

REPORT OF COMMITTEE

Finance Committee

Monday, June 26, 2017

Auditorium, Rev. Lyman S. Parks Administration Building

4:00 p.m.

Present: Dr. Baker - Chairperson, Dr. Flores, Ms. Grant, Mr. Ghareeb, Ms. Hawley, Mr. Klomparens, Ms. Kribs, Ms. Liggins, Mr. Oberst, Ms. Schottke, Mr. Teahan

Public Comment

None.

ACTION ITEMS

Purchasing Agenda

Dr. Baker asked for questions on the Purchasing Agenda, and there were none.

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

Motion carried.

Your Finance Committee recommends the Purchasing Agenda to be placed on the Agenda for Board action at the July 17, 2017 Board of Education meeting.

West Leonard Elementary Sale Resolution

Mr. Klomparens shared that we do not actively market our vacant buildings, but there were recently four offers made on West Leonard Elementary. The offer they are presenting for consideration is chronologically the first offer made. He advised that we do not negotiate or bid offers against one another. After considering the purpose of anticipated use, and timing of the offer, Cherry Street Capital was selected to be recommended for acceptance. Cherry Street Capital would keep the exterior as is, and would renovate the interior to market rate housing. The amount of the offer is in line with the appraised value that was given February of 2016.

A board member asked for more information on the company's history in the community. Mr. Klomparens agreed to ask them to come to the July 17th Board of Education Meeting to answer questions and provide more historical information about the company. Mr. Klomparens also noted that a community meeting would be held to gauge the local opinion of this use. He advised that if they would not be able to have the community meeting before July 17th, then they would move the item to the August Board Meeting agenda.

A board member asked the cost of maintaining a vacant building. Mr. Klomparens responded that the average is \$30,000 to \$50,000 annually. Mr. Klomparens advised that it would take a great deal of renovation to make it an operable school again, and it was decided in the Transformation Plan that this school would be closed. The prospect of ever re-opening West Leonard is very slim. A board member asked what school the neighborhood children attend

instead of West Leonard. Mr. Klomparens advised it would be Harrison Park of CA Frost on the north, and Shawmut Hills or Stocking on the south.

Mr. Klomparens noted that the cell tower lease on the property is not part of this sale agreement, that GRPS will retain that. He also noted that the right of first refusal will be written in, and if Cherry Street Capital were to sell the building, it would be made first available to the Board of Education of GRPS. There was discussion around the district not having a broker for property sales, and that the Board of Education will always be able to make the decision if an unsolicited offer is accepted.

A board member opined that it would behoove the district to look at investments made into the property, and to order an updated appraisal, as well as looking at the Downtown Development Association forecasting to determine if the use of this building is in alignment with their data.

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

Motion carried.

Your Finance Committee recommends the Purchasing Agenda to be placed on the Agenda for Board action at the July 17, 2017 Board of Education meeting.

REPORTS/UPDATES/DISCUSSION

May Financial Statements

Mr. Oberst presented the May financial statements. He advised that the 2nd Budget Amendment is now reflected in the Dashboard, as well as the projected fund balance for June 30, 2017. The May financials will be the last until the audit is completed – there will not be June financials at the July Finance Committee Meeting. A board member asked when the audit occurred, and Mr. Oberst advised that it will take place in September and be completed in October. It is due to be filed with the State of Michigan by the end of October.

Warm, Safe & Dry Update

Mr. Klomparens updated that the Ridgemoor Park is moving along well. This week the replacement of the gym roof at Innovation Central will begin.

Bond Update

Mr. Klomparens updated that the elevator and security system at Buchanan will be rebid due to lack of bidders the first time. He also advised that the Museum bids are delayed until June 27th due to an addendum requiring extra time for bid preparation. Mr. Klomparens asked for approval to take these items to the Board of Education meeting on June 17th, and Dr. Baker approved.

Final School Aid Budget Highlights

Mr. Oberst reviewed a Power Point on the 2017-18 School Aid Budget, which had previously been shown to the Board, with the Conference Committee information updates. He also reviewed the MPSERS Pension reform, and noted that there would not be an impact to the 2017-18 budget, but there is still uncertainty what the impact will be beyond the upcoming year.

Mr. Oberst noted that Amendment One to the 2017-18 budget will be done in January 2018 after certified enrollment numbers are available, and it will reflect all the State budget finalized numbers as well.

Other

Dr. Flores introduced his grandson, Marcos Flores, who is a student council member at a high school.

Meeting adjourned 4:45 p.m.

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