

Buildings & Grounds/Finance Committee Meeting

Wednesday, December 18, 2019



Committee Purpose

The Committee provides the School Board with a broad, high-level overview of buildings and grounds areas of the district, acts as a sounding board for various projects, develops the project philosophy for both short-term and long-term needs, and provides communication back to the full School Board.

The Finance Committee provides the board with the opportunity to more closely review various aspects of financial administration. This committee provides input to the budget process, meets with auditors, does long-term debt planning with financial consultants and oversees the ongoing business process of our district.

Committee Leadership

Charles Merris, Buildings & Grounds School Board Committee Chair

Jim Maurer, Finance School Board Committee Chair

Sheryl Pursel, Director of Finance

Per Board Policy, if you intend to record any portion of the meeting proceedings, you must notify the Communications Director or other Administrator prior to the start of the meeting. A public announcement will be made at the opening of the meeting to inform all attendees that all or part of the meeting is being recorded by an audience member.

Start Time: 4:30 pm

Location: Administration Building

Attendance:

Board members: Adam Aloisi, Dylan Bard, Linda Johnston, Grant Keener, Jim Maurer, Charles Merris, Pat Wagner

District Staff: Mike Bromirski, Jim Dague, Mike Graham, Tab Musser, Steve Polonus, Sheryl Pursel, Ellen Rinier, Terry Sweigart

Time for Public Comment (5-minute limit per Board Policy 903): None.

Agenda Items:

1. Feasibility Study – Crabtree Rohrbaugh & Associates, presentation by John Beddia and Anthony Colestock to provide a Facility Study Update. Their plan is to develop for the district several different options on how to address projects. They are doing so using the guiding principles that have been developed to help determine plans to prioritize the work to be done.
 - Presentation included discussions on option development, cost estimates, options for the high school and next steps in the process.
 - Options are developed to include present and projected student enrollment, to identify facility needs to extend the useful lives of physical plant and operational systems to a minimum of 20 years, and to provide preliminary construction costs to begin long-term budgeting for major projects.

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- Facility Condition Index (FCI) is an assessment of existing building conditions including site, safety/security, systems and code compliance. FCI covers architectural, plumbing, electrical and HVAC conditions. This assessment can be used to recommend the scope of work to maintain the existing facilities and provides an estimated range of construction costs that can be used for capital improvement planning. The FCI assigns ratings from new/like-new conditions to extremely worn/damaged needing replaced as soon as possible and provides a low/high estimated construction cost range for necessary work to be done.
 - The enrollment study will need to focus on potential realignment which may not fix capacity concerns. The study may need to look at other options such as moving sixth grade to middle school.
 - Plans should still take into consideration opportunities for PlanCon reimbursable projects where possible in case the state of Pennsylvania does fund PlanCon in the future.
 - Soft costs such as licensing, testing, furniture, etc. would be in addition to the construction costs.
 - CFOO and Director of Buildings & Grounds will work to develop a 5-year plan for borrowing and budgeting processes. This will be presented to the Board in the March time frame.
 - Although all buildings will need some level of work, the building with the greatest need is the high school. High school options include limited renovations & additions, addition only, comprehensive renovation & addition, or new construction
 - Next steps will require discussions on the high school options, reviews of the enrollment projections and attendance boundaries, and the development of a master plan for options and scenarios.
2. Ratings call with Moody's Investor Services in preparation for the interest rate hedge refunding as well as any new money for capital projects went very well. The District had a ratings call in February of 2019, and since that time there have been no major changes and the District is still in a strong financial position. The preliminary rating is expected to stay at the current AA2.
- The refunding is scheduled for Tuesday, January 7, 2020.
 - A decision is needed on how much new money to issue at the time of refunding. Settlement on the bond sale will occur on February 13 and 10% of the new money would need to be spent (or under contract) within six months and the total in three years.
 - Although the District has approximately \$7.5 million in the capital reserve fund balance, consideration should be taken on carefully spending this balance since the facility needs are expected to exceed \$100 million and the District will need to be able to borrow additional monies over the next several years. Spending down a fund balance could lead to a lower rating and could impact the cost of future financing transactions.
 - Parameters resolution that was Board in November, 2019 will allow for \$50 million of bond issues to provide new money funding. Recommendation of the Board is to issue \$10 million in January, 2020 at the time of the refunding.

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- Adam Aloisi made a motion, seconded by Jim Maurer to approve the issuance of \$10 million of new money to be included with the bond refunding January 7, 2020.
- Role call vote:
 - “Aye” - Adam Aloisi, Dylan Bard, Linda Johnston, Grant Keener, Jim Maurer
 - ‘Nay’ - Charles Merris
 - Absent - Chris Smiley, Pat Wagner (left meeting 6:00 pm), Mike Donato

3. Other Items:

- Change in snow removal contract previously Board approved. Evercor will rescind their contract which will be issued to Koser Excavating.
- RFP results have been received and reviewed for the boiler house & three-bay garage roofs. Three proposals were received showing costs at a range of \$33,000 to \$65,000. The contract will be awarded to Bachman’s Roofing, Building and Remodeling, Inc. for a cost of \$33,032. This contract will be on the January 2020 Board agenda for approval and work will commence after that depending on winter weather conditions.
- At this time there is nothing new on the Bent Creek tax appeal (in conjunction with Manheim Township School District). The appraiser will be performing reviews and will provide an update and recommendation on next steps in January, 2020.

Adjourn: 6:52 pm

Next Meeting: *Unless otherwise noted, meetings are scheduled at 4:30 p.m. in the Board Conference Room of the Administration Building.*

- January 21, 2020 (Buildings & Grounds)
- January 29, 2020 (Finance)
- February 19, 2020 (Buildings & Grounds)
- February 26, 2020 (Finance)
- March 25, 2020 (Joint Buildings & Grounds/Finance)
- April 21, 2020 (Buildings & Grounds)
- April 28, 2020 (Finance)
- May 19, 2020 (Buildings & Grounds)
- May 27, 2020 (Finance)
- June 23, 2020 (Buildings & Grounds)