

# **Plum Borough School District**

## **Finance Committee Meeting Minutes For November 2014**

**(Meeting #5 – 2014-15)**

**Plum Borough School District  
Finance Committee Meeting Minutes  
November 2014**

**MEETING DATE:** Tuesday, November 18, 2014  
**LOCATION:** High School Cafeteria Conference Room

**IN ATTENDANCE:**

- **Committee Members:** Mr. McGough, Chair; Mr. Dowdell and Mrs. Stepnick, Committee Members
- **Board Members:** Mr. Colella, Mrs. Gallagher, Mrs. White, Mr. Zucco and Mr. St. Leger
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi and Mr. Brewer
- **Solicitors:** Mr. Price and Mr. Giglio, Law firm of Andrews and Price
- **Invited Guests:** Mr. Muscatello and Mr. Clifford to Discuss Series of 2014 and DCMC requirements.

**I. Call meeting to order.** Mrs. Stepnick , Acting Chairperson, called meeting to order at 6:00 PM.

**II. Citizens Comments:**

- A. On agenda items: None
- B. On non-agenda items: Several citizens commented on re-districting matters being considered by the Central Administration and the Board of Directors. Dr. Glasspool provided clarification on comments and questions as did Committee and Board Members as well. Discussion as to which The *Request to Attend* Application was also discussed.

**III. Presentation:** Mr. Joe Muscatello of Boenning & Scattergood; the District's Investment Banker representative, was invited to attend the meeting to update the Committee and Board Members on the upcoming Series of 2014 Government Obligation Bonds (GOB's) borrowing in the amount of \$10,000,000. He explained that interest rates have increased slightly since last week and that Mr. Marraccini and he had the bond rating telephone conference call last week with Standard & Poor (S&P) representatives to discuss present and future economic and financial conditions of the District to determine the rating.

Mr. Pastel, District's Bond Counsel of Eckert Siemens Law Firm, was also invited to answer any questions related to guidelines for continuing disclosures for former and future bond issues. He explained that the SEC's MCDC Initiatives Program for self-reporting for misstatements in the Official Statements (OS) from prior year and future year bond issues. Mr. Price stated that every municipal borrowing across US is under this review. It was recommended that a third party be hired (Digital Assurance Corporation, aka "DAC") to provide the necessary reporting services to insure the District stays current with the disclosure requirements moving forward, for an annual fee of \$1,500.

**IV. Agenda Action Item Discussions:**

1. **Treasurer's Report:** Approve Treasurer's Report for the Month of October 2014. Copy of the Treasurer's Report was sent to Committee and Board Members electronically prior to the meeting for their review.

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

2. **Approve Series of 2014 Borrowing Resolution.** Recommend adoption of a Resolution as presented to the Board by Mr. Pastel authorizing the incurring of non-electoral debt to finance a portion of the cost of the School District's elementary school renovation/construction project and studies,

equipment, software, capital improvements and/or renovations to various School District facilities, as presented.

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

- 3. Approve District's continued participation in the AIU Joint Purchasing Board for 2015-16 for all items listed except Electricity, as presented.** A copy of the authorization was provided. Mrs. Stepnick requested the list of custodian supplies contractually by Aramark and those provided by the District. Mr. Marraccini indicated that the information will be provided.

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

#### **V. Informational Items Discussions:**

- 1. Committee reviewed the Real Estate Tax Collector's Report for the month of October 2014 prepared by Mr. Schlegel, as presented.**
- 2. Committee reviewed the Earned Income Tax (EIT) Collection Reports for October 2014 prepared by Keystone Collections, as presented.**
- 3. Committee reviewed the Revenues and Expenditures Comparison Graphs for October 2014, as presented.**
- 4. 2013-14 Independent Audit update.** Mr. Marraccini indicated the new auditors were in the district this week working on the 2013-14 fiscal year audit. Board members indicated they want the new auditor to know they would like completion of the audit earlier than last year.
- 5. Auditor General's Audit.** The district was notified that the State Auditors have scheduled an audit for 2011-12, 2012-13, 2013-14 and 2014-15 will begin on November 24, 2014. Board members received surveys related to the audits.
- 6. Review 1<sup>st</sup> Draft of 2015-16 Preliminary General Fund 10 Budget.** The Committee and Board Members were presented with a hard copy of the 2015-16 General Fund Budget. Though this is the 1<sup>st</sup> draft of the budget, Administration wanted to insure that every line item was closely reviewed to present an accurate and realistic budget projection.

The Revenues included the assumption property taxes would be increased due to new housing starts and increasing the millage rate by the PDE Index of 2.6% from 18.758 to 19.246 mills, and by approximately another \$400,000 assuming PDE approval for allowable Exceptions for Pension Cost (PSERS) cost increases and for increased Special Education costs. Because it is too early to project State Funding, especially with a new Governor, prior year and actual 2013-14 amounts were used. No fund transfers from the Post War Capital Reserve Fund or the Budgetary Reserve were included at this time, to provide a realistic shortfall amount. **Projected Revenues = \$59,252,052.**

Major Expenditure changes included increases for health care premiums by 7.5%, PSERS costs by 20.74%, Staffing changes pursuant to Re-districting Plan, changes to the Life Skills and ESY programs (in-house) and Capital Items purchases. It was noted that the salaries for the Teachers and Para-professionals were the same as the 2013-14 wages, due to Status Quo for the Teachers and upcoming negotiations for the Para's whose labor agreement expires on June 30, 2014. **Projected Expenditures = \$61,698,132.**

**Bottom Line: The Draft projects the budget shortfall at \$(2,446,080).**

Dr. Glasspool indicated this budget could be used as the official 2015-16 Preliminary Budget for PDE. The District is planning to submit its Preliminary Budget earlier to qualify for approval for Exceptions by PDE to preserve the right to increase taxes above the Index, if necessary.

Department supervisors will be present at the next meeting to answer questions by the Board related to their specific departmental budget.

Administration will continue to adjust budgetary amounts as information is available for 2015-16 budget.

**VI. Next scheduled Finance Committee Meeting:** December 9, 2014

**VII. Round table discussion:**

- Mr. Colella noted that the 2015-16 Preliminary Budget Draft does not contain any amounts related to the Affordable Care Act (ACA) potential penalties.
- Dr. Glasspool stated that Dr. Ronald Dufalla, the Circuit Rider for the Campaign for Fair Funding for School Districts is scheduled to attend the Finance Committee Meeting in January, 2015.

**VIII. Motion to adjourn:** Meeting adjourned at 8:56 P.M.

Minutes prepared by  
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Director of Business Affairs