



Finance & Operations Committee

January 6, 2022

MINUTES

Meeting called to order by Committee Chair: Kehoe 5:05 p.m.

Board of Education members present: Kehoe, Christenson, Brooks

District staff present: Merritt, Piesz, Kling, LeBlanc, Gruszczynski, Welch, Salzer, Steinman, Jory **Citizen Representatives present:** Roderique, Paton

Other Citizen(s): none **Presenting:** Brian Gesaman, Bill McCarthy/McCarthy & Smith Dave Larsen/TMP Associates; Brian Jessie from Barton Malow; and Eric Hudgens, Kyle Fellenbaum, Todd Fleming, and Melissa Mascarello from ABM

Public Comments - none.

Approval of Prior Meeting Minutes – December 2, 2021 - approved.

Financial Statements as of November 30, 2021- Mr. Kling reviews the monthly reports and points out items of interest and explains the larger variances:

- The overall revenue received as of November is 34% of the total budget, and this percentage is consistent with the three year historical average. Local sources are trending slightly slower. We have received our 2nd State School Aid payment for this fiscal year, which will result in some slight adjustments in the upcoming mid-year budget amendment. The budgeted amount reflected in transfers and other funds is related to Indirect Cost Recovery between the General Fund and the Food Service, Funded Projects & Community Services Funds. These adjustments will be made at year-end.
- The overall expenditures through November are 40% of budgeted amounts, which is slightly ahead of the three-year historical average for November 30. Instructional salary and benefit expenditures, pupil and instructional support, school improvement, and facility improvements are all trending ahead of the three-year historical average due to COVID related costs. Smaller class sizes in all elementary buildings related to physical distancing resulted in a 30 FTE increase in staff. These amounts will be adjusted at the mid-year budget amendment to reflect or the actual staff hired and expended, and all allowable COVID related costs will be moved through the transfer of expenditures to Federal ESSER grants.

- Overall, the net change in fund balance is tracking slower than expected. In addition, the net fund balance will be adjusted for the annual audited fund equity during the first budget amendment process.

Mr. Kling goes on to explain the differences in the two ESSER 3 categories. The first group is ARP (American Recovery Plan), and it is split into 20% and 80%. The 20% must be spent on learning loss, and the 80% can be spent on all regular COVID related costs, such as the Virtual Academy (VA), the health technicians and cleaning assistants.

The other category of ESSER 3 funds is the 11T funds, which are very restricted and can only be used for specific targeted sub-groups (foster care, McKinney-Vento, ELL, and others). The guidance for clarifying these expenditures is still in process. We need to identify these costs based on need, and try to offset some of those costs with the 11T funds. We will need to be extremely careful that the funds are moved into the appropriate buckets. The costs that we move over to these federal funds will result in freeing up general fund dollars.

Mr. Kehoe asks why the instructional expenses are higher, because he recalls we budgeted for these expenses. Supt. Merritt explains that we start with projections, and then we make adjustments. More students moved from the VA than we anticipated, so we had to keep the VA staff in place and add more for in-person learning.

Mr. Kehoe would like information on how many staff have been added, and how much we are paying substitutes. We have been paying teachers to substitute at a much higher rate than prior years.

Award of Contracts for Bid Package HS-2 – Plymouth HS Natatorium and Multi-Purpose Room

Dave Larsen from TMP presents an overview of the HS-2 projects and points out the features of the design. Mr. Gruszczynski adds an overview of the process that we followed for the design process. The new multi-purpose room is a single court gymnasium and has an area that can be utilized for many purposes. There will be a major concourse connecting the addition to the existing building, and the new pool, which measures 25 yards by 25 meters, will have an additional diving area. The spectator seating area is on an upper level above the pool deck, and will seat approximately 360. The entrance to this area will be a major entry point, will be a destination spot, and will be a point of pride for the district.

Mr. Gruszczynski shares that the planning for these facility involved input from principals, AAPAs, swimming and diving coaches, the Plymouth Cruisers and students. This pool is a hybrid of the Salem pool and the Canton pool, as it is an 8-lane pool with a diving well, which will allow swimming and diving practices to take place simultaneously. We will be able to hold league events with space for 4-6 teams.

Mr. Gesaman presents the recommendation of the awards related to Bid Package HS-2. The first point of interest is the Bid Division 105A: Precast Concrete. Through all phases of design we planned on using the pre-cast panels with a thin brick inlay. The cost of this feature as provided by Kerkstra works out to be a more fiscally responsible cost, as having the brick inset actually built into the panels would be less expensive. There are also a few bid divisions that we noted because we are recommending the second lowest bidder and the reasons are noted in the recommendation letter and bid summary. Bid divisions 107, 140, 142, and 143 are recommended for first and final reading, due to time constraints involved in securing these materials and locking in these prices. Mr. Kehoe approves going forward with the time constrained bid divisions for Tuesday. There is also a \$1.3M contingency on this project. Mr. Gesaman will add a note to the bottom of the budget summary page to reflect the contingency amount.

As the summary indicates, we are currently looking at about a 20% overage in costs for these projects, much like the result of bid package HS-1. For Bid Package HS-2, the original estimated cost was \$13,325,060, however at the beginning the pool was slated to be an 8 lane pool. The district increased the scope of the project based on stakeholder input. This brings us to a total cost \$15,994,000, or an overage of \$2.6M. Because of the savings we experienced on the EL-1 bid package, we still have about \$1.8M in savings to carry to this project. At Tuesday's Board meeting we will present the overview of the project for the community to highlight the project and announce the date the pool will be ready to use.

As we did in Bid Package HS-1, we will require Kerkstra to sign the contract and the change order immediately and we will have these signed documents by Tuesday's board meeting.

Award of Contracts for Bid Package T-2 – Technology for HS-1 and HS-2 A/V Equipment and Security

Brian Jessie from Barton Malow presents the information related to awarding the contracts for Bid Package T2, which are the A/V and security technology related to Bid Packages HS-1 and HS-2. For the Salem Auditorium we had a few alternates that were a part of the RFP, such as expanding the paging systems, and the alternate to have dual screens on the auditorium stage. The recommendation is to go ahead with the dual screen alternate and the security, paging and clocks.

Electronic Building Signage for Bid Package EL-1 Buildings –

Mr. Gruszczynski gives the committee an overview of the process we have followed in this purchase. The manufacturer of the signs is Daktronics, who is the largest manufacturer of these signs in the United States. Because of their size, Daktronics has the most extensive service network. We did not collect quotes from other sign manufacturers, because we are purchasing these signs through the Sourcewell consortium.

We are going to model future signs based on the design at Dodson. Dodson will require a few modifications to accommodate the upgraded screen, but the triplet buildings will have new slabs and bases similar to Dodson. At Hulsing, where there is currently no building sign, we will need to run underground electrical to the site. These are wireless units that work on a Verizon package for cellular communications.

Mr. Kehoe would like information related to the warranty coverage on the equipment, and clarification on the “lifetime” subscription, included in Tuesday night’s item.

Key Performance Indicator (KPI) Reports –

Custodial – Rich Welch, Kyle Fellenbaum, Todd Fleming, and Melissa Mascarello are here to present the ABM 1st quarter 2021-2022 key performance indicators. The new MOU with ABM went into effect December 1st, 2021, so the information contained in the presentation is only reflecting the first quarter, ending November 30, 2021. We currently have 16 staff members on-boarding, and now an additional 16 in the hiring process. Based on the contract, 104 FTE is fully staffed. We currently have 70.5 FTE. Member Kehoe has requested that ABM come back in February and report on the hiring that has occurred since the higher wages have been instituted. They believe they will be at 85-90 FTE by that point.

Rich Welch presents information related to the inspections, types of inspections and the frequency of inspections. Mr. Fleming presents the data that has been collected and the highlights of the buildings and areas of cleaning. Member Kehoe asks that Mr. Welch provide a slide that reflects the Google Docs and School Dude work orders to be able to do a comparison. There were six buildings that were not inspected during the 1st quarter. This was an error. Going forward there should be no schools that have not been inspected. ABM is expecting the number of inspections will grow. Melissa and Rich collaborate every morning to address issues and cover items that may have been missed.

Superintendent Merritt thanks the team for the big effort and the “team cleaning” process that they did over winter break. She has received good comments from the staff, who appreciate the fact that their classrooms were “sanitized” and deep cleaned. The Superintendent also shares that the decreasing turnover numbers we now see are very encouraging. Ms. Piesz also shares that the meeting on Monday morning for all building administrators there were some really good comments as to the condition of the buildings upon the return from break.

This first KPI report contained a lot of information, and we can pare down the presentation in the future. For Tuesday’s presentation Rich will add the Google Doc information and clarify whether we are talking about head count or FTE during the presentation.

Transportation - The KPI presentation for Transportation will be postponed until the next F&O meeting as the staff are not currently available to present. Member Kehoe would like to have them come back to the next meeting as well, and also believes that the community as a whole need to be updated on what is going on in the transportation department.

Adjourned: **7:26 p.m.**