

Brandywine School District
District Finance Committee

Minutes of the Meeting of July 8, 2020

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

Members Absent: Susan Koski

Other District Representatives Present: Jason Hale, Chief Financial Officer,
Lincoln Hohler, Superintendent

Members of the Public: Willie Pollins

The meeting was called to order by Mr. Hanby at 5:00 P.M.

I. Approval of Minutes – June 10, 2020 Meeting

The minutes of the June 10, 2020 meeting were introduced for review and approval.

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

II. June 30, 2020 Financial Report

The June 30, 2020 financial report set was introduced for review. Dr. Hale led the committee through the reports.

a. Revenue Report

All state revenue has been received with no money going back to the state.

Local funds were received at 100.7% due to a large increase in interest income.

b. Operating Unit Expenditure Report

Expenditures look good and the Principals did a good job being prudent with their budgets. There are a good bit of outstanding encumbrances at the end of the year and there are still some balances.

As predicted Special Education was over budget by \$488,000 and this has a lot to do with contracted services. This number would have been the same regardless of whether or not the district shut down due to Covid-19 because the services would have been provided either way.

Salaries and other employee costs came in 3½ % under the projected amount for FY 20.

c. Cash Flow

The balance as of June 30, 2020 is \$12.2 million. The impact of lower expenditures due to Covid, a slight increase in property tax collections and the increase in interest helped to bring this number up.

A motion to approve the June 30, 2020 Financial Report was introduced by Mr. Landry; seconded by Mr. Vinokur. Approved unanimously.

III. Preliminary Budget FY 2021

The state is going to allow for step increases for employees. There will not be a 2% increase.

The district is going to receive some market pressure money for renovation projects. Market pressure money is basically inflationary funds. The district was able to convince the state that due to the timing of funding for renovation projects the escalating costs for materials and labor impacted what the district was able to do. The district was able to get about \$3 million dollars. \$1.8 million from the state and the district picks up its 60/40 share. This will have a tremendous impact on the Claymont project.

The state cut funding for Safety and Security. This funding was used mostly for camera upgrades. No personnel expenses were included in that funding

The state also cut funding for minor cap by roughly ten percent. The reduction for both Minor Cap and Safety and Security is approximately \$400,000.00.

There were not many changes in the budget from what was presented to the committee at the June 10th meeting.

The June 30th balance numbers were adjusted to reflect the numbers from the June 30th Financial Report.

The major changes in the budget are budget reductions such as in the Safety and Security Block Grant.

The \$2.1 million in C.A.R.E.S money has been added to the budget. The district will receive additional C.A.R.E.S money but will not know the exact amount until the fight over equitable services is resolved. The equitable services issue has to do with how much of the money will go to private and parochial schools.

The September 30th unit count will be postponed for about six weeks this year. This will give the district additional time to register students and get IEP's completed.

The Preliminary Budget is almost identical to last year's Final Operating Budget and it is anticipated that the district will end the year at \$10.1 million dollars. At that point the district would need to go out for referendum in the Spring of 2022 for FY 2023.

There is \$3.2 million in the district's emergency reserve. If the district ever used the emergency reserves there would need to be a plan on how to replenish it.

A motion to approve the Preliminary Budget for FY 21 was introduced by Mr. Vinokur; seconded by Mr. Ferzetti. Approved unanimously.

IV. Board Meeting Follow Up

The Monthly Financial Reports for April and May were approved.

V. Other Business

There was a discussion regarding the timing of the district receiving its tax funding if the county waives late fees and people pay their taxes late. At this time there is not a lot of information about mortgage relief. The real issue will not be with the average tax payer but the big companies paying on time.

There was a brief discussion on whether structural changes in administrative positions were reflected in the budget. They are reflected in the budget and there is no significant change in the numbers. The district does not have any locally funded Administrators.

The next meeting will be held on Wednesday, August 12th.

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

The meeting adjourned at 6:00 P.M.

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

Respectfully submitted by Joni Ciolko, Senior Administrative Assistant