



## Finance & Operations Committee

May 18, 2023

### MINUTES

**Meeting called to order by:** Member Kehoe 5:01 p.m.

**Board of Ed members present:** Kehoe, Picard, Christenson

**District staff:** Merritt, Piesz, Emmadi, Gruszczynski, Meier, Salzer, Jory

**Presenters:** Dana Abrahams/Clark Hill; Bill Bowman/Great Northern Real Estate

**Citizen Representatives:** Paton, Roderique, McKee **Others present:** none

**Public Comments** – none.

**Approval of Prior Meeting Minutes** – May 4, 2023 - approved.

- **Mill Street Property Resolution and Purchase Agreement** - Ms. Piesz gives an update to the committee on the sale of the property located at 987 Mill Street, the site of our former Maintenance Building. We are joined by Dana Abrahams and Bill Bowman, who worked with us on the sale. Ms. Abrahams explains the process we have followed thus far. The highest bidder was Bidigare Contractors, who is an existing neighbor of the property. This bidder has agreed to accept the property “as is”, and will assume the responsibility of any associated environmental costs. The meeting materials today contain a resolution and Offer to Purchase document related to the sale. The buyer is very anxious to move forward with this. This will be discussed with the full board during a closed session meeting next Tuesday. Member Kehoe feels it would be best to present this item at two Board Meetings to allow for community input prior to approval.
- **Tanger Property Resolution and Purchase Agreement** – Ms. Abrahams and Mr. Bowman are present today as they worked on the property sale with the district. Ms. Abrahams tells the committee that we ultimately received four final and best offers. We will be moving forward with Toll Brothers proposal. In this case, we will be responsible for the demolition of the old building. This building does contain asbestos, so we would need to pay the cost of asbestos abatement. The cost for demolition on the building is estimated to be about \$300K. The meeting materials today contain a resolution and Offer to Purchase document related to the sale.

**2023-2024 Proposed Budget Presentation-Ms. Piesz** Ms. Piesz presents to the committee the 2022-2023 Initial Budget Presentation ahead of the June 13<sup>th</sup> Annual Budget Public Hearing. This presentation includes a financial update for fiscal year 2023, as well as information about foundation allowance and enrollment estimates. There are slides with information related to our operating millage, debt millage, and the process and timeline that the budget development follows. Also included are the revenue assumptions, the expenditure assumptions, and a preview of the 2023-2024 General Fund budget numbers. Ms. Piesz explains what costs are contained in each category, and answers questions around the year-over-year variances.

**Technology Bond Bid Package #T-7 – Part 2 PA Systems -** Ms. Piesz introduces IT Director Mark Salzer to discuss part two of the bid package #T-7 purchases, which includes the purchase of Public Address (P.A.) Systems for several buildings. P-CCS Safety & Security Director Josh Meier is also in attendance to speak to the need for new, consistent paging systems across the district. Mr. Meier shares that when there is an emergency in a building, the public address system, and the ability to make announcements, is absolutely critical. Across the district we use several different systems. The new proposal will allow all systems to be the same and standardized. The current P.A. systems are not connected to the camera systems. The systems that we want to purchase would have the ability to be connected to the security camera systems, and are streamlined in their operation. The steps we follow during an emergency would be automated, and there would be outdoor communications offered, so that students would have the ability to hear messages while outdoors on campus, such as during passing times. The cost of this would be \$371,000 from bond funds, and \$620K from state grant funds (Section 97).

**Technology Bid Award for Replacement of Liberty Cameras-** Mr. Salzer shares that there was an alternate in the Bid Package #T-7 for the replacement of the security cameras at Liberty Middle School. The current cameras do not communicate with the other systems in the district. We asked for pricing for the replacement of Liberty cameras, and we also received pricing on the dual head cameras, which we feel would better serve the need. As this item was an alternate in the Bid Package #T-7 RFP, Mr. Kehoe feels it would be better to revise the Part One resolution to include these additional cameras, and the combined item will go to first and final reading on Tuesday evening.

**Financial Statements as of April 30, 2023 -** Through the month of April, the district received approximately \$7,302,987 in MPSERS one-time deposits under the state school aid section 147c(2) revenues from the State of Michigan, and the related Office of Retirement billing for the same amount. This represents about 63.63% of

the total MPSERS one-time deposit of \$11,477,270 that the District will receive and turn around and pay for the fiscal year ending June 30, 2023. Therefore, we have completed the General Fund financial statements with and without these amounts, so that variances can be reported and analyzed more readily. We will need to provide the reports this way for the remainder of this fiscal year. Ms. Emmadi presents both reports and clarifies all the significant variances.

Although July through April accounts for 83% of the calendar year, school districts don't receive or expend resources in equal monthly amounts throughout the year. When we provide these monthly financial reports, we apply a three-year historical average to the annual budget to determine projected totals for April 30, and then compare 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 April 30, 2023 is 71.01% of the total budget, which is somewhat higher than the three year historical average. The overall expenditures through April 2023 are 80.09 % of budgeted amounts, which is slightly higher than the three-year historical average for this point in the fiscal year. Overall, the net change in fund balance is tracking slightly higher than expected.

Adjourned: 6:30 p.m.