

FINANCE COMMITTEE MINUTES
APRIL 27, 2017

Attendance: Mark Fleischhauer, Steve Jenkins (by phone), Joe Phelan, Tom Bunnell, Christine Natoli
Invited guests: Tom Murphy and David Tellerday (M&T Bank)

M&T Representatives attended our meeting to discuss various banking offerings and requirements.

Collateral –

NYS Municipal law requires the bank to “collateralize” all school district deposits over and above the FDIC insurance limit. The bank uses a combination of securities and letters of credit for this collateral. The Bank of New York Mellon is used as a backup for the collateral.

M&T shows in their file that the school district has been with them since 1976. They would like to update their file on the school district.

Tom stated that the maximum amount in M&T at any one time is in the low \$20 million range.

The bank does not charge the school district for any of these services. A corporation might pay approximately \$40,000-50,000 per year for these services. M&T wants to keep our business and therefore won't charge us.

Fraud Protection –

M&T is able to provide modern fraud protections to safeguard school district funds.

For example, they are able to allow pre-approved ACH debits to our account to go through. These debits can be for a particular individual or vendor or a particular dollar amount. Unauthorized debits would be blocked. Certain accounts can also be restricted to prohibit ACH debits.

M&T can also provide additional protections for wire transfers, such as adding electronic dual controls, which would require 2 people to approve transactions electronically before the transfer can take place. E-mail notifications are also available for any wire transactions that occur.

Corporate Cards –

M&T has a “real-time” credit card program, where cards can be issued to individuals and an administrator can control the amount that can be spent on each individual card. They also have a “non-plastic” card program where vendors can be paid by credit card account, but there is no plastic card.

The credit card programs have a “revenue sharing” capability in which M&T shares the revenue generated by merchant fees with the school district.

Tax Collection –

M&T offers tax-collection service for school districts. Tax payments can be mailed to a secure mailbox in Buffalo (where M&T has its headquarters). M&T picks up the payments from the mailbox and processes them. Payments can also be accepted at M&T branches during banking hours. M&T will not charge the school district a fee for this service.

Several other area school districts are using the service currently.

The school district would still be able to accept payments at the district office for taxpayers wishing to pay in person at the district office.

Tax collection service would reduce the number of visitors to the school during tax season, and would provide added convenience to taxpayers, all at no cost to the school district.

M&T advised that if the district chooses to implement the tax collection service for the 2017-2018 school year, they would need to have the paperwork processed in the next week or so.

The committee had questions on whether Board action would be required to initiate any of these services with M&T, and also about who would need to sign the documents. Joe and Tom were to consult legal counsel.

Committee members felt that, as long as there is no cost, all of these services seem to be worth investigating further.

Respectfully submitted,

Mark Fleischhauer