

**BETHLEHEM AREA SCHOOL DISTRICT
BOARD FACILITIES COMMITTEE
MEETING MINUTES
MONDAY, FEBRUARY 1, 2010**

Mrs. Michele Cann, Facilities Chairperson of the Board of School Directors, called the meeting of the Board Facilities Committee to order at 6:03 p.m. on Monday, February 1, 2010, in the Dining Room of the Education Center. Present were School Board members Judith Dexter, Michael Faccinetto, William Burkhardt, Loretta Leeson, Michele Cann, Rosario Amato, Irene Follweiler, Aurea Ortiz, and Eugene McKeon. Also present were Dr. Thomas Persing, acting superintendent of schools; Stacy Gober, assistant superintendent for finance and administration; Scott T. Gilliland, director of facilities and operations; Arif Fazil, district engineer (D'Huy Engineering, Inc.); Dean Donaher, director of student services; David Himmelberger, supervisor of transportation; Ann Behers, operations manager; and representatives from the press.

The following items were discussed:

COURTESY OF THE FLOOR TO VISITORS –

None.

DISCUSSION ITEMS –

Mr. Gilliland introduced item number 2 on the agenda, Maintenance Vehicle/Bus Replacements Discussion. He said that he discussed the transportation department's bus needs with Mr. Himmelberger. The administration is requesting that they be granted the authorization to put out specifications for buses and maintenance vehicles so accurate pricing can be obtained. After the bids are received, it can then be decided if the board wishes to purchase the buses and vehicles. If the process is not started now, it will be too late to purchase this model year buses. Mr. Gilliland said that Mr. Himmelberger acquired some tentative pricing; the district had originally planned on a seven to eight thousand dollar increase per bus for the new federal emission regulations on diesel engines. New information that was obtained from vendors stated that the prices will rise to approximately nine thousand dollars per bus.

Mr. Himmelberger said that he has spoken to one of the vendors that the district has purchased buses from in the past. They have preordered some 2010 model year buses in anticipation of the increase in purchase price. They have been asking the district for several months if we were going to purchase buses or not. Mr. Himmelberger suggested bidding the buses to see what the exact amount needed will be, and then decide how they will be paid for.

Mr. Amato asked when the last time buses were purchased.

Mr. Himmelberger said that two 2008 model year mini-buses were purchased in October 2007. In 2006, eight full size buses were purchased.

Mrs. Cann asked Mr. Himmelberger how many buses he would like to bid.

Mr. Himmelberger answered that he would like to bid ten full size buses to start. Purchasing ten buses this year would enable the district to begin the recommended fifteen year replacement cycle.

Mr. Amato asked if any of the buses were a safety concern because of condition or mechanical related issues.

Mr. Himmelberger said that no, there were no safety concerns. If the buses do not pass inspection, they are taken off the road until they can be fixed. If they cannot be fixed and the fleet continues to be depleted, there will eventually be runs that cannot be completed because there are not enough buses. There are many buses that are over twenty years old and have in excess of 200,000 miles that will eventually break down and will not be able to be fixed. Rust and corrosion are problems on these older buses; it costs money to keep them on the road.

Mr. Amato said that he asked that question because a few weeks ago, the Freedom High School basketball team was dropped off at Wilson High School and the bus broke down. A replacement bus had to then come out to pick the team up.

Mr. Himmelberger said that this does happen more frequently than the district knows.

Mr. Amato asked if the maintenance costs on the buses have increased greatly. He asked if it would be possible to get a percentage of increase of cost compared to what would have been the cost if the district had stayed on the fifteen year replacement cycle.

Mr. Himmelberger said that not only is the district experiencing more costs with fixing the buses, but also more service. If the buses break down, it is the students who suffer.

Mr. Amato stated that over the past four years of not purchasing buses, the district has gotten behind on purchasing approximately twenty-four buses. Is that figure accurate?

Mr. Himmelberger said yes, that was correct.

Mrs. Leeson said that she supports going out to bid to obtain pricing. She said that someone has recently contacted the board with the question that even though the buses with the new federal emission regulations on diesel engines are more expensive, are they not more environmentally friendly. Is that true?

Mr. Himmelberger said that is correct. That is why the government is placing these regulations in place.

Mrs. Leeson said that she can understand how it would be optimum to purchase ten buses at this time; however, the district is facing a difficult budget this year. She asked if it would be feasible to purchase eight buses per year until the district is in a better financial state.

Mr. Himmelberger said that eight buses per year will not allow us to start on building the fleet to get on the fifteen year replacement cycle.

Mrs. Follweiler said that she does not see any downside to bidding the buses. She said that the longer the district waits to purchase buses, the more negative [in the number of buses] we will become. A decision can be made to purchase or not once the prices are received. She asked if wording can be included in the bid to request ten buses per year for the next five years instead of just ten buses for this year. She thought that the vendor may offer a better price on the buses if the district made a long term commitment.

Mr. Himmelberger said that while this was a good idea, he does not believe that the vendors would bid on that. The reason is because the vendors do not know what their cost increase will be five years from now.

Mrs. Follweiler thought that with the way the economy is right now, if the vendor had a guarantee for future business, it may be more cost effective for the district.

Mr. Himmelberger said that he does not believe that the bus market is competitive enough that they will commit to a five year contract such as this.

Mr. Amato asked what the cost of a full size bus is.

Mr. Himmelberger answered that the cost is approximately \$80,000 per bus.

Mr. Amato asked if that figure included the cost increase that will come into effect next year.

Mr. Himmelberger said that amount did not include the increase.

Mr. Amato said that ultimately, it will cost approximately \$90,000 per bus after the increase goes into effect. If no buses are bought again this year, the district will be behind thirty-two buses. He said that he would like to make a statement as not to upset anyone, but there was a discussion not too long ago about outsourcing the district's busing needs. He said that Mrs. Leeson made a good point by saying that we are facing another tight budget this year. He asked if the district is to the point that we cannot afford to maintain our bus fleet unless we start replacing buses now. If we do not get into a cycle of replacing buses over the eight to ten years, we might as well "bite the bullet now" and look to outsource our busing needs.

Mr. Himmelberger said that this cost was considered when the outsourcing was being investigated. He said that the district approached the union with its needs, and through negotiations, they made concessions.

Mr. Amato said that he thanks the union for making concessions. He said that at this point, the district is almost in the situation that they cannot afford to purchase buses. When the upcoming budget is put together and it is decided that the district cannot afford new buses, the board must then seriously consider what we are going to do about our busing needs. Mr. Amato said that the

district may have to go back to the bargaining unit and say that they attempted to make it work, but could not.

Mr. Himmelberger said that the union took a three year pay freeze and also gave up two paid holidays. They did that with the understanding that the district would continue with its operations.

Mr. Amato said that yes, if we can afford to purchase new equipment.

Mrs. Cann said that the objective tonight was to decide if the board could authorize the administration to bid the buses or not.

Mr. Burkhardt asked why buses have not been purchased for the last two years.

Mr. Himmelberger answered that there has not been a line item in the budget for the purchase of buses since 1994. They have typically been purchased with bond money. In 1994, there was not one bus purchased. The bond money became a very flexible point and instead of having a line item, that was perpetuated each year and the amount of buses would increase or decrease depending on the amount of bond money available. He said that the district was not taxing to the point to support these purchases. The amount spent purchasing buses each year depended on the bond issues and how much surplus was available from the building projects.

Mr. Burkhardt said that he felt this was a reasonable way to purchase buses. He said that he was concerned about the process of buying. Did the administration recommend that buses be bought last year?

Mrs. Leeson stated that in previous years, that line item has been in the budget, but then removed; the district then depended on capital reserve money to purchase them. Throughout our building projects, the district has had some contingency money going into the capital reserve account. Mrs. Leeson said that she believes that the money in the capital reserve account was used to purchase technology equipment in recent years and believed that money was shifted away from the buses. She also stated that bus purchases were not brought to the board to decide if buses would be purchased or not.

Mr. Gilliland said that he would like to point out that over the last four years the administration has come to the board with a recommendation every November with a request to buy buses.

Mrs. Leeson said that this item was not voted on by the board.

Mr. Gilliland said that was correct, it was not voted on. He said that he and Mr. Himmelberger have given the board clear notice that the fleet was aging and in order to maintain the recommended replacement cycle, a certain number of buses needed to be purchased each year. Mr. Gilliland said that if he remembers correctly, each year the board asked if the bus purchases could be delayed for another year.

Mrs. Leeson said that a proposal was never brought to the board as to how the buses would be paid for.

Mr. Gilliland said that it never got that far, but the information to request buses was submitted.

Mr. McKeon asked what the timeline would be if we miss the “window of opportunity” to purchase this year. For example, if we do not purchase now and decide in July 2010 that money is available for buses, what is the time from bids are solicited until delivery?

Mr. Himmelberger said it would be about nine months.

Mr. McKeon stated that the bus purchases never made it though the budget process for it to even be decided on as board. He said that the money was then spent on other issues. It never came to the board as a line item stating that the administration had requested a certain amount of money to buy buses.

Mr. Gilliland said that he would like to clarify that the administration was requesting maintenance vehicles as well as buses. The maintenance fleet is aging; traditionally, these vehicles were purchased on state contract. He said that those items could also be put out for bid to see if the prices come in any lower than the state contract price. Mr. Gilliland also said that according to the state contract, the district has until August 2010 to order to still receive these vehicles at the 2010 model year price. The pickup trucks must be ordered by February 18, 2010, to receive them at the 2010 model year price. If not ordered by that date, the prices will be for the 2011 model year. Mr. Gilliland said the district can put the specifications together and place these vehicles out for bid.

Mr. Burkhardt asked if the district had any leased buses. Is leasing an option?

Mr. Himmelberger said that is was an option; however, he did not recommend it. He said that by leasing you delay payment and it becomes more expensive in the long run.

Mrs. Gober said if the district were to make a long term commitment to maintain a lease cycle, it might make sense. She said that if we are in a situation where we are anticipating on keeping the vehicles longer than the term of the lease, which our history indicates, we will never get a twenty year lease on a bus. In the end, to pay off the remainder of the lease is more expensive than if it were to have just been purchased outright.

Dr. Persing said that he recently visited the transportation department to see the condition of the buses. He said that the buses are in “bad shape and that you should not, under any circumstances delay” purchase of buses as long as the district is making a long term commitment not to outsource transportation. He asked the board to seriously consider purchasing either through the general operating budget, or through financing through bond funds.

Mr. Amato asked if it would make sense to get rid of the buses that are costing the district a significant amount to keep on the road and outsource only a portion of the runs. He suggested

this as a temporary “fix” until the district has the funds to purchase buses and get back on a replacement cycle.

Mr. Himmelberger said that it would be an option; however, the labor contract precludes that.

Mrs. Cann stated that she believed that the time for that discussion [outsourcing] had passed. She asked for a vote from the board if the administration could solicit bids.

Mr. Himmelberger asked if it was acceptable to vote on this item without board action.

Mrs. Gober said that they may bid the items without board action.

After a poll of the board, it was decided that the buses could be bid.

Mrs. Cann then asked Mr. Gilliland to explain item number three on the agenda, Energy Optimization Planning. She said that the information he had provided to the board was good information, but she requested that he summarize the information and give the board a recommendation on what he believed would be the best option.

Mr. Gilliland outlined the information that he had previously provided to the board over the past few weeks. He said that the one proposal for an energy savings plan that was submitted to the district had a fixed cost of \$267,840 per year. If that company achieved their energy expectations, the district would owe them an additional \$267,840. If they do not reach their expectations, the district would still be obligated to pay a \$133,000 fee on top of the yearly fixed cost. Mr. Gilliland believed that this proposal does not provide any guaranteed savings for the district. What is guaranteed by the proposal is that entering into an agreement with them would not cost the district any money, but they do not tell us how much money the district would see in energy savings over and above the company's fees. Mr. Gilliland said that their guarantee is that the district will see energy savings equal to their yearly fixed fee of \$267,840 plus the additional fee of \$133,000. If we do not reach that amount in energy savings, it will not cost the district any money. Any payments that have been made to this company would then be refunded by them. He said that whatever energy savings the district will receive will be paid out in fees to this company. Mr. Gilliland also said that the proposal included a guaranteed savings for only four years. If the district would choose to cancel the contract, the termination fees would be substantial; they can be in excess of \$200,000. Most information that has been submitted to the district by energy savings companies does not guarantee a specified amount of savings. Mr. Gilliland said that one company that has submitted a proposal has taken the district's square footage and energy costs and calculated savings based on those numbers. They did not take into consideration that the district has already implemented energy saving devices in our building projects. He also stated that there are reported savings that range anywhere from ten percent to forty-six percent; those districts that achieved the highest percentage of savings were districts that have not implemented items such as lighting controls and automatic temperature controls like Bethlehem Area School District has. Mr. Gilliland said that in his most recent memo to the board, he showed what our district's average cost for energy was per square foot. It averaged out to be \$1.61 per square foot; two other districts were at \$1.64 and \$1.67 per square foot after they

implemented their energy savings plans. Mr. Gilliland said that the district has to consider who the energy savings plan is going to benefit. He said that no matter what, there must be a trust between our district and the company that will oversee this plan. The plan that Mr. Fazil has designed will offer our district flexibility, and personally, he would prefer to enter into a contract that will offer shared savings.

Mr. Fazil handed out a spreadsheet to the board that outlined the tasks that would need to be completed in order to make the energy optimization plan successful. Mr. Fazil explained that the spreadsheet was broken down into estimated hours per building and there was also a column to represent hours that were not specific to any building. Number one on the spreadsheet was "survey of facilities from the energy use perspective". Hours have been allocated to include what tasks would be necessary at each building. Mr. Fazil said that this spreadsheet contains all the tasks that are listed in the agreement that was proposed in November 2009. The total number of hours for the first year of the plan is estimated to be approximately 3,200 and subsequent years will have fewer hours. Mr. Fazil explained that this spreadsheet was created as an option because most other vendors are submitting their proposals in this fashion. What they are proposing is that the district pay annual flat fees for these types of tasks to be performed, and what will be guaranteed is that the district will save an amount equal to the annual fees. Mr. Fazil said that the benefit of the proposal that he has submitted is the fact that the district can choose to terminate the contract at any time. This contract will also guarantee that the district will see at least a savings equal to the annual fee. Mr. Fazil explained that the district should at least consider to authorize "priority item one" which would include items 1A [review and analyze current energy use and maintenance plan] and a portion of 1B [building investigations to identify and log energy consumers]. Mr. Fazil said that he recommends that only a portion of 1B be completed because it will not be necessary to go into as much depth at each building; he would only need to know enough to complete item eight [review energy rate structures]. Item eight would allow him to review different energy rate structures to purchase the cheapest energy possible for the district. Mr. Fazil stated that he has given the district three different options for a contract. The first option is to accept the original proposal, option two would be to follow to the hourly breakdown tasks spreadsheet, and option three is to authorize only a portion of the spreadsheet.

Mr. Amato asked Mr. Fazil if he was proposing that the district would save at least the \$300,000 that would be paid in fees.

Mr. Fazil said yes, he would guarantee that amount in energy savings.

Mr. Amato asked what would happen if the district did not achieve that figure in energy savings.

Mr. Fazil answered that the district would then reduce subsequent payments to D'Huy Engineering, Inc. in year two of the contract.

Mr. Amato asked what would happen if the district were to reach savings that exceeded the \$300,000 in fees. Would that additional money be split with D'Huy?

Mr. Fazil answered that the additional money would not be split under this proposal.

Mr. Amato asked what would happen if the district decided not to enter year two of the proposal. For example, say only \$200,000 in estimated savings were reached, but the \$300,000 in fees had already been paid to D'Huy. What would happen?

Mr. Fazil stated that the district would be refunded \$100,000.

Mr. Amato wanted to confirm that the other proposal that was submitted by a separate company had fixed costs of \$267,000 plus an additional fee of \$133,000; a total cost of approximately \$400,000.

Mr. Gilliland said that amount would be what the district would owe only if they did not reach the expected energy savings. If the expected savings were reached, the district would owe two payments of \$267,000 for a total of approximately \$530,000.

Mr. Amato asked that if we pay them \$400,000, they are guaranteeing that the district will save that amount? If we only reach a savings of \$200,000, they will owe us \$200,000 in a refund?

Mr. Gilliland said what this company was proposing was essentially the same as what Mr. Fazil had proposed. The additional money that the district paid in fees would be refunded the following year.

Mr. Amato asked what would happen if the district decided not to enter year two of the contract. Would that money still be refunded like D'Huy proposed?

Mr. Gilliland said no, the district would not be refunded. We would also be required to pay termination fees.

Mr. Amato asked what would happen if this other company saved the district \$600,000.

Mr. Gilliland said that the district would pay a total cost of approximately \$530,000 because they would have exceeded what they proposed the district would save. The district would see a small amount returned in savings, but it would not be in proportion to what that company will receive in fees.

Mr. Amato said that he has never before seen a proposal like D'Huy Engineering, Inc. has submitted where the savings would truly be shared. He said if the estimated savings are not met, it would not cost the district a dime.

Mr. Gilliland said that if the district awards the contract to this other company, not much savings will be seen by us. Most of the money will be paid in fees to the company.

Mrs. Follweiler said that Mr. Fazil's proposal that was being reviewed tonight was a whole different proposal than what was reviewed last month. Is that correct?

Mr. Fazil said yes, it was. This proposal was a different option for the district because he was asked to explain his fees. This proposal was strictly task-based.

Mrs. Follweiler said that she had questions for Mr. Gilliland on the cost aspects of D'Huy's original proposal. She also had questions on the original contract, the wording, how D'Huy would get paid, and how the district would save money. Mrs. Follweiler said that she envisioned the discussion of how it would be established between both parties how to come up with a twelve month baseline, then "draw the line in the sand", and then develop a way that the district would then have a realized savings plan so that we can effectively share the savings. She said that she thought the original plan still needed some adjustments, and that she requested Mr. Gilliland to obtain some competitive costs. She said she was confused because she was not sure if Mr. Fazil was present at the meeting tonight as the district engineer or as the vendor; she did not see the other vendors present so they could help explain their proposals.

Mr. Gilliland stated that no one charged him with the task of obtaining proposals from specific vendors. He said what he has tried to do is find examples of energy savings contracts and provide that information to the board.

Mrs. Follweiler said that she would like to look at Mr. Fazil's original proposal and further define it as she believed that the shared savings plan would benefit the district. She said that the contract needed to be defined very clearly on how we are going to administrate the contract, how the bills will come to the district, and how the district will determine if the correct amount has been billed. She said that she would like to see a line-by-line comparison of different proposals versus D'Huy's proposal. Mrs. Follweiler said that she did not think that the district needed to "exercise" D'Huy as being the supplier to continue to come to the meetings to explain the proposals to us. As the district engineer, being paid on retainer would "be a different story", but as a supplier, the district needs to understand the contract. She said that Mr. Fazil has done a good job explaining his proposal, but it was the district's responsibility to review all the contracts and make counter offers. Mrs. Follweiler stated that she wanted clear language incorporated into D'Huy's proposal to define how the money will be exchanged.

Mrs. Leeson said that she liked D'Huy's current proposal that was being reviewed at tonight's meeting. She said that to her, it did not seem like there was any downside to the contract for either party. She expected that the district's savings will be much greater than the costs involved. Mrs. Leeson said that energy optimization plans are new items that are being offered on the market. Before this year, the district has not seen anything like this. She said that she liked the idea that Mr. Fazil's plan can be done on a year-by-year basis. From what she has heard, it sounds like Mr. Gilliland has investigated a large number of proposals and believed as if D'Huy's plan was the most comprehensive and cost effective for the district.

Mr. Gilliland said that it was his personal option that D'Huy's proposal was the best option for the district as well.

Mrs. Leeson asked Mr. Gilliland why he thought the fifty-fifty split was better than this proposal being reviewed tonight.

Mr. Fazil stated that the task oriented schedule eliminates questions as to what should be factored in. The schedule clearly defines what tasks will be performed. He said from the district's

standpoint, the fifty-fifty split plan would be a better approach because D'Huy will make sure that the district saves a substantial amount of money. That plan will cost the district no money. Mr. Fazil said that by proposing this task oriented plan, he thought that no one would challenge the tasks or fees. Energy savings plans contain so many variables that it is very difficult to spell them all out in a contract.

Mrs. Leeson said that she knows that D'Huy is a hard-working firm and believed that they will help the district save energy and money.

Mrs. Dexter stated that she was not comfortable with the decisions that were being made at tonight's meeting. She said what the board had tonight was not three different proposals, but two contracts that other districts entered into and one proposal from D'Huy Engineering, Inc. The contracts that other districts entered into may or may not be similar to what our district would receive. She stated that no board members were experts in the area of energy savings or energy saving proposals. She said that what we have is a district engineer that could come to us and say "very objectively" that we need an energy savings policy and to consider the companies that are out there. He should then evaluate the proposals and recommend to us the top two or three items that other districts have done. She said that he should objectively help us to decide what kind of things we need be looking for, evaluate savings, and how we might make out better with one fee structure over another. Mrs. Dexter said that this is not the case; what we have is our district engineer proposing that we hire "his private firm" to do this job, and is comparatively negotiating with us as the sole vendor. She stated that she sees a conflict of interest with this. Mrs. Dexter said that if our district did hire D'Huy Engineering, Inc., who would be the engineer that would oversee the work? Who would tell us that we got what we should be getting according to the contract? Mrs. Dexter said that her thinking tells her that it should be our district engineer, but Mr. Fazil is not in a position to supervise himself in a contract management position. She said that she would like this to be very objective and this could be a very "sticky situation". Mrs. Dexter then compared this to a "situation that we are in right now". This district got into some bad financing and took advice that seemed good to us. It was said to the board that this group would only do what was in the district's best interest. She stated that the district entered into this contract and "got burned". Right now, we do not know what the price structuring is for other companies. The board has only been provided with pricing for contracts from two other districts that may not be comparable to ours. Who is best in the position to sort this out? She said maybe that person would be the business manager's office or engineer's office, but it certainly was not nine people [the board] studying contracts without being provided comparative charts to analyze. Mrs. Dexter said that she verbally asked to see different presentations on energy savings from different vendors. She suggested sending out a request for proposal (RFP) for an energy savings contract or to complete an objective analysis of the contracts. Mrs. Dexter believed that Mr. Fazil is not in a position to do that analysis if he is also proposing his firm to do the work. She believed we "need good business practice."

Mrs. Ortiz said that she agrees with certain things that Mrs. Dexter said. She said that we have to have transparency and view proposals from other companies. Mrs. Ortiz said that she does like D'Huy's proposal, but would still like to see different ones from other companies.

Mr. Burkhardt stated that what bothers him is that the district has entrusted hundreds of millions of dollars in construction projects to D'Huy Engineering, Inc. in the past fifteen years, but now that we are in a new area, we are saying that we do not trust him to submit this proposal. He said that if D'Huy's contracts need to be revised to include more precise language, that is fine, but other companies will have to present something fantastic in order to compete with D'Huy's plan.

Mrs. Leeson said that her concern was the fact that the board charged Mr. Gilliland with the task of taking care of our facilities, and he did do research into the different programs that are available. Mrs. Leeson stated that the district did "get burned" on the finance end, but that does not mean that every proposal that is presented to the board is the finance proposal. She said that we need to begin trusting our administration to do the work that we have asked them to do, and if we ask them to review proposals and bring us their recommendation, we need to trust their decision. Mrs. Leeson said that she has no reason not to trust Mr. Gilliland and his decisions. If we are satisfied that he has reviewed the proposals and brought to us a recommendation, that recommendation is the one we should be looking at.

Mr. McKeon said that the information that has been provided is only copies of contracts of what has been proposed to other districts. We should be going out and soliciting proposals from other companies and then make a decision based on that information.

Mrs. Follweiler said that she has no mistrust in Mr. Fazil or his firm. She said that we are here as a board to make comparisons based on items offered. This is a potential six year project that we are going to be approving. It is going to be expending and saving money. The climate that we are in today only does us a service by obtaining other bids. Mr. Fazil does not need to continue to explain his proposal to us. Mrs. Follweiler said that Mr. Gilliland needs to get other proposals from other suppliers and provide us with a comparative analysis.

Mrs. Leeson asked Mrs. Follweiler if she wanted Mr. Gilliland to get the proposals and then provide the board with a comparative chart.

Mrs. Follweiler said that what Mr. Gilliland has provided is information that he has gotten as to what "things could be". We have not had other vendors here to ask them questions.

Mrs. Leeson asked if the board wanted Mr. Gilliland to assemble this information or if they wanted other vendors to come and present their information.

Mrs. Follweiler said that she would be happy to have Mr. Gilliland get the information together as a start. If the numbers are all there and the board can then compare all the different information, there may not be a need to have the other vendors come in and explain their proposals. She believed that there is not any other project of this size that the district would enter into without obtaining competitive proposals.

Mrs. Leeson said that she was still not clear if Mrs. Follweiler was asking Mr. Gilliland to get the information or if she wanted other presenters to come to the board.

Mrs. Follweiler stated that she wanted Mr. Gilliland to get that information. If part of getting that information was having those vendors to come in and present, that was fine.

Mrs. Leeson asked Mr. Gilliland how long it would take to get this information.

Mr. Gilliland answered that he has been speaking with numerous companies about energy proposals. One company that he has contacted has not returned his calls or emails, but another company who sent information in is coming in this week for an appointment.

Mr. McKeon asked how we would get interested companies other than someone just randomly mailing information to the district without going out for an RFP.

Mr. Gilliland said that part of the RFP process is actually having a list of vendors that are interested in submitting information. We can research other companies other than the two “major players” that we already have.

Mrs. Cann asked Mr. McKeon what he would like to see happen.

Mr. McKeon said that he would like to see if there is any interest from other vendors.

Mrs. Ortiz said that she is inclined to go with D’Huy, but at the same time would like to see other vendor’s presentations to make it fair.

Mrs. Cann asked if she would be satisfied with having Mr. Gilliland collect the information and then summarize it for the board.

Mrs. Ortiz answered yes.

Mrs. Leeson believed that Mr. Gilliland had already done this step. He had already gotten a selection of information from companies and provided this information to the board.

Mr. Gilliland said that he would like to point out that the two other districts that were compared to ours were approximately half the size. Based on that, he believed that the costs would be almost twice as much because of the size increase.

Mrs. Cann said that what is different is that the board is asking Mr. Gilliland to solicit proposals.

Mr. Gilliland assumed that the process and charges will not be any different than what has already been outlined. He believed that the fees for these companies to actually perform the work will increase based on our district’s square footage.

Mrs. Leeson said that the district is losing opportunities for saving right now and hoped to move forward with an energy savings plan quickly.

Mrs. Cann stated that what the district has is proposals that other districts have negotiated. There is only one proposal from D'Huy Engineering, Inc. that has been submitted to us. The board is asking that Mr. Gilliland obtain other proposals for comparison.

Mr. Burkhardt said that the district should consider performance factors when comparing proposals.

Mr. Faccinetto said that he would be happy to negotiate the contract that D'Huy Engineering, Inc. has proposed. He stated that D'Huy knows our facilities and our district; we have a good relationship with them.

Mrs. Dexter asked Mr. Gilliland to explore what resources are available at no cost to the district through public commissions, PUC, and the Pennsylvania Energy Conservation. She also suggested investigating the district's current Johnson Controls contract to see if any of these items were already included.

Mrs. Cann then reviewed item number four on the agenda, Request from Wilson Area School District to Lease Freedom High School Auxiliary Gym.

Dr. Persing said that he received a letter from Wilson's superintendent explaining that they were undergoing construction at their school. They requested to lease Freedom High School's auxiliary gym for approximately six to eight weeks. Dr. Persing stated that he has spoken with Freedom's athletic director, Mr. Harris, who has said that Wilson's presence will not be a hardship to our district. He asked the board what charge, if any, will be assessed for this lease.

Mrs. Leeson asked if there were any community groups that used the auxiliary gym that would be displaced by Wilson's request.

Mr. Gilliland said that no groups would be affected by Wilson's use. If the space needed to be shared between Wilson and a community group, a schedule could be worked out.

Mrs. Dexter said that the lease prices that are in our current policy are the prices that should be charged.

Mr. Gilliland said that under the current lease policy, they are a Class II. Under the proposed changes to the policy, they would be charged as a Class III.

Dr. Persing said that what he needs to know right now is if the board will approve the lease with a price to be determined later according to the lease policy.

After a vote, it was decided that Wilson Area School District would be allowed to use Freedom High School.

Mr. Gilliland then outlined agenda item C, Authorization to Restore 2007 Bond Funds – Data and Telecommunication System Wiring – Broughal Middle School – Change Order Deduct. He explained that this project was complete and the contractor would be refunding \$9,750.

AGENDA ITEMS FOR THE FEBRUARY 22, 2010, REGULAR BOARD MEETING –

After discussion, the board committee agreed to bring the following agenda items to the February 22, 2010, Regular Board Meeting:

- A. Authorization for the Administration to Prepare Specifications and Solicit Bids for Ten Replacement School Buses and Nine Maintenance Replacement Vehicles
- B. Authorization to Restore 2007 Bond Funds – Data and Telecommunication System Wiring – Broughal Middle School – Change Order Deduct

COURTESY OF THE FLOOR TO VISITORS –

Stephen Antalics, 737 Ridge Street, Bethlehem: Mr. Antalics stated that he was concerned about the buses and runs. He asked if the district had a study of all the buses to see how many hours each bus has been out of commission and which ones required the most amount of labor. He believed that the district could save money by taking the buses out of service that require a lot of labor; this decision should not be necessarily be based on the age of the bus. Mr. Antalics said that he wanted to note that he respected Mrs. Leeson's and Mrs. Follweiler's comments on the energy optimization discussion. He said if people are involved professionally in energy optimization, they have the objective knowledge to do a good job. He believed that the district should "optimize its choice".

OPEN FORUM –

Mr. McKeon told Mr. Antalics that the district does track the maintenance information on the vehicles and buses.

Mrs. Leeson said that the board received an email regarding adjustment [temperature] problems at Broughal Middle School. She asked if this problem was being resolved.

Mr. Fazil answered that yes, this problem was being investigated. He explained that what is happening in the building is that the heating set point is sixty-seven degrees and the cooling set point is seventy-five degrees. On a positive note, the building has such a "tremendous building envelope" that it is experiencing very little heat loss during the day in the classrooms. The classrooms with the most amounts of windows are only experiencing a three degree loss over the course of approximately seven hours. The interior classrooms with no windows are having almost zero loss of heat. The temperatures of the rooms continue to rise as lights and computers are turned on and also by body heat. The temperature of the room does not meet the seventy-five degree mark; therefore, the cooling does not kick on. Mr. Fazil said that they are currently

investigating ways to make sure that the temperature does not continue to creep up during the day.

The meeting was adjourned at approximately 8:08 p.m.

Minutes prepared by:

Kristen M. Snyder, Secretary to the Director of Facilities and Operations

Scott T. Gilliland, Director of Facilities and Operations