

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

November 16, 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, Jenn Malone and Jamie Doyle.

Motion by Judy Maginnis, seconded by Keith McCarrick, to approve the October 19, 2020 Finance Committee Meeting minutes. Motion carried.

DISCUSSION –

a. Bond Refinancing

Jamie Doyle presented a possible bond refinancing. Due to the all-time low borrowing rates refinancing provides an opportunity to save on qualified issues. There is currently more investor demand than supply keeping rates low. We are considering the 2013 and 2016 GO Bonds. The 2016 GO Bond is available for refinancing in May of 2021 so we are considering putting them together. You are permitted to have settlement 90 days prior to the May 15th call date. In order to stay below the bank qualified calendar year limit (\$10,000,000) we may not be able to refinance all of the 2016 bonds. Bank qualified means you receive a lower interest rate and the shorter five year call feature. The estimated interest rates on the refunding are projected to range from 1.5% to 1.72% generating a possible savings to the district of \$127,000. The recommendation is to authorize moving forward as long as the savings minimum of \$75,000 can be achieved.

The timeline moving forward would require authorization to proceed by the Board on December 7, 2020 with the sale on January 14th or later (lock-in rates) and the settlement to occur on February 18th or later. The Finance committee recommended moving forward and placing the authorization on the December 7th Board agenda.

b. Transportation RFP

The RFP documents were provided to the Board on the SharePoint. An excel document was reviewed comparing the costs of the three vendors. There are differences in the cost calculations but the excel document takes into consideration those differences when making the comparisons. Our current daily rate takes into consideration mid-day runs which in the future will be an extra cost. The cost of aides was also included in the spreadsheet. First Student is showing the highest costs. It is a large firm with an automated fleet offering a number of technology features. Krise Transportation operates in several districts and submitted a letter with a very positive recommendation. They also proposed a seven year contract. According to the solicitor it is up to the district which firm they choose. This is a service which does not mandate taking the lowest costs. Once we decide on a company we can work with them as to what goes into the final contract.

In reviewing the proposals we came up with various questions for each vendor based on what they submitted. After committee discussion we agreed to submit the questions to each vendor and have them return the responses to give us more information regarding their proposals.

Dr. Roche asked about an alternative fuel option question to be included in the Q and A. Mrs. Maginnis asked what Coventry's cost for mitigation would be if they would be the successful contractor.

c. Recommendation to OPT-OUT or allow for exceptions

The district can apply for exceptions and do an early budget but if the Board does not intend to exceed the 3.7% millage increase then the Board can pass an OPT-OUT resolution which means the maximum millage increase cannot go beyond 3.7%.

Next year will be a difficult year. The district is looking at Charter School increases, transportation increases, full-day kindergarten costs etc. The finance committee decided to move the OPT-OUT resolution to the full Board on December 7th limiting the district's maximum tax increase for 2021-22 to the Act 1 Index.

d. Transfer to Capital from General Fund Balance

The Board was provided with an explanation on the request to transfer funds from General to Capital in an update. The committee recommended that the transfer go on the December 7th Board agenda for approval. The funds will be needed to support the GESA project, renovations to Hereford for full-day kindergarten, and the Marlborough Elementary playground.

Motion by Keith McCarrick, seconded by Judy Maginnis, to **adjourn the meeting at 7:22pm**. Motion carried; all voted aye.