



Finance & Operations Committee

January 19, 2023

MINUTES

Meeting called to order by Committee Chair: Kehoe 5:04 p.m.

Board of Ed members present: Kehoe, Christenson, Picard

District staff present: Piesz, Emmadi, Gruszczynski, Salzer, Jory

Also Present: B. Gesaman and N. Tindall, from McCarthy & Smith; D. Dinkeloo from TMP Architects; B. Jessie from Barton Malow

Citizen Representatives: Roderique, McKee **Others:** John Johnston, Bill Lorelli

Public Comments - none.

Approval of Prior Meeting Minutes – December 22, 2022 - approved.

Bid Awards for Bid Package #MS-1 Pioneer MS – Mr. Dinkeloo presents a look at the projects planned for Pioneer Middle School in Bid Package #MS-1. Mr. Gesaman goes through the list of 10 alternates that were included in the bid. He presents the budget summary and explains the process that we followed to defer some work until a later date to possibly bundle future work and realize cost savings. Mr. Roderique asks if we have a back-up plan in the case that we postpone the work, and then have a roof issue later. If we were to have a major roof failure, repairs would have to be made using general fund dollars. However, we could then package a total replacement of one roof section as a separate bid package, thereby using bond funds. Mr. Dinkeloo adds that we have recently had roofs and mechanicals inspected to help us decide what can wait. The schedule indicates that groundbreaking at Pioneer Middle School will begin on June 19, 2023. The renovation portion will be complete for the start of school August 25, 2023, and the addition is slated to be completed May 2024.

Technology Package T-5 Bid Award Elementary A/V Classroom Equipment

This bid is for the elementary classroom A/V equipment. This replacement will be phased in over three years across the 14 elementary schools. The scope also includes projectors at Starkweather. They gathered recommendations and suggestions from teachers who use the products, and piloted several models before choosing the recommended model. The recommendation is to award this contract

to VSC, Inc. They plan to repurpose some of the boards they remove at Allen, where they currently have several different models in use, so this will bring uniformity to that building. Training on the new boards is also included in the contract. Mr. Salzer is working to utilize the existing infrastructure to support the new equipment. The award is for the base bid total, no alternates. Although VSC was not the low bidder, there were several reasons to choose them based on the trials of the product by stakeholders piloting the equipment. The awarded amount is a "not to exceed" amount, because the replacement goes over 3 years, and we have the ability to upgrade to a newer version if one is released.

Monthly Financial Reports as of November 30, 2022 – Ms. Piesz introduces Sneha Emmadi, our new Director of Finance & Accounting who began her new position on January 17, 2023.

To acquaint both Ms. Emmadi and the new board member and new committee member with this reporting process, Ms. Piesz describes the process of how we use these reports to show trends over a three-year period. She explains that spending throughout the year is not made up of equal monthly costs, rather revenue and expenditures happen at an uneven pace throughout the year. Variances between projected budgets and actual numbers may be due to timing differences, like receiving or spending funds in a period that is different than in prior years. These variances will resolve over time. Variances that are deemed permanent, like unanticipated revenue or unplanned expenditure of resources may require a budget amendment to resolve.

From the original budget adopted in June 2022 through November 30, 2022, revenues are trending in a favorable direction with a positive variance, due to the pace that we are receiving local tax revenues, and because taxable values have been larger than anticipated. On the expenditure side we are trending higher than the three-year average. While Instruction is trending lower due to staff vacancies, Pupil Support is trending higher due to escalating salary and benefit costs. Other reasons that we are spending faster than expected are property insurance is higher, utility costs are higher, and work orders costs are higher than originally budgeted. Because the custodial contractor is now fully staffed, we are no longer receiving credits to cover vacancies. Transportation costs have been slower lower due to delayed billing. Finally, the net change in the General Fund balance is tracking slower than was expected. The General Fund balance will be adjusted to the actual audited amount at the time of the mid-year budget amendment.

Discussion on Bus Purchase Funding – we would like to have the flexibility to use remaining funds in 2013, 2015, and 2019 bonds as well as possibly the 2020 funds to pay for the 2023 bus purchase. This will allow us to use up the remaining funds in these accounts.

Adjourned: **6:35 p.m.**