



Finance & Operations Committee

February 17, 2022

MINUTES

Meeting called to order by Committee Chair: Kehoe 5:01 p.m.

Board of Education members present: Kehoe, Brooks (Christenson-absent)

District staff present: Merritt, Piesz, Kling, Gruszczynski, Jory

Citizen Representatives present: none **Other Citizen(s):** none

Present: Brian Gesaman and Bill McCarthy from McCarthy & Smith; Derek Dinkeloo from TMP Architecture; Brian Jessie from Barton Malow

Public Comments - none.

Approval of Prior Meeting Minutes – February 7, 2022 - approved.

BP T-3 A/V and Other Technology Needs for EL-2 Buildings – Mr. Salzer working in conjunction with Brian Jessie from our Bond Technology Consultant Barton Malow, engaged in the public bidding process for the technology needs related to the Bid Package EL-2 projects. Mr. Salzer reports that we received 15 bids between the two categories. They included a few mandatory alternates on some of the equipment. The low bidder was VSC with a SMART Solution, but following closely was Inacomp, and for a small amount more we are recommending Inacomp due to the fact that their equipment offered us more options, flexibility, and diversity. We are recommending Digital Age Technologies for the other technology needs, such as equipment for the gymnasiums and stage areas.

BP T-4 E-Rate/ Structured Cabling and Network Infrastructure– Mr. Salzer working in conjunction with Brian Jessie from our Bond Technology Consultant Barton Malow, engaged in the public bidding process for the technology needs related to the Bid Packages HS-1, HS-2, and some EL-2 projects. We put in an E-rate application for a 50% reimbursement on the costs associated with these three bid packages. In this case, Inacomp was the only bidder. For E-rate you have to choose their approved vendors, and we have used Inacomp for many years for this type of equipment. We run on a CISCO system, and Mr. Kehoe suggests that we may want to consider other systems.

BP HS-2 Revised Award Recommendation – Mr. Gesaman from McCarthy & Smith has returned ahead of the second reading of the BP HS-2 award recommendation to answer any additional questions and provide any additional information the Board members have requested or may still need. Mr. Dinkeloo shares that they are in the process up updating drawings to change from the precast concrete exterior to a masonry and steel construction. The

drawings should be ready to send to McCarthy & Smith for review at the end of next week. The design will remain substantially the same. Mr. Gesaman shares that they use the software "Building Connected" to collect bids. He has shared the requested information about which bidders are union, non-union, and which identify as minority owned companies. Going forward, this question will be added to their Bid Form on the "Building Connected" platform.

Mr. Kehoe is not aware of any outstanding questions from other Board Members on the HS-2 award recommendations, so this will be moving forward for final reading at the Board Meeting of 2/22/2022.

The bid divisions that will be re-bid for HS-2 are masonry, steel, carpentry, roofing, metal studs/drywall, acoustical treatments, painting, telescoping stands, and fire suppression.

Mr. Gesaman gives a short update on the HS-1 progress to say that things are moving forward with Kerkstra precast concrete on the HS-1 Salem Auditorium project. They are still on schedule to have the precast panels installed in late April, with the auditorium renovation to be completed by the start of school, and the remainder of the addition (dressing rooms, scene shop and bathrooms) to be completed in the fall.

EL-2 Classroom Furniture (Part 1) – As discussed at the Finance & Operations meeting of February 7, Derek Dinkeloo from TMP is here with the actual quotes for the proposed BP EL-2 classroom furniture purchase. At the last meeting the committee looked at the estimated costs, and since that time we have been able to secure quotes, and can provide the actual costs associated with the furniture order. The order for this needs to be placed as soon as possible, as there is a very extensive lead time on receiving these pieces. We are trying to avoid the delays that were experienced last summer for BP EL-1, which resulted in not having the furniture in time for the start of school. Mr. Dinkeloo explains that the recommendation is to split the EL-2 furniture orders, classroom furnishings Part 1 and the media center/office/collaboration area furniture to a Part 2. These are all purchased through consortium statewide bidding with pre-verified low pricing.

Financial Statements as of January 31, 2022 – Mr. Kling presents the financial report that covers the portion of this fiscal year July 1, 2021 through January 31, 2022. The overall revenue received as of January is 47.4% of the total budget, which is consistent with the three year historical average. Local sources are trending slightly higher due to an increase in property tax values. We have received our fourth installment of 11 in state aid payments, and we have received more revenue than originally anticipated due to MPSERS adjustments. For federal revenue sources there is a positive variance as we have received two subsidy payments thus far. The Inter-district source revenue has a sizeable variance due to the enhancement millage payments coming in slower than in prior years.

The overall expenditures through January are 53.9% of budgeted amounts, which is fairly consistent with the three-year historical average at this point in the fiscal year. The three largest variances are due to salaries and benefits in comparison to other years because of the staffing vacancies and some salaries being moved to ESSER federal funds. The 2020-2021 school year COVID numbers will disrupt the trend numbers for a few more years.

Overall, the net change in fund balance is tracking lower than expected. In addition, the net fund balance was adjusted for the annual audited fund equity during the first amendment process.

2022-2023 Budget Assumptions / Governor's Proposal Ms. Piesz shows a PowerPoint presentation that reflects the basic topics included in the annual budget assumptions, which includes enrollment, foundation allowance, and class sizes. We are waiting on the enrollment projection from Stanfred. When we receive this information we will bring it back for the committee to discuss. We just received the first look at the Governor's budget yesterday, and like other years we are going to use those numbers going forward until we receive other information.

The third component of the budget assumptions are class sizes. We need to decide if we are going to maintain the 2021-2022 staffing levels with 3 feet physical distancing (of approximately 63 additional teaching FTE), return to the pre-COVID staffing levels per classroom, or set the guidelines somewhere in between. Member Kehoe feels that we need to move toward the pre-COVID staffing, but he does not want to lay off teachers. Superintendent Merritt and Ms. Piesz feel that we may not have to, based on the number of retirements and resignations and normal turnover each year. The thought is to go back to the pre-COVID class sizes, staff accordingly, but then use any extra teacher FTE to provide added supports. Member Kehoe feels we need to use the federal funds to provide supports to all staff and to focus on the needs of the students. The extra COVID cleaners and cleaning assistants will be needed less in the future, and we can perhaps re-purpose some of those people in new ways to enhance building cleanliness. The last topic in the presentation is the budget timeline that shows all of the meetings and budget steps through June 2022.

Adjourned: **6:16 p.m.**