

Plum Borough School District

Finance Committee Meeting Minutes For February 2015

(Meeting #8 – 2014-15)

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

MEETING DATE: Tuesday, February 17, 2015
LOCATION: High School Cafeteria Conference Room

IN ATTENDANCE:

- **Committee Members:** Mrs. Stepnick, Chair; Mr. Zucco and Mr. Dowdell, Committee Members
- **Board Members:** Mrs. White, Mr. McGough, Mr. Tommarello, Mrs. Gallagher, and Mr. Colella and Mr. St. Leger via telephone conferencing.
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Solicitors:** Mr. Price and Mr. Giglio of the Law Firm of Andrews & Price LLC
- **Invited Guests:** None

I. **Call meeting to order.** Mrs. Stepnick called meeting to order at 6:33 PM, immediately following the Special Voting Meeting.

II. **Citizens' Comments:**

A. **On agenda items:** None.

B. **On non-agenda items:** Mr. Wolfe of Winchester Drive commented on the raising of property taxes and teachers' compensation.

III. **Agenda Action Items Discussions:**

1. **Approve Treasurer's Report for the Month of January 2014.** Report was sent electronically for board prior to the meeting for their members' review.

Committee recommendation: Move to the Public Meeting Agenda

2. **Approval Construction Invoices received after the Facilities Committee Meeting.** Committee was provided with copies of invoices received after the Facilities Committee Meeting of February 10, 2015.

Committee recommendation: Move to the Public Meeting Agenda

3. **Approval to Exonerating Mr. Harry Schlegel, Real Estate Tax Collector, for the 2014 uncollected property taxes, supplementals and 2012 & 2013 interim taxes totaling \$1,197,155.52, as of January 15, 2015.** It was noted that all unpaid taxes information were turned over to Andrews & Price LLC for collections.

Committee recommendation: Move to the Public Meeting Agenda

4. **Recommend appointment of Keystone Collections Group (KCG) for the collection of Delinquent Earned Income Tax (EIT) & Local Service Tax (LST) Taxes, formerly collected Mrs. Pedrosky, Plum Borough Municipality, pursuant to Act 32, retroactive to January 1, 2015.** Due to the fact Mrs. Pedrosky stated she will no longer collect the above referenced taxes, Act 32 requires the Current EIT Collector collect delinquent EIT and LST taxes. It was noted that there are no costs incurred for the District as the delinquent tax collector charges the taxpayer for all collection costs. Keystone Collections will collect delinquent for both the Borough and School District.

Committee recommendation: Move to the Public Meeting Agenda

5. Approval of Agreement with Huntley and Huntley (H&H) Energy Exploration LLC. After discussions, the board members agreed to table the discussions and to invite H&H back for more discussion and to possibly pursue other proposals.

Committee recommendation: Table for further discussions

6. Recommend approval of proposal from Hawley Consulting for OPEB post-retirement medical valuation services for FYE 6/30/15 and 6/30/16, as presented. District is mandated to provide a OPEB report which details the districts' future obligations for contractual benefits for active employees. The report will be for the fiscal years ending June 30, 2015 and June 30, 2016 at a cost of \$7,000.00 for both years. Mr. Hawley as prepared the last two reports (four years) for the District without any increases

Committee recommendation: Move to the Public Meeting Agenda

7. Discuss approval of Resolution to amend the Series of 2014 to finance capital improvement to include the purchase of the truck terminal property located at 1460 Greensburg Road, Plum, PA. The committee was provided a copy of a Resolution which amends the "2014 Resolution" adopted 11/25/14 to include using the bond proceeds to purchase the truck terminal.

Committee recommendation: Move to the Public Meeting Agenda

V. Informational Items for Board Review:

1. Human Resource Software. Administration is seeking authorization to solicit HR software vendors used to manage and store employee information. Mr. Brewer, Director of Administrative Service explained the need of the District to have HR tracking software. Initial year estimated cost is in the \$17,000 range, with lower maintenance cost thereafter.

Committee recommendation: Move to the Public Meeting Agenda

2. GASB 68 - A new accounting requirement for unfunded pension liabilities (PSERS): State Auditors recommended that Administration inform their respective Board of Directors of the impact of GASB 68 which takes effect for the FYE audit on 6/30/2015. It basically shifts the PSERS' underfunded liability to the local district level and their local financial reports. It was explained that is requires no monetary outlay costs, but will be reflected in the financial statements that the District will have future obligations caused by the PSERS crisis.

3. Discuss Forbes Road Career & Technical Center (FRC&TC) FYE June 30, 2014 Independent Auditor's Report. Electronic copy of the audit will be distributed to the Committee and the Board prior to the meeting. Mr. Marraccini explained that the FRC&TC annual operation financial supports comes the proceed of a Revenue Anticipation Note (RAN) and then assesses district members at the end of the fiscal year for the proportional share of the actual expenses bases a district's student enrollment compared to total enrollment.

4. Discuss renewal of insurance package coverage policies with Liberty Mutual for FY 2015-16. Liberty Mutual is extending an incentive for the District's renewal for 2015-16. Mr. Marraccini will present details at the meeting. Committee and other board members were in favor, because the proposed increase is substantially a lesser percentage than prior years. It was noted the District has received excellent service from AJ Gallagher / Gleason Division and Liberty Mutual over the past years and for recent claims. Increase is expected not to exceed 5%.

Committee recommendation: Move to the Public Meeting Agenda

VI. Next scheduled Finance Committee Meeting: March 24, 2015 or other date as determined by the Committee or Board.

VII. Round table discussion:

1. Mr. Tony Giglio of Andrews & Price provided the Committee with updated 2015 Property Tax Appeals Process information. He noted the Common Level Ratio (CLR), set by the State, has been lowered to 90.8% and must be considered when the District reviews the difference between the sales price of a property versus its assessed values. He noted that assessment appeals revenue increases have been reduced and will continue to be reduced because of these changes.

2. The District was notified that the health care premiums for Consortium members was set at 2.75% for 2015-16, effective 7-1-15. The preliminary budgeted percentage of increase was 5.0%. Updated budgets will reflect the change which Mr. Marraccini estimated to be \$93,000.00 + based on current member enrollment information.

VIII. Motion to adjourn. Committee adjourned at 8:13 PM. It was announced the Board would be going into Executive Session following the Finance Committee Meeting.

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