

# **Plum Borough School District**

## **Finance Committee Meeting Minutes For March 2015**

**March 24, 2015**

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(Meeting #9 – 2014-15)**

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

**MEETING DATE:** Tuesday, March 24, 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, Mrs. Gallagher, Mr. Colella and Mr. St. Leger
- **Administrative Representatives:** Mr. Marraccini, Dr. Glasspool, and Dr. Rossi
- **Solicitors:** Mr. Price, Law Firm of Andrews & Price LLC
- **Invited Guests:** Mr Robert Coon, CPA; Bielau, Tierney, Coon & Company, District's Independent Auditor

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

II. **Citizens' Comments:**

- A. On agenda items: None
- B. On non-agenda items: None

III. **Presentations:** Mr. Coon discussed the financial statement for the FYE June 30, 2014. He indicated that he is a partner in his firm and this is his first audit of the District. He noted he first had to verify the starting amount (from previous year) with the former auditor. He noted the General Fund (Fund 10) fund balance was \$1,609,218, which is on the low side for a district of this size. The fund balance represents 2.83% of the expenditures. The State recommends a minimum fund balance of 3% and a high of not to exceed 8%. He noted the actual difference between revenues received and expenditures spent for 2013-14 had a favorable variance of +\$8,654, which he credits to good budgeting and administration of the budget.

He noted the Food Service Operations (Proprietary Fund – not part of the General Fund) had an operating loss of \$54,393. Mr. Colella asked about the department's cash flow and if can sustain with another loss in 2015-16 and Mr. Coon stated the department would need increase pricing or cut costs to avoid another loss.

Mr. Coon explained that new accounting reporting standards contained in GASB 65 requires all governmental entities to include on their balance sheets their pro-rata share of the under-funded pension liabilities (PSERS). District is not required to fund this amount, but to recognize it in its financials. Plum's amount has not yet been determined.

He stated there were no audit findings to report and that the staff was very organized and cooperative. His final audit report and management report will be provided to the District shortly.

III. **Agenda Action Items Discussions:**

1. **Recommend approval of Treasurer's Report for the Month of February 2015.** Report was sent electronically for board prior to the meeting for their members' review. Mr. Marraccini noted the report shows that Fund 31, the Post-War Capital Reserve Project Fund's available funds of \$2,507,144.95 has \$723,000 commented to the 2014-15 General Fund Operating Fund budget, leaving an uncommitted fund balance of \$1,784,144.95.

*Committee recommendation: Move to the Public Meeting Agenda*

2. **Approval General Fund (10) Budgetary Transfer for the month of February 2015.** None at this time. Mr. Marraccini explained that there will be some budget transfers for the Public Meeting Agenda, which will be forwarded to the Board for review prior to the meeting.
  
3. **Recommend approval of Construction Invoices received after the Facilities Committee Meeting.** Committee was provided with copies of invoices received after the Facilities Committee Meeting held on March 17, 2015 for approval, as presented.  
*Committee recommendation: Move to the Public Meeting Agenda*
  
4. **Recommend approval of Agreement with Huntley and Huntley for gas dwelling under district property, as previously discussed and presented.** Dr. Glasspool explained that Range Resource indicated there were not interested in our property and EQT did not return his call.  
*Committee recommendation: Move to the Public Meeting Agenda*
  
5. **Recommend approval of the proposed 2015-16 Allegheny Intermediate Unit (AIU#3) Program of Services Budget as presented.** The Budget totals **\$4,005,898**. There is no increase in this budget. The Plum Borough School District's expected contribution for 2015-16 to the AIU Program of Services budget is \$41,930.63, as presented. Mr. Colella would like justification for amount to be paid to the AIU in light of the recent travel spending report. Mr. McGough indicated the AIU is instituting new travel spending oversight and that his travel as a member of the AIU Board has provided him with valuable knowledge and ideas that directly benefited the District.  
*Committee recommendation: Move to the Public Meeting Agenda*
  
6. **Recommend approval for the purchase of twelve (12) new school busses and awarding bid to \_\_\_\_\_ in the amount of \$ \_\_\_\_\_, not including trade values.** Amount represents the lowest responsible bidder pricing.  
*Committee recommendation: Moved from Informational Items the Public Meeting Agenda*

#### V. Informational Items:

1. **Committee reviewed Real Estate Tax Collector's Report for the month of February 2015 prepared by Mr. Schlegel.**
  
2. **Review Current & Delinquent Earned Income Tax (EIT) & Local Service Tax (LST) Collection Reports for February 2015, prepared by Keystone Collections.** See Attached.  
*Note: Mrs. Harr from Keystone Collections will attend the April Finance Committee to address progress of the EIT transition from the Borough (Mrs. Pedrosky).*
  
3. **Committee reviewed Revenues and Expenditures Comparison Graphs for February 2015.** Mr. Dowdell commented the cash flow is favorable and consistent.
  
4. **Discuss 2015-16 General Fund Budget (Fund 10).** Updated copy of revenues and expenses with changes discussed at the March 17, 2015 Budget Workshop Session. Copy of budget will be sent electronically prior to the meeting. Committee asked that any property tax increases to the Index,

PDE Referendum Exceptions and any transfers from the Post-War Capital Reserve Fund (Fund 31) be removed from the budgeted revenues for the next budget report to show the true deficit.

Administration noted it is finishing the personnel location changes for those employees affected by the redistricting and closing of A. Stevenson and changes in the Teachers contract for 2015-16.

- 5. Discuss bus bids and purchase of 12 new school busses.** Two bidders provided sealed bids for 12 new busses on March 23, 2015. Total bids (not adjusted for trade-ins\*) ranged from \$973,278 to \$978,222. Mr. Mergen is reviewing bids to insure they confirms to District specifications. Mr. Mergen will have his recommendations for the March 31, 2015 Public Meeting.

Busses need to be order by early April 2015 for delivery by early August 2015. Financing for busses will come from the most competitive funding option, including any manufacturer's programs or from existing GOB funds transfers or from future GOB borrowings, which we determined before delivery. It will necessary to award bid at the March 31, 2015 Public Board Meeting.

*Committee recommendation: Move to the Public Meeting Agenda*

**VI. Round table discussion.**

- Mrs. Stepnick asked that representatives from the Allegheny County Health Care Consortium are asked to attend the next finance committee meeting scheduled for April 21, 2015 to address the Affordable Care Act.

**VI. Next scheduled Finance Committee Meeting:** April 21, 2015

**VIII. Motion to adjourn.**

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