

## **Finance and Audit Committee Minutes**

Monday, February 5, 2018 – 5:00 PM  
Colonial Middle School Library

The meeting was called to order by Chairman Adam Schupack at 5:00 p.m. in the cafeteria of Colonial Middle School 716 Belvoir Rd., Plymouth Meeting, PA.

**Finance Committee Member Present:** Adam Schupack, Eunice Franklin-Becker and Sue Moore

**Other Board Members Present:** Felix Raimondo, Leslie Finegold, Mel Brodsky, Jennifer Dow, Rosemary Northcutt.

**Others Present:** Dr. Michael Christian, David Szablowski, Terry Yemm, Joe Lally, Bob Fahler, Phil Chang and Mark Digian

**Public Present:** Approximately 20

### **Regular Meeting:**

Mr. Szablowski discussed the settlement of an assessment appeal involving the property owned by Realty Income Pennsylvania Properties Trust (BJ's Wholesale). The terms of the settlement were recommended by the District Solicitor and the terms were briefly reviewed. The Committee supported this settlement to be included on the Agenda for approval at the February Board meeting.

Mr. Szablowski reviewed the Colonial School District's taxing history since the adoption of Act 1 of 2006, which utilized a State-wide index to control the level of tax increases a District could raise taxes without a taxpayer referendum. Mr. Szablowski reviewed the various exceptions that would allow a school district to exceed the Act 1 Index. The District utilized these exceptions several times over the last 5 years.

Mr. Szablowski explained the various funds utilized by the Colonial School District and the fund balances in each. The General Fund, Fund 10, was reviewed in detail and the assigned, committed and unassigned fund balances were summarized.

An update of the 2018-2019 Budget was presented. The projected revenues were reviewed and discussed, with outstanding assessment appeals being a specific concern as to the timing of settlements and whether the settlements would favor the District. Larger expenditure items were discussed with the possible impact to the 18-19 budget. Specifically, wages, benefits, and debt service were identified as areas of concern. The retirement contributions mandated through the Pennsylvania School Employees Retirement System (PSERS) and the projected

increases in medical and prescription health benefits were discussed at length. Healthcare projections are expected to be refined in February and March.

In preparation for the Facility meeting to follow the Finance Committee meeting this evening, several debt service scenarios were reviewed to give the committee an idea of the tax impact of varying levels of building renovation costs.

Based on all the budget factors reviewed above, an estimated deficit is projected for the 2018-2019 budget. There was extensive discussion about the use of fund balance and possible cost-cutting measures.

There was a discussion on the District's overall strong financial status and the District's AAA bond rating.

There was various public comment on the budget, possible tax increases, the State Budget and property tax reform.

The meeting adjourned at 6:05 p.m.