

UPPER PERKIOMEN SCHOOL DISTRICT

Education Center
2229 E. Buck Road, Pennsburg, PA

Finance Committee Meeting

November 18, 2019

CHAIR: Melanie Cunningham

MEMBERS:

Raeann Hofkin

Judy Maginnis

Ex-Officio: Dr. Kerry Drake, President

Business Manager: Sandra Kassel

Assistant Business Manager: Dan Direso

Superintendent: Dr. Allyn Roche

AGENDA

Discussion:

1. Approval of October 21, 2019 Meeting Minutes (Attachment A)
2. Status of the construction projects
 - a. Middle School
 - b. 4th & 5th Grade Center
 - c. Off-site walkways
3. Capital Project Fund
4. Capital Reserve Fund

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

October 21, 2019

The Finance Committee Meeting was held at 6:32 p.m. at the Upper Perkiomen Education Center with the following committee members attending: Melanie Cunningham (chairperson), Raeann Hofkin, Judy Maginnis, and Dr. Kerry Drake. Others in attendance were: Dr. Allyn Roche, Sandy Kassel, and Dan Direso.

1. and 2. MISSION AND VISION

Mrs. Cunningham read a draft Mission and Vision statement for comment. The statement would be sent out for input.

The statement sent is below:

MISSION STATEMENT DRAFT

To devote the extra time and effort to understand the finances of the district and more in-depth information for the Board as a whole.

VISION

Delve/dive into more detail that cannot be accomplished in a few Board presentations at budget time.

Work with administration to give the Board the information they need in a format that is understandable to better decide in budgetary items and to help ease the way for a more intelligent discussion at budget time.

Identify and convey the needs of the Board to Administration using a collaborative approach.

Give the Board a better understanding of where we are during the year.

Go over debt service and payroll.

Give the Board the times of year for big expenses and revenues.

Dr. Drake commented that the mission should be why we exist and the vision the outlook in five to ten years. There should be a collaborative proactive approach.

Dr. Drake starting a discussion on using timing and predictability.

Dr. Roche asked how the finance committee structure works. He asked if recommendations that come from other committees would then come to the finance committee since they will have budget implications? Or is this committee more of an everyday understanding of the finances. The feeling is that the finance committee needs to be made aware of decisions of the other committees and the cost impact but not to stop the recommendations of the other committees.

Mrs. Hofkin feels the committee can help the Board members with understanding our financial condition. For example, understanding what in the budget we can control and to help the Board understand what they are voting for.

3. MONTHLY BOARD REPORTS

The committee was provided with a copy of the September Board Reports. Mr. Direso went through each report and explained their purpose and answered questions.

It was decided we would add a Revenue summary similar to pages ten and eleven on expenditures. Also a total recap for revenue and expenditures will be provided at the bottom of the budget to actual summary.

The committee decided that student activities and scholarships only needed to be reported twice a year.

Mrs. Hofkin asked what canned reports come from Skyward. Mr. Direso offered to sit down with Mrs. Hofkin if she would like to see what Skyward offers.

Mrs. Cunningham wondered if there was a time when a vendor report would be valuable.

Mrs. Hofkin and Mrs. Cunningham asked how our requisition and purchase order system worked. An explanation of the electronic system was provided along with the checks and balances that are incorporated in the system.

Questions arose as to the awareness of unusual expenditures. Administration explained that unusual expenditures would need to be Board approved therefore the Board would be notified. An example would be a settlement agreement.

4. ACT 1 INDEX FOR NEXT YEAR

Information on the 2020-21 Act 1 Index was provided along with the calculation and historical information.

5. EFFECT OF STEB FOR 2020-2021

The 2018 STEB is used for the 2020-21 budget year. Our lowest STEB dropped resulting in 3.48% tax increase with no increase in millage. The combination of STEB and maximum index allows the tax increase to be 6.79%. Based on the information the recommendation is to proceed with the Opt-Out Resolution in November. The committee decided to recommend to the Board that they approve the Opt-Out Resolution in November.

7. RECOMMENDATION FOR TRANSFER TO CAPITAL RESERVE FOR THE TURF FIELDS BASED ON THE GUIDELINES SET UP BY THE SCHOOL BOARD

The recommendation based on Board guidelines is for the transfer of \$50,112.13 to the capital reserve for turf fields. The amount is comprised of turf rentals, sale of banners and the balance of the remaining unexpended funds in the athletic budget. A question was asked about the life of the turf and the cost of replacement. Our fields are in good shape and the actual cost to replace is unknown.

6. ESTIMATE FOR YEAR END 2018-2019

Currently it is showing use of the fund balance but we are awaiting final budget numbers.

8. HISTORICAL REVENUES – EXPENDITURES BY MAJOR FUNCTION OBJECT

Information was provided and updated.

9. REVENUE & EXPENDITURE SUMMARIES

General and Capital information was provided. Capital funds are decreasing as planned.

The next meeting we will review the Capital funds. The next meeting is November 18, 2019.

Motion by Judy Maginnis, seconded by Raeann Hofkin, to adjourn the meeting at 8:05 p.m. Motion carried; all voted aye.