

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING**

April 11, 2016

**Carl T. Secor Administration Building – Board Room
5:30 P.M.**

Minutes

- I. The Chairman, Gary Summers, called the Finance Committee meeting to order at 5:31 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. Board Committee members present were: Ronald Bradley, Debbie Kulick, Gary Summers and Lisa VanWhy.

School Personnel Present: Jeff Bader, Linda Balmoos, Brian Borosh, Larry Dymond, Ann Marie Kizer, Sharon Laverdure, Patricia Rosado, Bob Sutjak and Bill Vitulli.

Community members present: Michal Peterson

Other: Jamie Doyle, Public Financial Management

III. APPROVAL OF AGENDA AND MINUTES

Motion was made by Lisa VanWhy to approve the agenda for April 11, 2016 and with members of the Committee reserving the right to add to the agenda and take further action in the best interest of the District. Motion was seconded by Debbie Kulick and carried unanimously, 4-0.

Motion was made by Debbie Kulick to approve the minutes of the March 14, 2016 meeting. Motion was seconded by Lisa VanWhy and passed, 4-0.

IV. ITEMS FOR DISCUSSION:

a. Bond Refunding Proposal

Ms Doyle, Public Financial Management (PFM), said that the long-term interest rates still remain below their historical average. Page 1 of her presentation includes a three-step refinancing plan she is recommending in order to maximize savings.

Step 1 includes the partial bank-qualified advance refunding for calendar year 2016. The principal outstanding for Series of 2008 Bonds is \$32,290,000 with an average existing rate of 5.00%. The call date is 3/1/18 which is able to be advance refunded. Assuming the partial Bank-Qualified advance refunding, net local effort savings is approximately \$1,339,000 or 15.56% of refunded principal.

Step 2 includes current refunding opportunities for calendar year 2016. The principal outstanding for Series of 2011 Bonds is \$3,810,000 with an average existing rate of 2.85%. The call date is 11/15/16. Step 2 also includes Series A of 2011 Bonds with \$2,090,000 principal outstanding. The average existing rate is 3.70% and call date is 11/15/16. When combined, the net local effort savings, assuming conservative current interest rates, is

approximately \$193,000 or 3.28% of refunded principal. These series are able to be structured for maximize use of Bank Qualified debt for calendar year 2016.

Step 3 includes partial bank-qualified advance refunding for calendar year 2017. The principal outstanding for Series of 2008 Bonds is \$23,675,000 (after partial refunding in 2016) with an average existing rate of 5.00%. The call date is 3/1/18 and is able to be advance refunded. Assuming a partial bank qualified advance refunding, net local effort savings is approximately \$1,300,900 or 15.69% of refunded principal.

Page 2 includes the timeline of what the next steps will be. The Board will need to authorize PFM to proceed at the April 18th Board meeting. The Board will then need to approve that PFM lock in rates at the May 16th Board meeting for Step 1, with an estimated settlement date of June 22nd. Step 2 will have a competitive estimated sale date of July 14th and an estimated settlement date of August 18th. Step 3 will have a competitive estimated sale date of December 5th and an estimated settlement date of January 4th, 2017.

Page 3 includes the Municipal Market Update indicating that there is a chance of no potential increase.

Page 4 includes the summary of the district's outstanding indebtedness with Debt Service Requirments and Local Effort Requirement.

Mr. Summers asked if this chart includes PlanCon reimbursement. Ms. Doyle said there are none this year. Mr. Summers asked how much of a reimbursement would the district usually get. Mr. Bader said we get about 1.5 million dollars. Mr. Summers asked if it is for the current Bond Issue. Mr. Bader said the amount covers reimbursement on all of our outstanding bonds. Mr. Summers asked if we received the PlanCon reimbursment for 2014/15 and not 2015/16 yet. Mr. Bader said that is correct. Mr. Summers asked how much does Mr. Bader estimate that we will get for 2016/17. Mr. Bader said it would probably be roughly the same.

Page 5 includes the summary of the refunding plan. It includes the local effort and savings in columns 8 & 9. It includes details on how to smooth down debt and have a cost savings and shows what the total would be if the district perfers to do nothing at this time.

Page 7 includes the details of the Series of 2008 Bonds.

Page 8 includes the portion of 2008 to be refunded.

Page 9 includes the Series of 2008 Bonds remaining after refunding.

Page 10 includes the escrow that would be set up to the call date.

Page 11 includes Series of 2016 to refund the series of 2008 Bonds with a minimal savings benchmark of 3%.

Page 13 includes the details for the optional redemption of Series Bonds of 2011

Page 14 includes additional details for the optional redemption of Series Bonds of 2011

Page 15 includes the amount to prepay the bonds

Page 16 includes the Series of 2016 refunds the series of 2011 and series A of 2011

This will includes a minimum 2% savings benchmark.

Page 18 includes the details for the Series of 2008 Bonds after redemption date of 3/1/18

Page 19 includes the Series of 2008 Bonds with bonds to be refunded with a redemption date of 3/1/18

Page 20 includes the Series of 2008 Bonds remaining after refunding with a redemption date of 3/1/18

Page 21 includes the restricted yield escrow.

Page 22 includes the Series of 2017 refunds the series of 2008 bonds.

Page 23 includes the sample motion for the Board to consider for approval.

All these details are similar to previous plans. Mr. Summer asked what is the district's current rate. Ms. Doyle said that the district's Moody rate is Aa3. The District was upgraded to this rate in 2014, which is a good rate.

b. Replacement of District SAN (Storage Area Network)

Mr. Borosh said as it was discussed at a previous meeting, the district would like to replace the Storage Area Network, which is where all of the district data lives. The current lease expires in June 2016. He said they have sought different solutions and like the HP the best. They are looking to replace to current expiring lease. They budgeted \$659,000 for the System Infrastructure and the cost was less. Mr. Bader said that we are exploring different options to get the best rate for the lease. He will send the information to a several companies. He said he knows the district will be able to generate some savings. If the Committee moves to go forward then they can make budget adjustments. Mr. Borosh said that in 2011 the total cost fo this item was \$667,000 and now it cost \$659,000 but we don't know if the interest rate will add any cost. Mr. Summers asked what is this product for. Mr. Borosh said that it is for 69 servers. Mr. Summers asked what does it do. Mr. Borosh said it is for storage. Mr. Bader said that it is for virtual storage. Mr. Summers said; therefore, we are replacing what we have and the lease that is expiring in June. Mr. Borosh said that is correct. Mr. Summers said that he brought information for the 2014/15, 2015/16 budget and does not see this expense in the figures. He asked if Mr. Borosh is looking to spend this money in the 2016/17 budget. Mr. Borosh said he budgetted for this item in the 2015/16 school year. Mr. Summer said that we have three months left in this school year so why didn't Mr. Borosh bring this item to the committee about eight months ago. Mr. Borosh said he did. He spoke about it at the June 8, 2015 Finance Committee Meeting. He said that at time, he informed the committee that he would come back in the spring to discuss this item. Mr. Summers said that in 2011, they acquired this item and now we are in the 2015/16 school year. Is this typical to discuss this item in the end of the school year? If this item has been budgeted then it should be fine but Mr. Summers recommended that they don't wait until the end of the school year. The Board members are brought items at the Property/Facilities Committee as well as the Finance Committee and often asked to make decisions on the stop for items they don't fully understand. Mr. Summers said he would have preferred to have this conversation about four months ago. The Technology Department is looking at different items to purchase and have spent about \$991,000 with Integra One. He suggested that they look at other vendors and if we have to look at other items in the future for hardware, software, etc. we should look earlier. Mr. Bader said that they looked at other pricing and vendors and HP through Integra One came in with the best price. The district has always looked at other options and we are getting the best price with Integra One. Mr. Summers suggested looking for another source because vendors start getting too confident. He said he would like to see the entire magnitude (computers, infrastructure, software, hardware, etc.) for the ITEC Department since we are getting ready for the 2016/17 school year. He would like to see what we are getting for all the money that we are spending. The last thing he would like to do is to manage someone's budget but with the kind of money we are spending, we need to get a better prospectus. Mr. Borosh said he welcomes Mr. Summers feedback. Mr. Borosh said he will have items for the 2016/17 school year budgeted, too. Mr. Summers said that the SAN System is included in the 2015/16 school year and hopes Mr. Borosh included the other ITEC items in the 2016/17 school year budget. Mr. Borosh said he did. Mr. Bradley

asked if the district is looking for the four-year leasing. Mr. Borosh said they are. Mr. Borosh said that they chose 4 years because the district would get the most effective use of the equipment. If they would have chosen 5 years, then they would have encountered problems with the equipment. The district is also looking at better pricing. Mr. Summers recommended that they have enough storage for the computers that we currently have as well as what they expect to purchase in the future so they do not run out of capacity. Mr. Borosh said with the new technology that the district has, it does not require that much storage.

c. Zonar Expansion Proposal

Mr. Sutjak said that he applied for and received a grant from Zonar for \$50,000 to cover the purchase of GPS systems for 89 buses. The District's costs would be the annual cost for cell service to transmit the data to the District offices. Currently, the district has 32 special needs buses with this equipment. They were able to do this through ACCESS and Special Education funds. This was needed to track students' attendance for ACCESS reimbursement. With this grant, they were able to get a GPS for all but 1 bus. This system records everything electronically such as the bus' location in real time, when it arrives and leaves a bus stop, bus speed, and it monitors idling time. The GPS can work through Transfinder. There has been between \$50,000 to \$75,000 in wasted fuel so this will give an alert when buses are idle or speeding. It can also monitor attendance of students but we are not activating this area just yet. Mr. Bradley asked if we are looking to purchase the track for parents to be aware of where the buses are since it would eliminate some phone calls. Mr. Sutjak said that this system can be purchased and it can also help if there would ever be a hijack situation. This can assist with bus drivers time in and out. Mr. Sutjak said he is asking for approval for \$24,564 for the 89 buses. Mrs. Laverdure asked what is the life expectancy of this product. Mr. Sutjak said that he is not sure because the product keeps changing and there have been no study made. Ms. Kulick said that some GPS have automatic updates included in the product. Will this product have updates when new roads are added? Mr. Sutjak said that this is part of the software program; therefore, it will automatically update. Ms. Kulick asked what happens to the 90th bus. Ms. VanWhy asked if this product is for 89 buses. Mr. Sutjak said that this product includes the cell service that brings the information to the portal and for the inspection. Mr. Summers asked if the price quoted is for the three years. Mr. Sutjak said the cost is for each year. Mr. Sutjak asked what would they get for the three years. Mr. Sutjak said they get service for cell phones and GPS equipment. Mr. Summers asked if Mr. Sutjak means cell phone towers. Mr. Sutjak said it is not actual cell phones but data. Mr. Summers asked what problems are we having within the Transportation Department that we need to have this. Mr. Sutjak said this is more for students' safety and parents' assurance of where their student is everyday and during field trips. Mr. Summers said but that particular function would cost more money. What problems or issues is transportation having that they are trying to solve. Ms. Kulick said that it looks like they are trying to prevent issues in the future and insure the safety of students and drivers. Mr. Sutjak said she is correct. This system will start with student information and can lead to an app for parents in the future. This will help with idling and the time keeping of drivers, too. Mr. Summers said that is why we have time clocks. Mr. Sutjak said this will help track a driver's destination. Mr. Summers asked why can Transfinder do this. Mr. Sutjak said that Transfinder is a software to determine routes. Mr. Bradley said the GPS System can help protect drivers from student incidents. Ms. VanWhy asked why can't cameras assist in this area. Mrs. Laverdure said that the cameras cannot always help. Mr. Sutjak said that cameras tell them where the stop goes but then they need to view the tapes. The GPS System tells them the rest of the information that cameras cannot. Mr. Summers said that the district put the attendance

swiping system on the 32 small buses. Mr. Sutjak said that drivers swipe the attendance but they can also look at the speed limit that buses make. This helps to protect the drivers from any complaints. Ms. Kulick said that in the future parents will be able to know where their students are and if they are actually on the bus through the swiping system. This will assist parents by helping them keep track of their student. Mr. Sutjak said that he will call other school districts to see if they use this feature. Currently they are getting equipment for free and just need to pay for the cell service. Mr. Summers said that he would like some idea on how much the extra items would cost to implement as far as for attendance and the app for parents. Mr. Sutjak said he believes it cost about \$10,000. It was on the original proposal but he felt the district is not ready to purchase this portion. Ms. Kulick asked Mr. Sutjak to get a quote and ask if they can hold on to it until the district is ready to purchase this item. Mr. Sutjak said the district can get quotes when they are ready to purchase the items.

d. Cyber Academy LMS –

Mr. Vitulli said he oversees the ESASD Cyber Academy and he would like to provide the best program for our students. The three-year contract with Virtual Learning Network (VLN) is coming to an end and, in his opinion, it has not been so effective and it is costly. The quote he received is from the Colonial Virtual Program for Edgenuity. He reviewed this program with teachers who helped pick this program. It would cost about \$160,000 for the total students and 60 are working on credit recovery. The total program including teacher pay would cost about \$250,000. Mr. Summers asked who is accountable for the \$250,000 budget. Mr. Vitulli said he is. Mr. Summers asked if the budget for the Cyber Academy is split amongst schools. Mr. Vitulli said it is not split up any more. He said he found a program at half the cost than the amount that we are currently paying. Edgenuity is run through the IU 20; therefore, we will run this program through them and get the services they are receiving at no additional cost. Mr. Summers asked if this program compares to what we had with VLN. Mr. Vitulli said that our program has grown now and the \$160,000 would be for the same program even though we have more students. Teachers pay has increased this year. Mr. Summers said that he heard the teachers that work with the Cyber Academy rated the program and then posted comments. Mr. Vitulli said that he invited 13 teachers to review product and they chose this company. Mr. Borosh said that the per pupil cost remains the same. Mr. Vitulli said that the program costs less and it is for the site license for the Intermediate and High School Level. Teachers and students can utilize these resources for a blended learning. Edgenuity is a well-known company that has received numerous awards and has accredited courses. The district no longer writes courses. Edgenuity will provide the courses and the district reviews and revises them, as necessary. Mr. Summers asked if the courses align with PA Core standards. Mr. Vitulli said it does and it is NCAA approved so the courses qualify for student athletes admission to college. Mrs. VanWhy asked if we loan out a computer to each student. Mr. Vitulli said some students borrow but others have their own. All full-time students receive a computer. Ms. Kulick asked if the district pays for the student's internet services. Mr. Vitulli said if they want a reimbursement, the district allots them \$30.00 a month. The ESASD Cyber Academy is growing substantially. Cyber/Charter Schools numbers are down by approximately 18 students which is about 9% at an approximate \$400,000 savings. Mr. Summers said he asked for information on Cyber/Charter School and he received information that there was a significant decline with the amount of students registering into our ESASD Cyber Academy. Mr. Vitulli said that the numbers have grown from 7.5% to 9% since Mr. Summers received the information. Mr. Summers said if students are going into Cyber Schools, it should be the ESASD Cyber Academy. Mr. Vitulli said that the district has 150 students enrolled for

next year. It would cost \$1,500 for regular students and \$2,900 for special education students. Ms. VanWhy asked if this is the total expense or are there more cost to add to the program. Mr. Vitulli said that he would need to get about 60 more computers like laptops or Chrome books. Currently the district has 20 computers that they are revamping. No printers are needed. The new summer school enrollment reduced expenses where teachers changed their role of not just grading but also guiding the students. There is a grade book for parents and intervention for students who need help. Four teachers have the Cyber Academy built into their schedule. Mr. Vitulli said he believes we will be more competitive and be able to pull more kids back into the ESASD Cyber Academy. Mr. Summers suggested that once Mr. Vitulli has the ESASD Cyber Academy in order for the 2016/17 School Year, he should get together with whomever runs the Marketing Department and have kids help him get a sales schedule to promote the ESASD Cyber Academy. Mr. Bader said that we have to be careful because the district cannot advertise the Cyber Academy. Mr. Summers said we may not be able to advertise but there must be a way to do something to promote the ESASD Cyber Academy.

e. 2016-17 Budget Update

Mr. Bader said that the district has to approve a final budget by June 30, 2016. The next phase is to approve a Proposed Final Budget in May. The budget can be changed from May to June. Mr. Summers said that the Proposed Final Budget has to be made available to the public for review even though it may be different when the Final Budget is approved. Mr. Bader said that the Board had a first look of the 2016/17 budget in December. The presentation included a 5.4 million dollar deficit. The district still has not received final State funding for the 2015/16 school year, let alone 2016-17 figures, but we have a better idea of the 2015-16 numbers than we did before. Mr. Summers said that he a list from Harrisburg showing Pennsylvania's Basic Ed funding for the districts and it also has Governor Wolf's formula. He is not sure if it is accurate but it looked like our district is receiving a little more money. Mr. Bader said that the big issue is how money gets allocated. The Governor wants to restore the funding lost during the Corbett Administration first and then apply the funding formula and the Republicans want to allocate all of the additional funding through the formula. The difference is that the districts that are in large cities are showing larger increases. From our standpoint, there is no big difference between the Governor's numbers and the Legislators' budget. He said what he has done is adjusted the revenues in tonight's presentation. He decreased the Real Estate Taxes by about \$764,000 based on the Finance Committee's recommendation that we look at a tax decrease of 1.5 mills in Monroe County and 2.15 mills in Pike County. Mr. Summers said the he does not recall that all Board members agreed to do this. Mr. Summers suggested that if Mr. Bader wants to show this scenario, he should provide two versions of the budget. Mr. Bader said he wanted to show what the Committee's suggested. Mr. Summers asked if we lower taxes in Monroe County then would it lower Pike County. Mr. Bader said yes it would lower both counties because we have to balance the tax levy between the two counties. Mr. Bader said that Basic Education funding was about \$13.2M in the first draft but now he has adusted it to about \$13.9M because this is what he anticipates that we will be getting for 2015-16. He believes that we will get more in the 2016/17 school year budget but does not know how much more. Therefore, he is budgeting very conservatively. He heard that the Legislators may not approve a final budget until after the General Elections in November, but the 2015/16 school budget may be finalized by June, 2016. Mr. Summers said that we may be in the similar situation next year than we are this year. Mr. Bader said that he is sure that we will get more but does not know how much more. He increased the Special Education subsidy by about \$194,000 also based on our 2015-16 allocation and the Administration will be looking at staffing in

the next couple of weeks. Mr. Summers said that the IU 20 Special Ed Cost is an issue because now we have spent another \$280,000 for Psychiatric Services. So far this year the district has spent about 1.1 million dollars for this service, Mr. Bader said that Psychiatrist Services are different from this area. Mr. Summers said that he has seen payments in October, December, January and February. The Special Ed Department should take a look at this because this is a lot of money that the district is spending. Mr. Bader said that we are getting about \$110,00 in savings with the ESASD Cyber Academy if the Board decides to move forward with the new company. There is also savings of about \$440,000 from the individuals that will be retiring since the district will have higher individuals with a starting salary. This presentation includes a 4.4 million dollar deficit which is less than the 5.4 million dollars deficit that Mr. Bader reported in the first presentation. Mr. Summers asked if the budget includes the PSERS increase and its contributions. Mr. Bader said it does. Mr. Summers said that we still have a deficit that over time will have to be reduced. Mr. Bader said that the district still has more work to do but we won't know enough information until later in the year. He said he will bring a Proposed Final Budget in May with additional adjustments to be made by June 30.

f. Library Funding

Mr. Summers said he would like the district to give the Libraries what they requested in February but not for the five-year plan but an amount of \$150,000. The five-year plan will need to be worked on. He said we need to make sure that the money goes according to the formula for the number of students in each school. The Librarians spent \$200,000 so they should report back what was done with this money. We should pick two schools to make a report. Mrs. Lisa VanWhy said we should make sure that the money is going to be used in the libraries. Mr. Bader said that the Board allocated money to the libraries previously.

Mr. Summers asked Mr. Bader to report next month how much it would cost the district to put a Police Officer in every school. Mrs. Laverdure asked if he means during student hours. There are Officers in the high school during the day and for after-school activities. Mr. Summers said he would like an amount on how much it would cost to have a Police Officer in all elementary schools, only.

g. Event Worker Rates

Mr. Bader said that the district's sporting event workers are paid by a flat rate, but during an audit by the Department of Labor, we informed that we can no longer do it this way so that overtime rates can be correctly determined. As a result, the district had to change to hourly rates for each job function. He said that Mr. Brenneman came up with an amount of how much they can pay per hour. These amounts do not change the budget. They came up with rates depending on the different level of responsibilities. This gives the district the opportunity to track the hours by having the employees punch in and out. He would recommend that the Committee move these rates forward in order to have the Board adopt these new hourly rates for the 2016/17 school year. Mr. Summers asked if these are district employees that are getting paid these additional hours and rate. How is person picked? Mrs. Laverdure said that an employee may submit their name to the Athletics Department's office. Mr. Bader said there has not been an overwhelming amount of names that have been submitted. Mr. Bradely asked who determines the scope of responsibility. Mr. Bader said that Mr. Brenneman and his department handle this area.

h. IU Paper & Custodial Bid

Mr. Bader said that the IU Joint Purchasing Board awarded their paper bids for the 2016/17 school year. He would recommend to have this item moved forward for Board approval. Mr. Bradley asked why Berks County Paper was highlighted. Mr. Bader said that their case sizes were different from the bid spec and had to be adjusted to get an apples to apples comparison.

i. Bid Results (Athletics, Custodial, Medical, & Tech Ed)

Mr. Bader said that the district received the bids for Athletics, Custodial, Medical & Tech Ed. He met with Department Heads to put together a list of what is needed and received the lowest responsible bids, which will need Board approval.

j. Natural Gas Basis Bid

Mr. Bader said that there are three components to Natural Gas. There are Commodity, Basis and Distribution Cost. Provident Energy Consulting went out to bid for the IU Consortium and received favorable prices for the next three years. Our current contract expires in June. There is a difference between high volume and low volume rates. He is recommending these prices for a three-year term. This contract had to be signed by 5 p.m. today. Mr. Bradley asked what type of window is there to see if we got the best bid. Mr. Bader said that the IU went out to bid and got bid for full usage. For the High Volume, Direct Energy was the lowest Bidder and for the Low Volume, South Jersey was the lowest bidder. He directed the Committee's attention to the full bid results included in their packet. Mr. Summers asked if these prices are substantially less than before. Mr. Bader said they are. Mr. Summers asked if what we are doing here is the same that we do for electric. Mr. Bader said that the difference is that the electric bid was for the actual commodity and the natural gas bid is only for the transportation piece. He said he will work with Provident to lock up the commodity price. During the spring time and summer time he looks at companies to get the best possible prices. Mr. Summers asked if we have done fuel oil bids yet. Mr. Bader said that they were Board approved last month through the IU. Mr. Summers asked if the price goes down do we get a break. Mr. Bader said we do not. If the price goes up or down we are locked into our current rate. The district has looked at fixed and floating rates but find that fixed is best because of the budget certainty. Mr. Bradley asked if Mr. Bader has a chart comparison on how much the district has lost or saved by locking in rates. Mr. Bader asked Mr. Bradley if he wants to determine if we are better off or worst off this year. Mr. Bradley said yes. Mr. Bader said he would need to look at it month by month. Mr. Bradley said he would like to see year per year. Mr. Bader said he can take a look to see if it is reasonable. Mr. Bradley said he would like to see the comparison to see which way the district should go. Mr. Bader said that he would have to go back and check month to month to make determination. It can be done but it will take some time. Mrs. Laverdure asked how much time will this request take. Mr. Bader said it may take a couple of months to complete this request.

k. Summer Schedule

Mr. Bader said that he spoke to the Support Staff Union Representatives regarding the four-day summer schedule. Ms. Ann Marie Kizer, Union Representative, said that they are in favor of this schedule, but if they are to do this they will need to move quickly. She said this issue would affect the ITEC, secretarial, custodial and maintenance personnel. Every area has a section of the contract that needs to be addressed separately. Custodial and Maintenance work 8.5 hours a day and 80 hours a pay period with ½ hour lunch. Four days would equal 10.5 hours a day. For Secretary and ITEC they would work 9.875 hours. Some employees have daycare concerns as well as elderly care concerns. Sick and

Vacation days would also need to be determined as far as how many hours will they be charged. Another concern is with deliveries that are made to the schools during the summer since no one will be in the building on Fridays. Use of Facilities in buildings would need to be looked into. Once it is determined that they will look to have a four-day work week, the support staff employees will need to vote if they agree. Currently the support staff union has a May 10th meeting scheduled. If an MOU can be written by then, the support staff employees can vote on this issue or if the Board needs it earlier, the union can move up the date of their meeting. Mr. Summers asked why do we want to do this. Mr. Bader said it would have an energy savings of about \$45,000 for the district. Some departments work on projects that take them long hours in a day so this would assist them with those projects. There are other advantages and it would also give the employees a three-day weekend. Mrs. VanWhy asked if this would be for all employees or none. Mrs. Laverdure said all but J.M. Hill would need to keep open for the Summer Feeding Program. Mr. Summers said what about the program at Resica that is operating on Fridays. Mr. Bader said every building would need to shut down on Friday. What about the custodians that would work JM Hill on Friday and what about the other groups not in the union. Mr. Bader said all groups would be required to work the four-day work week. Mr. Summers said that in his opinion, it's almost May and an MOU needs to cover all collective bargaining issues. He is not opposed to the savings but there is a lot of things to do and consider for \$45,000. Mr. Summers asked why not look at a four-day school day during the school year. Mr. Bader said it would lengthen the day. Mrs. Laverdure said students already get up too early to go to school. Mr. Summers said there is a lot to take care of. Mr. Bader said we will need to decide now if we move forward. The MOU needs to be done in order to discuss the payment of overtime that is in the current contract. Mr. Summers asked if they can write the MOU in a reasonable time to vote on it. Mr. Bader said they can. Mr. Bradley asked if working five days during the summer has never been an issue then why are we looking to do this now. Mr. Bader said there would be a savings to the district and some employees want to do it. Mr. Summers asked if the support staff votes in favor of the summer schedule, does the district have to do it. Ms. Kizer said if the Board agrees, then the support staff has the opportunity to vote on it and decide if they are in favor of the four-day week. Mr. Summers said then let's move forward to do it. Mr. Bader said that if there are too many issues then it will not be worth doing.

1. Facilities Committee Items – Mr. Bader

i. Capital Reserve Projects

1. High School South Library Window Bid (Bognet \$129,900)
2. North Paving Phase I Bid (Northeast Site Contractors \$132,021)
3. North Campus & Resica Water Tower Repair Bid (Southern Corrosion \$60,085)
4. Bleacher & Athletic Equipment Inspection (Degler Whiting \$17,150)
5. Trane Service Agreement Extension for Resica (\$1,546)

Mr. Summers asked if the Trane contract is coming up in June. Mr. Bader said it is and we can extend it or explore other alternatives. Mr. Summers said when they went through the walkthrough at J. T. Lambert, there were issues in the walls. It's \$150,000 for a three-year contract but we don't know what they do. Let's make sure we look at that issue. Right now the we are moving ahead to align Resica Elementary with the other contracts for four months from now through June 2016.

6. JM Hill Boiler Alarm (\$2,530)
7. High School North Boiler, Freezer, Cooler Alarms (\$3,795)

Mr. Summers said after the district decided not to close J. M. Hill Elementary School, the district spent 5 million dollars upgrading the school; therefore, why was an alarm not installed then. Mr. Bader said that this something that the district just started doing in the schools to avoid any problems that occasionally arise. In the past, problems were not detected but now they can be. Mr. Summers said that the quotation says they will hold for only ten days from the date of the quote. Mr. Bader said they will hold this price for the district for when/if the Board approves it.

8. D'Huy Proposal for Masonary Investigation (\$48,900)

Mr. Summers questioned what work will cost \$48,900. He asked will it be the items needed at J. T. Lambert Intermediate School and an area at Lehman Intermediate School. Mrs. Laverdure said that it will be the outside wall at Lehman by the pool. Mr. Summers said the work that needs to be done at J. T. Lambert Intermediate School is obvious. We paid D'Huy Engineering, Inc. \$20,200 to get us to Phase I. Now the total for this project is \$48,900. Why do we need to pay an engineer to get a quote for the job that needs to be done. Mr. Bader said because we don't know what needs to be done. Mr. Summer said it's masonry work that needs to be done. Mr. Bader said they need to do investigative work. Mrs. Laverdure asked if this investigation helps to write the specs. Mr. Bader said it will identify the problem. Mr. Summers asked if the bid specs cost us more money, Mr. Bader said the bid specs are a separate cost. Mrs. VanWhy asked where are the original specs and should it be corroding. Mr. Bader said we need to get a structural engineer because there is substantial work that needs to be done. Mrs. VanWhy there's a lot of problems with the concrete at J. T. Lambert Intermediate School. Mr. Bradley said the problem is whoever did the job, did not do it correctly in the first place. Mr. Summers said that we cannot do anything about what happened but it should not be deteriorating the way that it is. The district paid millions of dollars to build this school. We paid The Architectural Studio and Strunk Albert to design and now there are issues with the roof. There is erosion and corrosion. Now we have to pay \$50,000 to D'Huy and then have to pay more money to write the specs. Who is to say that we will not have the similar problem down the line and then who do we go to. He said he will not be here for many more years to see the walls fall apart. Mr. Bader said that it is a presumption and not necessarily true. Now the district is trying to avoid further issues and to get things done correctly. Mr. Summers said that we need to do it right the first time. J. M. Hill Elementary School has cost us 5 million dollars and now there is another 5 million dollars worth of serious structural issues in the basement. Mrs. Laverdure said that School Board Directors make decisions with what they have. When asked if they wanted to make additions they chose not to. Mrs. VanWhy commented that the windows and pavements are not that old to be replacing. Mr. Bradley said that everything they are looking happened over a short period of time. The cost is \$129,000 but where are the specs for that? Mr. Bader said there were two bidders that came in and they bid on the same specs. Mr. Bradley asked if we picked the lowest bid specs. Mr. Bader said we went over everything and are looking to do quality work. We need to keep an eye on the work and that is what D'Huy Engineering does on behalf of the district. Mrs. VanWhy asked if D'Huy Engineering is the only engineering

firm out there. Mr. Bader said the Board hired them to do the plan but we can look at other firms. Mr. Bradley said that Mr. Bader and Mr. Ihle should work with D'Huy Engineering to make sure they are satisfied with their work. We don't want a repeat from the past. We need to stay on top of things.

ii. Hiring Summer Employees

Mr. Bader said that the Facilities Department has requested to hire four summer maintenance employees to help with preventive maintenance. They prefer two high school students, one MCTI masonry student and one adult. The students can get on-the-job experience and get summer painting done. Mr. Summers asked if we ever did this before. Mr. Bader said we have done this in the past. Mr. Summers asked what will our employees be doing? Mrs. Laverdure said that some take vacation and Mr. Ihle wants to put people to do things that do not normally get done. Mr. Bader said the individuals will assist with preventative maintenance items. Mr. Bradley said hiring summer employees will be in lieu of hiring full-time workers. Mrs. Laverdure said it is also good for kids in MCTI to gain experience.

iii. Capital Plan Update

Mr. Bader said some items were moved from the original plan and others were added. Mr. Summers said that the original five-year plan totaled 18.5 million dollars but now it says 11.3 million dollars. Is this a result of moving things around? Mr. Bader said he thought the total was the same. Mr. Summers said he believes it was about 18 million dollars and now it is about 11 million dollars. Mr. Bader said the original draft included a full replacement of the roof at High School North and Lehman, but following the infrared roof study they were updated to reflect that the entire roof does not need to be replaced. There are sections that need repair or restoration instead of replacement. The numbers updated with the October presentation of the Capital plan. Mr. Summers said that the original plan included the Lehman/North roof. Mr. Bradley said that some projects were consolidated. Mr. Summers asked if some items came with a savings. Mr. Bader said that with Resica, they found some savings but this is not always the case. Mr. Bradley said although the total was 18 million dollars, and now it is about 11 million dollars, but there are projects that still need to be done. Figures will change again. Mr. Bader said that the Property/Facilities Committee will keep modifying the list.

V. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

Mr. Larry Dymond said it would be better to demolish the brick wall and walkway at J.T. Lambert Intermediate School and have the engineer replace it. Mr. Bader said they will be investigating what needs to be done. Some walls are load bearing and others are not and may be able to be replaced with railings. Mr. Dymond said it may cost about \$20,000 to tear it down so it is better to rebuild it. Mr. Summers said they will tear it down and do it right. Mr. Bader said that is why we need to investigate it in order to do it correctly.

Mr. Dymond said the district should look at buying the alarms from Honeywell and have our personnel install them. This will probably save the district some money.

Mr. Summers said assuming that the 11.3 million dollar number is accurate, we have reasonably done a good job in the reserve fund for capital projects. Mr. Bader said that the \$11.3M figure is still an estimate and that we will get better estimates after the scope of work is fully defined and we go out to bid. There is a lot of more projects to be done. Mr. Summers complimented D'Huy on the savings from their original quote of \$150,000 for the H.S. South Library window since the cost came to about \$130,000. Mr. Bader said that paving cost came in pretty much what D'Huy estimated.

VI. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Ronald Bradley to recommend that the Board consider for approval the following items: Motion was seconded by Debbie Kulick and carried unanimously, 4-0.

1. To authorize the Administration to work with Public Financial Management as Financial Advisor, Rhoads & Sinon as Bond Counsel, and the Solicitor on the issuance of the following General Obligation Bonds:
Series of 2016 towards the advance refunding of a portion of the School District's General Obligation Bonds, Series of 2008 with a net savings target of \$258,000.
Series A of 2016 towards the current refunding of the School District's General Obligation Bonds, Series of 2011 with a minimum net savings target of \$118,000.
Series of 2017 towards the advance refunding of a portion of the School District's General Obligation Bonds, Series of 2008 with a minimum net savings target of \$248,700.
2. To lease an HP 3PAR StoreServ 8200, and related equipment, software and license to replace the current Storage Area Network.
3. The purchase of 89 Zonar GPS kits for installation in District school buses and a three year service (\$49,742.10 from grant and \$3,161.45 from Transportation Department) and inspection agreement with Zonar related to the 89 Zonar GPS units (\$24,564.00).
4. The proposal from the Colonial Virtual Program through Colonial IU20 for a one year agreement for the licensing of the Edgenuity learning management system at a cost of \$78,495.
5. The event worker pay revised rates effective with the 2016-2017 fiscal year, as submitted.
6. The award of bids by the IU Joint Purchasing Board for paper and Custodial supplies effective July 1, 2016 for a period of one year.
7. The award of bids for Athletic, Custodial, Medical, and Tech Ed supplies to the lowest responsible bidders.
8. The award of bids for natural gas basis pricing for three year terms effective July 1, 2016 through June 30, 2019.
9. To direct the Administration to continue to investigate moving to a four-day summer schedule and to work with the Support Staff Union to prepare an appropriate MOU setting forth the necessary changes.
10. To award the bid for the replacement of the High School South Library Window to Bognet, the lowest responsible bidder, in the amount of \$129,900.
11. To award the bid for the Phase I paving project at the North Campus to Northeast Site Contractors, the lowest responsible bidder, in the amount of \$132,021.
12. To award the bid for the maintenance and repair of the water tower located at the North Campus and Resica Elementary School to Southern Corrosion, the lowest responsible bidder, in the amount \$60,085.
13. The proposals from Degler-Whiting for the inspection of the bleachers and athletic equipment at the North and South High Schools, in the amount of \$17,150.

14. The service agreement with Trane for Resica Elementary School, in the amount of \$1,546.
15. To approve the proposal from Trane to set up alarm notifications for the boiler at JM Hill Elementary, at a cost of \$2,530, and the boilers, freezer, and cooler at High School North/Lehman Intermediate School, at a cost of \$3,795.
16. The proposal from D'Huy Engineering to conduct masonry investigations at JT Lambert Intermediate School and of the brick wall at the Natatorium at Lehman Intermediate School, at a cost of \$48,900.
17. To approve hiring four summer helpers to assist the maintenance staff, at a rate of \$8.00/hr.
18. To forward the revised Capital Plan to all Board members under New Business on the Regular School Board meeting agenda.

VII. NEXT MEETING – May 9, 2016

VIII. ADJOURNMENT 8:11 P.M.

Respectfully submitted,

Patricia L. Rosado,
Board Secretary