



## **Finance & Operations Committee**

### **June 6, 2024**

# **MINUTES**

**Meeting called to order by:** Member Kehoe at 4:08 p.m.

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

**District staff:** Merritt, Minnick, Malbon, Gruszczynski, Jory

**Citizen Reps:** Roderique, McKee, Paton **SVA Rep:** none **Others present:** none

**Presenters:** Brian Gesaman, McCarthy & Smith

**Public Comments** – none.

**Approval of Prior Meeting Minutes** – May 23, 2024 - approved.

**Bid Award for Bid Package #HS4a – Robotics/Innovation Hub-** Ms. Minnick introduces Mr. Gesaman to present the bid awards for bid package #HS-4a, the future Robotics/Innovation Hub addition. The presentation includes renderings that shows the location and planned exterior design of the proposed addition. We take a look at the design features of the new space, and Mr. Gesaman answers committee questions around the project. Some of the features highlighted in the discussion is the square footage of the various spaces, the inclusion of security considerations related to the glass exterior, and planned window treatments. The estimated construction budget for this project was \$2,500,000, and the base bid total for this project was \$2,610,446, resulting in a negative variance of \$110,446 or -4%. All in all, we were very pleased with the amount of bids received, and that the proposals received were very consistent and competitive. We plan to break ground in September 2024, with a completion goal of spring 2025. Mr. Gruszczynski has communicated with the Robotics Coach on the timeline, and its effect on the Robotics season.

### **Fiscal Year 2023-2024 Final Budget Amendment –**

Ms. Minnick begins the discussion around the 2023/2024 final budget amendment by showing the committee a page from the April 30, 2024 general fund financial update that was presented in May. The actual numbers on that report indicate we have been spot on in our projections since the February budget amendment. But we also know that there will be adjustments made over the summer, such as reconciliations around retirements, which will be made going forward into the 2023-24 final budget amendment. To accommodate those variances, when looking at the 2023-24 final budget amendment,

we are estimating that we need to add about \$1.8M to provide for the truing up of actual staff salaries and benefits, as well as items that may have been ordered this year, but will not be received until next fiscal year. In regards to the General Fund balance we are still in good shape in terms of board policy and cash flow needs. We know that there will be planned reductions over the next few years. The presentation includes a slide that summarizes the "other funds", and Ms. Minnick shares that we will be spending down that 2013, 2015, and 2019 bond funds by June 30. The 2024-25 proposed budget reflects only the 2020 and 2023 bond funds moving forward.

### **Fiscal Year 2024-2025 Proposed Original Budget –**

The committee previews the 2024-2025 Proposed Budget ahead of the June 11th Annual Public Budget Hearing. The presentation covers key financial information, including a fiscal year 2024-25 update, budgeted foundation allowance, projected enrollment, and an explanation of the Non-Homestead 18-mill operating millage and 4.00-mill debt millage. Ms. Minnick outlines the budget development process and timeline, revenue assumptions, expenditure assumptions, and provides a look at the projected 2024-2025 General Fund budget numbers. She answers committee questions, clarifying the costs behind each category and addressing year-over-year variances.

The budget is based on an enrollment projection of 16,100 students and a projected foundation allowance increase of \$241 per pupil, as per the State of Michigan's proposed executive budget. Categorical funding increases for At Risk, English Language Learners, and GSRP are assumed to be 2%, according to information from the Consensus Revenue Estimating Conference (CREC). Recently there have been legislative changes considered to the MPSERS funding system that may impact future budgets.

Our general fund projections for next year project a planned use of fund balanced of \$6.2M, which will bring our estimated fund balance on June 30, 2025 to 16.3%, which is still above limits set forth in board policy. However, the district is still taking steps to reduce expenditures, such as to continue to align our staffing with enrollment, keep consistent class sizes, and to explore ways to realize savings with our third party vendors. There are changes we can make to our transportation practices that will reduce costs.

There is a discussion around the increase to projected expenditures in the 2024-2025 budget. A large part of these increases reflect positions that were previously funded by federal COVID grants now returning to the general fund. While some temporary positions have been eliminated, most of the people who filled them have been retained to fill vacancies resulting from retirements and attrition. We will continue to align staffing with enrollment, maintain consistent class sizes, increase staff wages, and explore cost savings with vendors.

Finally, Ms. Minnick shared the 2024 Tax Rate Form L-4029 with the committee, confirming the non-homestead tax rate of 18.00 mills and debt millage of 4.00 mills. This information will be used by taxing units to print property tax bills.

**Wayne RESA Enhancement Millage Discussion** – Even though this millage does not expire until 2027, a majority of districts in Wayne County want this renewal issue on the 2024 November ballot (presidential election). All 33 districts in Wayne County, including our Board of Education, are required to take action by July 16<sup>th</sup>, so the resolution in support of this initiative will be on the June 25<sup>th</sup> Board of Education agenda. Member Kehoe recommends that the district provide factual information on our website around the renewal, similar to what we did for the Non-Homestead renewal in February.

Adjourned: 5:36 p.m.