

**NESHAMINY SCHOOL DISTRICT
Langhorne, PA**

FACILITIES AD HOC COMMITTEE MINUTES

**Wednesday September 17, 2014 – 7:00 p.m.
Maple Point Middle School – LGI**

The following Facilities Ad Hoc Committee persons were in attendance:

Facilities Ad Hoc Committee:

Mr. Stephen Pirritano
Mr. Ron Rudy
Mr. Anthony Sposato

Cabinet Consultant:

Mr. Robert L. Copeland, Superintendent of Schools

Others in attendance:

Mr. Scott Congdon, Board President
Mr. John Allen, Board Member
Mr. Mike Morris, Board Member
Mrs. Barbara Markowitz, Business Administrator
Mrs. Maureen Jampo, Financial Services Manager
Mr. Rick Evans, Reynolds Construction
Mr. Damion Spahr, Reynolds Construction
Mr. Scott Downie, Spiezle Architectural Group
Mr. Scott Malin, Spiezle Architectural Group
Mr. Michael Lillys, RBC Capital Markets
Mr. Zach Williard, PFM
Fifty-two members of the Public

The Facilities Ad Hoc Committee Meeting was called to order at 7:00 p.m. by Mr. Pirritano.

1. Review of the Facilities Ad Hoc Meeting Minutes - June 24, 2014:

Mr. Pirritano welcomed everyone and asked if there were any comments regarding the minutes from the June 24 meeting, there were none.

2. Status of the Bonds and available borrowing - Mr. Michael Lillys, RBC Capital Markets & Mr. Zach Williard, PFM:

Mr. Lillys presented 3 debt restructuring financing alternatives for a new elementary school and additional projects. Each alternative included partially restructuring a portion of the 2006 bonds, a budget impact, and estimated borrowing capacity of \$49-61.5 million. Interest rate risk, the timeline of bond issuance, and the benefits of a bank qualified issue were discussed. Mrs. Markowitz explained currently \$500,000 a year is put into the capital reserve fund for projects but contributions could be reduced.

Mr. Lillys explained that the district could do a bond issue in December for most of the money and then a smaller bank qualified issue in January. The benefit of a bank qualified issue is a lower interest rate, a 5 year call date which is easier to refinance, and financing the exact bid amount. A parameters resolution was used for the high school project and defines maximum parameters not to exceed principal amounts and interest rates but allows bonds to be purchased when the timing is optimal vs. a defined date. The timeline for bond sale to settlement is approximately 6 weeks from the date of an adopted parameters resolution.

Mr. Rudy questioned the savings of restructuring the 2006 bonds. Mr. Lillys explained restructuring keeps the budget impact lessened therefore the project is affordable.

A member of the public questioned if the plan is to take \$300,000 from the capital projects fund. Mrs. Markowitz explained currently we pay \$9.1 million per year in debt service. If we move forward, debt service would increase to \$9.4 million per year and could be afforded with no tax increase. The capital projects contribution could be reduced, if needed, but not eliminated. The balance of the capital projects fund is approximately \$9 million at the end of August.

3. Act 39 GESA Energy Update - Mr. Rick Evans, Reynolds Energy Services & Mr. Damion Spahr, Reynolds Construction:

Mr. Rick Evans gave an overview of the GESA (Guaranteed Energy Savings Agreement) agreement which replaces components within a facility to save energy. Reynolds guarantees an amount of savings that can be used to finance the cost of the project. GESA is limited to buildings that need updates but not a complete renovation. A surgical approach is used to review the buildings, so items are grandfathered and do not have to be brought up to code. GESA upgrades typically cost half the price of a renovation. Mr. Evans confirmed the schools that were not identified GESA eligible required too much renovation.

Mr. Evans explained the current schedule for Phase I (Sandburg, Schweitzer, and Hoover). It has been reported to the board and they intend to bid in October, have it voted on November 18, and construction beginning spring 2015. Preliminary estimates have been completed for Phase II (Poquessing and Ferderbar), construction to begin in spring 2016. The bids for Phase I will make it better to approximate Phase II.

A member of the public questioned the breakeven point of the energy project. It was discussed the only self-funding project would be Maple Point. The other buildings will yield energy savings and receive upgraded components on systems that are at the end of their useful life. The work will be completed solely in the summer. There was a discussion about life safety issues, the codes based on life safety issues, and the inspections the buildings receive.

4. Current Status of Tawanka Project - Mr. Scott Downie, Spiezie Architects:

Mr. Malin presented a power point of the design of the 900 seat "house model" Tawanka School. It included re-organized common areas, a security vestibule, nurse's suite, faculty planning, bus loading directly into each "house," a kindergarten play area, a secondary play area close to the gym, 145 parking spaces, a double wide 19 capacity bus zone loop for additional parking, and Bucks County natural and stone materials. The existing Tawanka building will remain being utilized by the IU while the new school is being built.

There was a discussion about the components, structure and logistics of the proposed building and if there are emergency and fire escape plans.

A member of the public questioned if the design of the building was for K-4 or K-5. Mr. Malin confirmed the 40 classroom building was designed 800-900 students at any grade level and compliant with Plan Con regulations. The schedule is on time for board approval in October and the target date for an Act 34 meeting is November. The Act 34 meeting will set the maximum and final contract limit. The target opening date is for the 2016-17 school year. Mr. Pirritano explained all of the students are going to be evaluated and the goal is to get the students to the closest school.

Mr. Pirritano asked the committee if they agree to the consensus to have the full board consider moving to Act 34, it was agreed to move forward.

5. Other Items:

There were no other items.

6. Public Comment:

A member of the public questioned what updates are going to be provided to the existing elementary schools. Mr. Pirritano explained the value of the education will be in the classroom regardless of what building they are in and reiterated the \$91 million dollars of repairs that must be addressed.

There was a discussion about the capital reserve funds and repurposing buildings in lieu of selling properties. Mr. Copeland explained leasing buildings to the IU is profitable for the district.

There was a discussion about saving Everitt. Mr. Copeland explained the issues with closing Miller, that all the students from Miller would not fit into Everitt, there was a higher percentage of kids bused into Everitt than Miller, and the cost of renovations and repairs was higher at Everitt. It was confirmed that class size is a contract item and cannot exceed the limits, and are below the PA limits on class size.

A member of the public inquired when the last population study was completed. Mr. Copeland explained that the demographic study completed 6 months ago captured live births to come up with trends based on projections. It was discussed that the "Gates" community's population is turning over, and not being captured in the demographic study.

There was a discussion about the various population and capacity studies and what decisions can go to referendum. Mr. Congdon explained the consolidation plan does not look at one school's population and capacity compared to another. The district is looked at as a whole; buildings are evaluated by need for repair and transportation of students, and other logistical and educational needs.

7. Next Meeting:

The Next meeting will be Thursday, October 23 at 7:00 pm.

The meeting was adjourned at 10:22 p.m. by Mr. Pirritano.