

Red Clay Community Financial Review Committee
Monday, March 12, 2012

Meeting Minutes:

The Community Financial Review Committee met on Monday, March 12, 2012 at 6:30 PM in the Brandywine Springs School Teachers Lounge.

Members in Attendance:

Jack Buckley – Community Member
Bill Doolittle – Community Member
Jill Floore – Red Clay Chief Financial Officer
Lynn McIntosh – Community Member

I. Introduction and Opening Comments:

Mr. Doolittle opened the meeting and welcomed everyone and asked for any opening comments. Ms. McIntosh shared that she had attended the CFRC training. She felt it was an overview rather than training and was more beneficial for newer members. The other training attendees were from Vo-tech schools. Ms. Floore asked if anyone had ideas for recruiting new members. Members will come back with ideas.

II. Minutes

After a review of the February meeting minutes, Mr. Buckley moved to accept them and Ms. McIntosh seconded as amended.

III. Expenditure & Encumbrance Reports

Ms. Floore distributed a year to date Expenditure and Encumbrance Report. This report was used last year during the Committee meetings. In October 2011, it was decided that this report was not used in the course of the monthly discussions. A community member has requested that this report be reinstated as a part of our monthly online reporting so it is now being included. The report runs expenditures by account code. There are two versions- one that includes all fiscal years and one that includes current fiscal year only. The monthly expenditure report reviewed by the committee is organized by operating unit and matches the budget.

IV. Referendum Vote

Ms. Floore distributed a breakdown of the votes made during the latest Major Capital Referendum. Fewer votes were cast than during our 2008 Referendum. The vote for the new school was a closer vote than the renovations but both passed successfully. Dr. Ammann and Ms. Floore are working on a timeline of renovations for the public. The new school will not open until 2015. Next year is the first year we will receive funding from the state. The tax money next year is small due to the fact that it is a planning year. We will receive \$6-10 million next year. Year 2014 is when the majority

of the funding will be received. Ms. Floore and Dr. Ammann are also working on meetings with Vo-tech, Appoquimink and Capital School Districts as they are also renovating and building now. Dr. Daugherty has made a commitment to progress reports regarding renovations and the new school. A presentation will be made at the April board meeting regarding estimated projects and timelines of the major capital improvement program.

Mr. Buckley asked how long the overall improvements will take. Ms. Floore stated they are planned through 2016. Ms. McIntosh asked about Mr. Michalski's role in the improvements. Mr. Michalski is now the Manager of Facilities. There is no one in the Major Capital Manager role at this time. Mr. Michalski served in this role in the previous referendum. Ms. Floore will go through some of the projects with the Committee. Dr. Ammann can come to the CFRC to keep them up to date.

V. Monthly Audit Report

Our construction audit was distributed to the Committee. We had no findings for Red Clay in this report. Mr. Buckley asked if the Barbacane audit is still being done. Ms. Floore stated that yes. In fact, they need to keep the balances up to date in order to complete the audit next year.

VI. Monthly Financial Reports

We are at 98.82% in revenues. All of our local and senior tax credits have been received so we are in excess of 100% since we had budgeted for a 2% delinquency. The County collection of prior year taxes has exceeded expectations. March 31st is the close of federal funding. We will see the conclusion in April and review at next month's meeting. We have a lot of spring rentals of buildings and fields so we anticipate seeing a large uptake in the spring in this revenue line. CSCRP is cost recovery of federal Medicaid eligible services. The state does the reimbursement requests and the schedule of revenues is based on those collections.

For total revenues, almost all of the categories are funded except Division 1 salaries. Those will be fully funded by the State by the end of the year.

On the expenditure side we should be at 66% given this point of the year. In Division 32, there are no expended and encumbered lines that have exceeded target. Some are close or at 100%. This is the time of year we request our program managers to complete their spending. We are currently at 69% expended and encumbered overall. This is similar to where we were last year.

On Page 5 is the federal grant summary. Title 1 is finishing 2011 and is close to 100%. AIMS is being monitored closely. The remaining balance is \$14,000. March 31st is the end date. Mr. Doolittle asked if there was some flexibility in ESA waiver. Ms. Floore isn't aware of any concrete changes that have been made thus far as it is only in the submission state. FY2012 funding is being spent and will be finished March 31, 2013.

The revenue is 102.36%. We are exceeding the 2% delinquency threshold. The county has been successful in collecting back taxes as well. We have \$5,000 more in state revenue than anticipated. The amnesty program may be an additional help as the county is forgiving the fees but the taxpayer has to pay their taxes in full. Ms. Floore asked Ms. McIntosh if she was aware of the window of paying. Ms. McIntosh was not sure but it could be June 30th.

First State School is 90% as well as the Consortium. They are paid by contract so they are paid up earlier than the fiscal year. Mr. Buckley asked if the unique alternatives will have a healthy balance. Ms. Floore stated that is a timeline issue. These are for students in out-of-state institutions and the funding is split 70% state and 30% local tuition.

Debt service is a quarterly payment and we are where we should be and only .1% from where we stood last year.

On Page 7 is the Meadowood School. We had a large over encumbrance on utilities. We will be correcting that. RPLC utilities is over encumbered as well but not at the amount of Meadowood. RPLC is 79.1% expended and Meadowood is 63%.

District wide encumbrances are at 95%. The one area it is over is the lease. Our subleases are paying us but after we have made the payment to our lease so every month it is a timing issue.

Mr. Buckley asked about the Substitutes line running high. Ms. Floore explained that the Race To The Top calls for PLCs. It is a large part of the initiative. In more cases than previously substitutes are used while PLCs teams are getting together. The same is true for professional development. There is a charge back to programs but it is not instantaneous so there can be a timing delay in funding and what is charged to substitutes. Mr. Buckley asked if the subs were being paid for by RTTT. Ms. Floore answered it could be a variety of sources from RTTT to PD to building budget or the district substitute budget. Substitutes are high this year also due to a great part of the maternity leaves and medical leaves. Mr. Buckley also mentioned it could be a building management issue. At one time there was a substitute report. We may reinstitute that report, possibly quarterly. Each school has back up plans for not having enough substitutes. So far, we have had to close personal day requests a few days this school year simply because the number of substitutes needed exceeded what was available through STS.

Ms. McIntosh has a question regarding Page 5. Off The Streets 21st Century Grant. We are the pass through on that grant, we have requested an extension. Ms. Roberts will be here next month with a full report.

VII. Public comments

There were no public comments at this time.

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VIII. Announcements

The next CFRC meeting will be held Monday, April 16, 2012 in the Brandywine Springs Teachers Lounge at 6:30 PM.

IX. ADJOURNMENT

The meeting adjourned at 8:36 PM.

Respectfully Submitted,

Laura Palombo

Recording Secretary