



Finance & Operations Committee

December 19, 2024

MINUTES

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

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

Presenters: Jennifer St. Louis, Todd Fleming from ABM; Angela Rivers, Vernon Williams, and Steve Williams
from Durham Transportation **Others Present:** John Johnson

Public Comments – none.

Approval of Prior Meeting Minutes – December 5, 2024 - approved.

1st Quarter Key Performance Indicator (KPI) Reports

Transportation – Angela Rivers, Transportation General Manager, is presenting the first-quarter transportation KPI report, accompanied by Steve Williams, a trainer/recruiter from Durham. The report includes key data such as staffing levels, which Ms. Rivers confirms are at full capacity, with sufficient casual drivers available to cover absences as needed.

The presentation also covers various metrics, including cost per mile, cost per day, daily ride time, on-time performance, accident statistics, and recruitment and retention incentives.

Regarding accident data, Ms. Rivers explains the process for re-training and disciplinary action taken against drivers involved in preventable accidents. To address this issue, action plans have been implemented, with the positive note that no students were on board during any of the preventable accidents in the first quarter.

Mr. Kehoe recommends that future reports include comparisons between the current quarter, the previous quarter, and the same quarter from the prior year. Additionally, he suggests incorporating data from other transportation providers, beyond just Durham, into the KPI metrics. Ms. Rivers agrees to add a slide in future presentations to include this additional data.

Custodial (ABM) – Todd Fleming from ABM introduces Jennifer St. Louis, our new Account Manager. Ms. St. Louis briefly shares her background and mentions that her transition into the role has been smooth. She then reviews each slide, which presents data on building inspections. The sites with the lowest scores primarily reflect issues related to staff turnover, but efforts are underway to address these challenges. Many of the issues should be resolved by the next quarterly report.

Mr. Kehoe expresses that he does not find the new graphs in the presentation helpful. Mr. Fleming agrees to revert to the metrics used in previous reports, as they more clearly highlight the scores and the key information needed. The focus should be on the scores rather than the inspection counts.

Regarding the newly added slide measuring progress at the high school, it is noted that "day audits" occur during lunchtime, when cleaning is underway and students are actively using the restrooms. In contrast, evening audits are conducted after school hours, typically once the restrooms have been cleaned. Additionally, the extra FTEs at the high school were not added until mid-October, so the current data should be viewed as "baseline" information.

The presentation also covers staffing details, showing 91 FTEs and 5 substitutes (4 full-time and 1 part-time). The goals for the second quarter (December, January, and February) are to focus on floor care due to salt buildup, quality control, safety, and maintaining staffing levels.

P-CCS Custodial KPI Presentation – Randy Rice, P-CCS Operations Manager, provides an overview of our internal Custodial KPI data. He commends Jennifer St. Louis for her outstanding collaboration, highlighting their frequent communication throughout the day. Mr. Rice informs the committee about a pilot program testing new floor cleaning supplies. Although slightly more expensive, the improved results make the investment worthwhile. The presentation has been updated to align with the ML Master Library program, focusing on four key report categories: Cleaning Requests, Dispenser Fills, Missed Cleanings, and "Other." Moving forward, the team plans to refine the "Other" category based on the types of work orders received. Additionally, they are exploring strategies to encourage greater staff participation in submitting work requests through the new Master Library platform.

The data presented includes the number of requests, completions, and average day's requests remain open. A detailed breakdown is provided by building, task type, top "hot spots," and school level, highlighting issues at elementary, middle, and high schools. Mr. Rice also mentions that the Master Library system has been live since July 1st, with ongoing adjustments based on user feedback to ensure it meets our needs. The goal is to collect precise, reliable data, and the reporting will continue to be fine-tuned until the desired metrics are identified. Furthermore, Mr. Rice is working on developing a Custodial and Maintenance web page for the upcoming P-CCS website, ensuring staff and the community have easy access to important information.

P-CCS Facilities and Maintenance KPI Presentation – This section of the Master Library focuses on Maintenance request categories, including HVAC issues, grounds maintenance, plumbing, carpentry, electrical, and more. The data presented highlights the number of work orders created and completed each month, the number of work orders entered per building, the time taken to close them out, and totals by category. The following slides will provide detailed information on specific Grounds work orders, electrical, plumbing, equipment repairs, and other related categories. Mr. Rice is committed to further refining these categories to ensure we capture the most relevant data.

Mr. Kehoe expressed satisfaction with the depth of reporting and attention to detail. He inquired whether maintenance staff are actively walking the grounds, identifying issues, and reporting them. Mr. Rice assured him that processes will be put in place to ensure this is done. We are focused on enhancing transparency and maintaining consistent effort in our operations.

Update on the status of the Innovation Hub/Robotics addition- We are pleased to announce that all permits have been approved, and the MEP (Mechanical, Electrical, and Plumbing) drawings, along with Bulletin #2 have been accepted. A member of the construction team will collect the permit tomorrow, marking an important milestone in the project. Mobilization is set for early January. A trailer is already on-site, and fencing will be installed during the winter break, with the staging area setup underway. We anticipate completing the exterior walls in March, achieving full enclosure by July. Finishes will be installed in August, and we are targeting a grand opening in late September 2025.

Financial Reports as of November 30, 2024- Ms. Minnick introduces Jody Malbon to present the financial report as of November 30, 2024, detailing the General Fund's Original Budget versus Actual figures, highlighting variances and percentages at both the function and object levels. The report emphasizes that for the period from July to October, which represents 42% of the fiscal year, school districts do not experience a proportional distribution of resources. To provide a clearer context, a year-over-year comparison with the same period of FY 2023-2024 has been included. Notable variances may arise due to timing differences or unexpected receipts and expenditures, which could necessitate a budget amendment.

As of November 30, 2024, total revenue received stands at 32.2% of the overall budget, slightly below the 33.5% recorded at the same point last year. Local revenue has increased compared to the previous year, driven primarily by higher property tax values and the timing of property tax collections. Conversely, state revenue is lower than last year, largely due to the expiration of specific categorical funding and delays in receiving new categorical funds. Federal revenue is also trending lower, due to the delay in receiving the federal interest subsidy for the 2010 Qualified School Construction Bonds (QSCB).

Expenditures as of November 30, 2024, total 37.3% of the budget, a decrease from 40.9% at the same time last year. Instructional expenditures are lower, primarily due to timing differences in supply and material purchases and payroll variances from vacancies and retirements. Spending on Pupil Support and Instruction is also lower than last year, largely because of the timing of payments for services and supplies. General Administration expenditures are 17.0% lower than last year, a decrease of \$58,751, due to the timing of invoice payments. Transportation expenditures are 11.7% lower, primarily due to a timing difference in Durham invoice payments. Non-Voted Debt expenditures are 53.5% lower than the previous year, due to the timing of the QSCB set-aside payment, which has not yet been processed for FY 2024-25.

Overall, the net change in the fund balance aligns with preliminary expectations, reflecting the timing of various revenue streams. The net fund balance will be adjusted based on the annual audited fund equity during the first amendment process.

Mr. Kehoe inquires about the increase in the Maintenance budget, which has risen for several reasons: the implementation of an additional FTE with ABM custodial services, a 20% increase in the property liability insurance premium, and the inclusion of an HVAC rental this fiscal year, which was not required last year. Ms. Malbon explains that new procedures in the Finance office have led to an increase in blanket POs, resulting in larger encumbrances, but streamlining the process by requiring fewer approval cycles for these expenditures. This will be addressed in the upcoming budget amendment by adjusting the Maintenance budget line.

Ms. Minnick adds that the increase in the liability insurance premium was not anticipated at the time of the initial budget in June, nor were HVAC rentals expected. She also mentions significant investments being made in concrete work and other district improvements, many of which are due to necessary ADA upgrades or deferred maintenance. While some of the concrete work can be charged to the bond, repairs must be funded

through the general fund. She notes that the bond budget is tight, and other essential projects, such as the Pioneer roof, also need attention.

Mr. Kehoe suggests that if the district were to pursue a sinking fund in the future, these costs could be reallocated. He further notes that additional bond series could be issued alongside a sinking fund, which would allow funds to be used for repairs and improvements—something many neighboring districts already do. P-CCS has never had a sinking fund, but at a future time when both a bond and sinking fund can be issued without increasing the millage rate, these discussions could be revisited. The committee also discusses the district's needs, the timing of funding, and the impact of inflation on bond budgets.

Additional Topics – Superintendent Merritt updates the committee to say that PA 152 has now passed both the House and Senate, addressing the health insurance hard cap amounts, which will see an increase next year. While many districts have raised their hard cap amounts, we have maintained ours at the current level. The legislature is advocating for a supplemental funding allocation to provide one-time financial support, allowing us time to adjust and budget for the upcoming increase.

Adjourn: 7:16 p.m.