



Finance & Operations Committee

November 3, 2022

MINUTES

Meeting called to order by Committee Chair: Kehoe 5:08 p.m.

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

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

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

Also Present: Brian Gesaman and Bill McCarthy from McCarthy & Smith: Derek Dinkeloo from TMP Architecture

Public Comments - none.

Approval of Prior Meeting Minutes – October 20, 2022 - approved.

Approval of Schematic Design and Budget for Bid Packages #EL-3 and #MS-1

Ms. Piesz gives an overview of the projects slated for the summer of 2023, which include Bid Package #EL-3, addition and renovation at Isbister Elementary School, and Bid Package #MS-1, addition and renovation at Pioneer Middle School. Mr. Gesaman from McCarthy & Smith, and Mr. Dinkeloo from TMP Architecture, share a presentation that shows drawings of the proposed projects, as well as a budget update with the summer 2023 work included. Mr. Gesaman tells the committee that, in an attempt to combat the 35% escalation in costs, one of the main ideas that we are moving forward with is scope realignment. For example, at Isbister, we reduced scope by eliminating one additional classroom, eliminating the media center carpet replacement (recommended by the Principal), and moving the LED light replacement as an alternate (approximate cost \$300K). The LED light replacement could be moved back to later in the bond schedule.

Members Christenson and Kehoe want to know how much not having the LED lighting would save in utility costs, as well as the cost of the ballasts and lights. This information will take work order costs and labor costs involved in light replacement. Ms. Gesaman will put together an annual energy savings report. Additionally, all bidders have the ability to show a “voluntary deduct”, where if they have a good idea to lower costs, they can include that for consideration.

On the Pioneer Middle School project, the main area of work is to expand and move the front office, in order to create a secure entry way. The old office area will be the new counseling offices and iterant spaces. There will be upgrades in the learning commons, the life skills classroom, the cafeteria serving area, and the kitchen. Mr. Gesaman shares that in order to reduce scope on this project, we were able to reduce and relocate the new main office, reduce the roofing replacement to only include necessary areas, the move the LED lighting replacement as an alternate. We also reduced the size of the main office canopy. One of the requests of the stakeholders at Pioneer is to add a parent drop-off loop in the front of the building. This was not included in the original scope of work, but we can include it as an alternate so we can get pricing, to allow the administration and Board to consider adding it, if the budget allows. The stakeholder group at Pioneer was very robust, and we had a lot of suggestion and participation. Mr. Kehoe would like to see a drawing of the location of the proposed parent drop-off loop (subsequently included in Board Notes).

Bid Package UPDATE:

For Bid Package HS-1 (Salem Auditorium Renovation and Addition) - We have now turned over the renovated auditorium, and it is currently in use. We are now two weeks away from turning over the new addition, and we are working through the remaining punch list items for the scene shop and dressing rooms.

For Bid Package HS-2 (Plymouth Natatorium and Multi-Purpose Addition) - This project is underway. We have been having an issue with concrete shortages and have only been able to get small amounts each week, but we are working through it and there is only about four more days of pouring concrete needed. The underground utilities work has also been completed.

Bid Package EL-2 (Bird, Miller, and Smith Elementary schools) - Miller is moving along well with main office brick work completed, concrete flooring to be poured, and roofing to begin. At Bird exterior brick is underway. Roof deck on the addition is beginning, and electrical and plumbing are on-going. At Smith masonry, doorframes, pipe insulation, and brick installation have begun.

PLEASE NOTE: Weekly updates are posted on the district website under “2020 Bond Projects”.

Purchase of John Deere Snow Plow / Gator – Rich Welch

Currently we are using trucks at the P-CEP for the grounds maintenance, but since the plows and equipment are wider than the walking paths, the use of those vehicles for snow removal causes damage to the concrete and asphalt, as well as to the edges of the grass. A solution to this problem is to purchase an enclosed vehicle with a v-blade. There is one such vehicle in stock at Hutson, Inc. (formerly Bader & Sons) in South Lyon, MI. Member Kehoe approves this item to be presented for first and final reading at the next board meeting on November 22.

Monthly Financial Update ending September 30, 2022 – Devin Kling

Although July through September accounts for 25% of the calendar year, School Districts don't receive or expend resources pro-rata throughout the year. Therefore, we have applied a three-year historical average to the annual budget to determine a projected September 30, 2022 budget and compared that to the actual results to indicate variances to you and the Board of Education. Variances between projected budgets and actual results may be due to timing differences, receipt or expenditure of funds in a period of time 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 September is 14.68% of the total budget. This percentage is lower than the three year historical average due to the following: timing of local revenue, as well as intradistrict sources due to enhancement millage not yet received.

The overall expenditures through September are 22% of budgeted amounts, which is fairly consistent with the three-year historical average for this point in the fiscal year. Please note the following: we are seeing variances across the board, but mainly in added needs, salary and benefits, pupil support, purchased services, and supplies. The 10% variance in the maintenance and operations budget maybe due to the fact that the air filters are now being changed more often, and they are expensive and no longer covered by federal funds. Contracted services are trending higher due to the fact that we no longer have an electrician or HVAC person on staff, and these services are now contracted out. Additionally, the non-voted debt is \$100K slower due to no capital lease payment since it is now paid off.

Overall, the net change in fund balance is in line with our preliminary expectations. In addition, the net fund balance will be adjusted for the annual audited fund equity during the first amendment process.

Finance & Operations Committee Goals / Citizen Representatives

At the meeting of November 17th we will have all five candidates join us and we will conduct interviews at the end of the meeting, and then we will call back the top candidates to begin attending the next meetings.

On November 10th the board is meeting on the subcommittee goals, and the board members have been tasked with bringing the ideas to the meeting on how to align the goals of their subcommittee to the Dynamic Plan. One of the goals is to hold an annual meeting for the community on school finance. We are looking at February prior to the start of the budget process. Discussion isn't just about the board members that are on the Finance and Operations committee, but what are the financial goals of the entire board, and how do they tie into the goals in the Dynamic Plan? Mr. Kehoe will send us the recap of this discussion.

Adjourned: **6:50 p.m.**