



Finance & Operations Committee

April 21, 2022

MINUTES

Meeting called to order by Committee Chair: Kehoe 5:06 p.m.

Board of Education members present: Kehoe, Brooks Christenson

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

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

Public Comments - none.

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

Financial Statements Ending February 28, 2022 - Mr. Kling presents the financial reports as of March 31, 2022. The overall revenue received as of is consistent with the three year historical average. Revenue amounts have been very consistent with the three-year average. He highlights federal sources, which is the increase to the federal subsidy we receive for the 2010 QSCB payments. Due to COVID, the payments were held up last year, causing us to get two payments this year. In the intra-district sources, the payments we receive from Wayne RESA for the 2019-20 Special Education costs are included. The intra-district funds shows a variance of 13.48%, which is the result of a county level reconciliation for 2019-20. Most likely a larger district had unspent funds, which were then redistributed back to the districts. It was a total of \$2.4M for P-CCS. These funds are a reimbursements for the costs we incur for special education.

The overall expenditures through March 31, 2022 are 70.49% of budgeted amounts, which is fairly consistent with the three-year historical average at this point in the fiscal year. Mr. Kling explains the variances in Basic Programs, Added Needs, and Pupil Support budget lines. These are the budget line that cover where most of our salaries and benefits lie. We discuss the variances in transportation, as well as facility improvements. When you look at expenditures by object level, you can see these areas are returning back to pre-COVID levels.

We have not finalized which expenses can be moved to federal funds (ESSER III, Section 11t), and what expenses have to come back into the General Fund. Some positions are yet to be filled, and will not be filled until next fiscal year.

Superintendent Merritt tells the committee that at this point we are also working through staffing changes. There are approximately 47 positions that can be paid with 11t funds, but there are 60 more positions that we need based on enrollment.

We need to keep in mind that we do not want the fund balance to drop below the 15% that Plante Moran recommends. Ms. Piesz adds that we also will need to determine other factors, such as the number of retirements we will have at June 30, 2022.

The ESSER III funds have two components, ARP (\$8.2M that has an 80/20 requirement) and 11t (\$10M spent on specified groups). Of that \$8.2M, 20% must be spent to remedy learning loss, and 80% can be used for other purposes. Spending the 80% is more flexible, but we have to be very careful to make sure that the 20% is only used according to the very specific federal requirements. The 11t funds will primarily be a fiscal year 2022/23 spend. Ms. Rayl is in the process of writing and reviewing the expenses and positions that will be included in the 11t grant, with assistance from the Finance Department.

Overall, the net change in fund balance is tracking slightly higher than expected. In addition, the net fund balance was adjusted for the annual audited fund equity during the first amendment process. The percentage of fund balance we end up with for 2021-22 or 2022-23 is not clear yet, as we have to wait to see how the federal funds, enhancement millage, and staffing levels shake out. The Budget Transformation meeting will be taking place on Monday, April 25th.

Purchase of Chromebook Carts - Mr. Salzer tells the committee that all of our elementary classrooms have Chromebook carts. On Tuesday night we will be asking to replace some of the existing carts. We are planning to replace 50 of the Dell managed carts that were purchased in 2015, which were designed specifically designed to fit the Dell 3210 Chromebooks. Using these carts with the newer Chromebook models present issues with cable management and organization. The new Dell carts that we have chosen to purchase have a smaller footprint, a better price, and come pre-wired with a 65-watt USB-C power adapter. It is an option to retrofit the older carts, and we will in some circumstances, but it is not ideal. We have to purchase new adapters to retrofit the old carts, and we have already purchased some of those at \$38 per unit.

Member Christianson asks what we would plan to do with the carts that we are replacing. Mr. Salzer shares that most would be recycled, but 15-20 will be kept for use in media centers. Some of the media centers are showing interest in having the old carts. We are requesting that these carts be paid with the General Fund. Mr. Salzer would like to preserve bond funds because of the economy and the current overruns. Member Kehoe would rather pay for these with bond funds, and preserve General Fund dollars for items, like the technology at the new building, that cannot be bond funded.

In regards to the connectivity for the new building the plan is to initially use Comcast and a VPN, but we are working on a deal with Northville Public Schools, who are willing to partner with us to allow connectivity.

Ms. Piesz adds that these would be presented for first reading at the Board of Education meeting on Tuesday, April 26.

Upcoming Items:

Ms. Piesz shares with the Committee an addendum to the ABM Custodial Services contract that we recently received, and we discuss the costs going forward. Ms. Piesz will add this item to the next F&O meeting so the committee has a chance to review the proposal, and AMB can be here to answer questions and communicate their rationale.

We are also addressing a one-year contract extension with Durham School Services for transportation services. We will need to consider the proposed hourly rates and staffing requirements. Mr. Kehoe asks that we put this in Board Notes and move forward.

At the next meeting we will have the HS-2 rebids, and playground equipment items. Mr. Salzer shares that he will be bringing forward an item regarding an upgrade to the radio station equipment in the near future.

Adjourned: **6:05 p.m.**