

Plum Borough School District

Finance Committee Meeting Minutes For October 2015

(Meeting #3 – 2015-16)

Plum Borough School District Finance Committee Meeting Minutes October 2015

Meeting Date: October 20, 2015
Location: Plum Senior High School Cafeteria Conference Room
Purpose: Discuss District Financial Matters for the Month of September 2015
In Attendance:

- **Committee Members:** Mrs. Stepnick, Chairperson; Mr. Dowdell and Mr. Zucco, Committee Members
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Board Members:** Mrs. White, Mr. McGough, Mr. Colella and Mrs. Gallagher
- **Solicitor:** Mr. Price, Andrews & Price LLC

I. Chairperson calls meeting to order. Mrs. Stepnick called the meeting to order at 7:00 PM. The meeting immediately followed the Policy Committee Meeting that started at 6:00 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. Treasurer's Report:** Approve Treasurers' Report for the Month of September 2015. Report will be sent electronically to board members prior to the meeting for their review.

Committee Recommendation: Move to Public Meeting Agenda

- 2. Budgetary Transfers for September 2015:** None. (No 2015-16 transfers permitted within first 90 days of a new fiscal year.) Mr. Marraccini noted there will be budget transfer next month.

- 3. Approval of Construction Invoices received after October Facilities Committee Meeting, as presented.** Committee reviewed four invoices.

Committee Recommendation: Move to Public Meeting Agenda

V. Informational Review Items:

- 1. Committee reviewed Real Estate Tax Collector's Reports for the months of August and September 2015, as presented. It was noted that collections were high in September because of the discount period.
- 2. Committee reviewed Keystone Collection Group's Current and Delinquent Earned Income Tax (EIT) and Local Service Tax (LST) Collections Report for the month of September 2015, as presented. Mr. Zucco commented that the collections are on target to exceed budgeted amount.

3. Committee reviewed Monthly Revenues and Expenditures Comparison Graphs for the month of September, 2015 as presented. Mr. Marraccini noted the graphs and P&L were not available at time of meeting, but will be sent out this week.
4. Committee reviewed Report of District's Act 1 Index history for the period from 2006-07 to 2016-17. Copy is provided for reference only. It was noted the Index for 2016-17 will be 3.3%. This means District is permitted to increase the current millage rate of 18.758 by 3.3% to 19.377, if it chooses to do so.
5. Committee was provided with a copy of PDE's Report on Index and Referendum Exceptions for 2015-16 School Year. Copy is provided for reference only to show how many schools elected to increase their millage to the Index and how many elected to apply for Referendum Exceptions.
6. PDE's Act 1 Timeline for 2016-17 school year outlining Homestead Exclusion notices, Preliminary Budget dates or Resolution for Not Increasing Taxes Above the Index, etc. Not action necessary at this time. Copy is provided for information purposes only. Committee would like for Administration to start working on the 2016-17 Preliminary Budget and to have a Budget Workshop scheduled for November 17, 2015.
7. IRS audit update of Series of 2010 Build America Bonds. Mr. Pastel has obtained an extension until October 21, 2015. Mr. Marraccini indicated he has provided all of the information Mr. Pastel and Mr. Sparks of Dinsmore requested and will meet the deadline. It was noted no exceptions were found. Mr. Marraccini said Mrs. Pivik, former Accounts Payable / Accounts Receivable Administrative Assistant did a great job on maintaining the financial records for the New Pivik Project.
8. Committee discussed TRAN/RAN borrowing due to state budget impasse, now in day 111. Due to state budget impasse and state subsidies delays, it may be necessary to establish a Line of Credit (LOC) or a Fix Amount with a local lender. Mr. Marraccini indicated he has spoken with PNC Bank and S&T Bank about obtaining a Revenue Anticipation Note (RAN) to provide cash flow until the state budget impasse ends. Mr. McGough provided another source that AIU#3 used which provided he said was very favorable. Mr. Marraccini will contact all three vendors and obtain interest pricing for fixed and line of credit loans. Mr. Price indicated arbitrage rules does not apply to RAN loans.

The Cash Flow Analysis for 2015-16 was reviewed and it indicated the District will need the RAN to provide necessary cash for February 2016 to pay the necessary financial obligations of the District.
9. Committee was provided with a DRAFT copy of the Independent Auditor's Food Service Operations Report for the FYE June 30, 2015. Mr. Coon, District's Independent Auditor, has completed the audit of the District's Food Service Operation, which reported a loss of \$(12,975). Mr. Collela asked to check meeting records or minutes for the P&L amount Mrs. Lazzaro projected.
10. Committee was sent an electronic copy and was provided with hard copy of the Fund 10 Cash Flow Analysis spreadsheet which projected the approximate time the District will experience negative cash flow and will need a Revenue Anticipation Note (RAN) until the state budget

impasse is resolved. The report the RAN will be needed in February 2016 in the event the budget is not passed.

V. New Business Roundtable Discussion.

A 2016-17 Budget Workshop was set for Tuesday November 17, 2015.

VI. Next scheduled Finance Committee Meeting: November 17, 2015

VII. Motion to Adjourn. Meeting adjourned at 7:58 PM. It was announced that an Executive Session would start immediately to discuss matter of personnel, etc.

Meeting Minutes prepared by:

Eugene J. Marraccini
Director of Business Affairs