

**Brandywine School District**  
**District Finance Committee**

Minutes of the Meeting of July 13, 2022

Members Present: James Hanby (Chair Person), Chuck Landry, John Skrobot III,  
Matt Auerbach, Kim Stock, Chris Milionis, Jack Vinokur, Victor Ferzetti

Members Absent: Ronald Kimbrough

Other District Representatives Present: Jason Hale, Chief Financial Officer, Angie Thomas,  
Manager of Finance, Lincoln Hohler, Superintendent, Danielle Pro-Hudson-Public  
Information Officer

Members of the Public: Willie Pollins

The meeting was called to order by Mr. Hanby at 5:05 P.M.

I. Approval of Minutes – June 8, 2022 Meeting

The minutes of the June 8, 2022 meeting were introduced for review and approval.

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

II. June 30, 2022 Financial Report

The June 30, 2022 financial report set was introduced for review. Dr. Hale led the  
committee through the report.

Dr. Hale stated that the carry over balance came in at what it was expected to be.

a. Revenue Report

Dr. Hale reported that the Unique Alternative (ICT) funds came in lower and that is because the amount is  
based on the number of students in the Private Placement program.

Dr. Hale stated the local revenue came in at 101.3%. Which was about \$800,000 more than budget. Which  
was a big help with not receiving any interest for the whole year.

Dr. Hale commented that the Nutrition budget was at about 140% mainly due to the participation and the al a  
carte sales.

Dr. Hale stated that a third of the ESSER II and ESSER III was recorded as revenue in fiscal year 2023. The  
expenditures will show higher than expected due to preparation for the summer programs.

b. Operating Unit Expenditure Report

Dr. Hale reported the Principals did a great job spending down their buildings budgets and keeping on track.

Dr. Hale explained one third of the ESSER II & ESSER III funds were budgeted for fy22 which was roughly \$12 million and Expenditures were about \$12.7 with encumbrances of about \$5 million. \$2.6 million will be released from the encumbrances for the federally funded student technology.

Dr. Hale reported that the overage on the Transportation budget was mainly related to state funding caused by Foster and Homeless transportation as well as the rising fuel costs.

Dr Hale stated we are at 99.14% of our salaries on the state side and 101.43% on local. We hit the total number it was just the distribution that was off just a little bit.

ESSER expenditures appear to be \$2.3 million over budget but the \$2.6 million PO will be closed so it is actually \$300,000 under budget.

c. Cash Flow

The actual carryover balance for June 30, 2022 is \$10.86 million which is slightly above what was projected.

Mr. Skrobot asked if the new Principal at Brandywine High School will have an experienced Principal to lean on and help to train with budgeting and spending at the school? Dr. Hale stated the building secretaries are a big help with explaining the budgets and spending policies. They also have access to the previous year's budget which is a great asset. Mr. Hohler explained that Kenny Rivera has moved over to District Office to oversee the high schools and will be available to help the new Principals.

A motion to approve the June 30, 2022 Financial Report was introduced by Mr. Landry; seconded by Mr. Ferzetti.

III. Preliminary Operating Budget for FY 2023

Dr. Hale stated not much has changed from the report on the preliminary Operating Budget from last month's meeting.

Dr. Hale commented that the new CFO may have changes to make.

Dr. Hale reported that they just found out that Ms. Heffernan was able to secure an additional \$10 million for the Bush Early Childhood Center and asked the Committee if they wanted it added to the Preliminary Operating Budget? Majority of the group stated because these funds have already been received that it should be added to the Preliminary Operating Budget. The total for the project is now \$35 million. He will make the change and send it out.

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 (27<sup>th</sup>) 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 (27<sup>th</sup>) 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.

Mr. Milionis asked how does inflation impact the budget? Dr. Hale stated it does impact the budget. Everything is costing more and it is a concern. The state will take partial responsibility for the increase. Dr. Hale also stated that John Read is keeping a very close eye on the increases and is very good at keeping track.

Mr. Hohler asked Dr. Hale to report on how Minor Cap funding works. There are restrictions on spending Minor Cap funds. These are minor capital improvement projects of less than a million dollars. With Standard Minor Cap there is a matching requirement of 60/40. When they give us 60% we have to match it with 40% of funds. Enhanced Minor Cap does not have the match requirement. These funds make the match optional. The Match Tax is solely for the matching on the Minor Cap projects.

Conservative estimate of \$9.3 million FY23 carry forward balance.

A motion to approve the FY23 Preliminary Operating Budget was introduced by Mr. Auerbach; seconded by Mr. Vinokur.

IV. Board Meeting Follow Up

V. Committee Meeting Follow Up

VI. Other Business

Conversations about going out to Referendum needs to begin. Mr. Hohler stated the process has already began of organizing a group to plan for going out to Referendum.

Next DFC Meeting will be on August 10, 2022.

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

The meeting adjourned at 6:03 P.M.

This meeting was held via Zoom because of the Coronavirus Pandemic.

Respectfully submitted by Rebecca Lurty, Finance and Procurement Associate