

REPORT OF COMMITTEE

Finance Committee

Monday, May 22, 2017

Auditorium, Rev. Lyman S. Parks Administration Building

4:04 p.m.

Present: Dr. Baker - Chairperson, Dr. Falb, Dr. Flores, Ms. Carpenter, Mr. Ghareeb, Ms. Hawley, Mr. Klomprens, Mr. Oberst, Mr. Teahan Ms. Trovillion
Absent: Ms. Grant Ms. Scottie

Public Comment

None.

ACTION ITEMS

Purchasing Agenda

Mr. Oberst presented the Purchasing Agenda. He noted that there are a few blanket order renewals on today's agenda, and there will be several more that will be on the next Purchasing Agenda as well, as these are for the 2017-18 year. A Committee member asked if the West Michigan Janitorial increase had a specific cause. Mr. Oberst noted that there has been a shortage of qualified workers for many of our positions causing us to rely more heavily than in the past on subcontract services like West Michigan Janitorial. The Committee member asked if we would be able to hire/buy out any of these staff, and Mr. Oberst noted that yes, we do have that opportunity and we do this sometimes. However, there are other obstacles with that in our onboarding criteria.

Another Committee member asked for more information on the blanket orders and an explanation. Mr. Oberst reviewed that these are the district's estimates of how much will be spent with different vendors over the course of the year, and these are done annually. Mr. Oberst also stated that when circumstances change during the year and the blanket needs to be modified then that modification is brought back to the Board. This was the case with a couple of items on the purchasing agenda.

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

Motion carried.

Your Finance Committee recommends the Purchasing Agenda to be placed on the Agenda for Board action at the June 5, 2017 Board of Education meeting.

Bond Purchasing Agenda

Mr. Klomprens reviewed the items comprising the Bond Purchasing Agenda. He advised that Buchanan does not have an asbestos issue; this is standard protocol to abate a building prior to demolition. He also noted that this cost is part of the overall budget for the Buchanan project. The budget for Buchanan after bids is \$13.8 million, \$800,000 of which is allocated for

contingency. He advised that they were able to get preferred plans for this amount, and that the bids were a good value. A Committee member asked about Local First contractor usage, and if there was any data available about percentages of minority groups involved in the project. Mr. Klomparens said he would work to compile this and bring to the June Finance Committee Meeting. Scott Jernberg from Triangle Construction came forward to discuss the job fair that they held and their dedication to engaging with local contractors. He advised that Triangle held another event after the job fair where one thousand local contractors came to their facility to discuss the project components which they had broken into 33 segments. From this, they were able to connect some contractors with bigger companies to be involved. They are also offering bond default insurance to cover the bonding required to make it easier for small contractors to be able to participate. Mr. Jernberg said he would collaborate with Mr. Klomparens to get data on demographic information requested by the committee.

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

Motion carried.

Your Finance Committee recommends the Purchasing Agenda to be placed on the Agenda for Board action at the June 5, 2017 Board of Education meeting.

REPORTS/UPDATES/DISCUSSION

April Financial Statements

Mr. Oberst presented the April financial statements. He advised that the 2nd Budget Amendment would be presented at the June 5th meeting. The 2017-18 Budget will be presented at the June 5th Board Meeting. There were no questions.

Warm, Safe & Dry Update

Mr. Klomparens updated that the Ridgemoor Park is working toward a goal of an August 1st date to be ready for furniture to be moved in. A Committee member asked if there would be tours, and Mr. Klomparens said once it was ready, that would be something that could be scheduled. The next project will be the replacement roof for the Innovation Central High School gym.

Bond Update

Mr. Klomparens noted that he did cover Buchanan in the Bond Purchasing Agenda discussion. Other updates are that the Museum High School abatement is underway. There will be draft information for bids on this at June Finance Committee, but for approval it will likely go straight to a Board meeting. He noted that there are a few design details to finish, but things are on track and well within budget. City High design is moving along, and they are starting to meet with staff to discuss specific classroom plans. The plan is for the design to be complete by fall, hold bids in November, and begin work in January of 2018. The same schedule is slated for Ottawa Hills. Southwest Community High School is in works with the site planner. GRPS University is in the midst of design for the air conditioning and classroom renovation. They are expecting to

bid in September and then be complete by June of 2018. The design work at Union will not commence until Fall.

May Consensus Revenue Estimating Conference

Mr. Oberst reviewed that this is the process of the State before a budget is finalized. They do this in both January and May of each year. There is a prediction that the General Fund will decrease from January projections, and that the School Aid Fund would increase. Mr. Oberst advised that the good news is that there is sufficient revenue to fund any of the three (Governor, House, Senate) proposals. The three groups will work together to create a budget, with the Governor's hope to have this released by June 1st. The conversation around MPSERS could potentially cause delays.

A Committee member asked if there was a deadline for this budget to be sent to us. Mr. Oberst said that technically it would be September 30th for the State's fiscal year which begins October 1st, but that the Governor generally tries to get this out by June 1st. A follow up question was asked if this impacted the timeline for GRPS, and also if the millage impacted our timeline? Mr. Oberst said that they are working toward a balanced budget, and they will bring the budget forward with the best information at that time. They are progressing through contract negotiations as well, so many pieces working toward having the most up to date budget possible by June 5th's Board of Education meeting. A Committee member asked if there were impacts from enrollment projections. Mr. Oberst said that there were, and that they are awaiting the final audited Fall count, and they should have this information by June 5th's budget presentation.

A Committee member asked if any changes at the Federal level would impact the 2017-18 budget. Mr. Oberst said they would not; it would likely take more time for any changes to be implemented.

Proposed Budget Timeline Discussion

Mr. Oberst advised that a public budget hearing would need to be held once the Board had time to review and discuss the budget they'll present at the June 5th meeting. Discussion was had around the public having the opportunity to review the budget. Mr. Oberst advised the hearing notice will be published and it is an open meeting for people to come ask any questions they may have. After review of dates, June 19th was decided as the preferred time to hold the public hearing. The Board would then vote on the budget at the June 19th Board meeting, as they would have between the 5th and 19th of June to review the budget details. If the need arose, a special meeting could be held between the 19th and 30th of June.

Meeting adjourned 4:59 p.m.

Dr. Tony Baker, Chairperson
Dr. Jose Flores
Kristian Grant
Jen Schottke