



Committee Transcript

Red Clay Community Financial Review Committee January 16, 2018

I. Minutes & Transcript

The December 2017 Minutes and Transcript were reviewed. Mr. Pappenhagen made the motion to accept and Mr. Chase seconded. The motion carried.

II. Transportation

Kelly Shahan, Red Clay Manager of Transportation is here to present to the committee.

Ms. Shahan explained there are four factors in transportation. The first is safety. We want to get everyone to school safe and on time. The other factors are part of the strategic transportation plan. They are delivering outstanding customer service, being a leader in the industry for technology, as well as attract and maintain talented and qualified employees. With everything Transportation does, those four qualities are what we strive for.

Red Clay has 149 buses on the road delivering students. That is down 20% from 2 years ago. One reason is our contractors were failing in delivering the customer service getting the students to school on time. Our team looked at the routes with some of the technology we have purchased. We had buses driving with only 20 students, and now we have 48 to 55 students maximizing the capacity of the bus and minimizing our routes. For example, we had 54 First Student, now we have 32. We had 26 Advanced Student routes, and now we have nine. Mr. Pappenhagen asked if all of the buses are contractors. Ms. Shahan answered we have 109 buses and the ratio is about 50/50 contractor to Red Clay. When we had 189 buses 2 years ago, it was a 60/40 split. Now, we have more Red Clay buses and fewer contract buses. We have only increased our fleet from 69 to 73. Our contractors are Sutton, First Student, Advanced, T&D and ALS. ALS is new. The former manager of Advanced began ALS as his own company and he only has two buses. T&D has one route as a small organization. Sutton has 32 routes.

The contract money for buses in Delaware is not as great compared to Pennsylvania and others. There is no incentive to come to Delaware. Ms. Shahan explained that if the company misses bus runs, she totals the runs for the month and sends them a bill for those missed runs. They pay us without question but there is no penalty. It is very frustrating.

The 149 buses are about 580 routes daily. Most buses do two routes a day. Very few do one, and some do three if there is a Del Tech shuttle run as we partner with some of the colleges. Drivers cover about 1.7 million miles a year, 900 runs a day. That does not include field trips or sports. It does not include after school activities. That is only the to and from school for education purposes.



Committee Transcript

The news recently reported that the airlines are having a banner year. 93.8% on time statistics. Red Clay on average have between a 92% and 95% on time statistics. The 5-8% that we are not on time that gets reported due to contractors.

All of our buses have two-way radios to keep in touch with dispatch. Many of our contractors didn't have them until they were contracted with Red Clay. All buses have a 3-point system camera. One camera in the front, one in the middle of the bus and one that points at the driver and the stairwell. Some buses have four and a few have them on the Stop arms. At one time, we were trying a test to try to catch drivers going past a stopped school bus. It is very hard to convict for that. The driver behind the wheel has to be identified. We did catch one person the other day as a police officer happened to be following and the person ran the stop. It is 10 points and a fine. These cameras are computer equipment that is constantly being shaken on the bus. Hard drives do come loose. One thing we try to do with extra funding is purchase a new Vulcan camera system. The quality is incredible. We have to wait for the bus to return, so we can pull the video. We pull it up then on the computer and try to scan the video. The Vulcan system works such that when the bus pulls into the yard, it will download the video footage into a storage that can easily be sent to the school or A. J. Nowell, our Constable. As we get new buses each year, they will be equipped with the new Vulcan system. It is more money but a great benefit.

We have six propane buses. We are the first district in the state to do that. We will get 10 more in the spring. It costs the state a little more per bus. \$12,000 per bus up front, but over the 12-14 years of a bus route and then as a spare, the industry research shows the fuel and maintenance savings far exceed that initial cost. As an added bonus, the environment benefits from the propane use. Propane buses are very quiet. It helps with student management between the driver/student communications. Other districts are now obtaining them as well.

Ms. Shahan explained that there are 129 employees coming from two yards. Two years ago, we expanded to a second yard located at the Central School. We have 8-11 buses housed there. We have our main yard at Old Airport Road. 79 drivers and 37 bus aides included in that 129 employees. We have six office employees and seven mechanics. Our mechanics not only service the Red Clay fleet, they also service every district vehicle. Other district vehicles include the administration and drivers education cars, snow plows, salt trucks, snow blowers, lawn mowers, leave blowers, etc. In addition, if a post breaks at a school for a volleyball team, one of the mechanics will go to the school and weld it. They service the whole district. We are going through changes in the shop. Paint, mold removal, and a new ventilation fan has been installed.

All of the drivers are trained in student management, crisis prevention and special needs. We try to bring in partners from the community to keep it interesting and to keep the drivers abreast of the latest equipment and techniques. Restraint training has to do with behavior issues on the buses. We have partnered with DuPont as we gave motor safety meetings and they came to us with a presentation on respect, tailoring it to students. It



Committee Transcript

was a parent of a Red Clay student who gave the presentation. Families with autistic children have come to speak with the drivers as well.

We were the first district to have the “real time” GPS trackers. We were not even aware of the game changer it would be. We placed them on the buses in August last year on our Red Clay fleet. Within a month, we wanted to place them on all of the buses. The data we collected is invaluable. For example, our computer system helps with routing along with our employees. Yet, you hand the driver the route, you never know exactly which route the driver is taking. Cab Calloway buses, we found that there is a certain time frame; there is a small window, if they don’t reach Cab before that window, and they are held up 10-15 minutes on Lancaster Ave. We were then able to reroute the buses or back up their time to eliminate the problem. It made the school and parents very happy. The funding came from savings on routes that were consolidated.

In line with that, we have a “Where’s the Bus” app. It’s been overwhelming how happy the parents are. The charter schools and other states are asking to come and watch our operation on the app. The News Journal really helped spread the word. It breaks your heart, when there is a student in the rain at the stop looking for their bus. Now, even the students have look at the app to where their bus is. We have 3,000 families that are signed up for it. It is a free app for families.

In February, we are piloting a student identification system. We have 12 buses, two of which are Sutton. There will be a keypad at the top of the bus steps. There is no charge for the pilot. The student will punch in their student ID and sit down. When the student arrives at the school, they punch in their ID and get off. They do it again when they go home, so four times a day. Sometimes we have issues with lost students, students who get off at a different stop to go with friends. Or a parent will forget to tell the student they will be a car rider. The parent is looking for a student at the school and the school calls transportation asking if the student is on the bus. The driver then has to be contacted. Now, we’ll have the information. We didn’t start it in the summer, as we wanted to research before we took this on. We were concerned with the younger children. It is six digits. It is also their lunch ID. Our research showed Pre-K through 12th grade were able to enter the information without an issue. In a county in Florida of 25,000 students a day, the system is very successful. A district in Texas gave an ID card to their students so the student could use the card or type in their number. The students preferred to type in the number. We will pilot it and see how it goes.

Ms. Shahan spoke to the biggest challenge being the driver shortage. It has been reported on in the news as well. Even people in the lower salary positions are career hopping because they can. Ms. Floore added we are also showing a shortage of substitute teachers. Our drivers did not get a raise this year. The raises in the past years have also been very small. Couple that with student behavior issues on the rise, drivers are moving to being a bus aide. They need fewer qualifications and certifications and making more money. We are also trying to find other ways to show the drivers that we value them. Before the break, the transportation staff went to each school to personally thank the drivers individually with a small bag of candy and card. We knew our drivers, but not



Committee Transcript

the contractor drivers. It was surprising to thank people to come to work, but it matters. They call off frequently because of stress. Distracted driving with student behavior issues.

We have DART drivers who only do morning runs as they drive for DART in the afternoon. Everyone in our office has to be a licensed bus driver. The last time Ms. Shahan had to drive the bus, she was 20 minutes late to school. It's a tough job.

Mr. Chase asked who sets the pay scale. Ms. Floore answered it is the same as other district positions. We have a state rate and then a local rate on top that is negotiated. Mr. Chase added that the state sets the rate for substitutes. Ms. Floore explained that in transportation, we get a state allocation for transportation. One for regular buses and one for contractor buses. Over the years, the amounts have fluctuated due to the numbers of buses for each. In the case of substitute teachers, the State sets the rate, but there is no allocation for funding those substitutes. If you have a unit who is out on leave, you've used your unit on the salary. There is not an allocation for the long term or daily sub. You can only use the unit if it is truly vacated. Defining that is difficult even with long-term disability as there is still a percentage of salary that is charged. Mr. Chase asked if we found money, could we pay substitutes more than the state allows. Ms. Floore stated, yes, just like we negotiate the salaries for teachers and bus drivers and clerical but we would have to fund it. Mr. Chase stated we would get better substitutes and drivers would stay longer. Ms. Shahan stated that before salaries were posted on the web, other districts would call Red Clay and ask what we paid our drivers. Last year we lost 5 drivers all in their young 20s. She reminded them about the state benefits and long term perks of being a state employee. The response she received was that they don't care as much about the future. They want what they can have in their paychecks now. Therefore, we have to change our mindset to attract drivers. We have two offerings, you can be a pensioned annualized employee or you can be a reported time employee. We did get one driver back when we did that. If Ms. Shahan had money in her budget, she would increase the pay, but we don't. Right now, they receive \$16.97/hour. Every year experience adds to that with a cap of \$25, and then there is a longevity bonus. They are only working 4-6 hours a day.

Student behavior is a real challenge. The unruly behavior is on the rise and the drivers feel they are not being fully supported at the administrative level. She understands from both sides. If you have a student suspended off the bus, some parents have no transportation. Therefore, the student is missing school. That is not helping anyone. On the other hand, there needs to be a consequence for fighting, etc. We have restraint training but you can't put your hands on another person's child. Bus driving used to be a second job for people. Stay at home mothers and retirees. Now, it is someone's main job supporting a family. We had a new driver quit today. He has been going home daily with migraines. He was on a Shortlidge run, which is K-2. Another driver quit from a Warner run. Mr. Pappenhagen commented that these are the same schools with other issues that are spilling onto the bus routes.



Committee Transcript

Dr. Daugherty gives out an employee award for merit. We had a citizen who sent Ms. Shahan an email recently. The citizen was driving out of Heritage Park and saw the bus pulled over and couldn't see the driver. The citizen went to the bus and found the driver in the middle of the bus handling a battle. We train our drivers not to put themselves in harm's way. This driver was protecting a student from other students. This citizen wrote in how wonderful this driver was handling the situation. The driver was awarded the employee award and was so appreciative of the acknowledgement.

We are on time 95% of the time and we only hear about the 5%. Our student behavior issues may be 15% of the time, but that is what gets focused on. We need to work with every student and find ways to work with them.

Mr. Chase asked if there is an SRO or security guard that could be placed on those buses with issues. Ms. Shahan stated they paid EPER to teachers who would ride on the buses. It always starts out big and dwindles down. Some principals will ride along. Ms. Shahan added that most issues happen in the afternoon. We ran a pilot a few years ago with aides on buses with students without special needs to see within 6 months if referrals and incidents would lessen. It did, so the district allows four more floating aides. It still isn't enough as we have call outs. One thing that does help is inclusion. Therefore, the aides on the bus for the special needs students are on the regular runs.

There are many challenges for drivers. You have to know your employee's skill set. Even when we interview, we say that there will be foul language used by students. Students may call you names regarding your appearance. It isn't just Red Clay, it is everywhere. Not exclusive to public school either. Transportation supervisors from all over meet and are having the same challenges.

Ms. Shahan explained that the State buys most of the bus for us if it is a Red Clay bus. It costs us 10%. Outsourcing is cheaper than in-house. However, going to outsourcing you lose the control and the customer service. We have state contracts that vendors have placed a bid. The state will publish how much they will get for the route. When we have a Red Clay bus, the state gets 50 buses for the whole state and the districts tell them how many they need for the following year. Every year we ask for 25 and we receive 10. Last year we asked for 10 propane buses and we received three because other districts wanted to try them as well. They have a metric looking at the age of buses, miles put on, etc. Then the state supervisor lets us know how many we can have. We use contractors. At one time, it was cheaper. But even though we don't have the funds to buy the buses outright, we also don't have the space. Our yard is packed to the maximum.

Our fourth challenge is social media. Ms. Shahan stated it really affects the drivers. For instance, a complaint will come in, and before we can even investigate, the parent will post it on social media with pictures of the driver. Someone who knows the driver will share. And sometimes it never really happened. And you can have a mob at the bus stop. Mr. Pappenhagen remembered last year it was on the news when a new driver got lost and the parent called the media. Now, with the GPS, we can answer where a bus is and sometimes that the bus was on time at a stop, but the student wasn't there. Another plus



Committee Transcript

is people call in stating a bus damaged their car or car mirror on a road, and we look at the GPS to find the bus was never on that road. We have had that to use a few times.

Ms. Shahan stated that working toward the future, we would try to eliminate some contractor routes. Our buses are full now, and we have asked Sutton to give up other districts in favor of ours. Mr. Chase asked if putting more students on the buses increased the behavior problems. Ms. Shahan explained that it probably has a little bit.

The high schools lose their choice bus stops next year and the students will have to get to the attendance zone stop. Mr. Chase asked how that works for the magnet schools. Ms. Shahan stated the magnet schools have hub stops. You may not get as good a stop close to your home, but a hub nearby. There is no feeder for the magnets. It was more of a challenge this year when choice for elementary went away. We even called all of the families personally. When the flyers went out with the new stops, however, the parents were quite upset.

We will always push the bar for our employees to improve. We are improving our shop. We are also looking at a tie in for our fueling stations. Right now we have a clipboard regarding fueling. The new system will be locked, no fuel without a pin. The data will all be computerized. Our quote is \$24,000 for this system. We also are trying to get a bus aide on every bus.

Ms. Rattenni and the committee thanked Ms. Shahan for the presentation.

III. Monthly Reports

Ms. Floore distributed the monthly expenditure report for December 2017.

On the revenue side, the difference between this year and last year. Last year we were at 97% and now we are at 90%. This is the point in time the transfers for choice and charters are done. The charter payment has been made as a revenue reduction. The choice payments have all come in during January. We will be waiting for the senior tax credit payment. Then we also get the late payments throughout the year. Mr. Pappenhagen stated he stood in line to prepay his taxes for next year. Ms. Floore asked if that provided a discount. Mr. Pappenhagen stated he bundles his charitable contributions and prepaid his taxes to meet the deduction. He asked if the district received the money this year or do we have to wait until next year. Ms. Floore stated she would ask that question. Ms. Rattenni stated the county doesn't have to pay the money to the district until the fall. Mr. Chase stated it may be in an escrow account. Mr. Pappenhagen stated there was quite a few people there to do the same thing.

Ms. Floore added that the county came to the school districts and want to partner with us on the delinquencies. The tax bills for the school districts are significantly larger than those of the county. However, they collect for both of us, and they want to improve the process for collecting delinquent accounts. There are also abandoned properties which it is unclear who owns them. They are considering hiring a law firm for taking the



Committee Transcript

abandoned properties to sheriff's sale. Based on a sheriff sale, there may be so many penalties on the property, you may not even recoup what is owed on the bill based on those values. We would take a loss, but it would be something as opposed to nothing. Mr. Pappenhagen added that putting the home into productive status would increase the revenue. They have an RFP for that as well as an RFP for collection services. They have a collection staff, but it is limited. The final interviews are next week. The Board still has the ultimate say on whether they want to follow through on the collections portion. The concern is how aggressive do they become. We don't want them harassing seniors trying to put them out. Ms. Rattenni asked if the county was able to give us a figure of what our delinquency amount would be. What are the consequences? If there is a property that is not paid on, and it perpetuates, what is the enforcement. There are some that are deemed uncollectible. Mr. Pappenhagen asked if tax liens are automatic if property is sold. Ms. Floore answered yes and the state has a bill called "intercept". Anyone paying income tax would have that tax added or a refund rescinded. It has reviewed very few people as homes aren't listed by social security numbers.

Ms. Floore spoke to another big change in revenue is State Technologies is 126% and Ed Sustainment is 128%. The reason is due to the final budget we included the State reduction plan. The State has not allocated the reduction plan as we asked at this time. It was due to them the end of December. They took the entire state cut under Division II during the preload. Division II is only \$2.1 million instead of the budget estimate is \$5.7 million. We will have the cut taken from multiple categories. The next month the State will apply the cuts where we have asked.

The have received 89% vs last year at 82%. They have funded us more on Division I salaries this year at this time vs. last year.

On expenditure side, every program is on track. Even our legal budget is tracking.

Today the NAACP and ACLU filed suit against the State for inequitable funding system in Delaware. Mr. Pappenhagen asked if it impacts the district. Ms. Floore stated that they sued the state. The outcome will affect the district. They also sued the county as the collector of taxes. The suit speaks to equalization, the funding system as well as other points. While we were working with WEIC, there is a debate on which is better, teacher units or dollars. We value the unit system, as a school earns a unit based on so many students. The principal is told hire the best person for the job. They are arguing in the lawsuit that you have more dollars going to the suburban schools than the urban schools. It isn't that one school is given more money; however, there are more experienced teachers in the suburbs than in the city. In the case of Red Clay, it is not true as we use all of our excellence units are deployed to the high needs schools. This suit has been talked about for some time. We are happy that any funds paid by Red Clay in the ACLU suit is now going to fight a worthy cause. At this time, there is no funding for ELL or high poverty. Mr. Chase stated the reason there is the lawsuit is as the commission threw the complaint out.



Committee Transcript

Expenditures are 46.4% for the half waypoint. Last year was 47.4%. The same is true for federal and tuition programs. We will slowly see increases. Next month we will have a presentation on the Priority Schools and the Financial Position Report.

IV. Public Comment

There were no public comments at this time via email.

V. Announcements

The next meeting will be held Tuesday, February 16, 2018 in the Brandywine Springs School Teachers Lounge at 6:30 PM.