



Committee minutes

| Community Financial Review Committee | | |
|---|---|-------------------------------------|
| 1.12.2015 | 6:30 PM to 8:30 PM | Brandywine Springs Teachers' Lounge |
| Meeting called by | Jane Rattenni, Chair | |
| Type of meeting | Monthly Financial Review | |
| Facilitator | Jane Rattenni, Community Member | |
| Minutes | Laura Palombo, Red Clay | |
| Timekeeper | Jane Rattenni, Community Member | |
| Attendees | Jane Rattenni, Larry Miller, and Tom Pappenhagen, Community Members; Steven Fackenthall, RCEA Member; Mike Piccio, BOE Member; Jill Floore, Red Clay CFO; | |
| Minutes | | |
| | Jane Rattenni, CFRC Community Member | |
| Discussion: | A review of the December 2014 meeting minutes. Mr. Fackenthall moved to accept the minutes and Mr. Piccio seconded. The motion carried. | |
| Action Items | Person Responsible | Deadline |
| | | |
| Referendum Update | | |
| | Jill Floore, Red Clay CFO | |
| Discussion: | Ms. Floore gave an update on the upcoming referendum. See Section 1 attached. | |
| Action Items | Person Responsible | Deadline |
| | | |
| Legal Presentation | | |
| | Jill Floore, Red Clay CFO | |
| Discussion: | Ms. Floore presented a comparison of legal fees for 2014 and 2015. See Section II attached. | |
| Action Items | Person Responsible | Deadline |
| Questions on Unit Count and contract negotiations fees. | Jill Floore | 2/9/15 |
| Monthly Reports | | |
| | Jill Floore, Red Clay CFO | |
| Discussion: | Ms. Floore presented the reports for the end of December 2014. See section III attached. | |
| Action Items | Person Responsible | Deadline |
| Invite M. Michalski to March CFRC Meeting at Cab Calloway | Jill Floore | 3/9/15 |
| Announcements | | |
| | Jill Floore, Red Clay CFO | |
| Discussion: | The next meeting will be held February 9, 2015 in the Brandywine Springs Teachers' Lounge. | |
| Action Items | Person Responsible | Deadline |
| | | |



Committee minutes

Red Clay Community Financial Review Committee Monday, January 12, 2015

I. Referendum Update

Ms. Floore explained that the Referendum Committee and administration have attended several PTA meetings. Ms. Floore distributed a copy of the presentation to the CFRC Committee. Parent lead meetings have taken place November through January. Every school event between now and the referendum date will have a table of representatives ready to answer referendum questions. The committee is led by parents; therefore the passion for getting out the vote is high. Overall the discussion has gone well. The conversations are about what we will get and what we will lose in the event it doesn't pass. The referendum is for every Red Clay child at every school, no matter what public school they attend. The parent committee has a Face Book page, a Twitter account and a web page. The district sent a letter home to every parent regarding the upcoming referendum and FAQ sheet. There will be a rally the night before the vote at Dickinson High School. Every school will have a wagon float and information on their programs at the event. Mr. Fackenthall reported that teachers understand its all for the students.

Ms. Floore informed the committee that there will be a Red Clay Record delivered to every household two weeks prior to the vote. This publication will report on the programs currently happening in our schools. Ms. Rattenni stated she felt the RC Record does a good job informing the public. In speaking with parents at the school meetings, a parent stated that it was the after school programs that helped her city-school child be accepted into college as he was not an athlete. Those programs will be the ones dismissed if the referendum fails. Our Ed TV program has interviewed many people and is making a group of video clips. One of the stars of the video is Mr. Larry Miller. We need to keep the public engaged and positive about the successes in Red Clay.

II. Legal Presentation

Ms. Floore distributed a redacted presentation of the cases paid through our legal operating unit for FY 2014 and FY 2015. This is one of the hardest areas to predict each year as the cases change year to year. We have personnel cases that cover arbitration or terminations. The total general labor could be anything regarding Board questions or issues that have no specific "case" to tie it to. Real Estate has a specific case to link it to, i.e., Cooke Elementary's easement in the property lines. There were also suits against contractors. Minor Capital is similar as there were issues with a contractor

The MOU referenced is the one on priority schools and the legal time needed to develop and write the Red Clay MOU to the DOE. Mr. Piccio asked about unit count. Ms. Floore will have to get back to the committee on that. Ms. Floore later emailed that was related to bargaining unit clarification with the Public Employee Relations Board.



Committee minutes

The two largest categories are special services and human resources. Special services are student cases and due process cases. The human resources cases are for employees and terminations. Mr. Pappenhagen asked if the student cases are parents suing the school district have gone down this year. Ms. Floore stated you would have to look at a 10 year trend. It could also mean the cases that have gone on for some time were settled last year. Settlement amounts can change the curve significantly. Mr. Pappenhagen asked if a 10 year view would show the trend is up. Ms. Floore answered, yes the trend is up.

Ms. Mary Norris oversees the legal operating unit. She also is part of the inclusion oversight committee which is meeting tonight, so Ms. Floore is reporting for Ms. Norris. Mr. Doolittle is also at that inclusion meeting tonight.

Human resource cases cover a wide range of issues. If there is a case that the year cost is \$121, it could be a final tidying up the end of a case, or it could be an easily solved response. Arbitrations are our most expensive cases. The other expense occurring every three years is the union negotiations for contracts.

There are some legal fees for human resources under the name "Jane Doe". Around three years ago, the legislature passed a bill removing the statute of limitations on sexual molestation cases. Those cases are listed as Jane Doe.

Insurance also intersects with legal. We pay annual premiums for insurance. We watch rates carefully and just switched our insurance to a new liability carrier. But you don't see all suits under our legal fees for slips and falls or other claims as those are handled by our insurance, not our legal team.

Legal was over budget last year. It isn't always. We may need to raise the legal budget as the numbers of students and employees we cover have grown. Ms. Rattenni stated that the budget this year is \$500,000. Is that level with last year? Ms. Floore stated we finished last year at \$550,000. When we meet in May, if the committee would like Ms. Norris to come in or the attorneys to come in, we could do that.

Ms. Rattenni pointed out that the listing for FOIA, First Amendment, and Unit Count are items that come and go. Ms. Floore agreed. These do not fall under special services or human resources or real estate. Last year there was a complaint that the Board action, whether it was done under the proper FOIA procedures. It required legal review and action.

III. Monthly Reports

In last month's meeting there was a question from Mr. Piccio regarding unit count growth numbers. The question was how many students have enrolled after September 30th (when the final count was taken) to now. The greatest growth was in Warner Elementary by 22



Committee minutes

students. These are students that we are not getting funding for. These are also students who may have the greatest needs due to poverty circumstances. Another significant change was Meadowood which gained 9 students. That is a lot of funding we will not receive due to the complexity of the students in Meadowood.

Ms. Floore reviewed the expenditure report. We would expect to be 50% expended at this time. We had an internal discussion today regarding choice and charter payments. We watch the local revenue amount which is 94.7%. We see it at 96.5% at this time last year. We still have to process the senior tax rebate which will be \$1.8 million. That will significantly increase our revenue. Mr. Piccio asked if that was all in delinquent payments. Ms. Floore stated no, the state gives us 75% up front for the senior tax and they give us the remaining 25% at the end of the year. We receive a couple hundred thousand a month in delinquent payments, transfers and sheriff sales.

There have been discussions over the years to have the school districts take over the collection of the school taxes. However, that is not something that would be an advantage for districts. The County does get the benefit of the interest while they collect then transfer the money but they are already incurring the expense of mailing out the bills for the county.

Tuition money is in, but we have to make the transfer to that line of coding. Indirect costs is one we control for the consolidated grant. We are allowed to charge a small percentage of the grant for services we provide, such as human resources, business office and payroll. Overall we are 84% revenues received.

Expenditures are as expected. Mr. Pappenhagen asked where the costs for preparing for the referendum fall. Ms. Floore explained that the costs associated with the referendum are broken down. Costs for informational materials like the Red Clay Record are covered by our district. There is a line of what we can say. We can print information that is factual. For persuasive materials, there is a political action committee registered with the State called Friends of Red Clay. That committee has fund raisers such as bowling events, a trip to New York City as well as donations. That money can be used for information asking the public to vote yes.

The PTA advocacy committee met with legislators and business managers to talk about school funding. The public does not understand our flat tax base and the process for funding schools. Yvonne Johnson is hosting a meeting with legislators on the topic of needs based funding for children of poverty and ELL students. Recognizing that these students have a special need in their education just as a student with a disability, a formula would provide targeted additional funding based on need.

In operating units, the Board of Education is over budget. They are over budget by \$3,000 which is consistent with last year and related to the School Board Association



Committee minutes

fees. Mr. Piccio asked if the School Board trip was added in. Ms. Floore stated the costs have not hit the budget at this time.

For total expenditures, the end result is we are 48.9% expended and encumbered 46.2% expended which is slightly below where we were last year and the 50% target.

In Federal Grants we are finished with the FY 2014 grants and starting to expend the FY 2015 grants. The funds for 1003G, Title 1, Focus schools are all versions of what is now Priority School funding. Deborah Roberts, Supervisor of Accounting, will be here in April to discuss the closing of the FY2014 grants

We always have the issue of the consortium being over budget at this time. 96% expended is due to the fact we pay everything up front, but we are then reimbursed for the transportation. These are Kingswood and Parkway students. New Castle County Vo Tech is the fiscal agent for this program. This year our First State School has been over encumbered. This is because we encumber for the contract with Christiana Care Hospital. The site and nurses are provided through that contract. We will adjust the encumbrance.

Mr. Pappenhagen asked about the funding in minor capital. Ms. Floore explained it is funded in 2 year funding. We typically wait for the summer months to do the projects. Mr. Michalski is currently working with the principals on the projects listing.

It was suggested we have our March meeting at Cab Calloway so that the committee can tour the theater. The committee agreed.

We are in the second round of for major capital projects. An RFP was done and architects were chosen. There are about 13 projects that will be starting. Most of the work will be done over the summer. Some of these projects are done in concert with the minor capital improvements to save time and money. We always spend the prior year funding first as it carries over. Minor capital is anything under \$500,000 except for a roof. A roof can be over \$500,000 and charged to minor capital improvements. These are funded under a State bond bill. The state funds 60% and we fund 40% of these improvements. We will invite Mr. Michalski to our March meeting to give you an update while we are at Cab Calloway.

RPLC has .8% district wide services for teacher and paraprofessional substitutes. Mr. Fackenthal has had a positive experience with Delta T paraprofessional substitutes. Ms. Floore explained that Kelly Services handles our teacher substitutes. Kelly does not supply paraprofessionals. Meadowood shows the same scenario, only higher.

The final budget for FY2015 was presented to the Board last month and they will vote on it this month. If approved, the final budget numbers will be placed into this report.



Committee minutes

We are over budget in insurance as we switched carriers. Our insurance renewal date is in December. The bills are higher as we were still shopping bids when the preliminary budget was done. Our former carrier asked us for a 40% increase, therefore, we went looking for a better deal. Christina and Colonia also switched to the new carrier we are using.

IV. Announcements

Our next meeting will be held at Brandywine Springs School in the teachers' lounge on Monday, February 9, 2015 at 6:30 PM. There are no presentations scheduled for next month.

There have been no public inquiries to the CFRC.