

REPORT OF COMMITTEE

Finance Committee

Monday, February 27, 2017

Auditorium, Rev. Lyman S. Parks Administration Building

4:05 p.m.

Present: Dr. Baker - Chairperson, Dr. Flores, Ms. Grant, Mr. Klomparens, Ms. Kribs, Ms. Liggins, Mr. Oberst, Ms. Trovillion
Absent: Ms. Schottke

Public Comment

None.

ACTION ITEMS

Purchasing Agenda

Mr. Klomparens brought attention to the architect and construction manager contracts that are on the purchasing agenda. He advised that \$4 million of the budget under the bond for GRPS University is for the air conditioning installation and renovations to make the building usable year round. Also the contract for the construction manager for Ridgemoor is included, and the bid for long lead items. A Committee member asked about the cost of Ridgemoor's onsite management being such a large percentage of the project and if that was within a reasonable range. Mr. Klomparens stated that it was within a reasonable range, there are many project details which affect the cost of the onsite management. Another factor is that the bid was broken into smaller projects to allow more local bids. The Committee member asked to compare that to the Buchanan project's percentage of budget that was onsite management, and Mr. Klomparens advised that with larger budget projects, it does change the percentage that is onsite management.

Another question was asked in regards to the transportation budget increase of \$150,000. Mr. Oberst stated that this was embedded in Amendment One, and this is for student bus tickets, which the need has surpassed initial expectation.

Motion for Purchasing Agenda approval made by Ms. Grant, supported by Dr. Flores.

Motion carried.

Your Finance Committee recommends the Purchasing Agenda to be placed on the Agenda for Board action at the March 6, 2017 Board of Education meeting.

REPORTS/UPDATES/DISCUSSION

January Financial Statements

Mr. Oberst presented the January financial statements. He reviewed the Financial Dashboard in detail, noting that an adjustment was made to how this was presented which now reflects the amended budget amounts in the middle column. Mr. Oberst reviewed that the district is on track, and reminded that these reports are done on a cash basis throughout the year. At the end of the year, adjustments are made to a modified cash basis for audit purposes. He also noted that the \$88 million in bond funds from the 2016 issue is included in the Bonded Debt line. In March, the Bond Refunding will be reflected. The middle column for Projected Fund Balance is where we intend to be at June 30, 2017 if we track to budget. This will adjust once Amendment Two is processed. The goal is to have \$12.1 million in General Fund Balance at year end or 8.87% of unrestricted revenues. The Early Warning minimum fund balance is 5%, and our Board of Education has previously indicated a desire on maintaining a minimum 6% balance. An additional line was added to the report to reflect total bond funds expended since the bonds were sold in March 2016. Bond technology purchases will be reflected in February or March, and in the next 9 months more projects will be added as funds are spent.

Mr. Oberst also advised that the enrollment numbers listed on the Financial Dashboard are different from the State reported numbers. The numbers on this sheet include both general and special education students, but not shared time and early childhood special education students. There were no additional questions.

Warm, Safe & Dry Update

Mr. Klomprens reviewed the current Warm, Safe & Dry project status. He provided an update that the three projects are the Ottawa Hills Pool, which only requires one more exit sign to be complete. The Franklin Campus data center air conditioning is under review to determine if the two generators can be condensed to one generator, because as of right now if either of the two go down, everything is down. The final project is the Ridgemoor renovations, as Ridgemoor will reopen in the Fall. There were no questions.

Bond Update

Mr. Klomprens reviewed the photos and floorplans for the Buchanan Elementary re-build and Museum School renovation. He indicated that the exterior of the Museum building will remain unchanged. There will be some windows and enclosed staircases added, as well as a security entrance through the office. The Museum School will be able to accommodate 90 students per grade for a total of 360 students. There are currently bids for demolition and asbestos abatement that is needed, and there will be additional bids for the project coming in soon. He also updated the committee that the planning process continues for City High Middle School's project. The Plaza Roosevelt project, where the SWCC High School will be located, is currently developing a site plan. Union High School planning will begin in the spring/summer. The Ottawa Hills High School Project is still pending until academic decisioning is completed.

Bond Timeline

Mr. Oberst and Mr. Klomparens reviewed the Bond Timeline they have drafted. This is meant to be a document with the timelines for all bond projects, and will be updated as revisions are necessary. It should be considered a draft document with a general overview of goals for completion. This document will be presented at the March 6th Board of Education meeting. Mr. Oberst also highlighted that the document columns are divided by bond tranches, so the right columns are projects that will be financed with the second tranche of bonds which are expected to be in issued in spring/summer 2019.

Bond Refunding

Mr. Oberst stated that the Bond Refunding sale was successful, and the taxpayers will see a savings of \$5 million. Pricing is set as of February 22rd, and the closing will be held March 21st. There was a high demand which yielded an interest rate of 2.86%, which replaces the prior bonds' interest rate of 4.19%, which is where the savings to taxpayers are realized.

Sustainability

Mr. Klomparens announced that the eight schools that received Energy Star Certification received plaques to hang in the schools. Plaques were given by Consumer's Energy. They are continuing to work on getting additional schools Energy Star Certified.

Meeting adjourned 4:35 p.m.

Dr. Tony Baker, Chairperson
Dr. JoséFlores
Kristian Grant
Jen Schottke

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