

UPPER PERKIOMEN SCHOOL DISTRICT

Education Center

2229 E. Buck Road, Pennsburg, PA

VIRTUAL

Finance Committee Meeting

November 16, 2020

CHAIR: Melanie Cunningham

Ex-Officio: Dr. Kerry Drake, President

MEMBERS:

Judy Maginnis

Keith McCarrick

Business Manager: Sandra Kassel

Assistant Business Manager: Dan Direso

Superintendent: Dr. Allyn Roche

AGENDA

1. Approval of Meeting Minutes
 - a. October 19, 2020 (Attachment A)
2. Discussion
 - a. Bond Refinancing – Jamie Doyle
 - b. Transportation RFP
 - c. Recommendation to OPT OUT or allow for exceptions
 - d. Transfer to Capital from General Fund Balance

Mission & Vision Statement: The Finance Committee is an advisory committee who are devoting the extra time and effort to understand the finances of the district in order to assist and guide the Board on financial decisions which affect the short and long term financial health of the district.

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

October 19, 2020

The Finance Committee Meeting was held virtually with the following committee members attending: Melanie Cunningham (chairperson), Keith McCarrick, and Judy Maginnis. Others in attendance were: Dr. Allyn Roche, Sandy Kassel, Dan Direso, and Raeann Hofkin.

Motion by Judy Maginnis, seconded by Keith McCarrick, to approve the September 21, 2020 Finance Committee Meeting minutes. Motion carried.

DISCUSSION –

a. STEB Impact on 2021-2022 Budget

The STEB ratio remains the same as last year so the ratio does not have an effect on school taxes for the 2021-22 school year. The ratio is a calculation of Market Value to Assessed Value with the lowest ratio of the seven municipalities being part of the formula for calculating taxes. Green Lane Borough has the lowest ratio. The data is provided in June of the prior fiscal year.

b. Act 1 Index and Adjusted Index

The Department of Education releases the calculated index each year early in September. It is composed of the statewide average weekly wage and the Employment Cost Index. On September 30th the Department released the adjusted index for school districts with a market value/personal income aid ratio greater than .4000.

The adjusted index determines the maximum % that a district can increase its millage without applying for exceptions.

The factors behind the calculations were explained in detail. The calculation on current assessed value, was provided to show the impact of the maximum index on the real estate revenue as compared to the current millage rate.

The committee also looked at the changes in assessed value in each municipality today as compared to when the bills for 2020-2021 were issued.

A further explanation occurred on the maximum index, applying for exceptions or considering the Opt-Out resolution in the near future.

c. Charter School Impact on 2020-21 Budget and on Next Year's Budget

Information on the charter school effect on the expenditures was provided. The increase in charter school enrollment from 110-175 calculates to a \$999,456 shortfall. Our estimated cost for charter schools with the increased enrollment is approximately \$2.8 million. Data on the charter schools, the enrollment by school and the changes from March to October were provided. Dr. Roche reminded the committee that the numbers can change monthly and for some parents the decision may be dependent on the instructional model provided by the district moving forward.

d. Project Funds Available – Capital Reserve

An update was provided on the estimated funds available from the Middle School project taking into consideration the balance remaining in the escrow account at Univest, (\$4.1 million). Also the estimated balance of the uncommitted capital reserve fund was provided, (\$5.5 million). Combined, the estimated capital funds total \$9.6 million.

At the Facilities committee meeting they discussed the estimated GESA project cost at \$8.5 million to \$11 million, the Hereford renovation for full-day kindergarten and other small capital projects which will expend the funds in the current capital accounts. We will be recommending

moving funds from the general fund to the capital reserve to support these needed projects. Funds were saved last year during the COVID shutdown. It is important to maintain a capital reserve for emergency or planned capital needs and for financial stability.

The committee was reminded that the district could borrow funds if needed. The district has options as far as supporting their capital needs.

Mrs. Maginnis asked for examples of what is included in the GESA project which Mrs. Cunningham responded and added that the chiller and high school duct work are part of the consideration.

e. Wood Property Update

No new update. Mrs. Kassel should have the third appraisal by the end of the week and will share it with the Board once it is received.

f. Other

Dr. Roche informed the committee that we need to move forward with the negotiations committee to address the compensation plans and Act 93 agreement. January would be too late.

Motion by Keith McCarrick, seconded by Judy Maginnis, to **adjourn the meeting at 7:54pm**. Motion carried; all voted aye.