



Finance & Operations Committee

April 6, 2023

MINUTES

Meeting called to order by: Member Kehoe 5:02 p.m.

Board of Ed members present: Kehoe, Christenson, Picard

District staff: Merritt, Piesz, Emmadi, Gruszczynski, Welch, Rice, Jory

Also Present: B. Gesaman-McCarthy & Smith; D. Dinkeloo - TMP Architects;

Melissa Mascarello, Todd Fleming of ABM; A. Reynolds and Sheldon Stewart from

Durham School Services **Citizen Representatives:** Roderique, McKee

Community Members present: John Johnston, Nicole Reid

Public Comments – Nicole Reid – Mom of a student at Canton HS would like an update of the improvements to assistive door hardware at the Park. Tim Gruszczynski gives an update on the work. All of the outside door assistive hardware has been installed. They are waiting on pricing for the interior assistive door hardware and installation costs. He shares that he and Derek Dinkeloo from TMP are looking to find a company that specializes in assistive door audits for facilities. He also shares that we will be bringing an item to the committee soon to replace the Canton HS Media Center lift. Member Kehoe asks that Mr. Gruszczynski prepare for first and final readings on items related to assistive door updates.

Approval of Prior Meeting Minutes – March 9, 2023 - approved.

Monthly Financial Reports as of February 28, 2023 – Although July through January accounts for 66.7% of the calendar year, school districts don't receive or expend resources in equal monthly amounts throughout the year. Therefore, we have applied a three-year historical average to the annual budget to determine projected totals for February 28, and then compared that to the actual results to determine variances. Variances between projected budgets and actual results may be due to timing differences, receipt, or expenditure of funds in a period that is different than anticipated, that will resolve over time; or permanent differences, unanticipated receipts or expenditure of resources not planned, which may require a budget amendment.

The overall revenue received as of February is 55.88% of the total budget. Although this percentage is somewhat higher than the three year historical average. The overall expenditures through February are 63.48% of budgeted

amounts, which is higher than the three-year historical average for this point in the fiscal year. Overall, the net change in fund balance is tracking lower than expected.

Bid Package #HS-3 Starkweather Bid Awards- Derek Dinkeloo from TMP Associates shows the committee a PowerPoint presentation about Bid Package #HS-3 – Starkweather Academy Addition and Renovation work. Mr. Gesaman from McCarthy & Smith presents the information on the bids that were received for this bid package, the alternates included in the RFP, and the budget summary of the entire HS-3 bid package. Mr. Gesaman adds that the costs for roofing, estimated at \$500K, have been deferred because professional scans have shown that they were not needed. The LED lighting replacement has also been deferred to a future project, the estimated cost of which is approximately \$400K. He also shares that the construction on Starkweather is set to begin in May of 2023, with the renovation complete by August 25, 2023. The addition will not be complete by the start of school in the fall of 2023, and Mr. Gesaman is also expecting excessive lead time in receiving the rooftop units. Once received, he rooftop units can be installed after hours and on school breaks. Member Kehoe asks about the assistive doors, and ADA bathrooms at Starkweather. He would like information about these plans at Starkweather for Tuesday evening’s meeting. He asks that the team incorporate these upgrades into all future bid package presentations.

Bid Package #EL-3 Isbister Playground Installation Award – Mr. Gesaman reminds the committee that different parts of bid package #EL-3 (Isbister Elementary) has been presented at several prior meetings, and this is the last piece of the project that went out for bid. The Playground Installation project received only one bid, from Michigan Recreation. This is the same vendor that has completed the playground work at the BP #EL-1 and BP #EL-2 buildings. The cost is slightly higher than that of the last few playground installations, but this number includes the restoration costs. This work will take place this summer. The ground at Isbister has already been broken.

CTE Computer Lab Refresh - There is a computer lab used in the CTE area that needs 34 desktop computers replaced. The work in this lab includes digital media, web design, and Photoshop. This refresh will be funded with CTE money. The computers that are being replaced will be able to be used elsewhere. REMC is the state source for device purchasing. In order to avoid a price increase we would need this item to be a first and final reading. Member Kehoe approves this being a first and final reading on Tuesday evening.

VAPA Computer Lab Refresh – There is a lab at Salem HS that is used by the IB Academy and that needs 35 desktop computers replaced. The cost of this replacement will be taken from 2020 and/or 2023 bond funds. The computers that are being replaced will be able to be used elsewhere. Mr. Salzer asks the committee to consider presenting this purchase as a first and final reading at Tuesday night's Board of Education meeting. There is a discount associated with placing the order by April 14th. Member Kehoe will allow for a first and final reading on Tuesday evening.

Key Performance Indicator Reports

Custodial – Todd Fleming introduces Melissa Mascarello of ABM to go through the presentation, which includes inspection reports, a comparison to last quarter, and a comparison to the same quarter last year. Mr. Welch shares that they have instituted a new process this year to clean all floors over spring break in order to address the salt on floor. This proved to be very effective, as it got a very favorable response from staff returning from spring break. This process will be implemented going forward. Ms. Mascarello shares information about staffing and training. Member Kehoe is concerned that we have still not reached the number of FTE that we are supposed to have. They are continuing to hire and train, and will continue to recruit. Member Kehoe has questions about the staffing numbers he sees here in comparison to the weekly numbers he has been receiving in Board Notes. Mr. Welch and Ms. Mascarello will go over the numbers again to insure they are correct. He would also like information about absenteeism. Member Kehoe commends ABM for the dramatic improvement they have shown over the past year, but also recognizes that the inspection scores should be above 90% at all buildings.

Transportation- Sheldon Stewart and Angela Reynolds are here from Durham to present their 2nd quarter KPI presentation. Ms. Reynolds shares that she and other staff members have been sharing the workload, having more people to review the Drive Cam footage, as well as more people to go through the job applications. Ms. Reynolds shares that the recent addition of new office personnel, the new sharing the load teamwork attitude, and a new culture that is taking root at the bus terminal, has really helped to get things in the transportation department run like a cohesive team. They have also begun doing giveaways to incentivize employee attendance. Gifts like air pods, gift cards, air fryers, etc. The employees have to be present to win. Member Kehoe thanks Angela and Sheldon for their dedication and the work they have done in the Transportation Department.

Plante Moran Engagement Letter- Ms. Piesz included this annual letter in today's packet to make the Board aware of the upcoming audit schedule. The auditors will be on site the week of May 29, and the middle two weeks of August. Our audit partner is now Jeff Higgins.

Miscellaneous Discussion- 2023 Series BOND Sale

Ms. Piesz announces that we had a very successful bond sale this week. This was the second series of the 2020 Bond. The 2020 bond was passed for \$275M and is divided into three series. Series 1 was \$100M, and in Series 2 we were selling \$87.5M worth of bonds and we were very fortunate to have someone bid \$99M, for a premium of \$12M. We received 11 bids total on our bonds. This will allow us to accelerate some work, but we have to be mindful that 85% of these funds will need to be spent within 3 years, and commit 5% in the first 6 months. Also, we have once again received an Aa2 rating from Moody's.

2023-24 General Fund Budget Process Update- Ms. Piesz shows the Presentation that she showed this morning at the Budget Transformation meeting, which was part of the Leaders Meeting. Over 90 administrators were in attendance for the Budget Transformation exercise.

We are estimating enrollment at 16,200 FTE for the 2023-2024 school year. We have received 524 applications for our 500 School of Choice seats, which was a very good result. Out of those, 168 are kindergarten students. We are expecting a foundation allowance increase of \$458 per student (Governor's proposal), and revenue from the enhancement millage revenue, while it is less than it has been on the past because it is being shared with more schools, is based on property values which are increasing at 2% annually.

Adjourned: **7: 12 p.m.**