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## Finance & Operations Committee

November 9, 2023

### MINUTES

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

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

**District staff:** Merritt, Piesz, Malbon, Tyszkiewicz, Brandon, Gruszczynski, Jory

**Citizen Reps:** Roderique, Paton, McKee **SVA Reps:** Nandini Vakde, Emily Lin

**Presenters:** Bill Bowman-Great Northern **Others present:** John Johnston

**Public Comments** – Mr. Johnson wants to tell the committee that he feels the district made the right choice earlier this year to delay purchase of electric buses based on the current trends at General Motors and Ford Motor Company.

**Approval of Prior Meeting Minutes** – October 19, 2023 - approved.

**Fall 2023 Family-School Relationship Survey Results** – Nick Brandon is here to preview a presentation he will be sharing at a future Board of Education meeting, where he will be joined by Jonathon Flukes and Anthony Ruela. Part one of the presentation is focused around an overview of our various surveys (staff, student, and family), and how they will be used to implement our Communication and Marketing Goals, and the goals of the district as a whole. We ask the responders to complete this 10-minute survey once in the fall and once in the spring. He describes how we and our survey partner, Panorama, can take the results and use them to compare our district to others in the area, the state, and nation. Items on the survey are designed to be user-friendly and aligned to national benchmarks. Mr. Kehoe feels that this first part of the presentation does not have enough information to generate conclusions or give us suggestions on a path forward. He wonders if the two parts would be better as one presentation in December, when we have more specific results and plans to discuss. Ms. Paton asks if we can see results by level as well, because elementary families generally have more involvement at their buildings than secondary students. Mr. Brandon will return in December with an update on this presentation.

**Tanger Property Sale Update-** Bill Bowman from Great Northern is here to give the committee an update on the progress that has been made concerning the sale of the Tanger Property. The original purchaser, Toll Brothers, terminated the purchase agreement based on the township plan requesting lower housing density. Mr. Bowman spoke to all of the other bidders to see which firms were still interested. The bidder with the second best offer, Infinity Homes, is still interested in purchasing the property. They have provided a letter of intent with a revised bid, and their suggested site plan with elevations. Their original bid was \$1.38M, but the revised bid is now \$1.2M. In order to maximize the proceeds for the district we would like to achieve a higher selling price, as well as see family residential that could potentially add future students to the district.

He has also received a call from Schafer Development Company, who has suggested a mixed use option, commercial/residential, through a PUD. The Kroger next to the property is interested in expanding their parking and adding a gas station. The remainder of the property could be then used for a mixed-use residential site. This option could result in larger proceeds to the district. Mr. Bowman asked that they do further due diligence, discuss this with the township, and get together a proposal. Mr. Bowman feels this is a solid plan that has a good chance of going through. If there is a way to get to a higher value for the district, he feels that it is worth taking a few weeks to explore.

Ms. Piesz shares that we also may be able to take advantage of the Wayne County Land Bank Grant or a Brownfield exemption, which may cover demolition costs of the existing building. Under the Brownfield Exemption the developer would be responsible for the demolition and they would be reimbursed, however, the township would have to agree with that arrangement. The township does not have to agree with the grant, but we would need a solid proposal to submit for consideration.

Mr. Bowman will continue to work on this and will come back with an update to the next F&O meeting on November 16<sup>th</sup>.

**Transportation Radio Purchase –** Kurt Tyszkiewicz is here to present the information on the proposed purchase of digital radio equipment for the transportation department. We did a formal bid process in 2020-21 to begin a multi-phase update of our district two-way radios. We engaged in a formal bidding process and the contract was awarded to BearCom, Inc. In phase one of this process we updated the building two-way radios by replacing the analog units with digital. The new equipment works in conjunction with district security systems.

The P-CEP repeater system was also replaced in phase one and phase two, and our FCC licensing was brought up to date. Now in phase three we would like to purchase 141 Motorola digital radios for the buses, and an AVTEK Scout dispatch console, similar to the equipment used by 911 Operations Center. This system would allow all radios in the district to be connected in the event of a large-scale emergency, as well as a better link to radio frequencies used by first responders. Having all of our district radios on the same platform will allow much improved communication across the district. Mr. Tyszkiewicz adds that since BearCom was awarded the contract in 2021, we asked the Board to purchase the equipment in Phase two from BearCom as well, in order to have continuity. We are again asking the Board to waive the bidding process, and approve to continue using BearCom for the phase three proposed purchase. We have been meeting with BearCom and Motorola to coordinate this, and they have assured us that they will honor competitive pricing. The funds to pay for this purchase will be partially taken from the 2023-24 transportation budget, with the remainder of the funds coming from the 2023-24 State of Michigan 31aa Grant. Mr. Kehoe feels that the Board will need to see more detail and additional quotes in order to insure that the district is paying a competitive price. The equipment would be ordered upon Board approval, with a goal of having everything installed over the summer 2024 break. Mr. Tyszkiewicz will provide an itemized list of what equipment is included as "accessories", and work to obtain additional quotes. He will return on November 16<sup>th</sup> to update the committee.

**Non-Homestead Renewal Discussion – Next Steps-** Ms. Piesz addresses the subject of the next steps in the process of renewing the Non-Homestead tax levy. At the Board of Education meeting held on October 24, 2023 the Board approved the ballot language that we will send to the municipalities to use for the spring 2024 presidential primary ballot. We have updated the flyer that we used in 2014 when we last went for this renewal in 2014. Non-Homestead taxes account for about 16% of our revenue, or \$33.5M. The next steps would be to establish a committee with chairpersons, some fundraising, and flyers distributed to the community in anticipation of the February or March presidential primary election. We should talk about this at the Board Meeting on November 28<sup>th</sup>, as Mr. Kehoe will not be present at the next Board meeting. Board Members are allowed to run the committee to support the process, but the district can only provide the facts, P-CCS cannot promote the renewal.

**Financial Statements ending September 30, 2023-** 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 apply a three-year historical average to the annual budget to determine a projected September 30, 2023 budget, and then compare that to the actual results to indicate where there are variances. 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 September 30<sup>th</sup> update does not show us a lot because we do not receive state aid payments in September for the 2023-24 fiscal year.

The overall revenue received as of September 30, 2023 is 16.56% of the total budget. This percentage is higher than the three year historical average due to an increase in local property taxes, the timing of Act 18 funding, and the RESA enhancement millage disbursements.

The overall expenditures through September 30<sup>th</sup> are 23.43% of budgeted amounts, which is fairly consistent with the three-year historical average for this point in the fiscal year. We usually see variances across the board, but mainly in added needs, salary and benefits, pupil support, purchased services, and supplies. The variance in the maintenance and operations budget may be due to increased dependence on using contracted services for plumbing, electrical, and HVAC. Electricity bills are running slightly higher, as well as our work order control accounts. Additionally we have purchased several vehicles and equipment recently.

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.

Adjourned: 6:40 p.m.