

**UPPER PERKIOMEN SCHOOL DISTRICT**  
**FINANCE COMMITTEE**  
**May 8, 2023**

The Finance Committee Meeting was held at the Upper Perkiomen Education Center with the following committee members attending: Melanie Cunningham (Chairperson), Keith McCarrick, and Judy Maginnis. Others in attendance were: Dr. Allyn Roche, Daniel Direso, Megan Moyer, Dana Hipszer, Jonathan Alessi (MCIU), and 4 community members.

6:01 P.M. Melanie Cunningham called the Finance Committee meeting to order and April 17, 2023 Meeting Minutes were approved.

**Discussion:**

**2023-2024 Budget**

1.) Timeline Review

- a. Dan Direso presented a PowerPoint slide showing all dates associated with the Budget Timeline. The Proposed Final Budget will be presented Thursday May 11<sup>th</sup> to the board and advertised thereafter.
- b. One last Finance Committee (June 12, 2023) before the adoption of the final budget.

2.) 2023-2024 ACT 1 index & STEB

- a. UPSD Adjusted Index is 5%
- b. Dan Direso reminded the committee members that zero does not equal zero. Zero equals -.32%, which results in \$126,823 lost tax revenue.
- c. May 1<sup>st</sup>, 2023 we received revised property tax reduction numbers which resulted in \$34,168.00 loss if we do a 0% Millage increase compared to the \$21,427.00 loss previously presented.

3.) 2023-2024 Proposed Final Budget

- a. Revenues in the Final Budget Proposal includes the 3.67 Tax increase (4% Millage).  
REVENUES: \$71,667,731  
EXPENDITURES: \$73,561,930  
DEFICIT: \$(1,884,199)
- b. The deficit increased from April 17, 2023 presentation due to Staffing and Compensation Plan increases and IT Equipment and services increases.
- c. Dan Direso did a quick overview of the expenditures.
  - Judy asked about the Higher Education Program Expense. Dr. Roche explained it is something that is done through Carol Giblin's special education department for 2 students.
  - Melanie asked about the Debt Expenditure and if the Plancon offsets the expense. Dan explained the Plancon reimbursement is on the Revenue side.
- d. Dan did a quick overview of the Revenues.
- e. Revenue collection rate used in the past was too low. Taking a 4-year average, the new budgeted Revenue collection rate is 97%.

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- f. Earned income tax increased which would enable an additional \$250,000 of local revenue.
- g. The Federal rate increases has helped our interest income. We can expect increased revenue of \$625,000 compared to current year.
- h. The Governor's budget proposal is not included in the Revenue side of the proposed budget. We are budgeting the current years revenue with a possible \$880K in additional revenue.
- i. 2.34% Tax increase will be needed to cover the new teacher contract.
  - Keith asked what Interim Real Estate covers. Dan explained Interim taxes are for any assessed value changes. (example – finished basement).
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- j. Governor's budget is still up in the air and could go to the end of the year like previous years. Dan Direso is taking the conservative approach and is budgeting as if the extra money was not discussed.
- k. Dan Direso presented the millage calculations at 1% increments. Dan recommended a 4% millage increase but leaning towards 5% with the lowest being 2.34%, which is the percentage needed to cover the Teacher's contract.
- l. Dan presented a Draft Action Item and asked the committee for thoughts:
  - Mel suggested that we don't have a choice with the new teacher contracts and is recommending 4% millage and hoping Shapiro comes through.
  - Keith is thinking 3.5% as the preliminary, but if we adopt that we cannot go up.
  - Judy is willing to do 4% as preliminary and see if we can reduce before the final.
- m. Community Member asked if armed guards are included in the expenditures. Melanie explained the armed guard's discussion was at the facilities meeting and is included in the budget.
- n. Dr Allyn Roche read the Action Item and asked the committee members if the Board would like to see the presentation again. Melanie, Keith, and Judy are all ok with no presentation and just talking through any changes.

Melanie Cunningham asked for a motion for 4% Millage increase, Motion by Judy Maginnis and seconded by Keith McCarrick.

Motion by Keith McCarrick seconded by Judy Maginnis. Melanie Cunningham adjourned the meeting at 6:44 pm.