



Finance & Operations Committee

September 8, 2022

MINUTES

Meeting called to order by Committee Chair: Brooks 5:00 p.m.

Board of Ed members present: Brooks (Christenson and Kehoe absent)

District staff present: Piesz, Gruszczynski, Welch, Salzer, Steinman, Jory

Citizen Representatives present: Paton, Roderique **Other Citizen(s):** none

Also in attendance: Melissa Mascarello, Todd Fleming, Kyle Fellenbaum of ABM; Brian Gesaman- McCarthy & Smith; Anna Read, Derek Dinkeloo -TMP Architecture

Public Comments - none.

Approval of Prior Meeting Minutes – August 18, 2022 - approved.

Summer Cleaning Update – The representatives from ABM show a presentation that includes pictures of summer cleaning highlights from each building. Their presentation also includes a slide regarding the current numbers regarding applicants, hiring, and current staff, and at this point, they have a total head count of 101 (98.5 FTE).

Mr. Welch presents the information about the district cleaning staff, and shares that we have gotten amazing feedback from the buildings at the cleanliness they saw when they returned for the new school year.

Mr. Roderique asks what they feel has caused this improvement and they feel it was the increased wages that have helped the most to hire and retain custodians.

Mr. Fleming ends the presentation with the next steps, which include to continue to aggressively hire, train and retain staff, and accomplish their goal of 100 inspections per week.

Summer Bond Work Update- Brian Gesaman from McCarthy & Smith shows a presentation to update the committee on the bond work that has been going on over this summer, and will carry on into the fall and winter. We look at the progress we have made on bid package HS-1 (Salem Auditorium Addition and Renovation), HS-2 (Plymouth HS Natatorium and Multi-Purpose Addition), and EL-2 (Bird, Miller, and Smith Elementary Schools additions and renovations). The elementary building additions are scheduled to be turned over in the spring 2023.

Review of 2013/2015/2019/2020 – Mr. Gesaman has brought a presentation that covers the bond programs, from the 2013 bond issue through the 2020 bond and the work that is ongoing today. The presentation shows the bond information from the past, the present, and what we may expect in the future. As of today, after the 2013 Bond work, and the EL-1, HS-1, HS-2, and EL-2 projects, we are at a positive variance of \$900,000.

As we look toward the future, we are anticipating a 15-25% escalation of the estimated construction cost. The plan is to move forward using two strategies: scope realignment and deferred scope. Scope realignment involves right-sizing the work to the building. For instance, we estimated costs of two new classrooms, but a building may need only one new classroom. We can realign the scope to according to what is needed in each specific case. Deferred scope involves only doing the parts of projects that are necessary at this time. Instead of replacing an entire roof or an entire parking lot, we opt to replace only the areas that are in most need of replacement.

Ms. Piesz adds that in the coming year, the district will be involved in the redistricting process, which may also result in reduced scope or scope realignment.

Mr. Dinkeloo presents the slides that cover the classroom furniture budgets. For Bid Packages #EL-1 and #EL-2 we have realized \$751K in savings, but looking ahead for the remainder of the bond, we are anticipating a negative variance of \$1.585M.

Mr. Salzer and Mr. Steinman show the committee the update on the bond technology funds. Much of the equipment that has been ordered over a year ago has not arrived. The overview shows that of the \$20.8M budgeted for bond-related technology equipment, only \$1.3M has been spent. Mr. Steinman adds that what we are seeing are increased costs and severe equipment delays. We also have benefitted from ECF funds, which have been awarded to cover several of our purchase costs, but due to the current price escalations, we can project a negative variance of \$409,000 overall.

Finally, Ms. Piesz covers the 2020 bond budget for buses. The original budget for the 2020 bond for the purchase of buses was \$16,580,000 but luckily, due to savings realized in the 2013 bond, we were able to pull the first three bus purchases ahead for a positive variance of \$4,972,000.

To sum up the presentation, projections indicate that for the 10 years of work result in a negative variance of \$13,641,000 based on the current price increases and supply chain issues. This is a worst case scenario.

A new unallocated list has been created for the 2020 bond, comprised of needs that have surfaced but are not included in the scope of the bond. This list includes items such as safety and security upgrades, HVAC equipment and controls, underground storage tanks, the expanded band room project, tennis court replacements, and existing pool upgrades. As we re-prioritize the remaining bond projects, these are items that may be able to be paid for with savings from decreased scope or deferred work. We can also look for savings through the use of alternative materials or decreasing the scope of work where applicable. Declining enrollment and redistricting might also decrease scope.

Tanger Center and Former Maintenance Building Discussion – With the purchase of the Pilot Drive property, we were able to accommodate the staff from these two buildings into the new building, and now we need to look at the value of the vacated properties. We have received an estimated valuation of these two sites from Bill Bowman of Great Northern Consulting to give us an estimate of the current market value.

Adjourned: **6:30 p.m.**