

**COLONIAL SCHOOL DISTRICT  
PLYMOUTH MEETING, PA**

**Finance and Audit Committee Chairperson, Steven Slutsky called to order a meeting of the Finance and Audit Committee at 7:30 P.M. on Wednesday, August 26, 2009 in the Superintendent's Conference Room located in the Colonial Elementary School at 230 Flourtown Road, Plymouth Meeting, PA.**

**Finance Committee Members Present:** Mitch Zimmer

**Other Board Members Present:** Gary Johnson, Tom Davis,

**Also Present:** Dr. Vincent F. Cotter, Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer, Loren Szczney, Esquire, Fox Rothschild LLP

Mr. Slutsky began the meeting by asking for any public comments. There were none.

Mr. Slutsky then called for an executive session to discuss legal matters related to real estate tax appeals.

After the executive session, Mr. Slutsky asked Mr. Bickleman to proceed with the remaining items on the agenda. Mr. Bickleman reported that the Act 1 state index for the 2010-11 budget year is estimated to be 2.89% with the official rate to be established by the state on September 1<sup>st</sup>. A state index at this level would generate real estate tax revenue of approximately \$1,793,000 for 2010-11. He also informed the members that the district's Act 1 accelerated 2010-11 budget schedule would be compiled after the critical dates are set by PDE.

Mr. Bickleman then proceeded to have Dr. Cotter address the next item on the agenda which dealt with the change in how the food service fund charges for catering district meetings and functions. Dr. Cotter proposed that the food service fund invoice the general fund at cost for catering district meetings and functions rather the current practice of billing cost plus a profit margin. He stated that changing to this practice would allow for more functions to be catered by the district staff rather than going to outside food vendors.

Mr. Slutsky stated, and the Board members agreed, that changing to the new proposed method appeared to be a good idea since the purpose would be for the district to use its own staff and take advantage of its purchasing power for foodstuffs. Mr. Bickleman mentioned that there was approximately \$70,000 of revenue budgeted in the food service fund to offset projected losses and that a switch to billing at cost would increase the estimated deficit in the food service fund; however, it is intended to save money in the overall district budget. Mr. Bickleman also mentioned that an increase in production for district functions could result in an additional burden on the kitchen staff. Mr. Slutsky and the other Board members instructed Mr. Bickleman to have the food service department determine the appropriate break-even costs on a variable cost basis, and bill the general fund using those costs. They also requested that Mr. Bickleman and Ms. McCoy monitor food cost and usage for district events, to ensure that the district is truly saving money when all costs are considered (including additional staff and other resources), when compared to bringing in food from outside vendors.

Mr. Bickleman then distributed a report showing the final real estate tax rates and budget information for the Montgomery County School Districts, which demonstrates the fiscal responsibility and low taxes in the district compared to school districts in surrounding areas.

Mr. Bickleman informed those present that Scott Shearer from Public Financial Management contacted him today and reported that there are potential refinancing savings associated with the district's 2004 general obligation bonds. The projected net savings at this time are \$350,000. Mr. Shearer stated that the bonds become callable on February 15, 2010 and that the district could settle the refinancing deal around November 15, 2009 which means the district could conduct a bond sale around mid-October. The committee instructed Mr. Bickleman to contact Mr. Shearer and prepare for a possible refinancing if the market dictates such a move.

Mr. Slutsky asked for comments from the public. There were none.

There being no further business to be brought before the committee, Mr. Slutsky adjourned the meeting at approximately 8:30 P.M.

Respectfully submitted,

Joseph P. Bickleman  
Chief Financial Officer/Treasurer