

**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 7:00 P.M. on Wednesday, June 1, 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: Gary Johnson, Bernie Brady, Mel Brodsky, Beth Suchsland, Alan Tabachnick

Others Present: Dr. Mary Ellen Gorodetzer, Assistant Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer, Lori McCoy, Director of Food Services, Loren Szczesny, Fox Rothschild

Public Present: Leslie Feingold

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 latest status of the 11-12 budget since the Final Proposed Budget was adopted on May 19th. He reported that 11-12 budgeted expenditures were reduced by \$559,972 to account for the medical premiums savings realized from the second look Blue Cross premium increases and other salary adjustments. Expenditures for the 11-12 budget now total \$93,938,760 which is decrease of (\$120,240) from the 10-11 budget. It also represents a net expenditure reduction of (\$2,483,240), or (2.64%), from the 11-12 preliminary budget that was adopted in February. The current 11-12 budget, as presented with the 2.9% real estate tax increase, uses \$3,947,475 of fund balance. The projected fund balance for June 30, 2011 is \$8,794,885. It also assumes that the state is not going to give back the \$1.1 million of revenue reductions that was included in the governor's budget.

Mr. Bickleman then distributed a Real Estate Tax Increases and Fund Balance Impact Report which illustrated the various scenarios with tax increases ranging from 0.00% to 2.90%. Discussion related to this report was lengthy based on whether or not the district would be without the state revenue for 11-12 and if faced with no Act 1 exceptions in the 12-13 school year. Consideration was expressed regarding tax increases during the downturn in the economy and the diminishing fund balance and its effect on future budgets. The committee instructed Mr. Bickleman to prepare further analysis showing a 2.25% tax increase based on the district receiving the \$1.1 million of state revenue. Mr. Bickleman informed the board that he would prepare the requested information for future board discussion and that he would need direction on the tax increase Wednesday, June 8th, in order to have the budget reports prepared for the June 16th agenda.

Mr. Bickleman reported that the current projections for the Act 1 increase for the 12-13 year is 1.1% which would generate approximately \$740,000.

Lori McCoy, Director of Food Services, reviewed her financial projections for the current 10-11 fiscal year and the budget for 11-12.. The projected actual is \$10,872 better than the projected loss of (\$118,800) as shown in the budget for 10-11 and the 11-12 budget projects a loss from operations of (\$65,346). Meal prices will not increase for the 11-12 school year as revenues are expected to rise due to increasing the quick service lines in the high school and for additional vending machines in the elementary schools. Costs are expected to rise especially for retirement contributions, \$23,213, or 47%. Salaries projections include a 2.0

decrease in staffing due to retirement and a 2.25% rise in wages according to the current contract. Medical insurance premiums for Personal Choice are rising 3.77% and 15% for Keystone in 11-12.

The committee commended Mrs. McCoy for reversing the trend in the amount of loss incurred from operations by increasing revenue and controlling costs as a result of strategies that she has implemented. They also appreciated that there was no lunch price included in the 11-12 budget.

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

Mrs. Oxberry then asked that the board resume the meeting in executive session in order to discuss tax assessment appeals.

After executive session, there being no further business to be brought before the committee, Mrs. Oxberry adjourned the meeting at approximately 8:15 P.M.

Respectfully submitted,

Joseph P. Bickleman
Chief Financial Officer/Treasurer