

Plum Borough School District

Finance Committee Meeting Minutes For January 2015

(Meeting #7 – 2014-15)

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

MEETING DATE: Tuesday, January 20, 2015
LOCATION: High School Cafeteria Conference Room

IN ATTENDANCE:

- **Committee Members:** Mrs. Stepnick, Chair; Mr. Zucco; Committee Members
- **Board Members:** Mr. Colella, Mrs. White, Mr. McGough, Mr. Tommarello, and Mrs. Gallagher
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, Dr. Rossi, and Mr. Brewer
- **Invited Guests:** Dr. Ronald Dufalla, Circuit Rider, to discuss Fair Funding Formula for PA Schools. Mr. Louis Arrico and Mr. Ed Valentas of Huntley and Huntley, to discuss deep well gas drilling royalty opportunities for District owned properties.

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

Mrs. Stepnick asked that Citizens' Comments be held until after presentations of invited guests.

~~III.~~ **II. Presentations:**

1. Dr. Ronald Dufalla explained that he was here to present information regarding the Fair Funding Formula for PA Schools. His presentation explained the Department of Education does not have a fair and equitable funding formula for schools. His presentation will be posted on the District's website.
2. Mr. Lou Arrico and Mr. Ed Valentas, representatives for Huntley and Huntley, a local Petroleum and Natural Gas Exploration company is interested in obtaining deep well drilling rights for District properties. Mr. Valentas, via an electronic presentation, explained in detail how the drilling and fracking process occurs. He explained the District has approximately 39 acres that they are interested in purchasing the drilling rights. At \$2,000 per acres, plus about 12.5% royalties for shallow drilling and 16% for deep well drilling, when they happen. Their offer has a minimum value to the District of \$78,000. The Board will consider the offer accordingly.

~~II.~~ **III. Citizens' Comments:**

A. On agenda items: None

B. On non-agenda items: Mr. Harry Schlegel, resident and local current real estate collector explained that there are 851 delinquent properties, some are vacant hillside properties. He explained the uncollected property taxes for 2014 has increased over prior years and that these delinquent property taxes will be collected by Andrews & Price, the District's delinquent property tax collectors. His point was District should not increase property taxes and decrease expenditures.

IV. Agenda Action Item Discussions:

1. **Treasurer's Report:** Approve Treasurer's Report for the Month of December 2014. Report was sent electronically for board 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 January 13, 2015.

Committee recommendation: Move to the Public Meeting Agenda

- 3. 2015-16 Proposed Preliminary General Fund Budget (Fund 10).** Board will make their decision on Act 1 Index for 2015-16 Proposed Preliminary General Fund Budget.

Committee recommendation: Move to the Public Meeting Agenda

V. Informational Items:

- 1. Review Real Estate Tax Collector's Report for the month of December 2014 prepared by Mr. Schlegel.** Committee reviewed report. Mr. Marraccini indicated that Mr. Schlegel will collect current real estate taxes through the end of December 2014 and then will turn over unpaid to Andrews & Price for collections as delinquent accounts. Mr. Schlegel will be exonerated from collecting any unpaid 2014 property taxes at the February 2015 meeting.
- 2. Review Current Earned Income Tax (EIT) & Local Service Tax (LST) Collection Reports for November 2014 prepared by Keystone Collections.** The Committee reviewed the report. Mr. Marraccini noted that while the collections YTD information is on a calendar basis, the collections are on track to meet or exceed the budgeted revenue amount of \$3,450,000. Mr. Marraccini noted that the state mandated EIT collection system has proven to be effective, noting collections are up by \$200,000 per year over prior years.
- 3. Review Delinquent Earned Income Tax (EIT) & LST Collection Reports for November 2014 prepared by Mrs. Pedrosky.** Mrs. Pedrosky informed the District that she will no longer be collecting Delinquent EIT and Delinquent LST taxes for the Borough and District, because her position is being eliminated by the Borough. Mr. Marraccini suggested these taxes be turned over to Keystone Collections, effective immediately to avoid disruptions in collections. It was noted that Mrs. Pedrosky be recognized for her excellent service to the District and community.
- 4. Review Revenues and Expenditures Comparison Graphs for December 2014.** Board Members were presented with comparison graphs for Revenues and Expenditures. Revenues to date has greatly exceeded Expenditures to date.
- 5. Act 1 Homestead/Farmstead Notice for 2015.** Mr. Marraccini encourages all taxpayers to file an application for their primary residential property by March 1, 2015. This will reduce their property taxes by about \$208.00. There are no income or age limitations.
- 6. 2013-14 Annual Financial Report (AFR) – PDE-2057.** The AFR was filed on December 24, 2014 and is on display on the District's website. The auditor prepared report shows 2013-14 Revenues of \$56,904,908 and Expenditures of \$56,896,254, or a favorable variance of \$8,654 or .000152%. Ending Fund Balance was \$1,609,218 on June 30, 2014.
- 7. Series of 2014 GOB (\$10,000,000) Bond Closing for Regency Park Renovation Project Update.** Mr. Marraccini indicated the Series of 2014 bond closing was held on December 30, 2014. The net proceeds of \$9,618,152.08 plus \$5.27 interest for a total of \$9,618,157.35 were deposited in a new and separate construction investment fund at RBC Wealth. This new bond fund will be recognized as Fund 35 on the Treasurer's Report. Any additional borrowing for this project, deemed necessary by the Board of Directors would be obtained through additional borrowing.

VI. Next scheduled Finance Committee Meeting: February 17, 2015 or other date as determined by the Committee or Board.

VII. Round table discussion:

1. Mr. Colella recommended reinstatement of some revenue sources and decreasing a expenditure line items for 2015-16 - with no action taken.
2. Mrs. Stepnick recommended reinstatement of programs – with no actions taken.

VIII. Motion to adjourn. Committee adjourned at 8:50 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