

**BETHLEHEM AREA SCHOOL DISTRICT  
BOARD FACILITIES COMMITTEE  
MEETING MINUTES  
MONDAY, NOVEMBER 7, 2011**

Mrs. Loretta Leeson, Facilities Chairperson of the Board of School Directors, called the meeting of the Board Facilities Committee to order at 6:04 p.m. on Monday, November 7, 2011, in the Auditorium of East Hills Middle School. Present were School Board members William Burkhardt, Loretta Leeson, Michele Cann, Michael Faccinetto, Irene Follweiler, Aurora Ortiz and Eugene McKeon. Also present were Dr. Joseph J. Roy, superintendent of schools; Dr. Jack Silva, assistant superintendent for education; Mark Stein, director of facilities and operations; Arif Fazil, district engineer, D'Huy Engineering, Inc. (DEI); Ann Behers, operations manager; Janet Tate, supervisor of grants; and representatives from the press.

The following items were discussed:

**COURTESY OF THE FLOOR TO VISITORS –**

Dr. Roy said that he would like to take a moment to recognize the passing of Mr. Frank Banko, a business leader and philanthropist who gave generously to the Bethlehem Area School District (BASD) community. The turf field at the BASD stadium exists largely due to the generosity of Mr. Banko, who envisioned the field as a place where the entire community could come together. Dr. Roy said that on behalf of the BASD, he would like to extend thoughts and prayers to the Banko family, and then asked everyone to pause for a moment of silence in remembrance of Mr. Banko.

**DISCUSSION ITEMS –**

Mr. Stein then introduced item number two on the agenda, Capital Improvement. He then showed the Board a PowerPoint presentation and explained that the Capital Improvement Plan is a working document that identifies the facility infrastructure and system repairs required to upkeep the buildings. The plan establishes the priority of a project by considering many conditions such as age, physical condition of the building, as well as the safety and educational impacts that the project will have. Mr. Stein said that the November 7, 2011 Capital Improvement Plan is on the district's website.

Mr. Fazil said that in the interest of being more "green", a printed version of the Capital Improvement Plan will not be handed out to the board, but will be available online. For tonight's meeting, key excerpts of the plan were included in the agenda packet for review which was the school by school priorities, completed projects, and the ten year plan. Page B of the handout was the "Project Accounting Based on Estimates – Comparison of Renovation to Improvements". This sheet summarizes every district building and the identified improvements per building. The total estimated budget for the identified improvements including fees and contingency is \$122 million. Mr. Fazil asked the board to note that the \$122 million dollar figure included money for the Nitschmann Middle School project at approximately \$64 million; if this amount budgeted for Nitschmann is removed, the total budget is cut in half. He explained that what this means is that

overall, the district's facilities are in good condition. There are a few other buildings that are in need of larger repairs such as Fountain Hill Elementary School. He recommended continuing to upkeep the district's facilities so that buildings do not fall to disrepair. The district's total buildings are approximately 2.4 million square feet and at a conservative estimated value of \$150 per square foot, the infrastructure is worth \$390 million dollars.

Mr. Stein said that in the past, bond funds have been used to fund capital improvement projects. On average, there have been seventeen projects completed per year and about \$2.4 million was spent per year. Page C1 and C2 in the agenda packet was the listing of the most recent projects completed. These projects were "must fund" projects that needed to be done in order to keep the schools open and functioning. Mr. Stein recommended investing one percent of the district's total facility value back into the facilities each year, which would equal about \$3.9 million dollars. Small projects will become large projects if they are not addressed within a timely manner. The ten year plan that was developed in 2001 is coming to an end.

Mr. Fazil said that with the support of the school board and community, the outlined ten year plan was successfully implemented. The one project that stands out is Nitschmann Middle School, as this has not been completed yet. Rosemont and Fountain Hill are in need of improvements, as well as Thomas Jefferson and William Penn Elementary Schools.

Mr. Stein said that a backlog of infrastructure repairs continues to grow as the capital needs are not being addressed. Page D2 of the agenda packet outlines the highest priority projects that are being considered for future projects.

Mr. Fazil said that the list is not categorized by priority, but rather alphabetically. This is to give the board an idea of what projects need to be addressed, and why money needs to be continually invested in the district's facilities. Mr. Fazil noted that the list did not include any items for Nitschmann and most of the items from Thomas Jefferson and William Penn with the exception of the HVAC systems. The stadium project is one that may be brought to the board for consideration in January 2012 as the piers do need to be addressed.

Mr. Stein said that the stadium project is a good example of a small project that could become a large project if not addressed soon. The district needs a plan in place for how to maintain the infrastructure; this can be done by implementing a sustainable funding plan. Some funding sources that are being looked at are the general repair budget and the general operating budget. Mr. Stein suggested increasing the repair budget from \$385,000 to \$700,000 for the 2012-2013 year. Page E in the agenda outlines which projects and repairs the money would be allocated for.

Mr. Fazil noted that at the bottom of the list, the high priority energy projects were listed as well. These are viable projects that should be done.

Mr. Stein said that if the energy projects are made a priority now, the savings that are realized from the utility budget can be used to invest in lighting projects. Mr. Stein then said that another option for financing capital improvement projects is that as the district's fund balance continues

to grow, money be transferred to capital reserve to fund the projects. In the future, budgetary surplus could be used to fund the projects as well.

Mrs. Leeson said that the BASD is in a good position with its facilities, and this is in large part due to the management of them by the Facilities Department and DEI. She recommended getting money into the budget on an ongoing basis for the capital improvement projects and agreed with the idea of investing the money saved in the utility budget in energy saving projects such as lighting. Mrs. Leeson said before considering developing a capital reserve fund or transferring money from the fund balance, she would like to see five year budget projections and look at the trends.

Mrs. Follweiler questioned the “contingency, permits and miscellaneous” fees of 13.5% listed on page D2 and E. She asked what these were for.

Mr. Fazil answered that the scope of the projects listed has not yet been developed. Once they are done, there may be modifications or adjustments that need to be made. Contingency fees have always been retained for unforeseen or unanticipated problems. This 13.5% covers the costs for these unforeseen items. Mr. Fazil also said that this category used to be listed as 20% on this form, but he was asked to separate engineering fees from the rest of the project costs.

Mrs. Leeson questioned why the SPARK building was listed on the projects list. She believed that there were numerous projects on the list that should not be addressed at this time.

Mr. Fazil answered that the list she was referring to was just an overall summary; it was not a recommendation of projects that need to be completed at this time.

Mr. Stein said that at this time, he does not need direction from the board; this information was being presented for informational purposes. The administration will request action in the coming months.

Dr. Roy said that this year, the timing for projects is different. In years past, it was known that a project was being funded out of bond funds and how much money was available. This year, the budget needs to be developed before it can be decided what projects can be done and how much money is available. Dr. Roy also said that he would like to remind the board that the sale of the Bethlehem Area Vocational Technical School building will generate approximately \$385,000 in one time funds. He urged the board to invest this back into the facilities.

Mr. Stein then discussed item number three on the agenda, Request for Proposals (RFP) for Transportation Department Operations Review. He said that the BASD has one of the largest transportation departments in the state, and reviewed the facts of bussing, fleet and staff. Mr. Stein explained that an operations review will look for ways to save money and increase efficiency and internal processes.

Mrs. Leeson asked what the approximate cost would be of the operations review and if it was possible for the district to conduct the review internally.

Mr. Stein answered that the cost could be anywhere from \$10,000 to \$50,000 dollars. Smaller parts of the review have been done internally, but the larger, more complex parts are beyond the abilities of the district. A third party review would benefit the district.

Mrs. Leeson suggested continuing to investigate further using public transportation.

Mr. Stein said that this item would be considered.

Mrs. Follweiler asked if there were any firms that would assess their fees based on a percentage of the savings to be found rather than a flat fee. She asked if it was possible to include this as a condition of the RFP.

Mr. Stein said that this could be included and also said that any efficiencies that may be identified will more than pay for the cost of the review. For example, if one bus route is able to be removed by consolidating runs, it is possible to save \$30,000 to \$50,000.

Mr. Faccinetto said that he would like to note that even though the transportation department is one of the largest in the state, it is run by only five employees and seven mechanics. They should be commended for running the department on such a minimal amount of staff.

Mr. McKeon said that over the past two years, there has been \$1.5 million dollars cut from the budget that was set aside for replacing buses. If the district continues this practice and does not replace buses, the district will have to consider outsourcing transportation. He said that he would like to see the operations review completed and asked if it was possible to lease buses.

Dr. Roy said that he believed this should be part of what the district asks for in the RFP.

Mrs. Ortiz asked if it was possible for the district to lease buses for the longer field trips. This is information she would like to see included in the review.

Mr. Burkhardt asked if the action that was being requested of the board was to just obtain proposals, not enter into a contract. He wanted to make sure that the board would have a second opportunity to review this item.

Mr. Stein answered that Mr. Burkhardt was correct.

Mrs. Cann asked if there were companies that specialized in doing these types of reviews.

Mr. Stein said that to date, he has identified seven firms that specialize in kindergarten through grade twelve transportation efficiency reviews.

After a poll of the board, it was decided that the RFP's could be prepared and solicited.

For item number four on the agenda, Information Items, Mr. Stein said that he would like to provide the board with an update on the sinkholes. There are still two sinkholes that need to be completed, and the remainder of the sinkholes have been repaired.

**AGENDA ITEMS FOR THE NOVEMBER 21, 2011, REGULAR BOARD MEETING –**

After discussion, the board committee agreed to bring the following agenda items to the November 21, 2011, Regular Board Meeting:

- A. Request for Proposals (RFP) for Transportation Department Operations Review

**COURTESY OF THE FLOOR TO VISITORS –**

None.

**OPEN FORUM –**

Mr. Faccinetto asked for an update of the cellular tower project at the Transportation Department.

Mr. Fazil said that the soil borings have been done and the design process is underway. The design process is complicated and this phase of the projected was estimated to take about eight months. He said that he will follow up with the company and provide a more detailed update if the board wished him to do so.

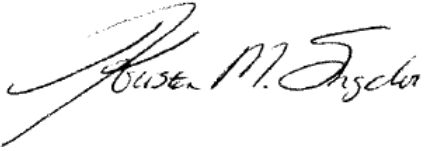
Mrs. Ortiz asked if the district's family centers services are school specific or if they were open to anyone.

Dr. Roy said that because of the grants, the work of each family center development specialist is limited.

Mrs. Tate said that Dr. Roy's statement was correct. For example, the family center development specialists at Marvine Elementary School are specifically tasked with implementing the parents as teachers program. The condition of the grant is that they spend their time implementing this program with zero to five year old children. The families can be from elsewhere in the district and not just the Marvine community, but the time must be spent implementing this program. Mrs. Tate also noted that with the recent ending of various family centers, the district relies on the counselors as well.

The meeting was adjourned at approximately 6:45 p.m.

Minutes prepared by:



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



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Mark Stein, Director of Facilities and Operations