

**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 Wednesday, April 6, 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

**Others Present:** Dr. Mary Ellen Gorodetzer, Assistant Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer, Rich Hartz, Director of Human Resources, Scott Shearer, Managing Director, Public Financial Management

**Public Present:** Alan Fiermonte arrived at approximately 6:50

Mrs. Oxberry asked for any public comments on the agenda. There were none. She then asked Mr. Bickleman to proceed with items on the agenda. Mr. Bickleman asked the committee for permission to start with the Bond Refinance Report from Scott Shearer. The committee agreed to start with Mr. Shearer.

Mr. Shearer presented a Refunding Analysis Report for the district's 2006 General Obligation Bonds. The report stated that the district could save approximately \$120,000 based on current rates and a July 1, 2011 settlement. The net savings represent 1.26% of the outstanding par value on the bonds. The committee discussed what the targeted savings should be in order to move forward with the refinancing. Mr. Shearer stated that district's use a rate of 2% of par on the outstanding bonds. Using this rate the district would be looking at targeted net savings of \$191,600 since there is \$9,580,000 of 2006 bonds outstanding. Mrs. Oxberry stated that she would like more board member input as to the targeted savings rate since there are only five members present tonight. Setting the targeted amount was placed on the agenda for the May committee meeting. In the meantime, Mr. Shearer suggested that the board approve an Authorization to Proceed Statement that could be approved at the Board's April 14<sup>th</sup> board meeting. This Authorization will give the financing team, which is made up of the Financial Advisor, Bond Counsel, and administration, the authority to compile preliminary documents for the refinancing. The committee concurred and asked that the Authorization to Proceed be placed on the April agenda. Mr. Shearer stated that once the targeted savings figure is reached it will be included in the formal Parameters Resolution which will be scheduled for adoption at the May work session on May 16<sup>th</sup>. The Parameters Resolution, once adopted, would allow the district to sell the new bonds during a competitive internet sale once the net savings target specified in the resolution is achieved. The committee was in agreement with this timeline.

Mr. Bickleman then presented a report on the fund balance projection for Jun 30, 2011 and the status of the 11-12 budget. He stated that current fund balance projections show an \$8.7 million surplus at the end of the current fiscal year. The current status of the 11-12 budget uses \$4.8 million to balance the shortfall between revenues and expenditures. This would result in an estimated \$3.9 million available for the 12-13 budget. Mr. Bickleman stated that there have been net expenditure reductions of \$1.7 million made to the preliminary budget at this time. The total of the 11-12 budget is currently \$94,705,221 which is an increase of \$646,221 or .69% above the 10-11 budget. He mentioned that additional expenditure reductions will be considered during the next two months.

The committee and those present reviewed the 11-12 budget presentation that was taped for airing on CITV. Mr. Brodsky asked that average tax increase slide be revised to show taxable assessed value for varying amounts and the corresponding annual increases for this figures. Mr. Bickleman said that he would add this information to a new slide. Mr. Fiermonte asked that the slides themselves be placed on the district website as they might be difficult to read on the aired TV broadcast. Mr. Bickleman will have the slides added to the district's website under Administration-Finance.

Mr. Bickleman reported that PDE has approved the district's Application for Act 1 Exceptions. The total amount of \$2,306,492 that was applied for was approved. This amount would allow the board to raise real estate taxes an additional 3.5% above the Act 1 index maximum of 1.4% for a total of 4.9%. Exceptions were approved for special ed, \$1,564,108 and retirement, \$742,384. He made note to the committee that the Upper Merion School District was successful in acquiring court ordered exceptions for assessment appeal stipulations. This avenue could be an option for Colonial in the future. Mr. Bickleman reported that there is a bill currently moving through the legislature that would eliminate the application for exceptions and would require voter referendum on all budgets if the tax increase exceeds the Act 1 index. The Act 1 index for the 12-13 budget year is projected to be .8% to 1% which would only generate an estimated \$500,000 to \$600,000 of new real estate tax revenue.

Some good news related to the district's taxable assessed value. Mr. Bickleman stated that the taxable assessed value increased \$2,192,710 in March which generates additional tax revenue of \$40,710.

Mr. Bickleman asked the committee members to consider raising the tax certification fees from the current \$20 to \$25. The last time the fee was raised was for the 04-05 fiscal year. This fee has generated \$18,620 for 09-10, \$18,660 for 08-09, \$16,500 for 07-08, and \$14,580 for 06-07. The fee increase is estimated to raise an additional \$4,000 for 11-12. The committee was in agreement and instructed Mr. Bickleman to add the increase to the 11-12 budget resolution for the June 16<sup>th</sup> meeting.

After explaining some of the issues involving the process of selling the district's outstanding delinquent real estate taxes receivable, Mr. Bickleman asked the committee if there was interest. The committee did not support this action at this time.

Mrs. Oxberry asked that the committee continue in executive session to discuss real estate tax assessment appeals.

After executive session, 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 7:30 P.M.

Respectfully submitted,

Joseph P. Bickleman  
Chief Financial Officer/Treasurer