

BIG SPRING SCHOOL DISTRICT

Newville, Pennsylvania

BUILDINGS AND PROPERTY COMMITTEE MEETING MINUTES

MONDAY, NOVEMBER 2, 2009

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I. CALL TO ORDER

The Buildings and Property Committee of the Board of School Directors for the Big Spring School District met in the Large Group Room, Room 140, of the Big Spring High School at 6:30 P.M. with Wilbur Wolf, Ex-Officio Committee Member, presiding. Five (5) directors present: William Piper, Committee Member; William Swanson, Committee Member; Wilbur Wolf, Jr., Ex-Officio Committee Member; Terry Lopp, Board Member; Richard Norris, Board Member.

Robert Lee Barrick, Committee Chairperson, joined the meeting in progress at 6:32 P.M.

Kingsley Blasco joined the meeting in progress at 6:37 P.M.

Richard Roush, Committee Member, was absent.

Others in attendance: Richard Fry, Superintendent; Jeanne Temple, Assistant Superintendent; Kevin Roberts, Director of Curriculum/Instruction and Educational Technology; Richard E. Kerr, Jr., Business Manager; Rick Sample, Director of Buildings and Grounds; and Brenda Line, Board Minutes. Also present: Vern McKissick and Tim Sheeler.

II. DISCUSSION ITEMS

A. District Update

Mr. Sample provided the members of the Board of School Directors with copies of a four-page District update document addressed to Mr. Barrick from Mr. Sample dated November 2, 2009.

The document outlined the following topics:

- Energy Savings
- Middle School and District Administration Office boiler replacement
- High School Irrigation
- High School Pool Roof
- Top 5 Building Repair Concerns
- District KWH 2008, 2009, and 2010 Use
- Deregulation Effects (January 2010) Generation Costs

Please refer to the attached document for the discussion items below.

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II. DISCUSSION ITEMS (Continued)

A. District Update (Continued)

1. Energy Review

Mr. Sample reviewed the energy savings report on Page 1 of the attached document and indicated that since June 2009, the District has saved 711 kilowatt hours (KW) hours of energy, the equivalent of \$71,000.00 in savings.

The District pays approximately 10.5 cents per KW, aggregate.

2. High School Irrigation

Last Friday, Zimmerman's Boring installed two 4-inch plastic conduits under the high school's south drive. New 400-amp power is the next step. There is a meeting Snyder Electric slated for November 3, 2009, at 9:30 A.M.

3. High School Swimming Pool Roof

Shea Roofing has completed all repairs except the installation of the hidden scupper. One of the drains was covered with both brick and fabric. Shea Roofing will re-open the emergency drain.

The insurance will pay for the roof. The District will pay for the scupper installation.

4. Top Five Building Repair Concerns

Mr. Sample reviewed the following top five building repair concerns:

- Middle school repointing (Repairs to library side completed in-house. Awaiting written proposals from three masons who visited the LGI courtyard).
- High school metal flashing leaking (Awaiting completion of Oak Flat flashing investigation).
- Oak Flat Elementary School metal flashing leaking (Caretti Masons provided an estimate of \$6,575.00 to repair leaks on the 30-foot section on the upper gym wall. Awaiting confirmation of start date. Caretti has one of the best reputations in the area).
- Mifflin Elementary School – replace deteriorating rubber flashing
- Frankford Elementary School – replace deteriorating rubber flashing

5. District KWH 2008, 2009, and 2010 Use

Mr. Sample reviewed the District's kilowatt-hour usage for 2008, 2009, and 2010, including the Champ Energy projections for 2010-2011. Mr. Sample indicated that it appears the District would continue to have energy costs in 2010 that are lower most months than 2008 and 2009 because of the energy-saving measures that have been put in place in the past year.

The Champ Energy use would begin January 1, 2010.

Mr. Sample indicated that he is investigating ways to curb energy use during peak hours when electricity costs more.

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II. DISCUSSION ITEMS (Continued)

A. District Update (Continued)

5. District KWH 2008, 2009, and 2010 Use (Continued)

Mr. Sample indicated that he has implemented measures to ensure that no two heating/cooling units turn on within the same 15-minute period to eliminate spikes in energy use.

Mr. Sample noted that he has learned of a device that is designed to intercept the electricity before it enters the building. The purpose of the unit is to eliminate spikes in energy use, and it has the potential to save the District tens of thousands of dollars.

Mr. McKissick added that in May and September the peak use is 1:00 to 2:00 P.M. when the air-conditioning demand is highest. Mr. McKissick noted that this would be one of the reasons to consider the solar panels for photovoltaic energy to balance the energy consumption, especially during the peak demand times.

B. Review and Discuss Capital Plan

Mr. Sample provided the members of the Board of School Directors with copies of a five-page document entitled "Big Spring District 5-Year Capital Reserve Plan." Please refer to the attached document.

2010-2011 – Page 1 of 5

Mr. Sample reviewed the facility and vehicle needs for 2010-2011 as outlined on Page 1 of 5. The following points were noted:

1. Mifflin and Frankford Elementary Schools

- a. The Frankford and Mifflin facilities are each leased for \$3,600.00 per month for 12 months each year, or a total of \$86,400 per year for the lease of the two buildings. The lessees pay for the facility lease with a student occupancy exchange. There is no "real money" exchanged. The education for one student in the River Rock and Yellow Breeches programs costs approximately \$18,000.00 per year plus an additional \$4,000.00 to \$5,000 per student for transportation, for a total of approximately \$25,000.00 per student.
- b. The District now has 12 students enrolled in the River Rock program and 10 students enrolled in the Yellow Breeches program.
- c. The leases for Frankford and Mifflin end in 2013 and 2014. With 30 days' notice, either lessee may terminate the lease if the boilers and roof structures are unsatisfactory.
- d. Boiler repairs, driveway/parking capping, and roof repairs for Mifflin and Frankford could cost approximately \$180,000.00 over a five-year period, with minimal payback.
- e. The lessees of Mifflin and Frankford are required to pay for daily maintenance, fuel oil, and utilities.

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II. DISCUSSION ITEMS (Continued)

B. Review and Discuss Capital Plan (Continued)

2010-2011 – Page 1 of 5 (Continued)

1. Mifflin and Frankford Elementary Schools (Continued)

- f. Mr. Wolf noted that once the Board made the commitment to redo Plainfield Elementary School, he sees no future use of the Mifflin and Frankford facilities.
- g. The Frankford boiler was installed in 1995.
- h. The Plainfield Elementary School boiler could be installed at Mifflin when that boiler is no longer needed at Plainfield. That boiler was purchased in 2002. The cost associated with the re-installation of the boiler is not known at this time.
- i. Mr. Fry questioned whether the Board believes the District should put the two buildings on the market for sale.
- j. Yellow Breeches does own some of their facilities. It is not known whether River Rock owns any of their facilities.
- k. Big Spring would continue to use the services of River Rock and Yellow Breeches, regardless of the building's owner.
- l. Usability of the facilities would decline as major systems deteriorate.
- m. The District could probably get by with paving only the driveways of the schools.
- n. Mr. Barrick noted that he sees the roof repairs as a necessity. He does not see the paving as a necessity.
- o. Only Band-Aid repairs have been made to the facilities' roofs in recent years.
- p. The recommended roofing repairs are estimated to last 15 years.
- q. Mr. Fry believes that River Rock, the Mifflin tenant, appreciates the building's location because the program serves Chambersburg, Shippensburg, and Big Spring clientele, with the possibility of adding West Perry in the future.
- r. The status of Yellow Breeches' commitment to the lease is unknown.
- s. The Frankford facility looks very similar to the way it looked in the past. River Rock has completed major changes to the interior of the Mifflin building.
- t. With the changes in the economy and the changes in the needs in the District in the past five years, the Board may want to reconsider the sale of Mifflin and Frankford.
- u. In Mr. Barrick's opinion, paying \$22,000 for roof repairs on the buildings seems to be a small price to pay for the two "slots" in each building if the District saves almost \$100,000.00 a year.
- v. Neither tenant has expressed any dissatisfaction with either facility.
- w. President Wolf noted the buildings are aging, and they may have more value now that the District could recover and use that money to cover some of the program costs rather than waiting five years when other items may have deteriorated.
- x. Mr. Barrick indicated that he sees less of a need to keep Frankford than Mifflin.
- y. Mr. Fry noted there is additional room available at Mount Rock Elementary School if there is a spike in the District's student enrollment.
- z. President Wolf added that he does not believe the District could build on the Mifflin site without installing a sewage-treatment plant. In addition, the iron content in the water at Mifflin has always been a problem.

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II. DISCUSSION ITEMS (Continued)

B. Review and Discuss Capital Plan (Continued)

2010-2011 – Page 1 of 5 (Continued)

1. Mifflin and Frankford Elementary Schools (Continued)

- aa.** It is not known whether either entity would be willing to purchase the facility occupied at the present time.
- bb.** Mr. Barrick suggested that perhaps the District could sell the Mifflin facility to River Rock and donate the land to the township.
- cc.** Mr. Blasco noted Lower Mifflin and Upper Mifflin Townships now have land for a park on an alternate site.
- dd.** Mr. Barrick indicated he does not want to "get stuck the way Shippensburg got stuck."
- ee.** Mr. Fry indicated that he could have discussions with the tenants of the two buildings and inform them of the Board's discussion this evening.
- ff.** Mr. Swanson indicated there appears to be no way for the Board to make money on the two parcels; however, selling the facilities could be a way to avoid spending a lot of money in the future.

2. IT Infrastructure Upgrade (\$50,000.00) and New IP Phone System (\$100,000.00)

Pricing has been obtained for a new IP phone system.

Mr. Kerr indicated that a new IP phone system is critical because the old system breaks and is no longer compatible with the current technology. Last year for the existing telephone system, the District paid approximately \$31,000.00 to Embarq for the lines and approximately \$20,000.00 to Telemagine to rent handsets. Those costs would cease with the installation of an IP phone system.

Another reason for replacing the core infrastructure is to power equipment through Ethernet, which supports wireless technology. This is much easier to work with than running high-voltage power to each phone. This project would replace the switchgear in all buildings, and it would offer a higher speed to desktops, at least 1G.

Mr. Fry noted that these costs only include the upgrades to the infrastructure and do not enhance the educational side of technology.

3. Swimming Pool Ultraviolet (UV) Light

Corrosion has begun in the swimming pool's mechanical unit. In an effort to reduce the amount of chlorine required, thus reducing the corrosion on the mechanical unit, the installation of a UV light is being recommended. The UV light would help with the disinfecting of the water. This, in turn, would require a decrease in chemical use and promote an environment that creates less corrosive chloramines. Corrosion would still exist; however, it would be at a reduced level.

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II. DISCUSSION ITEMS (Continued)

B. Review and Discuss Capital Plan (Continued)

2011-2012 – Page 2 of 5

1. High School - Replace Water Heaters with 1.1M BTU Gas Unit (\$35,000 – 3 oil burners replaced via warranty)

Although the high school has only two oil burners, three oil burners have been replaced under warranty. The first one to be replaced was replaced a second time.

In response to a question from Mr. Barrick, Mr. Sample indicated that he is unsure what the energy savings would be to switch to the tankless “flash” system similar to those at Mount Rock Elementary School and the middle school.

In addition, Mr. Sample is unsure whether one unit, as he has recommended, would serve the entire high school.

Mr. Barrick requested additional information regarding the BTUs necessary to replace the two existing oil burners with one flash-heating gas burner.

2. Oak Flat Elementary and Mount Rock Elementary Pavement Capping

Mr. Sample obtained estimates for the pavement capping from Schlusser paving. The reason the estimate for Oak Flat Elementary School is higher than the estimate for Mount Rock Elementary School is because the parking lot is much larger. Mount Rock Elementary has only the base coat of pavement. The top coat was never added.

2012-2013 – Page 3 of 5

1. High School Stadium – Renovate Field House Restrooms (\$30,000 summer work – combine locker room with gang lavs. More toilets to stop using Porta-Potties)

This is a standalone project and would not be contingent upon the renovation of the middle school maintenance area. At this point there is no need to convert the maintenance area into classrooms. There is sufficient classroom space at the middle school; however, the infrastructure has been prepared so that if additional classrooms were needed in the future, the conversion to classrooms would be simplified.

As members of sports teams have increased in number, the existing field house is too small to be used by athletic teams during sports events. Big Spring’s team huddles near the scoreboard; the visiting team huddles behind the wall.

Mr. Barrick suggested the investigation of the old sewer plant location for the construction of a field house and restrooms, and he suggested the possibility of renting a tent to serve as a team house during rainy sports events.

In response to a question from Mr. Barrick, McKissick indicated that “potty parity” was overlooked and not included in the new law when Pennsylvania abandoned L&I and adopted IBC.

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II. DISCUSSION ITEMS (Continued)

B. Review and Discuss Capital Plan (Continued)

2012-2013 – Page 3 of 5 (Continued)

1. High School Stadium – Renovate Field House Restrooms (\$30,000 summer work – combine locker room with gang lavs. More toilets to stop using Porta-Potties) (Continued)

President Wolf questioned whether the field house restrooms project could be expedited to 2010-2011 completion and perhaps the Board could consider a delay or a reduction in the scope of the middle school window and ceiling project.

Board members favored expediting the field house project

Mr. Fry indicated that the administration would investigate the feasibility of Mr. Wolf's suggestion to expedite the field house and stadium restroom construction, and he added that the ESCO has been contacted to determine if the window/ceiling projects could qualify as an ESCO project.

2. Stadium Fence

In response to a question from Mr. Piper, Mr. Sample indicated that the barbed wire has been removed from the stadium fence and some sections are worn and falling down. South Mountain Fencing has done work in the area at a reasonable cost in the past.

2013-2014 – Page 4 of 5

Middle School Auditorium

Mr. Barrick questioned whether it was imperative to do anything with the middle school auditorium.

Mr. Sample indicated that as asbestos tiles pop up, they are replaced with nonasbestos VCT. Mr. Sample estimated that approximately 10 percent of the asbestos tiles have been replaced with VCT.

Mr. Fry indicated that as long as the District maintains the current auditorium footprint, no additional work is required.

Mr. Fry noted that the usability of the middle school auditorium is limited. The lighting and sound systems are "fried." Musicals are not possible, and the school "makes do" hosting concerts.

Mr. Fry added that the \$150,000.00 would cover only the asbestos tile and acoustic tile removal and replacement. This cost covers *no* curtains, rigging, lighting, or sound.

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II. DISCUSSION ITEMS (Continued)

B. Review and Discuss Capital Plan (Continued)

2014-2015 – Page 5 of 5

1. Middle School Heat Pumps

Mr. Sample indicated that the middle school heat pumps would require attention in 2014-2015.

Mr. Fry indicated that it is imperative that the administration prepares for the costly maintenance items in the future to ensure that sufficient funds are available for these necessary projects.

2. Oak Flat Roof Repairs

Mr. Sample indicated that District personnel have discovered an excellent bonding material used for roof repairs, and he indicated this \$12,000.00 project could be completed by District staff members.

C. Paying for the Capital Reserve Plan

Mr. Kerr provided the members of the Board of School Directors with the following documents:

- Big Spring School District 5-Year Capital Plan (Revenue/Expenditures) Assuming \$13,950,000.00 Total Project Bond.
- Big Spring School District – Millage Requirement Study – Proposed Series of 2010, \$13,950,000.00 Wrap Debt Bond Issues (RBC Capital Markets).

Mr. Kerr reviewed the two charts on the attached documents and answered questions. Please refer to the attached documents. The following items were noted:

1. Capital Reserve Funds cannot be used for the purchase of computers or vehicles.
2. **The \$13,950,000.00 bond issue assumes 3.46 mills from the budget become dedicated to debt service and Capital Reserve transfers to support the Plainfield and Newville Elementary School projects and the capital needs outlined this evening.** The 3.46 mills had been the mills required to cover the Oak Flat Elementary School debt. That debt was retired earlier this year.
3. With the current projections, the *total* budget available to the Capital Reserve Fund from 2009 to 2015 is \$1,841,683.00 (\$1,652,253.000 for capital projects and \$189,430.00 for contingency over five years). Mr. Kerr indicated that the contingency total is dangerously low, and he noted that he is concerned about this figure because a natural disaster or a mandatory roof replacement would consume this contingency fund quickly.
4. The \$14.65 million bond has been reduced to \$13.95 million and now includes the Plainfield and Newville Elementary School projects and the capital needs for the next five years.
5. For the next budget year, assuming the Board raises the mills to the index, the District will still be \$1 million short. Mr. Kerr indicated that this should “work its way out over time as more revenue becomes available.” He added that this is a “guessing game,” and he made the point that the District “does not have a lot of extra money sitting around.” With the PSERS increases and energy increases the District is facing, “we have to cut back on expenditures.”

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II. DISCUSSION ITEMS (Continued)

C. Paying for the Capital Reserve Plan (Continued)

6. Mr. Blasco questioned whether Plainfield could be "brought up to speed" for \$3 million like Newville Elementary School. Mr. Fry responded that a lot of money has already been invested in Newville Elementary School with regard to the electrical system, HVAC, geothermal well fields, etc. Plainfield Elementary School would cost far more to "bring up to speed." Director Lopp reminded the Board that when the Board first started the decision-making process for Plainfield Elementary School, the decision was made to construct a new facility because of the comparable high cost to renovate the facility.
7. Director Blasco noted that the 3.46 mills for debt service and Capital Reserve Fund does not address the escalation in the PSERS contribution rate in 2012, and he questioned how the Board would handle the PSERS increase.
8. Mr. Kerr indicated that it is in the best interests of the Board to keep the facilities in good working order. Many of the items on the Capital Reserve list would save the District money over the long term, and the District must focus on saving money where possible.
9. Mr. Kerr agreed with Mr. Barrick that it would be less costly to complete the middle school window project at one time rather than piecemeal. Mr. Fry indicated that the administration is investigating the possibility of an ESCO for the middle school window project.

D. Next Steps

1. Mr. McKissick indicated that PlanCon Parts D and E for Plainfield Elementary School have been completed. The project cost for that facility has been decreased by \$2.8 million in overall cost.
2. Final Board approval of the Newville Elementary School is slated for the near future. Mr. McKissick questioned whether the District could afford the additional work in the administration area in light of the financial information presented this evening.
3. Mr. Fry indicated that the administration would continue to work with the Building Advisory Team (BAT) and the architects to prioritize the work at Newville and Plainfield Elementary Schools in an effort to decrease the cost of the project.
4. The current plan is to construct six new rooms at Newville Elementary School.
5. The architects are not recommending pitched-roof replacement for Newville Elementary School because of the extensive insulation and joist work that would be required.
6. Mr. McKissick indicated that there are several additional items for Newville Elementary School that he recommends that the Board consider. They are the following: \$170,000.00 for renovations to the entryway/administration area/nurse area/restroom reconfiguration and \$22,000.00 for re-keying the door hardware and installing handicapped hardware. The total for these projects, including soft costs, would be \$360,000.00. The District could bid the projects and decide whether or not to proceed after bid opening.
7. The PlanCon D and E item on this evening's Board meeting agenda (XIII., C.) has a total bond issue for the two projects as \$14,625,000.00. The total project cost may not exceed \$14,625,000.00; however, the administration recommends that the Board cut at least \$675,000.00 from the projects so that money would be available for the Capital Reserve Fund. These figures assume no tax increase for the building projects.

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II. DISCUSSION ITEMS (Continued)

D. Next Steps (Continued)

8. Mr. Fry indicated that he would meet with Mr. McKissick and the BAT to determine what can be done to cut \$675,000.00 from the projects.
9. In response to a question from Mr. Blasco regarding the potential for a sizeable 2012 PSERS increase, Mr. Fry indicated that the administration is convinced that something must be done at Plainfield Elementary School. Mr. Fry indicated that the administration would address the PSERS funding concerns at a November 10, 2009 meeting.
10. Mr. Fry indicated that the BAT would continue to find ways to decrease the Plainfield Elementary School project cost.
11. Vice President Swanson noted that the Board would take no action on the projects until after the bids are in.
12. In response to a question from Director Blasco, Mr. Fry agreed that the administration would not need permission to cut costs in the proposed construction/renovation projects; however, Mr. Fry indicated that he prefers to ensure that the full Board is aware of the path the administration is taking with respect to the proposed projects.

III. ADJOURNMENT

Motion by Norris, seconded by Lopp to adjourn. Roll call vote: Voting Yes: Blasco, Norris, Piper, Lopp, Barrick, Swanson, and Wolf. Motion carried unanimously.

The meeting was adjourned at 8:03 P.M.



Robert Lee Barrick, Secretary