

**UPPER PERKIOMEN SCHOOL DISTRICT**

**FINANCE COMMITTEE  
May 3, 2021**

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: Dana Hipszer, Peg Pennepacker, Sandy Kassel, Dan Direso, Allyn Roche, Andrea Farina, and Kim Bast.

Motion by Judy Maginnis, seconded by Keith McCarrick, to approve the **April 19, 2021 Finance Committee Meeting minutes**. Motion carried.

**DISCUSSION –**

Timeline for the budget approval was listed.

**Fund Balance** – A review of the fund balance for the last five years was presented. A portion of last year’s fund balance was transferred to support the turf fields and to support district needs.

**Capital Funds** – A review of the Capital funds and commitments was presented. The purpose of capital funds is for one time expenditures that are not budgeted in the general fund or if budgeted frees up funds in the general fund for other purposes. The capital balance was provided along with a list of committed or necessary projects showing the available balance that will be available for future needs. Most of the items listed as critical capital needs were addressed and we are waiting for NORESKO to provide us with the cost to correct HVAC issues at the Education Center. This is outside the GESA project and not listed as committed although listed on last year’s critical list. One other major item listed on the list but yet to be decided is the installation of gates to secure the parking lot adjacent to the playground at the 4<sup>th</sup> and 5<sup>th</sup> grade center when in use during recess.

**COVID-19 Grants**

A review of the various grants was provided listing the awards and the expenditures. The grants are as follows:

ESSER I	-	\$ 238,934.00
PCCD Grant (Part 1)	-	\$ 243,883.00
(Part 2)	-	\$ 102,998.00
Montgomery County Cares Funding	-	\$ 394,625.98
Sp. Ed. COVID-19 Impact Mitigation	-	\$ 15,937.00
ESSER II	-	\$1,183,014.00
ESSER III	-	<u>\$2,425,110.00</u>
Total COVID Funds		\$4,604,502.98
Expended or Committed	-	<u>\$1,673,945.83</u>
Balance		\$2,930,557.15

\$485,022 of the ESSER III fund is to be used for learning loss. The presentation included a breakdown of the expenditures that have occurred.

### **2021-2022 Budget –**

Expenditure summary of the new staffing additions to the budget and the contracted services that are new expenditures were presented. Almost all of these costs are on going additional costs that will need to be funded moving forward. The total in the budget is \$1,826,651 for these items.

#### **Full-day Kindergarten**

The latest cost updates on this new program were provided.

#### **Expenditure Budget Summary**

The breakdown of expenditures by major function was discussed followed by the new staff needs costs which included full day kindergarten, autistic support, instruction coach, and technology support.

#### **Revenue**

The revenue was presented at the major levels of local, state, and federal. The information provided showed a need to utilize fund balance in a range of \$4,550,919 for a zero millage increase to \$3,100,300 at the maximum index of 3.7% millage increase.

A listing of added or decreased revenues were shown to explain the difference of local revenue for 2021-22.

#### **Overall Budget Increases**

A listing of the major object increases was presented with salaries, benefits, and transportation being the largest increases.

#### **Millage Calculations**

A chart was provided showing the effect of millage changes ranging from 0% to 3.7% (the maximum index) and the affect they would have on median and average assessments for homeowners with the estimated fund balance needed.

The committee was reminded that the Board has another ability to adjust the millage in June but must pass a preliminary budget in May.

The committee also discussed the transportation challenges that the district will face in planning for next year.

The committee was informed that not raising the millage is a loss of revenue for the future since the district must comply with Act 1.

The committee was also reminded that the capital fund, which they have transferred money into, has been valuable in allowing us to move forward with capital projects. That fund with the commitments will be down to \$3.7 million.

The committee was reminded of additional capital needs in the future.

Mrs. Cunningham will let the Board members know the power point will be available and that we don't know what the recommendation will be but she would like it to be 0.

Dr. Roche informed the Board of the efforts that are being made regarding getting out a declaration at the end of May or beginning of June which will acquire information that will help in some budget decisions.

Ms. Pennepacker raised the question as to whether there is a concern regarding the latest information about Knoll. Ms. Pennepacker said we must be transparent about the district needs and what we need to pay for. If a tax hike is needed we need to inform the public.

Mr. McCarrick said we will have to raise taxes if necessary.

Mr. Hipszer asked whether there is a ratio of budget to the amount of fund balance that should be maintained. Mrs. Kassel responded with the committed assigned and unreserved fund balance. The unreserved balance should be no more than 8%. The unreserved is a portion of the entire fund balance.

Ms. Pennepacker asked what Mrs. Kassel's recommendation would be regarding a tax increase. Mrs. Kassel responded with 3.7% increase and explained why.

Mrs. Cunningham asked if there were results on the survey that was sent. Dr. Roche reported on what has been received.

Judy Maginnis seconded by Keith McCarrick adjourned the meeting at 7:00 pm.