

COLONIAL SCHOOL DISTRICT
PLYMOUTH MEETING PA
Meeting Minutes
October 5, 2011

Finance and Audit Committee Chairperson, Kathleen Oxberry, called the meeting to order at 6:30 P.M. on Wednesday October 5, 2011 in the Superintendent's Conference Room located in the Colonial Elementary School at 230 Flouertown Road, Plymouth Meeting PA.

Finance Committee Members Present: Kathleen Oxberry, Kelly Jowett, Susan Moore

Other Board members Present: Gary Johnson, Bernie Brady, Mel Brodsky

Others Present: Dr. Mary Ellen Gorodetzer, Superintendent, Richard Hartz, Human Resources Director and Robert Salanik Financial Consultant

Public Present: None

The Finance and Audit Committee met in executive session prior to the meeting to discuss tax assessment appeals.

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

Mr. Salanik presented a report on the current real estate assessment value of the school district. He explained how the assessed value of the three municipalities is calculated into a real estate tax dollar value equaling a mill of taxes, and how the tax millage is applied, yielding the Budget for real estate taxes. He compared the adopted 2011/12 final budget to the current value of a mill of real estate tax, based on assessment changes through September 2, 2011.

Mr. Salanik presented a report that he would like to use showing major adjustments to the current year budget as a result of events or actions impacting the budget during the current year. He applied both revenue and expenditure adjustments presented by Mr. Bickleman at the August 1, 2011 Finance Committee meeting to illustrate the benefit of this report and its impact on the use of the districts fund balance.

The committee then reviewed several items pertaining to the development of the 2012-13 school district budget. Documentation confirming the Act 1 Index of 1.7% was distributed. Mr. Salanik also reviewed some information on Acts 24 and 25 of 2011 which were adopted on June 30, 2011 along with the state budget. Act 24 limits the number of exceptions to the Act 1 index to four items, only two of which pertain to the Colonial SD. These two retain the exceptions for special education costs exceeding the index and retirement rate increases above the index. There are some minor changes to the calculation of the retirement rate exception which freezes the wage base, adjusts it only for the amount of the index. Act 25 broadens the

mandatory installment tax plan allowing not only residents but also small businesses (defined as employing 50 or less) to pay their school taxes on installments. Act 25 also eliminates the need to file requests with PDE for non reimbursed school construction projects.

Mr. Salanik also reported that he had spoken with the district financial advisor to verify that no current debt obligations were eligible for refinancing. He reported that no bond issues were economically feasible to refinance and that the districts recent refinancing was well timed. The committee reviewed a proposed 2012-13 Budget Calendar for the development of the school district budget. It was noted that because we are heading into a Presidential election year that the Act 1 budget development schedule is advanced by almost a month compared to last year. This year's calendar requires that the school district preliminary budget be made available to the public by January 5, 2012. In order to coordinate this calendar with the district scheduled meetings, we intend to make this preliminary budget available to the public by December 31, 2011, adopt a preliminary budget on January 19, 2012, and file for exceptions by February 2, 2012. The balance of the schedule is comparable to last year's adoption schedule with the adoption of the Proposed Final Budget on May 17, 2012 and the Final Budget Adoption on June 21, 2012. Mr. Salanik indicated that he will be meeting with the cabinet administrators on October 11th to get their input on the budget development process, and will bring some new ideas to the budget process along with benchmarking financial data to similar sized school districts. He also would welcome any input from school board members.

The committee also reviewed a report on the current real estate rates of the school districts in Montgomery County for the 2011-12 fiscal year. It was noted that Colonial retained its position as the third lowest school tax rate in the county.

The committee also reviewed some current information pertaining to the Pennsylvania School Employees Retirement System (PSERS). This information included a report that the system had earned a return of 20.37% on their investments for their fiscal year ending June 30, 2011. The fund uses an 8.0% anticipated return in its actuarial calculations. The committee was also presented with a handout from a presentation to the Senate Finance Committee on the status of the fund, dated September 28, 2011. Mr. Salanik also presented the latest information on the PSERS website indicating that the employer rate for the 2012/13 fiscal year will be 12.19%, up from the current year rate of 8.65 %.

Mrs. Oxberry adjourned the meeting at 7:00 P.M.

Respectfully Submitted,

Robert Salanik
Financial Consultant