

**COLONIAL SCHOOL DISTRICT
PLYMOUTH MEETING, PA**

Finance and Audit Committee Chairperson, Kathleen Oxberry, called to order a meeting of the Finance and Audit Committee at 6:35 P.M. on Tuesday, May 3, 2011 in the Superintendent's Conference Room located in the Colonial Elementary School at 230 Flourtown Road, Plymouth Meeting, PA.

Finance Committee Members Present: Kelly Jowett, Sue Moore

Other Board Members Present: Bernie Brady, Mel Brodsky, Jodi Miscannon

Others Present: Dr. Mary Ellen Gorodetzer, Assistant Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer

Public Present: None.

Mrs. Oxberry asked for any public comments on the agenda. There were none. She then asked Mr. Bickleman to proceed with the items on the agenda.

Mr. Bickleman reviewed the 2011-12 Final Proposed Budget that will be presented for board action at the May 19th meeting. He reported that the real estate tax increase was reduced from the 3%, that was approved in the preliminary budget, to 2.9%. Discussion among the committee related to the tax increase took place and the consensus was to proceed with the 2.9% increase. The increase translates to a \$77 annual increase for the average homeowner assessed at \$147,120. Mr. Bickleman mentioned that the amount of tax relief from the state's gambling revenue has declined and approved homesteads will receive \$26.86 less of a credit on their 2011-12 real estate tax bills. The amount of state tax relief money decreased \$255,899 from 11-12, and the number of approved district homesteads increased by 84. The total tax relief credit to be applied to the approved homesteads in 2011-12 will be \$231.98 as compared to the \$258.84 credited in 2010-11. As a result, the actual real estate tax increase for 2011-12 for approved homesteads will be 3.9% when accounting for the reduction in the state's real estate tax relief credit.

The 2011-12 Proposed Final Budget uses \$1,047,521 of the approved Act 1 Exceptions which totaled \$2,306,492. Using this amount of approved exceptions allows the district to exceed the Act 1 index of 1.4% by 1.5% for 2011-12.

The 2011-12 Proposed Final Budget increases 0.47% or \$439,732 from the 2010-11 budget. The Proposed Final Budget for 2011-12 uses \$4,662,180 of fund balance that is projected to be \$8,794,885 for June 30, 2011. Mr. Bickleman mentioned that the salary component of the budget is increasing 0.16% or \$76,303 and the benefits expenditure is increasing 6.92% or \$1,162,954, the largest increase in the budget. The benefits increase is primarily due to the increase in health premiums but this amount could decrease as a "second look" premium analysis is due from Blue Cross later in May. Mr. Bickleman reported that the deadline for the public notice for the June 16th adoption of the final budget is June 6th. He mentioned that this ad will be placed in the Times Herald prior to this deadline.

Mr. Bickleman then began the discussion on the net savings parameter for the refunding of the district's 2006 General Obligation Bonds. The consensus of the committee was to establish the net savings amount at \$200,000. This amount will be included in the Parameters Resolution that will be acted upon at the board work session on May 16th. Mr. Bickleman said he will relay this information to Bond Counsel.

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Mr. Bickleman stated that current Act 1 index projections for 12-13 is 1.1% and that there is current legislation being discussed in Harrisburg to eliminate all exceptions.

Mr. Bickleman mentioned that his office is preparing Board Policy to address the accounting and reporting changes associated with the Governmental Accounting Standards Board's Statement #54 which deals with fund balance reporting. This first-read draft will be presented at the June committee meeting.

Mrs. Oxberry asked for any public comments. There were none.

There being no further business to be brought before the committee, Mrs. Oxberry adjourned the meeting at approximately 7:15 P.M.

Respectfully submitted,

Joseph P. Bickleman
Chief Financial Officer/Treasurer