

Brandywine School District
District Finance Committee

Minutes of the Meeting of June 8, 2021

Members Present: James Hanby (Chair Person), Chuck Landry, John Skrobot III,
Matt Auerbach, Kim Stock,

Members Absent: Susan Koski, Chris Milionis, Victor Ferzetti, Chris Milionis, Jack
Vinokur

Other District Representatives Present: Jason Hale, Chief Financial Officer, Angie Thomas,
Manager of Finance, Lincoln Hohler, Superintendent

Members of the Public: Ronald Kimbrough

The meeting was called to order by Mr. Hanby at 5:20 P.M.

I. Approval of Minutes – May 11, 2022 Meeting

The minutes of the May 11, 2022 meeting were introduced for review and approval.

A motion to approve the minutes was introduced by Mr. Skrobot seconded by
Mr. Auerbach; Approved unanimously.

II. May 31, 2022 Financial Report

The May 31, 2022 financial report set was introduced for review. Dr. Hale led the
committee through the report.

Dr. Hale explained there is one month left in the fiscal year.

a. Revenue Report

Dr. Hale reported the formula salary states that we are still anticipating \$10.1 million dollars. The Office of
Management and Budget pays 100 percent of the amount and loads it into the account once the final salary
amount is available in June. Increased benefits for Transportation employee's as an incentive and rising costs
for Transportation shows an increase in revenue.

Dr. Hale also reported that there has been a larger increase in Child Nutrition than anticipated. This is due to
the increased participation in the lunch rooms and the al a carte sales.

Dr. Hale stated that we received all of the ESSER II and ESSER III funds in fiscal year 2022 and because
they are available for three (3) years we budgeted to spend one third of them this year but we did spend more
than that amount with the large technology purchases we made.

Dr. Hale explained there is a program through the Federal Government for one (1) on one (1) support for
students without home devices. We needed to purchase the equipment before summer which means we had
to encumber \$2.6 million dollars for the purchase of the devices and then once the devices come in we will
receive reimbursement from the Federal Government and will then be able to release those funds back into
the budget.

Dr. Hale explained that for the past few years the Federal Government has put a waiver in place to provide meals for students in need. He further explained that what that means is that parents have not had to fill out Meal Benefit Forms because with the waiver everyone is assumed to be able to receive meals. If the waiver is not extended it will have an impact because it will be up to the parents to fill out the forms.

b. Operating Unit Expenditure Report

Dr. Hale stated we are at 92.3% of our salaries and that is 24 pay cycles out of 26.

Dr. Hale reported the buildings continue to receive merchandise and the purchase orders will be spent down.

Dr. Hale explained they are continuing to monitor the ESSER II & ESSER III Expenditures.

c. Cash Flow

The projected carryover balance for June 30, 2022 is \$10.8 million.

A motion to approve the March 31, 2022 Financial Report was introduced by Mr. Landry; seconded by Mr. Skrobot.

III. Tax Warrant FY 2023

There is no change to the Tax Rate for FY 2023. The rate will remain the same at \$2.5385 per \$100.00. It is anticipated that the rate will stay the same in FY 2023.

A motion to approve the FY 2023 Tax Warrant was introduced by Mr. Landry; seconded by Mr. Auerbach. Approved unanimously.

IV. FY 2023 SALARY RECOMMENDATION

Dr. Hale wanted to have a conversation about information that he will be presenting at the next Brandywine School District Board meeting. He further explained that as they go through the Preliminary Operating Budget for FY 2023 the state portion of the salaries will be more than typically seen because there will be 27 pay cycles. Every eleven (11) years there are twenty-seven (27) pay cycles in a fiscal year when there are normally twenty-six (26). Dr. Hale explained how the twenty seventh (27th) pay will affect the fiscal year 2023 budget and the employee salary groups.

Mr. Landry asked if we are staying competitive with Pennsylvania and if a presentation could be put together. Dr. Hale stated that the district is very aware of the competing salaries in the surrounding districts and also the surrounding states and will absolutely put together a presentation explaining how we are staying competitive.

V. Preliminary Operating Budget for FY 2023

Dr. Hale stated there is a lot going on at the state level with the FY 2023 budget. Dr. Hale explained this is the Preliminary FY 23 budget and is being presented for informational purposes only. It will be presented for approval in July.

Dr. Hale stated the revenue should stay close to the same as last year with hopes that we will see some interest payments in FY 2023. Dr. Hale pointed out that state personnel shows an increase of the 2% due to the twenty seventh (27th) pay and the \$500 is an increase of \$4.2 million dollars and it is all on the state side.

Dr. Hale pointed out that indirect cost is showing a decrease of \$2.5 million dollars which is due to receiving that amount through ESSER in fiscal year 2022 and will be going back to what would normally be received in fiscal year 2023.

Dr. Hale explained K-3 Spec Ed match will no longer be collected for because it will now be included in the unit count.

Dr. Hale stated we received and budgeted the ESSER funds in fiscal year 2022 and will not be putting any of that information in the 2023 fiscal budget and that reflects as a negative adjustment. We also received the \$25 million dollars in Major Capital Improvement funds for Bush but do not anticipate receiving any of those funds for fiscal year 2023.

Dr. Hale explained Brandywine School District is part of the Tax Pool. Brandywine, Colonial, Christina and Red Clay school districts are in the same Tax Pool. Brandywine is 20.7% of the Tax Pool of the calculated Property Tax.

Dr. Hale pointed out that because of the impact of the twenty seventh (27th) pay the net budget change is about \$7 million dollars with the majority being on the state's side.

Dr. Hale explained that because of the ESSER funding there has been an impact on expenditures of the fiscal year 2023 budget.

Dr. Hale stated that the Debt Service payments are going down. It may be possible in fiscal year 2024 to reduce the Debt Service rate and increase the Tuition rate.

Conservative estimate of \$9.3 million FY22 carry forward balance.

VI. Board Meeting Follow Up

VII. Committee Meeting Follow Up

Dr. Hale asked Ronald Kimbrough, as a potential Committee member, to give a brief introduction. Mr. Kimbrough stated he is the parent of two (2) Mt. Pleasant Elementary students. He is in Finance at the Citi Bank office in Wilmington in the Treasury and Trade Services. He relocated to Delaware in 2019. He stated he is excited to become a member of the Committee. Mr. Skrobot asked if he is ready to join and if it was time to make a recommendation to the Brandywine School District Board as a new member. Mr. Kimbrough stated he would like to become a member of the Committee. As a parent of two (2) children in the school district he would like to have the opportunity to give back to the community and see the school district succeed. Mr. Hanby expressed that in his conversations with Mr. Kimbrough he was impressed and thinks he would make a great addition to the Committee. Mr. Hanby suggested to add the member recommendation to the July meeting of the Board meeting. Mr. Hanby explained that Mr. Kimbrough would be replacing Ms. Koski as a member and would not be expanding the number of members.

VIII. Other Business

Next DFC Meeting will be on July 13, 2022.

A motion to adjourn was introduced by Mr. Skrobot; seconded by Mr. Landry. Approved unanimously.

The meeting adjourned at 6:28 P.M.

This meeting was held via Zoom because of the Coronavirus Pandemic.
Respectfully submitted by Rebecca Lurty, Finance and Procurement Associate