

**COLONIAL SCHOOL DISTRICT  
PLYMOUTH MEETING, PA 19462  
MINUTES, MAY 26, 2005**

President Orlow convened the special meeting of the Colonial Board of School Directors at 7:09 p.m. in the Board Room of Colonial Elementary School on May 26, 2005.

**Board Members Present:** Marc Orlow, Gary Johnson, Tom Davis, Hope Luken, Susan Moore, William Ryan, Pascal Scoles, Steven Slutsky and Mitch Zimmer.

**Board Members Absent:** None.

**Also Attending:** Vincent F. Cotter, Superintendent; MaryEllen Gorodetzer, Assistant Superintendent; Gerald Berger, Director of Human Resources; Cassandra DeLong, Director of Pupil Services; James M. Bell, Director of Support Services/Board Secretary; Joseph P. Bickleman, Chief Financial Officer/Board Treasurer; Andrew Boegly, Chief Information Officer; David Sherman, Administrative Assistant, Community Relations; John Quinn, Director of CITV; Jim Hunt and Mr. Santangelo, Berkheimer; Jack Pinheiro and Dante DelVecchio.

Mr. Orlow led the Pledge of Allegiance and announced that the Board had met in executive session on 06/25/05 for informational purposes and had met with members of the Citizens Advisory Committee for informational purposes immediately before the meeting.

**Public Comments on the Agenda:** None.

**Announcement:** Mr. Orlow announced that he would begin the meeting with the Personnel Report which was listed later in the agenda because Mr. Slutsky was on his way to the meeting and wanted to participate in the discussion and action on the budgetary issues that came earlier on the agenda.

**Personnel Report:** Dr. Cotter walked board members through his personnel report and highlighted the fact that the report contained a recommendation for filling the principal vacancy at Colonial Middle School following the retirement of Mrs. Newman. See Enclosure #7. Mr. Orlow requested Board action on the personnel report and the revised staffing agreement with General Healthcare Resources, Inc. contained in Enclosure #8. Note was taken that the only change in the agreement from what was passed by the Board at in regular meeting earlier in the month was a change to the wording of the indemnification clause beginning on page 2. The solicitor and the contractor agreed on the revised language. Mr. Johnson moved and Mr. Davis seconded a motion to approve the report and the agreement. On a roll call vote, all voted in favor. The motion was carried.

Mr. Slutsky arrived at 7:12 p.m. and Mr. Orlow returned to the beginning of the agenda.

**New Business:** **Earned Income and Net Profits Tax:** Mr. Orlow reported that there were a number of items on the agenda dealing with taxes and the district budget for 2005-06. He took that opportunity to discuss a pending resolution to adopt a one-percent (1%) earned

income and net profits tax and to provided some background information on the impact of that tax on district residents. Mr. Orlow noted that the tax was not new in the district's three municipalities. He reported that the district was entitled to the tax but had refrained from adopting it until it was necessary to do so. Mr. Orlow indicated that the one-percent tax had been in place in Conshohocken Borough and Plymouth Township for a number of years and that the district's adoption of the tax would shift half of what was being collected to the district. He reported that Whitemarsh Township collected a tax of only one half of one percent (0.5%) and that the district's passage of an earned income tax would add one half of one percent (0.5%) to the tax being collected in that township. He provided statistics that indicated that 66% of the residents in Whitemarsh Township already paid the one-percent tax between the township where they lived and the municipality where they worked. He also reported that 83% of all district residents already paid the full one-percent tax or worked in the city of Philadelphia and were not affected by the one-percent tax. Mr. Orlow stated that implementation of the earned income and net profits tax was a major factor in allowing the district to move forward with a budget that called for a reduction in local property taxes.

Mr. Orlow asked for Board action on the Earned Income and Net Profits Tax Resolution contained in Enclosure #1. Mr. Slutsky moved and Mr. Davis seconded a motion to approve the resolution. Board members had no questions on it. On a roll call vote, all voted in favor. The motion was carried.

Mr. Orlow noted that the Resolution: Agreement with Berkheimer contained in Enclosure #2, the Berkheimer Agreement and Modification to Agreement contained in Enclosure #3, the Liaison Appointment of Mr. Bickleman as school district liaison to Berkheimer contained in Enclosure #4, the Resolution: Appoint Berkheimer as Tax Hearing Officer contained in Enclosure #5 and the Resolution: "Impose and Retain" Delinquent Tax Collection Costs contained in Enclosure #6 were all documents that required Board action in order to fully implement the district's earned income and net profits tax. Mr. Hunt from Berkheimer explained how the tax would be collected in the district and responded to questions from a number of board members about the processes that would be used to collect the tax not only from the residents who paid the full tax in their home municipalities but also those who paid it in the municipalities where they worked. Mr. Hunt walked the board members through the process of setting up the tax rolls and many of the possible scenarios for collecting the taxes. The key to his responses was a summary statement indicating that it was Berkheimer's responsibility to collect the taxes owed to the district regardless of where the payroll deductions were made or net profits were earned. Mr. Slutsky asked if the solicitor and Berkheimer had reviewed all of the enclosures that were before the Board for action that evening and had found them accurate. Mr. Bickleman responded that they had. Mr. Slutsky moved and Mr. Zimmer seconded a motion to approve the actions in Enclosures #2 through #6. On a roll call vote, all voted in favor. The motion was carried.

**2005-06 School District Budget:** Mr. Orlow noted that the special meeting that evening had been scheduled for the Board to take action on the 2005-06 budget following the required 30-day period for public comment. Mr. Slutsky reviewed the budget preparation process and timetable and highlighted key elements of the proposed budget. He indicated that the

Board had heard the community's concern about rising real estate taxes and noted that the budget called for a 0.05% reduction in the property tax rate. The reduction was brought about by prudent spending by the district and the enactment earlier in the evening of an earned income and net profits tax. Mr. Slutsky indicated that the proposed final budget had increased by \$53,000 to account for the increased cost of fuel and funding of the Odyssey of the Mind program at Colonial Elementary School. He reported that total expenditures were up by 8.44% over the current year, primarily as a result of increases such as retirement costs and other mandates that were out of the Board's control. He also advised that the district had used \$3,100,000 of its current fund balance of approximately \$4,800,000 to fund the budget, in accordance with long-standing Board policy to return unused funds and not to serve as a bank for taxpayers' money. He noted that the remainder of the fund balance would be held to cover unanticipated emergencies.

Mr. Orlow sought Board action to approve the 2005-06 budget and set the tax rates and billing date for taxes, as outlined in the agenda. Mr. Slutsky moved and Dr. Ryan seconded a motion to approve the 2005-06 budget at \$75,438,000, set the real estate tax rate at a reduced rate over the current year at 14.90 mils, an unchanged real estate transfer tax rate of 1%, amusement tax rate of 10% and real estate tax certificate at \$20, and set the billing date for taxes as 07/01/05. On a roll call vote, all voted in favor. The motion was carried.

**Repository Sale:** Dr. Cotter and Mr. Bell explained the nature of a repository sale as the third level of action on the sale of property following a failure to pay real estate taxes. They noted that the parcel #49-00-04110-44 was a covered parking space at the condominium in Plymouth Township. Mr. Bell reported that there had been no buyers of the parcel at sheriff's sale or judicial sale. He indicated that the proposed sale of the parcel for \$500 would require both district and township approval. Mr. Bell noted that approval of the sale did not necessarily mean that the district would get delinquent taxes since the sale was free of tax liens but noted that the property would return to the tax rolls. Mr. Bell reported that Ms. Rothstein of the solicitor's office recommended approval of the sale. After a brief period of comment and deliberation, Mrs. Moore moved and Mr. Johnson seconded a motion to approve the sale. On a roll call vote, all voted in favor. The motion was carried.

**Other Business:** Mr. Orlow spoke briefly about the bids to expand the Trainer's Room and the stadium building in the high school and expressed his reluctance to approve the bid because of the high cost of the relatively small projects. See Enclosure #9. Mr. Johnson reported that the Facilities Management Committee recommended that the Board reject the bids and direct the committee to find other ways to meet the need for an expanded trainer's facility and additional storage space for Facilities Management. Mr. Zimmer moved and Mrs. Moore seconded a motion to reject the bids. On a roll call vote, all voted in favor. The motion was carried.

**Additional Public Comment:** None

There being no further business before the Board, Mr. Orlow adjourned the meeting at 7:42 p.m.

**Respectfully submitted,**

**James M. Bell  
Board Secretary**