



Finance & Operations Committee

December 5, 2024

MINUTES

Meeting called to order: Member Kehoe at 5:02 p.m. **Board members present:** Kehoe, Picard, Christenson

District staff: Merritt, Minnick, Malbon, Lents, Jory **Citizen Representatives:** Roderique

Others Present: Josh Patterson, Karen Sisolak, Janice Regal

Public Comments – Karen Sisolak expressed satisfaction with the district’s overall offerings but highlighted an interest in how the Enhancement Millage and Bond Funds she voted for are being allocated. She emphasized the importance of using these funds to reduce class sizes. Janice Regal, accompanied by her granddaughter Rosie, is here to discuss the benefits of smaller class sizes. Rosie, a first grader at Bird Elementary, is in a class with 27 students and just one teacher. Ms. Regal stresses that smaller class sizes lead to improved academic performance, and urges the district to prioritize reducing class sizes, particularly in grades 1-3, which are crucial for foundational learning. Mr. Kehoe provides clarification on the types of revenue and their permissible uses. He shares that class sizes were increased in the past due to budget constraints, but were reduced again when the district started receiving the RESA Enhancement Millage funds. Mr. Kehoe encourages the community to return in the spring when budget priorities are being set, welcoming participation from the entire community.

Approval of Prior Meeting Minutes – November 7, 2024 - approved.

2024-2025 Bus Purchase Recommendation – Ms. Minnick presented the committee with a recommendation to purchase 14 new 84-passenger general education buses as part of the district's standard 10-year replacement cycle. She requested that the purchase be brought forward for a first and final approval at Tuesday evening's meeting to expedite the ordering process. This is important as we've been informed that prices will increase by 10-15% in January. Member Kehoe requested additional details about the buses being replaced, including their age, mileage, and fuel type. Ms. Minnick will coordinate with Durham to gather and provide this information.

Financial Reports as of October 31, 2024- Ms. Minnick introduces Jody Malbon, Executive Director of Finance & Accounting, to present the financial statements as of October 31, 2024. As requested by the committee, two reports have been prepared: the first is the traditional three-year comparison, and the second is a year-over-year analysis comparing the financial statements from October 31, 2023, with those from October 31, 2024. A glossary of terms has also been included to help clarify the categories in each report.

The monthly financial report compares the General Fund's original budget to actual results. With 33% of the fiscal year completed, some variances are expected due to timing or permanent differences, which will be

addressed during the mid-year budget amendment. As of October 31, 2024, revenues are at 22.1%, reflecting higher local tax collections, a 0.4% below-average state aid payment, and sporadic Medicaid Outreach funds. Expenditures are at 29.0%, with notable variances in Instruction (1.5% lower, due to timing and payroll differences), Maintenance & Operations (4.6% higher, due to custodial and ADA-related costs), and School Activities (11.4% higher, due to uniform and mascot replacements, partially funded by grants). The net fund balance is in line with expectations and will be adjusted during the first amendment process.

Mr. Kehoe inquires about the variances in the Central Support Services, the School Administration, and the School Activities categories. The school activities variance includes new band uniforms and mascot updates, while the School Administration variance reflects timing changes due to negotiated salary adjustments. Ms. Malbon will further investigate these differences and provide more information to Ms. Minnick for inclusion in Board Notes.

Ms. Malbon explains that the year-over-year reporting format is preferred, as it allows for easier tracking of more recent items. Mr. Kehoe agrees that the year-over-year comparison works well for now, but suggests eventually returning to the three-year comparison to better identify trends. Ms. Malbon shares that she is part of a committee at RESA that is reviewing how other districts present their monthly financial statements. RESA is working on a report that will allow districts to pull monthly data with similar information. While most districts compare two years, our district is the only one using a three-year comparison. She also recommends adding trend line data to compare month-over-month and year-over-year figures.

Board Sub-Committee Citizen Representatives Discussion – At the last Board Meeting held on November 26, 2024, President Christenson brought up the possibility of instituting a two-year cycle for citizen representatives to participate across all of the district Board subcommittees. Some of the committees do not have any community members serving currently. We would ask current citizen members who are interested in continuing, to send an email letting us know. We will advertise this on our website prior to the holiday break, and will address community interest in January. If we have more citizens interested than open seats, the committees can hold interviews.

Upcoming Topics –

At the next meeting we will review the 1st quarter KPI reports for transportation and custodial, as well as financial statements as of November 30, 2024.

Member Kehoe has requested an update on the status of the Innovation/Robotics Addition project at our next meeting on December 19th.

Adjourn: 6:06 p.m.