

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

May 17, 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, Kim Bast, Doug Kenwood, George Bonekemper, Dan Maginnis, Jennifer Hartzel, and Tatiana Galota

DISCUSSION –

a. Estimate of end of 20-21 Year

The committee started with a review of the estimated revenue. Last year there was an anticipated reduction of local revenue due to COVID which did not occur. Our revenues exceeded expectations in real estate payments, interim real estate, earned income tax, and transfer tax. Reductions occurred in interest, and admissions and fees. State revenue and federal funds were also reviewed.

Estimated expenditures as of May 13th were displayed along with the major projected expenditures for the balance of the year. The committee was reminded that the expenditures also reflect the \$5,000,000 transfer to the Capital Reserve fund. A spreadsheet was shared identifying current budgeted revenues and estimates for the 20-21 year along with a detail of major estimated expenditures.

b. Debt Service Review

A review of the status of our debt service was provided. The purpose was to show when the change will occur regarding the reduction in debt payments to help facilitate when funds will be available for future major renovations. A significant amount of planning will need to occur once a facilities study is approved.

Moving forward decisions will need to be made on the final budget. Mrs. Kassel expressed that administration would need to know what the comfort level will be in the utilization of fund balance, and if with the tax increase the need for fund balance is greater than what the Board wants we would need to reduce the expenditures and would need time to do that.

Dr. Roche asked if there was anything the committee felt should be discussed. Should this be discussed at a workshop with the full Board? The committee should let us know if we should schedule a similar presentation if needed or helpful.

A caution was expressed reminding the committee that fund balance is one time money.

Mrs. Maginnis asked what the unreserved fund balance is estimated to be. The response was just around \$9,000,000. Mrs. Kassel suggested that the committee consider moving additional funds to capital to support an increasing number of capital needs which are considered one time expenditures. Examples of those expenditures were fencing at the 4th and 5th grade center, the panic button system, HVAC concerns at the Education Center, and the HS softball field needs.

Ms. Pennepacker expressed the importance of developing a strategic plan and the timeline for doing it, and expressed that we need to stick to it.

Dr. Roche reminded the committee to let us know what information the Board would need to help with the budget process. Mrs. Cunningham asked if we could provide a quick look of the budget at the workshop and then make updates at the next finance committee meeting.

Mrs. Kassel again expressed a concern that if the Board directs us to only use a specific amount of fund balance and the tax rate does not cover the expenditures we would need time to make expenditure reductions

Dr. Roche reported that the parent declaration would be due back the week before the Board meeting and hopefully would help us with some budget decisions.

Mrs. Cunningham asked what affects Charter enrollment would have on staff if students remained in Charter. She asked if staff could be reduced if there is a significant number attending Charter. Dr. Roche responded that the administrators are looking at the staffing.

Mrs. Maginnis asked how we are factoring in virtual learning in the budget. Dr. Roche responded.

Ms. Pennepacker asked how Mr. Somers caution last week would affect us. Dr. Roche responded.

Motion by Mrs. Maginnis seconded by Mr. McCarrick to adjourn the meeting at 6:54PM.