

BOYERTOWN AREA SCHOOL DISTRICT
Boyertown, Pennsylvania
www.boyertownasd.org

Facilities Committee Meeting
Tuesday, August 30, 2016
Meeting Minutes

Mrs. Dennin called the meeting to order in Mr. Elsier's absence at 6:00 p.m. in the Education Center Board Room.

Board members in attendance: Mr. Breece, Mr. Caso, Mrs. Dennin, Mr. Landino, Mr. Lewis, Ms. Neiman, Mrs. Usavage

Administration in attendance: Dr. Miller, Dr. Faidley, Mr. Szablowski, Mr. Grenewald

Members of the Public: 3

Everyone recited the Pledge of Allegiance to the Flag and observed a moment of silence.

Public Comment Period #1

There were no public comments.

Mrs. Dennin announced that the Executive Session will be postponed due to Mr. Elsier's absence.

Approval of Minutes

Mr. Caso, Mr. Breece and Mrs. Dennin commented that the minutes from the 7/12 meeting were very thorough. Motion to approve the minutes from the committee meeting of 7/12 was made by Mrs. Usavage and second motion by Mr. Caso. The minutes were adopted unanimously.

Discussion/Information/Old Business

Mrs. Dennin turned the meeting over to Dr. Miller.

GESA Project Update

Dr. Miller introduced Mr. Mowry who gave an update on the GESA project. The GESA project encompasses not only the air conditioning but also lighting and a number of other pieces from an energy saving perspective.

Mr. Mowry stated that the project is running very well. There is some sort of air conditioning in all of the schools at this point in time but we are far from the permanent situation.

As far as lighting is concerned, they are pretty far along with the interior lighting at Colebrookdale, New Hanover, Pine Forge and Washington. The lighting contractor worked during the day during the summer targeting interior lighting so they would be out of the way when school started. They are now moving their work to 2nd shift and will work on exterior

lighting as coordinated by the district. There have been no real problems or problems with material access for this part of the project.

We are currently in the process of getting a lot of the equipment in for the HVAC portion of the project. Orders were placed with manufacturers earlier in the year and there were a number of issues involved in getting deliveries including some issues at the factory. Last week we were missing 16-18 pieces of equipment but as of today we have all of the pieces of equipment except 2. The systems at Gilbertsville and New Hanover are essentially done but there is still some tweaking to do with controls. They are operating on a manual control and we need to go back and program the automatic systems. In terms of the other schools, we have supplemental VRF air conditioning. There are rooftop units going in and in some of the larger spaces we needed additional cooling so VRF units were installed at Colebrookdale, Pine Forge and Junior High West and that is essentially operating as of today. The air handling unit for Washington is on-site and will be lifted and started up on Friday or Saturday. The Earl system is in the works. We have temporary cooling units furnished by the contractor at Earl and Washington and they have been working double and triple shifts and weekends to get the work done. There is still work to do. The critical thing now is to coordinate the work between the contractors and the district so that we minimize any disruption to the educational environment. The contractors will stay out of the way and will work in the building simultaneously only in non-student areas during the day. The remaining work will take a few more weeks to complete.

Mr. Caso asked what the original timeline was for having everything up and running. Mr. Mowry stated that the original forecast was to have it up and running now. We are only marginally delayed and it is primarily due to equipment deliveries.

Mrs. Dennin asked who is paying for the temporary units since the equipment delivery wasn't our fault. Mr. Mowry stated that CM3 rented them and it was done at no cost to the district. Dr. Miller stated that our goal was to have an air conditioned space at every building by day 1 of school.

Mr. Caso asked when the project will be completed. Mr. Mowry stated that he can give a better answer tomorrow at 1 p.m. after a meeting that is scheduled to discuss the details. It will depend on how much access they have in coordination with the district. They have all day Friday to work since there is no school. There are still two pieces of equipment missing that will hold up work. Mr. Mowry is guessing it will be two to three weeks. Mr. Caso followed up by asking if we are still within budget. Mr. Mowry stated that we are on a fixed contract amount and it cannot go over that amount without board approval.

BASH Construction Project

Progress Update

We opened on time as scheduled and relatively speaking it went without a hitch. Dr. Miller commended our custodial staff for the job they did getting the building ready for opening day. Without the superb custodial staff and staff from other buildings that pitched in over the weekend, it wouldn't have happened. Although we made the opening date, that doesn't mean everything is 100% done. The amount of work that was completed in August was amazing.

We do not currently have district printing or IT in the old building. We made a decision a few weeks ago to concentrate on student areas to ensure that they would be ready for opening day. The other piece that we don't have are the locker rooms. Our expectation is that we will have these 3 items by mid to late September. IT is currently working out of the library classroom. District printing is where it was last year which is in the basement. The locker rooms are not being utilized by classes. The sports teams are using the team rooms.

One thing to keep in mind is that we missed the mark by a couple of weeks because when you look at the old building we added almost \$700,000 of additional work through change orders. Renovations to the 1st floor were slowed down because of the rocks found there. The added scope of work couldn't be done in the time we had. Dr. Miller stated that the board would be offered a tour after all of the pieces are in place. Dr. Miller stated that in addition to the building staff, Mr. Zazo put extra work in as well as Mr. Grenewald and all of the contractors. It got a little tense at times but they did pull together and pulled it off.

Mr. Breece asked if we have a mosaic that is being put into the floor. Dr. Miller stated that there is a bear picture already in the floor down in the new gym lobby. It was installed with the project but was done in the first phase. There is also a paw print that was put in the art lobby. Mr. Breece would like to know how much the mosaics cost.

Mr. Caso stated that these delays don't seem to be that significant but do we think the overall project will be completed on time. Dr. Miller stated they discussed today how to make up the time that was lost in order to ensure that we still hold to the end date. Mr. Zazo feels confident with the work that was done this summer and the team that we have on site that if we stick to the contract work they will meet the substantial completion date.

Ms. Neiman stated that she knows the finish date is in the contract but asked if it also included finish dates for each phase. Dr. Miller stated that there were completion dates by phase. Ms. Neiman inquired if we would get anything back if the dates are not met. Dr. Miller stated that because of the addition of work there is no penalty.

Date-Stones

Dr. Miller introduced Mr. Cherkasky to show a PowerPoint regarding BASH date-stones. Mr. Cherkasky explained that he got involved with the old building because two years ago his department started producing a documentary on the old building and he became knowledgeable about the history of the building through that process.

Although the building didn't open until 1921, 1919 was the year the foundation was put in and therefore is the year on the first date-stone. The 1919 date-stone was originally located on the left corner of the front of the building.

In 1934, when the district added on to the original building, they changed 95% of the structure. The original 1919 date-stone was moved to the side of the front/right door during the 1934 renovations. The 1934 date-stone was then placed on the left corner where the 1919 date-stone had been. Behind the 1934 date-stone is a time capsule.

A 1955 date-stone was added to the new senior high entrance after ground was broken in 1955. The 1955 date-stone is still in its original location today.

Right around where the auditorium entrance used to be is now a new graphics art room. At this location was a 1994 date-stone that represented the huge addition that was completed in 1994. He learned about the 1994 date-stone when he was at a board meeting where he heard that it had to be removed due to the current construction and that it was being donated to the Boyertown Historical Society along with the time capsule.

Mr. Cherkasky talked to the Boyertown Historical Society about possibly incorporating it into a monument to rededicate the time capsule. Mr. Quigley agreed to return the date-stone and time capsule to us. Based on his research, Mr. Cherkasky believes that some of the items that are probably in the time capsule are a 1994 yearbook, programs from sporting events and music events, a video recording, and photographs. Although the date-stone could probably be put in a wall somewhere, the time capsule would take a significant amount of space so Mr. Cherkasky is proposing that we put it in a monument outside of the East Entrance. The East Entrance was built as part of the 1994 addition and it isn't changing with the new renovations.

Mr. Cherkasky went to Mr. Haddad of the Boyertown Rotary to explain the project and asked if they would be willing to fund it. The Boyertown Rotary is willing to fund the project. A retired architect, Mr. Farmer, who is a member of the Boyertown Rotary, drew up plans for the monument. He designed it so the time capsule can be retrieved by chipping away the mortar around the 1994 date-stone without busting apart the entire monument. The little circle above the 1994 would be the Boyertown Rotary Club symbol. Mr. Cherkasky shared the wording that would go on a plaque on the backside of the monument. It would explain what the 1994 project encompassed and that there is a time capsule to be opened in 2094.

Since every other construction project at BASH had a date-stone, Mr. Cherkasky feels there should be a date-stone for the current project as well even though it is not in the plans. The ideal place for the date-stone would be at the entrance near the new gymnasium but unfortunately that area is already completed. The other area that really represents the new project is the new West Entrance and perhaps instead of a time capsule we could seal in an SD card or flash drive with documents and pictures.

Dr. Miller stated there are two key questions tonight. The first is whether the board is willing to put on the board agenda to allow the Boyertown Rotary to fund the proposed 1994 date-stone monument. Mr. Caso asked where the monument would be located. Dr. Miller stated that the monument would be in the grass outside of the East Entrance across from the football stadium.

The second question is do we want to put in a date-stone for the new project which would cost approximately \$4,700. Mrs. Usavage asked if the West Entrance is near the art room. Dr. Miller stated that the West Entrance will be the new administrative entrance to the high school.

Mr. Landino thanked Mr. Cherkasky for all the research he has done and stated that he is in approval of both date-stones.

Mrs. Dennin also thanked Mr. Cherkasky for the time and effort he put in and for getting the Rotary Club's financial help for the 1994 date-stone. Mrs. Dennin is in favor of both the date-stones and time capsule.

Dr. Faidley thanked Mr. Cherkasky for taking the time to walk him through and visually show him the date-stones. The highlight of the visit was when Mr. Cherkasky took him underneath the building where the gymnasium used to be and he got to see the floor from 1919. Dr. Faidley also thanked Mr. Cherkasky for putting tonight's presentation together and for proactively going to the Rotary Club and making the pitch to them.

Ms. Neiman asked what the cost will be to have the 1994 monument built. Dr. Miller stated that he did not have the cost in front of him. Mr. Cherkasky stated that it has not been priced out yet because they won't be able to build it until the current building project is done because there is so much going on in that area. He stated that the Rotary Club will price it out and find the masonry company. Ms. Neiman stated that she is questioning the cost because maybe we would want to do something similar to that for the new 2017 date-stone rather than physically putting it into the wall. Dr. Miller stated that because the work has not been done on the section where we would install the 2017 date-stone it is not too late to install it. Ms. Neiman thinks that a monument might be better in case we do renovations in the future that would require it to be moved. She would like to see the price for a monument before making a decision for the 2017 date-stone. Mr. Cherkasky stated that the Rotary Club has made monuments before in the Boyertown Park playground and he can ask them how much they cost and get back to Dr. Faidley with the information. Mr. Cherkasky stated that the West Entrance is ideal because it will be the new main entrance and it will be visible to everyone entering the building.

Mr. Breece asked to go back to the second slide in the presentation. He commented that what's amazing about the picture is that it is only 54 years after Boyertown was incorporated at the end of the Civil War. There's history there and the people that were there perhaps knew people that died in the Civil War. The history that is in this town is remarkable. He really appreciates Mr. Cherkasky taking the time to research the date-stones and finding the time capsules that nobody knew were there.

Mrs. Usavage also acknowledged and thanked the Rotary Club and Boyertown Historical Society for being community partners with us and helping to honor the history of our school district and our community.

Ms. Neiman remembers that we had a fallout shelter in the original building. Mr. Cherkasky stated that those signs were put up during World War II when there was the threat of nuclear war. They put fallout shelter signs on the building, meaning you could go into the basement of the building, but the building wasn't specifically designed to be a fallout shelter. Ms. Neiman thanked Mr. Cherkasky for all the work he has done and for going to the Boyertown Historical Society.

Mr. Caso is confused on the date-stone motion. With Ms. Neiman's motion, does that mean we will defer a decision on the original date-stone plan until we get a cost on a monument structure? Dr. Miller stated that there are two different pieces and he doesn't want to lump them together. If the board is in agreement, we can put on the September 13 board meeting agenda to agree to have the Rotary Club take care of the 1994 date-stone. The second piece is whether or not we want to put the addition of a 2017 date-stone on the next board agenda. If we can get the information Ms. Neiman requested before September 13, then we can put it on the board agenda. If not, then we can hold the 2017 date-stone item until we make sure all the information is available.

Mr. Landino stated that it sounds like the board is in agreement that we want to do both date-stones. It is just a matter of getting the cost for the two options for the 2017 date-stone. Mrs. Dennin said we need to set a budget of how much we want to spend and if the monument is only a couple hundred dollars to a few thousand more, we might say yes to the monument but if it's going to be \$15,000 we might say we'll just go with a date-stone in the wall. Mrs. Dennin asked Ms. Neiman if that covers what she was talking about. Ms. Neiman stated that it did and added that perhaps the monument could be of a bear.

Mr. Cherkasky added that they have already started constructing the West Entrance and there might be a deadline when a decision must be made before it becomes too late to build it in. Dr. Miller stated that they will be talking to Mr. Zazo about it because we don't want to miss the deadline and incur additional costs.

D'Huy Engineering Contract

The newsletter two weeks ago included some background information related to our construction manager's contract. The point of that was to give the board some background in order to come in and discuss it tonight.

Dr. Miller presented a timeline. The original contract goes back to May 14, 2013, when D'Huy was hired as the construction manager for what EI, the architect of record at that time, expected to be a 23 month project. That project looked very different than the project we have now. That project had a lot more new construction and had a much different budget associated with it. The reason the new construction piece is important is because new construction is actually easier than renovations where we have to work around students and phasing. The original contract with D'Huy was for 23 months of construction management at a cost of roughly \$778,000.

On September 10, 2013, KCBA was hired to replace EI as the architect of record for the BASH project with the direction to revise the project and get it back to an established budget. On September 16, 2014, KCBA made a presentation at a facilities committee meeting for a 34 month construction project which is very similar to the project we are doing currently. The change in project months changed our construction management needs from 23 months to 34 months, creating an 11 month deficit in D'Huy's contract. There was a letter sent and discussion between Mr. Szablowski and Mr. Fazil related to this deficit. The decision at that time was for the two parties work together to run the project on a tight budget and see how far the \$778,000 could be stretched to get as far beyond 23 months as possible instead of revising the contract at that point.

This summer, D'Huy reevaluated the project because the original contract comes to an end in November 2016. We will still need construction management from November 2016 through the completion of the project. On August 11, 2016, Dr. Miller received a letter, which was included in the board packet, explaining that D'Huy is projecting that there will be a shortfall and they are asking for us to approve an addendum to their contract to cover the additional time at a cost of \$223,000. The \$223,000 does show that they were able to run a tighter schedule and a leaner project. If you go back and prorate the original cost, you get a number closer to \$372,000.

Mr. Caso stated that he forgets how D'Huy's fee was calculated. Was it a percentage of the total construction or was it time and materials? Mr. Fazil stated the original contract was a fixed fee.

Ms. Neiman stated that she went back in the minutes of the board meeting and found that the original amount we were supposed to pay D'Huy was \$974,251 but Dr. Miller stated it was \$778,128. Dr. Miller stated that we are specifically talking about the construction phase which is roughly \$778,000. There were additional costs in D'Huy's contract for the other pieces so \$778,000 is not the total cost. When we switched from EI to KCBA, we had to go back and do more design and development and there was an adjustment in some of the design and development costs for them as well. The \$778,000 is very specific to just the construction phase of 23 months.

Mr. Landino stated that he is fine with contract extension because it is an important service they provide and it is not something we can do without. Given that we have validated that the contract does not extend to the end of the project, it feels like something we need to do. The majority of board members agreed. However, Ms. Neiman stated that she is very unhappy about this.

Ms. Neiman did a lot of research into this, going back to previous minutes, and she remembers being at a meeting where D'Huy said something to the effect that they are very proud because they only have a 1% change order rate and she thinks we are well over 1% of change orders. We keep getting hammered with change orders. She agrees that we do need somebody there but the time for this to be done should have been when we switched architects, not now. It should have been dealt with then.

Mr. Breece commented on Ms. Neiman's statement. If that is the case, then it justifies the fact that we have to do something now. So even though it wasn't handled before, we need to handle it now and we need to move forward with it. He agrees if it is something we should have done prior to now that we should look at our process and see how we missed it. Dr. Miller made the point that if we had done it back in January 2014 we would have been paying an additional \$150,000 more than we will be paying now.

Mr. Caso stated that he likes to fix problems and not to blame. In a perfect world, we would have gone back to the contract and recast the contract back then.

Mrs. Dennin commented that when we had change orders she was under the impression that having a company like D'Huy minimizes the change orders and gets us the best cost as well as keeps the project on time. She asked D'Huy if they have a ballpark figure of what we would not have saved if we had not had them because at one point there was a discussion as to whether we even needed a construction manager.

Mr. Fazil stated that he feels Dr. Miller has done a very fair job of representing the timeline. He appreciates the board's reaction to this matter because he does not take lightly coming to the board requesting additional funds. From day 1, before the board voted on hiring D'Huy, you can go back to the minutes and videotape of meetings and see that he told the board it was an impossible timeline and budget. Mr. Fazil also stated that in the contract the language was specifically put in for 23 months at the board's request. In January 2014, he sent a letter stating it is clearly not 23 months but in fairness they wanted to work with us to help mitigate the cost. D'Huy has tried very hard to be a good partner and to be as open as they possibly could about issues regarding the job and fees. D'Huy has mitigated the costs and absorbed costs. Dr. Miller

is aware of the costs that D'Huy has absorbed that by contract they could have put in front of the board without mitigating because that's the way the contract was written. He assured the board that they have agreed to \$223,000 on a time and cost basis not to exceed that amount. He wants to continue to show us that D'Huy is a firm that has a good reputation and they're honest people who want to do a good job. D'Huy is continuously trying to mitigate issues and hold contractors accountable. The whole team, including the administration team, Mr. Grenewald and the architect, has supported the project throughout. It is hard to put a number on what has been saved. There have been some specific instances that they could come up with numbers for. Every cost that comes through is scrutinized and double scrutinized. He will not tolerate someone saying that D'Huy tried to mislead or did not represent what they were hired to do and are doing for the district. It is hard to put a price on the cost savings and it is the whole team not just D'Huy that should get credit for any savings. D'Huy is trying to be as fair and honest as they have been from day 1 and they will continue to be.

Mrs. Dennin stated that she feels D'Huy has been very fair and has done its due diligence for the district. Mrs. Usavage commented that she thinks D'Huy's transparency and proactive communication with the district has come through and she doesn't think anyone is saying that they are misleading us so please don't take anything anyone said the wrong way.

Mr. Caso stated that everyone in the room knows that he was personally never in favor of the scope of this project. However, a project with this scope needs an experienced construction manager on the ground every day and we're going to have to pay for that.

Dr. Faidley thanked D'Huy for continuing to ensure that we have the large contingency fund. It appears that we made it through phase 2, which was our most difficult phase, and we still have a large contingency left and hopefully when we are finished with phase 3 it will still be there.

Mr. Caso stated that for a project this size the change orders have not been that bad.

Mrs. Dennin polled the board members to see if they were ready to move forward with putting the extension of D'Huy's contract on the next board agenda. The board unanimously agreed to put the vote for a contract extension on the next board meeting agenda. Ms. Neiman commented that this does not mean she will vote to approve the contract extension at the board meeting.

Change Orders

Dr. Miller reviewed the most recent change orders related to the BASH project. There are 11 change orders.

The first change order is related to plumbing and it is for a dry pipe sprinkler system. A while back, there was a change order for a sprinkler system in the old building and that was for a wet system. The space above the small auditorium in the old building and some of the adjacent spaces are not heated so we can't use a wet system in that space because it might freeze. There were conversations about installing an HVAC system up there or putting in a dry system. The recommendation from the construction manager is to put in a dry system because it is the cheaper option to install and has cheaper operating costs in the long run.

There are six electrical change orders. The first few deal with a number of different systems that need to be replaced.

The first electrical change order is for the ATS (automated transfer switch) and EM panel which is related to the generator system in the old building. The ATS and EM panel were originally slated to remain but from the time the project was initially scoped to when the work started it was determined that it really needed to be replaced. It is so old and for us to do the amount of work we are doing in that building and still have that old system poses a risk of running into problem. The recommendation is to switch it out.

Items number 4 and 5 are for electrical work related to the dry sprinkler system and fire alarm devices.

Item number 6 on the handout is for raising smoke detectors in corridors. When the code inspector came in to give us occupancy permits, he made the determination that if we have ceilings removed then the smoke detectors have to be moved and tied up to the highest point in order to get an occupancy permit. That required us to have the electricians go in and quickly push them up because this happened at the point when we were trying to get an occupancy permit to get kids into the building.

Mr. Caso asked why the electricians didn't know the code. Dr. Miller stated that this wasn't required last time. There was a new inspector and new requirements this time. Mr. Caso stated that a new inspector shouldn't matter because the law is the law. Dr. Miller stated that he sat in a meeting for JHW today with a code inspector and what he saw in that conversation was interpretation. While one thing is written, there was a lot of interpretation to the language that is there. In the case at BASH, the inspector we had affected the interpretation.

Mr. Breece asked what the selection process was in getting the electrical, plumbing and general contractors. Dr. Faidley stated that as part of the requirements of law we send out for request for proposals. A team then looks at the information and based on the criteria and the scope of work the proposals are reviewed. The low bid is selected unless there are factors in the proposal that we want to challenge. Given the fact that our bid came in much lower than we anticipated, we selected the prime contractors that we currently have. Mr. Breece asked if 'we' was the board or administration. Dr. Faidley stated that the bid opening was done by representatives from D'Huy, Mr. Grenewald, Mr. Szablowski and himself. They determined which of the companies were low bid and brought them first to a facilities meeting and then to a board meeting for approval.

Mr. Landino stated that his understanding is that we had to select the lowest responsible bidder. Dr. Faidley stated that is correct but there are some exceptions to the law if you want to challenge but we determined that the lowest responsible bidders were the ones that we currently have.

Mr. Breece asked if the board saw all of the different bids or just the lowest bid. Dr. Faidley stated that the board saw all of the bids in a presentation. Dr. Faidley stated that as per law if they are a responsible bidder we have to take the lowest bid. Mr. Fazil clarified that because it is a public bid anyone can see it. He stated that you can put qualification requirements into it but if they can get a bond and insurance and as long as they don't have any legal issues like prevailing wage falsification there are very few options for a public agency to reject a low bid.

Dr. Miller continued with the change orders. Pagoda has a change order for roughly \$1,000 premium overtime work. We normally hold the line on premium overtime work, but this was a situation where a decision had to be made in order to get the work done in time for the inspection. This work was for the Life Safety Systems.

The next three change orders are from E.R. Stuebner, the general contractor. They are all structural change orders that occurred as they hit structural issues in July and August in the old building that needed to be repaired.

The final change order is from E.R. Stuebner and is related to conditions in the building as far as scope of work related to minor modifications compared to what was on the drawings.

The adjustments that are being proposed today total roughly \$41,500 for the overall project and \$159,000 for the old building structure which would bring the total remaining contingency balance to roughly \$7.9 million.

Mr. Caso feels we should have a better explanation on change orders 8, 9 and 10 because they total \$100,000 in change orders which is half of the total change orders. Mr. Caso presumes that each of them were for unforeseen circumstances. Dr. Miller stated that they were due to unforeseen circumstances. Mr. Zazo provided additional information on the work that was involved in change orders 8, 9 and 10. He stated that the majority of the work for item 8 was masonry repairs in the old gymnasium and masonry structures. Number 9 had to do with the wood structure that was on the third floor. There was a lot of wood structure that had to be removed for safety and there were a lot of joists that needed to be resupported. There was also an old stacked stone foundation from 1919 beneath the gym and that's what we built the new mechanical mezzanine on top of. The engineer decided to beef that up a little bit to be safe. Number 10 was a myriad of other items from plaster that needed to be fixed all the way to additional roof repairs.

Mr. Breece asked Dr. Faidley if we were under budget for the contingencies. Dr. Faidley stated that we currently have a contingency balance of \$7.9 million and when we phased the project out we knew that phase 2 had a lot of unanswered questions about would be found in the old building. He feels very comfortable that we are going to remain well under budget and will have a healthy remaining contingency at the close of the project in August 2017.

Mr. Breece asked what would happen to the remaining contingency balance at the end of the project. Dr. Faidley stated that it would be up to the board to determine. Mr. Breece asked what the options would be. Dr. Faidley stated that he believed as long as it was construction related there would be many options but that would be something the board would discuss. Mr. Breece asked if one option was to roll it back into the general fund budget. Mr. Szablowski stated that it could not go back into the general fund budget because the money was borrowed under the premise that it was for building improvements, specifically the high school and JHW. There is language in there to give us leeway if we want to use it for something else but it has to be for construction.

Mrs. Dennin thought we had talked about putting it towards air conditioning. Mr. Szablowski stated that the air conditioning is already funded but we had talked about the extra contingency going towards the expanded scope at JHW.

Mr. Breece asked what happens if the board chooses not to spend the money. Mr. Clough stated it will just sit there until it is used for another project. Mr. Breece asked if we can pay off the debt with it. Dr. Faidley stated that we need to consult with our solicitor to find out what we can legally do.

The Board took a brief recess before reconvening to continue the meeting.

Mrs. Dennin polled the board to see if they wanted the change orders put on the September 13 board agenda. The board unanimously agreed to put it on the September 13 board agenda. Ms. Neiman noted that she would not vote in favor of it at the board meeting.

Dr. Faidley requested board approval to make an expenditure with the district solicitor to draft a legal opinion relevant to Mr. Breece's request for information on what the remaining contingency funds can be used for. Mr. Caso commented that he thought the solicitor had already written a memo pursuant to some discussion on the bond premium this year that addressed the repayment issue. Dr. Faidley stated the scope of the current question goes a little further related to the general fund and he wants to make sure we have a legal interpretation.

Mrs. Dennin polled the board to get approval for Dr. Faidley to have the legal opinion on the contingency fund options drafted. The board unanimously approved the expenditure.

JHW PlanCon D and E

Construction in Pennsylvania requires us to go through a certain number of steps. Dr. Miller turned the meeting over to Mr. Clough to discuss the summary document that was included in the board packet on Friday.

Mr. Clough stated that basically the PA Department of Education is funding part of the JHW project and therefore they follow along through PlanCon forms rather than attending meetings. PlanCon A and B are done and C doesn't apply because we aren't buying property. We are now at parts D and E.

PlanCon D is the accounting piece. Since they are footing part of the bill, they want to see that we are being prudent with how we spend the money.

PlanCon D contains the total estimated project budget of a little over \$21 million. What we basically did was take the Fidevia budget and the soft costs and put them into the PlanCon D forms in the proper locations. They do want a contingency so that is why you will see one on the PlanCon forms. The soft costs are differentiated for all of the different fees. The only change in this budget from the one the board has seen is the financing costs. Mr. Clough emphasized that this is an estimate and is the worst case scenario. Our goal is not to spend what is listed on the form.

PlanCon D also sets the district up for reimbursement. We will get a 10% increase in the reimbursement for renovating an existing building. There is a temporary reimbursement of 16% which is lower than what the district may receive. They will fund a percentage of what the district pays. There is a withholding retainage of .5%.

PlanCon D also verifies that an Act 34 hearing is not required. Act 34 regulates how much a district is allowed to spend and the state only gets involved if you are adding more than 20% of the building's area. This project adds 4.5% to the building area so there is no Act 34 hearing.

The PlanCon D numbers are what our actuals will be compared against. Last time our bids came in \$4 million under anticipated expenses but the climate for construction has changed significantly so we shouldn't expect that this time.

Mr. Caso asked if the financing cost is an allocation of the debt financing clause. Mr. Clough stated that page D03 line H contains the financing costs and Dr. Miller projected them on the screen for the board to see. It is the amount of the financing hard costs assigned to this project from two bonds.

Mr. Landino asked if the contingency costs are included in the \$21 million. Mr. Clough stated that they are listed on page D03 line G8 and Dr. Miller projected it on the screen for the board to see. Mr. Landino asked if the contingency is money we had available from borrowing or is the intention to take it from the leftover high school project contingency. Dr. Miller stated that more conversation needs to happen related to financing the project but there is potential for us to use the leftover BASH contingency. However, \$21 million is the number that we have at our disposal for the project without the leftover BASH contingency. The \$21 million is borrowed money.

Mr. Breece asked Mr. Clough what about the construction climate is not favorable right now. Mr. Clough stated that people are busier. When we were bidding before, we were coming out of the recession and contractors were hungrier for work. Right now there is a known manpower shortage. We are hoping to get bids out early in the year because that should be helpful. We should not expect the bid to come in \$4 million less than anticipated like it did last time. We will be getting alternates so there will be bid day adjustments that the board can make.

Mr. Landino added that before the school year closed at the Berks Career and Technical Center he took a tour of the building trade's area and the teacher said that because of the recession a lot of building trade workers dropped out of the workforce. In the building services area, they had 25 graduates and 50 jobs available to them so there is a manpower shortage.

PlanCon E looks at the site and the building plans. It includes the drawings that the board has already seen with the site and the building. As part of the process, there will be a review of PlanCon E with the state architect that will take place with Mr. Clough's office. Part E also looks at the mechanical, electrical and plumbing systems to make sure they make sense. They also want an outline of the major materials. There are two things they will give additional reimbursement for. They will not pay for site work but they'll pay for what it takes to get to one foot below the floor. In our case that is very little, approximately \$9,000. They will also pay for sanitary sewer disposal costs and the district will get reimbursed for rebuilding the pumping station from 1998. Site suitability questions are also answered on the form. The state also reviews security issues but their version of security is from the 70's and we are more advanced than that. Finally, they monitor government approvals.

There were no questions on PlanCon E.

Mrs. Dennin polled the board to see if we can put the authorization for the architects to submit PlanCon D and PlanCon E to the state on the September 13 board agenda. Mr. Breece, Mr. Caso, Mrs. Dennin, Mr. Landino, Mr. Lewis, and Mrs. Usavage voted to put it on the September 13 board agenda. Ms. Neiman voted no and stated that she feels now is the time to stop this project because it isn't necessary.

Public Comment Period #2

Mrs. Curry asked a question about change order 3 on the handout. She is wondering if these were additions to the original scope of the project. Mrs. Curry also asked if it is possible to post the PlanCon forms that were already approved on the district website for the public to review.

Board Member Comments

Mr. Breece asked when the water meter at Memorial Stadium was installed. Dr. Miller stated that we received our first meter reading on June 8. Mr. Breece would like to compare the water bills from the new meter to the actual bills that we received previously. Mr. Landino commented that we were committed to revisit this throughout the year so we can determine if it was worthwhile for us to build a new well or not.

Dr. Miller stated that Mr. Grenewald and our groundskeeper have been tracking the readings when we do watering. Dr. Miller forecasted that we were using 28,800 gallons of water per watering based on information found on the water gun. Our average, based on 6 watering cycles, is 10,283 gallons per watering so it is significantly lower than what the manufacturer would expect us to be using out of the watering gun. Additionally, Dr. Miller has been in conversation with the American Legion President to talk about whether we can tap into their well. It will be brought up for discussion at their meeting in September.

Mr. Breece added that we now know there is an underground river we can tap into so we know we won't be drilling into nothing.

Mrs. Usavage commended Dr. Miller on this meeting. She liked the way he is putting together the information.

Announcements

September 13, 2016 Board of School Directors, Washington Elementary, 7:00 p.m.
September 20, 2016 Policy Review Committee, Education Center – Board Room, 6:00 p.m.
September 27, 2016 Facilities Committee, Education Center – Board Room, 6:00 p.m.

Mrs. Dennin announced she is working on scheduling an Executive Session. She thanked everyone on the board for doing the board self-assessment. PSBA is working on putting the results together and as soon as we can come up with a date, preferably a Tuesday night, PSBA will come to do a mini-retreat to discuss the results with the board.

Mrs. Dennin adjourned the meeting at 7:49 p.m.