

**COLONIAL SCHOOL DISTRICT  
PLYMOUTH MEETING, PA**

**Finance and Audit Committee Chairperson, Hope Luken, called to order a meeting of the Finance and Audit Committee at 6:30 P.M. on Wednesday, March 3, 2010 in the Superintendent's Conference Room located in the Colonial Elementary School at 230 Flourtown Road, Plymouth Meeting, PA.**

**Finance Committee Members Present:** Kathleen Oxberry, Tom Sigafos

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

**Also Present:** Dr. Vincent F. Cotter, Superintendent, Dr. Mary Ellen Gorodetzer, Assistant Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer, Lori McCoy, Director of Food Services, Pam Baker, CPA/Partner Barbacane Thornton & Co., Tom Davis, Kelly Jowett

Mrs. Luken began the meeting by asking for any public comments. There were none.

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

After the executive session, Mrs. Luken asked Mr. Bickleman to proceed with the remaining items on the agenda.

Mr. Bickleman introduced Pam Baker, CPA/Partner for Barbacane Thornton & Co., to review the Audit Report for the Fiscal Year Ended June 30, 2009. Mrs. Baker presented the audit report by highlighting the following sections of the report: The Independent Auditors' Report, The Management Discussion & Analysis, The Statement of Net Assets, The Statement of Activities, The Statement of Revenues, Expenditures, and The Changes in Fund Net Assets-Propriety Fund. Mrs. Baker also discussed the Single Audit section of the report dealing with federal programs and the auditor's responsibility to audit these programs for compliance with federal guidelines. Mrs. Baker stated that she is available to answer any questions that could arise after the board's review of the report. Mrs. Luken thanked Mrs. Baker for her thorough explanation. Mr. Bickleman informed the committee that the Audit Report will be included on the March 18<sup>th</sup> board agenda for acceptance.

Next, Lori McCoy, Director of Food Services, reviewed the Profit and Loss Report for the Food Service Fund to address the projected loss from operations for the current school year. Last June, Mrs. McCoy projected a loss of \$59,000 for the entire school year but that current figures for January 31<sup>st</sup> shows a loss of \$79,000. She cited an \$8,000 reduction in student sales and a \$15,000 decrease in vending revenue primarily due to the economy and stricter nutritional guidelines for vending. Function and banquet revenues are lower by \$13,000 due to invoicing the General Fund at cost for district catered meetings and events. In order to increase sales revenue, Mrs. McCoy expanded the high school breakfast program that includes a "Grab and Go" station in the lobby. A vending machine that tracks reimbursable meals will be installed at the high school to relieve long lines and promote additional sales. The Dairy Council's marketing materials are on display, and a fresh coat of paint has been applied to the east cafeteria, making it a more inviting place for lunch. Mrs. McCoy reported that she is also investigating a recycling program for plastic milk bottles that would generate additional revenue. Expenditures for medical insurance premiums are \$15,000 higher than the previous year due to more employees opting for district coverage because of spouses no longer providing coverage due to personal life changes. Salaries as a percentage of sales are high, primarily due to the staffing of two kitchens at the high school. Mrs. McCoy says that she is currently studying the possibility of changing the configuration of food preparation and delivery at the high school. She will be meeting with the high school administration and Mr. Yemm to discuss the feasibility of various options. The committee commended Mrs. McCoy for her thorough report and for positive changes already implemented in the food service program.

Mr. Bickleman then reported on the status of the 2010-11 budget. He mentioned that he has filed for Act 1 Referendum Exceptions totaling \$2,564,461, and if approved by PDE, would provide the flexibility of raising real estate taxes an additional 4.11% over the state imposed index limit of 2.9%. Advertising for the exceptions application was completed by the due date of March 4<sup>th</sup> and that the district will be notified by March 24<sup>th</sup> if the exceptions are approved by PDE. Hope Luken and other committee members instructed Dr. Cotter and Mr. Bickleman to implement the budget reductions that were discussed at the previous meeting in order to have the real estate tax increase under 5%.

Mr. Bickleman reported that the estimated fund balance for June 30, 2010 is \$10.2 million.

A sample board resolution from PSBA calling for pension reform for PSERS was discussed with the committee. The consensus was to have the resolution adopted at the March 18<sup>th</sup> board meeting. Mr. Sigafoos was in favor of the resolution except for the last paragraph which stated the board's support for specific bills currently being discussed in the State Senate and House. The committee supported Mr. Sigafoos concerns and instructed Dr. Cotter to eliminate the paragraph prior to board action later this month.

Mr. Bickleman informed the members that he has been contacted by Scott Shearer, Public Financial Management, Inc., regarding an opportunity to save an estimated \$187,249 from the refinancing of the 2005 bonds. The committee was supportive of moving ahead with the refinancing and instructed Mr. Bickleman to include a resolution for the March board meeting. Mrs. Luken expressed a concern for setting a minimum savings limit in order to move forward with the refinancing. This was the case for the 2009 issue that had refinanced the 2003 and 2004 bonds. Mr. Bickleman mentioned that the limit for the 2009 issue was set at \$300,000 for refinancing bonds totaling \$9,995,000. This new 2010 issue would refinance \$6,570,000 worth of bonds so the limit could be set lower. Mr. Bickleman said that the board resolution will include a minimum savings of \$187,249.

Mr. Luken asked for questions from the public. Mrs. Jowett expressed her concerns related to the planned budget reductions for 2010-11 and their impact on classroom instruction. Dr. Cotter assured Mrs. Jowett that the reductions would not impact the instructional program.

There being no further business to be brought before the committee, Mrs. Luken adjourned the meeting at approximately 8:50 P.M.

Respectfully submitted,

Joseph P. Bickleman  
Chief Financial Officer/Treasurer