

**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 6:30 P.M. on Wednesday, August 4, 2010 in the Superintendent's Conference Room located in the Colonial Elementary School at 230 Flourtown Road, Plymouth Meeting, PA.

Finance Committee Members Present: Mel Brodsky, Tom Sigafoos, Mitch Zimmer

Other Board Members Present: Gary Johnson, Bernie Brady, Sue Moore, Beth Suchsland

Other District Staff Present: Dr. Vincent F. Cotter, Superintendent, Dr. Mary Ellen Gorodetzer, Assistant Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer,

Public Present: Tom Davis

Mrs. Oxberry began the meeting by asking for any public comments. There were none. She asked Mr. Bickleman to lead the discussion on agenda.

Mr. Bickleman proceeded to review items associated with the 10-11 budget. He began by providing an explanation of the invoice from the Central Montco Technical High School for 2010-11 operations. He highlighted the fact that the district's share of the cost is \$2,067,439 but that the actual payments will be reduced by a \$710,176 credit from the 08-09 year. The amount budgeted for the 10-11 year is \$1,357,263 (actual costs minus the 08-09 credit). There is a \$30,325 debt payment for the roof replacement. Mr. Bickleman mentioned that the payment in 11-12 will be the last debt payment for the roof. A debt payment of \$548,170 is also due for the completed renovation project. The district incurs 35% of the total renovation costs as per agreement. Mr. Bickleman stated that the district receives a state debt payment reimbursement subsidy of 19.8%, or \$108,537, for the renovation project.

Mr. Bickleman noted that the district's share of retirement was reduced 31.4%, or \$629,000 from the budgeted amount for 10-11. This was the result of the state budget being passed that dictated an employer rate reduction from the PSERS mandated rate of 8.22% to 5.64%. PSERS has since approved the 5.64% rate. He also informed those present that the district will be receiving additional AARA federal stimulus funds of \$322,633. These funds will be used to offset costs associated with the HVAC and window replacement renovations at the high school.

Mr. Bickleman then distributed information related to estimates for the Act 1 index for the 2011-12 budget year. Current estimates place the rate at 1.4%. A 1.4% real estate tax increase would generate approximately \$908,000 before using any PDE approved exceptions. The Act 1 index is the average of the Employment Cost Index (ECI) for Elementary and Secondary Schools and the increase in the State Average Weekly Wage (SAWW). The ECI for June 30, 2010 and the SAWW for 2009 are used for the Act 1 index. The low index coupled with declining revenues and rising costs will result in a very challenging budget year for 2011-12.

Mr. Bickleman then asked for the committee's approval to move forward with a revision to the district's 457 Plan. The purpose of the revision is to allow the same 403(b) vendors to offer 457 accounts to their clients. The current 457 Plan only allows employees to participate with Lincoln Investment Planning, Inc. The consensus of the committee was to move forward with the revised 457 Plan. Mr. Bickleman stated that a revised 457 Plan document should be ready for board action at the August board meeting.

Mr. Bickleman stated that with the committee's approval he will move forward with establishing a district Paypal account to allow for online payments for adult evening school. The committee directed him to move forward with the account.

Mr. Bickleman then distributed minutes from the Act 32 Tax Collection Committee (TCC) Meeting that was held on June 21st. The TCC is mandated to establish county-wide collection of the earned income tax (EIT) by January 1, 2012. The TCC has received six vendor proposals and is in the process of reviewing and visiting vendor sites. The TCC is scheduled to appoint a county-wide EIT collector in September.

Mrs. Oxberry then called for an executive session to discuss legal matters related to real estate tax assessment appeals.

After the executive session, there being no further business to be brought before the committee, Mrs. Oxberry adjourned the meeting at approximately 7:00 P.M.

Respectfully submitted,

Joseph P. Bickleman
Chief Financial Officer/Treasurer