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Red Clay Community Financial Review Committee May 8, 2018

I. Minutes & Transcript

The April 2018 Minutes were reviewed. Ms. Thompson made a motion to accept the minutes and Ms. Henry seconded. The motion carried.

II. Public Safety

Ms. Rattenni introduced Mr. A. J. Nowell, Supervisor of Public Safety. Ms. Rattenni explained that the presentation last month by Mr. Marcin Michalski of Red Clay Facilities regarding our school major capital upgrades and projects ties in with Mr. Nowell's responsibility of Public Safety.

Mr. Nowell stated he retired in 2015 after 28 years with the Delaware State Police. During his career he served in a patrol unit, as a detective and then a School Resource Officer at John Dickinson High School. He worked at Dickinson for 7 years and joined Red Clay's Constable Program. As a Constable, he worked at A.I. DuPont High School before becoming a Supervisor for the Public Safety. School security is the top of his priorities.

Red Clay has 4 School Resource Officers, one each at McKean, Dickinson, A.I. DuPont High School and Skyline Middle school. We also have 5 Constables. Mr. Nowell works at the District Office but takes part of each day at one of our schools. Constables are assigned to Conrad, Cab Calloway, H.B. DuPont, Stanton and A.I. DuPont Middle School. Ms. Thompson asked what the difference between an SRO and a Constable was. Mr. Nowell explained SRO are under the National Association of School Resource Officers and are employed by the Delaware State Police. Of our 5 Constables, 3 are retired Delaware State Police, one is retired New Castle County Police and one a retired Federal Probation and Parole Officer.

Constables are there for school security but their role is more than that. When Mr. Nowell took the position, he makes sure that they continue their training as police officers. He works hand in hand with the State Police. Our officers qualify with handguns twice a year which is in compliance with the State Police. Mr. Doolittle asked if they attended the State Police training that is given every year. Mr. Nowell explained that we were just invited by the DE State Police to attend ALERT training. This is Advanced Law Enforcement Rapid Response Training. It is basically an active shooter response. Ms. Thompson asked if they wear Kevlar. Mr. Nowell stated that the Constables do not have Kevlar, however, it is mandatory the State Police wear theirs. Constables have a Red Clay Constable badge and a weapon. Mr. Doolittle asked if the weapons are worn and is Mr. Nowell aware of the point of view that they provide a great liability for the district. He has reviewed the Federal and State laws and the only people allowed to carry guns in schools are sworn Police Officers. Mr. Nowell answered that



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looking under Title 11, Criminal Code 1457 which is possession of a weapon in a Safe School Zone, it reads that this section does not apply to any law enforcement police officer or any security officer as defined in Chapter 13, Title 24. We are therefore, covered by the law. Our Constables are sanctioned by the State of Delaware.

Mr. Nowell explained as he has been there since October, his budget is small of \$571,000 with a majority, about 75%, of that budget to payroll. The other 25% has been spent on new cameras at schools. Mr. Moore had cameras installed prior to Mr. Nowell taking over. Mr. Doolittle stated there is some concern that SROs have body armor and several methods of subduing while Constables do not have those options. Mr. Doolittle is also concerned constables still fall under 41.12 and are not exempt from restraint and seclusion reporting as he doesn't feel that is understood in the districts.

Mr. Nowell stated that the State Police have invited the Constables this summer to their 4 day program for SROs in Dover. We will send our new hires to this training. Mr. Doolittle asked if we will be involved in the new training for students with disabilities that was just passed last year. Mr. Nowell stated that it is important but is not planned at this time. When Mr. Nowell took the position, he felt it is important that in an emergency situation, for the Meadowood students housed at McKean and other schools, he has notified the 911 center and State police, so there is a mark that if they are ever called to those schools, the dispatcher will see it comes up as a school with disabilities. Mr. Doolittle also stated that with inclusion, our students are everywhere. He feels that there is a lot in place for SROs that hasn't translated down to Constables. The bill was passed last June for the new school year coming up. It isn't burdensome, but it actually requires that they get the same training that educators do in being aware of the children with disabilities. They are to talk with the leaders of each school to learn what presentations may be seen in those schools. Mr. Nowell appreciates the information and asked Mr. Doolittle to email him these items, and he will follow up.

Mr. Nowell stated that Red Clay has been looking closely at Indian River School District as they have 16 Constables, one in every school. It is very popular in Sussex County. Staff and parents love it. He has been there himself. He then went to every school and met with every principal to instruct administration and security team for the school. The state provides no funding and our local funds are limited, so we need to do the little things really well, locking doors and locking classroom doors. We have purchased magnets so that our doors lock easily. In the case of an emergency, the teacher pulls the magnet off the door and the door is locked without the keys.

Mr. Nowell has worked with New Castle County Emergency Services. He has a panic button App on the phone of our Principals and Assistant Principals. Our SROs and Constables have it. Over the summer he'll be working with putting our student advisors on it as well. It's an App that alerts the police in the event of an active shooter, fire, medical, police and 911 other. The button is held down for 1.5 seconds. When the button is pushed by someone, the App automatically gives the first responders the address of the emergency. This is especially good if you cannot talk, the responders are still on their way. It is called RAVE.



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Mr. Nowell explained that we have the students have Chromebooks that they take home. Gaggle is a product we have that monitors what the students are working on while they are at home and at school. It is not a snooping device, it is for the safety of our children. The information is only sent to Mr. Nowell. If they are viewing inappropriate material it is dealt with in regard to our internet policy. If it is child pornography, then we contact the proper agency and they take over insuring our children aren't in chat rooms, etc.

Mr. Nowell talked about the cameras in the district being very old as they are analog. We will have to put money into bringing them up to date. Ms. Thompson added that will be a part of the upcoming referendum. Mr. Nowell believes it is going to be requested.

Mr. Nowell stated we are second in the State. Indian River has 16, we have 5. Colonial has started their program with 2 Constables. Ms. Thompson asked how much they cost and are they cheaper than an SRO. Mr. Nowell answered that we pay an SRO \$77,832 per year. Our constables are paid hourly at \$29/hour. They are 10 month jobs. They are former police and are receiving their State pension. They cannot be in a pensioned position.

Mr. Doolittle stated that now that we have SRO training legislation, have we thought about going for a Federal grant? Mr. Loftus stated that we are always considering those grants. Mr. Nowell asked the Committee and Mr. Chase, specifically, if there have been any recent security concerns in the schools. Mr. Chase mentioned that there have been surveys with questions, but nothing specific at this time. Mr. Nowell asked Mr. Chase, as he has been with A.I. DuPont High School for several years, if he noticed the difference between the SROs and constables. Mr. Chase stated that he noticed no difference other than the uniform, they do the same job and have the same presence.

Mr. Nowell explained that they are there to protect the students, not arrest them. His average day at a school was to observe student arrivals, handle any announcements, walk the building making sure doors were secured, no suspicious vehicles in the parking lot, check emails and out during changing of classes and in the cafeteria during lunch periods. Most fights occur during lunch period or in the hallway during class changes. After lunch, another walk through and then observe dismissal. Attend all open houses and functions.

Mr. Doolittle asked if he handled bullying prevention as Mr. Moore did in the past. He feels that is an ongoing problem with social media and repetitive and complex. Mr. Nowell explained that when it happens on social media in the residences it doesn't fall under the school bullying. Ms. Thompson added that the schools deal with that through the Principal and not Public Safety. Mr. Doolittle added that teacher reporting is 15% and student reporting is 85% and if this isn't Mr. Nowell's area, whose is it? Does the bullying committee exist and does the school bullying committees still meet. Mr. Nowell will contact Mr. Golder and ask those questions.



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Ms. Rattenni stated that during the discussion with major and minor capital funding, that each of the schools now have secured entrances that have been redesigned. Mr. Nowell added that we are the first in the State to have every school in the district designed for security. Ms. Rattenni said that there was a question regarding bullet proof glass. Mr. Nowell and Mr. Doolittle mentioned there is a bill running in the Senate for this right now. Mr. Nowell feels the cost of the glass is outrageous. If we did go to something like this, there is a shatterproof film that is placed on glass. If shot at, the glass wouldn't shatter and a person could not get through it. He feels if we lock doors and slow people down, we will be in considerably better circumstances.

Mr. Chase mentioned door locks and there are doors that are not working properly. Mr. Nowell is aware and has spoken with the custodial staffs to make sure that work orders are done immediately in those instances. Mr. Chase asked how often work orders are followed up on? Mr. Nowell will ensure these work orders are taking too long and security work orders should have top priority.

Ms. Rattenni stated that the improvements need to be done to stay on top of the issues. Anything that needs to be addressed on a larger scale system wide such as the entry way project was. Mr. Nowell stated that there are still a couple of schools that have issues and they are being addressed currently. Mr. Loftus stated that the major issues that have been addressed with cameras, entry ways and door locking strips have been worked into the budget. Mr. Nowell added that Dr. Daugherty would like the Constables to wear a uniform of short/long sleeved polo shirts & khaki slacks that identify them as peace officers.

The Committee thanked Mr. Nowell for his presentation and his work in the district.

III. Financial Position Report

Mr. Loftus presented the March 31, 2018 Financial Position Report for the fourth quarter of this school year. This is a report that is produced by our office to let the State know how we will handle the first few months of the new school year as our taxes do not come in until October. This shows the State we are fiscally able to handle our payroll and other responsibilities until October. We have a \$12 million balance and will get through July and August. Typically, the cycle is to have a referendum and you have a sufficient balance and each year you use more and more as costs go up. We just heard the security presentation detailing those costs as well. Contracts, energy and everything goes up. Our taxes are based on the assessed value of a house in 1983, the base doesn't change. We will always have to go to referendum to increase our funds.

The difference in Maryland, your County income tax is 50% of your State income tax and they use that for funding their schools. If your income increases, the County gets an increase. The district will have a board workshop on August 28th to decide what we will have to do. Our teacher contracts have steps and lanes increases. Salaries run 80% of the district cost.



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Ms. Thompson asked if each line could be explained. Mr. Loftus stated that the \$32,746,162 is what we have in the district checkbook. In addition to that, we have \$4 million that has been encumbered; commitments we've made on orders. Typically local taxes are paid in September and October, but small amounts do come in throughout the year. We are projecting that \$746,994 in local taxes will come in through June 30th bringing us to a combined total of \$37,643,011. Take away the projected salary of \$13,346,704 and non-salary expenditures of \$12,147,206 leave us with a balance of \$12,149,101 as of July 1st. One month of payroll is \$4,448,901. September is tougher as we have 3 paychecks in the cycle. We will received some taxes in September with the bulk in October. Ms. Thompson asked if the payroll went down in the summer due to 10 month employees. Mr. Loftus explained that most employees are on a 26 pay cycle. We are not panicked, but the departments and schools must be very careful in what they're spending. We monitor it very closely.

Mr. Pappenhagen stated that the last position report it was explained that our carryover had to be a minimum of \$9 million, is that still the case. Mr. Loftus said that sounds about right as you need two month's payroll. Mr. Doolittle added that the State standard is one month in reserve and he felt that made little sense. Mr. Loftus stated that every year we have the discussion as salaries increase. And this will add to the discussion on a referendum.

Mr. Chase asked if the summer programs are in this projection as well. Mr. Loftus answered that yes, the summer programs are accounted for in this projection. Our summer programs do have a reported time cost as well.

Mr. Doolittle stated that we should take into consideration the Governor's policy change in Ed sustainment money going to children in poverty and the funds not being eligible for salaries as we've done in the past. Mr. Loftus answered that it is irresponsible to make those policy changes as we are finishing up our fiscal year. Changing that essentially creates a cut in other areas.

Mr. Pappenhagen made the motion to accept the Financial Position Report and Mr. Chase seconded. The motion carried.

IV. Monthly Reports

Mr. Loftus distributed the April expenditure reports. At this point in the year, we would expect to be 85% expended on most of our operating units. We're down to two months left in the fiscal year, 4 pay cycles. The one area he saw of concern was special education spending. It is currently over budget. This is primarily due to the contractors we use for therapy services are paid for and budgeted in Division 32. Some need to be applied to Meadowood and RPLC and we will be determining how much of that service need to be moved over.



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Mr. Doolittle asked if Medicaid covered services were still being committed. Mr. Loftus didn't know the answer to that. Mr. Doolittle added that he knew it had been diminishing. Mr. Loftus will look into Medicaid recovery.

Mr. Loftus explained that we had a \$3 million cut in this fiscal cycle. Schools, program managers are vigilant in managing their budgets looking for the best use of their resources. Many of these items we have to consider going into our referendum. The State wants to give employees a 1% increase of the \$200 million they have. It's one time money they don't want to reinstate. The schools are allowed 15% carryover for the next school year. Many of the principals are taking advantage as they don't know what the next cycle may bring. We won't know until July 1st and we'll then work on the preliminary budget. The cuts so far have not affected the classrooms.

Mr. Doolittle stated that there are 2017 allocations of one-time funding available. But we don't know what that will look like and if we have to match it locally.

Mr. Loftus stated that we are meticulous in looking at the end date of our federal programs. We have expended to the penny on 2016. All legitimate expenditures managed closely. The funds are still in FY 2017 as the end date on those funds has not been reached yet. It is an ongoing cycle.

Meadowood and RPLC are trending nicely. Salaries are where we expect them to be at this time of year.

Mr. Doolittle added that the State took away \$1.1 million priority school funding.

V. Articles on Note

Mr. Loftus distributed an article regarding Governor Carney's call for spending restraint and the budget outlook for this coming year. It was meant to convey that the surplus they are viewing is only a one-time thing.

Mr. Loftus also distributed information on a Supreme Court case regarding reassessment of properties. This is a trend that we are very aware of. Assessments in Delaware have not been performed since 1983. Apparently, there are commercial properties being reassessed for lower values in 2018. We are dismayed and very concerned regarding the impact on the budget. There are some companies that have successfully challenged the assessment and others that haven't started the process as yet. Mr. Chase asked if residents can use the process. Ms. Thompson answered that they weren't sure, but that the President of the Appoquinimink Board argued for that reassessment. Mr. Chase asked if cases like this will push for a full reassessment of properties when they see how much money will be lost. Mr. Loftus stated the legislature continues to fail to address it so it may take a private citizen to sue for the reassessment, which is part of the ACLU lawsuit.

VI. Public Comment



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Public Comment emails were distributed to the Committee members. Mr. Loftus stated that some of the emails are comments and others require answers. Mr. Pappenhagen noted the one on the fiscal year 2007. Mr. Loftus stated that all of the budgets are online. In each preliminary budget, the actual budget from the previous year is listed in any particular operating unit and then shows the variance. You can see what is over budget last year, we increased this year or vice versa.

One note was student raised funding. We have an internal account system for student raised funding. i.e., if the Dickinson High junior class raises money for the senior prom, that is not district money and we don't use it for anything other than prom. That is money ear-marked for a specific task, raised by the students, and not funds we can use. They are held at Citizens Bank and managed through a business office. We do not use them for business related costs.

From Mr. Loftus' experience in the corporate finance, there is one pot of money. Everything that is sold goes into that pot of money. Everything you purchase come from that pot. It may be divided out by cost center or division. Your finance department is headed by a CPA and staffed by a team of 5 or 6 accounting degree employees. Here we are divided it out and there is a 12-page report of all the appropriations that our funds are residing in with an account code that designates if it is salary, supplies. The complexity that we handle with a skeleton crew is astounding. The information given from the State is given, you need to look at it by the divisions of operating unit and appropriations. We spend time recoding funds to accurately reflect where it is spent.

Mr. Doolittle asked how much effort the ESSA (Every Student Succeeds Act) reporting requirements are going to take. Mr. Loftus answered that he is not entirely familiar with all of the requirements. The bill is currently going through the legislature. Currently, all of the federal accounts are broken down and accounted for very carefully. Mr. Doolittle stated it will be a dollar per student value. Mr. Loftus added that currently, we are required by law that any school 98% of the units must be spent at the school where they are earned. 100% of the special education units must be spent where they are earned. Any extra units we have are used in the schools with higher risks. Mr. Doolittle stated that we are already spending more in our high risk schools, but that's not typical across the country. Ms. Thompson stated they only see the less expensive teachers are downtown and the more expensive teachers are in the suburbs. We do need more units in those schools but not less in others. Mr. Chase added they could use more therapists, psychologists and wellness clinics in the middle schools. There is a lot more that impacts their education rather than just the teachers.

VII. Announcements

The next meeting will be held Tuesday, June 12, 2018 in the Brandywine Springs School Teachers Lounge at 6:30 PM.