

UPPER PERKIOMEN SCHOOL DISTRICT

FINANCE COMMITTEE

January 19, 2020

6:00pm

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, Mike Elliott, Dr. Allyn Roche, Sandy Kassel, Dan Direso, Kim Bast, and Bradley Schlegel.

1. Approval of Meeting minutes

Motion by Keith McCarrick, and seconded by Judy Maginnis to approve the December 17, 2020 Finance Committee Meeting minutes. Motion carried.

2. Discussion

a. Borrowing 2021

The committee reviewed the recent summary of the bank loan proposals that were received from PFM earlier in the day. Six banks provided proposals with Key Government Finance, Inc providing the lowest rate at 1.05% with no fees. The bonds being refunded are the Series of 2013 and almost all of the Series of 2016. The differences between a bank loan and a bond issue were discussed. The new series of 2021 was reviewed. The net savings is listed at \$253,943.36. The Bank loan will be on the January 28th workshop for approval and the settlement date is March 4, 2021.

b. Tax Collection Program

The committee was provided with a brochure on the Berks County Tax program. Our current program is not well supported and we have had it since the mid 1990's. We are the only ones currently using the program. A meeting was held with the tax collectors to introduce the concept of the change and their ability to input directly. We would like them to use the system as well. They asked about the ability for the new system to contain historical information. We are currently investigating transferring that data. Mrs. Kassel reported that during a zoom meeting the tax collectors expressed a desire not to collect the per capita tax. The collectors can deputize the school district to do the collection. The district is going to proceed with moving forward in investigating this possibility.

c. Tax Collection and Tax Collector's compensation resolution

The original purpose of the zoom meeting with the tax collectors was to discuss the current Tax Collection and Tax Collector's Compensation resolution which is discussed every four years prior to the primary election. It sets the compensation levels for the collection of taxes. The collectors asked if the timeline for collecting Per Capita could go back to December 31st instead of March 31st. It was changed to March at the request of the collectors. The discussion occurred prior to their desire not to collect. If deputized, the district would look at soliciting a third party to collect. Regarding the new software there is no cost to the tax collector if the district moves in that direction. Regarding the Per Capita date for final collection the Committee decided to maintain the March 31st date. The exemption process was discussed.

The committee would like the district to get information out to notify individuals of the possibility and the requirements for exemption from payment of the tax. Mrs. Kassel will work with David Conn on language for Per Capita tax collection. Mrs. Kassel explained the Real Estate tax collection process and the tax collectors responsibility and the due dates that must be complied with. Tax collectors are paid in accordance with the number of bills that are submitted. The dates for payments to the collectors for their remittances are listed in our resolution. They are paid a fixed amount per bill. The timing of the compensation is based on the collection frequency.

d. Single Audit Report

Mrs. Kassel reported that the audit is available in EMMA at the end of each December and that it has been reviewed in the past by the full board or most recently the finance committee each year. The audit is then recognized by the school board each year by a Board motion.

Mrs. Kassel referred the committee to specific pages of the document. One of the specific areas was food service which showed a loss of \$100,000.00. This was a result of the requirement to pay wages even though the only meals we were providing were the result of the grab and go. Prior to 2019-20 Paula was able to turn around our food service program into a profit after it had significant loses but COVID had an adverse effect on its operation and bottom line.

Other pages of interest:

Page 54 identifies the bond issues.

Page 59 Recap of existing debt.

Page 90 This page identifies the tax collection receipts and liens for the seven collectors.

Page 91 Break down of revenue and expenditures by function codes showing where the actual receipts and expenditures occurred.

Some of the savings that have occurred were the results of the refundings, the premium holiday and reduction of expenditures due to COVID. The savings will help support future initiatives and we were able to transfer funds to capital to support the GESA project. The MS project funds that remain will also support the GESA project, Marlborough playground and full day kindergarten.

The value of EMMA reporting was mentioned for the financial data, the operational data and for bond issues.

Some discussion occurred on next year's budget projections regarding earned income, real estate transfer tax, and state reimbursement which will be announced on 2/4/21.

Motion by Mr. McCarrick seconded by Judy Maginnis to adjourn the meeting at 7:01pm.

