administration to seek proposals for a Tax Revenue Anticipation Note (TRAN) for Fund 10 operating cash due to the state budget impasse. Any borrowed funds need to be repaid by the end of this fiscal year – June 30, 2016. This was moved to Action Items.

**7. Addition budgetary items discussion.** Mr. Colella suggested segregation of certain revenues and contingency items, as presented. The items discussed will be included in the March 2016 budget transfers – 2015-16 budget.

**V. New Business Roundtable Discussion.**

- Question was asked if lower fuel prices will impact the 2015-16 budget. Mr. Marraccini explained the District is locked in to purchase 110,000 gallons of diesel fuel at the contracted price for 2015-16. Lower prices and bids will most likely favorably impact the 2016-17 budget.

**VI. Next scheduled Finance Committee Meetings:** March 22, 2016

**VII. Adjournment.** 10:23 PM

Minutes prepared Eugene J. Marraccini, Director of Business