

Red Clay Consolidated School District
Community Financial Review Committee Report for October 10, 2023

Cathy Thompson attended the October 10, 2023 CFRC meeting at which the following was discussed:

- **Minutes** - Approved the minutes from the September 12, 2023 meeting
- **Unit Count Update** – The September 30 count which is the basis for funding RC schools showed that RC has 200 less students overall than last year and grew 13 units. Statewide, DE schools grew by a total of 200 students. Our Early Years Program grew 15 units due to an increase in 32 students, as well as a legislative change in the divisor for calculating students per educator.
- **Expenditure Report** - The Committee was, as always, very involved in and openly and transparently discussed the Expenditure Report in detail – which it does every month. Red Clay is able to meet its budgeted expenditures as it has been very fiscally responsible over the years. As of end of September, we are about a quarter of the way through the school year. Revenue is at 62% with Expenditures at 23.4% - a very good place to be. Local revenue will be coming in next month based on a tax payment date of September 30. The Committee discussed the Expenditures that were higher than anticipated – and all are on the radar, fully understood, and being carefully monitored. The district continues to do a remarkable job in budgeting and allocating our funding.
- **Referendum Recommendation** – The Committee heard preliminary remarks that the Board will hear at the October meeting and November 6 Workshop. The district has not been to referendum for operating expenses in 9 years and has managed to meet all budgeted expenses. Now, the recommendation is that the district proceed to referendum in order to meet upcoming expenses (all of which have risen during the past 9 years). The Committee also heard about a potential Capital Referendum to cover the \$289 million dollars in capital needed to maintain our 28 buildings. More on both will be forthcoming. All was well received. Red Clay has the lowest operating tax expense among Brandywine, Christina and Colonial and has been the longest district to go between referenda recently.
- **ESCO II** – Red Clay is always looking for ways to reduce its energy footprint, upgrade systems, and save money. In 2013, the Red Clay Board approved an ESCO performance contracting project for energy cost avoidance of \$9 million dollars. The project has been very successful and we have experienced over \$10.5 million in energy cost avoidance. In order to save energy and to avoid more costs for energy, the district is considering an ESCO II project. ESCO II will decrease electrical consumption by 14%, reduce the district's overall carbon footprint by 24% and is guaranteed to avoid all costs involved in financing the project (over \$11 million dollars) by HVAC upgrades at Cab and Marbrook, Indoor Air Quality improvements in all schools, LED lighting retrofit in all schools, and Solar Panel Arrays at Cook, Dickinson HBMS, North Star, Richardson Park and Central School. Overall the project is for over \$15.9 million dollars. Tax credits are involved. Red Clay will finance \$11 million in cost, of which Trane guarantees the total cost will be offset by the energy avoidance savings resulting in a net zero dollars paid by Red Clay. This program was very well received.
- **CFRC member needed** – The CFRC has an opening that it would like to fill. The process for doing so is set forth in the Committee bylaws. Interested community members must submit a completed a Committee Application Form which will be available on the website, will be

reviewed and recommended by a committee created by the Superintendent according to the bylaws (CFRC Selection Committee). Having been on the CFRC for a number of years, I know that this committee is interesting, fun, and a great way to learn all about what Red Clay does and in depth how it spends its money. We welcome Community Members who want to join our committee but also just attend meetings to learn.

- **Public Comment** – We had one community member comment about how she enjoys and learns so much by attending the meetings. She viewed the CFRC as a wonderful learning opportunity.
- **Next Meeting** – November 7, 2023 at 6 pm hybrid mode both in the district office and on Zoom.