

SOUTHWESTERN CONSOLIDATED SCHOOL DISTRICT
BOARD OF SCHOOL TRUSTEES
April 6, 2011

Members present: Michael Burbrink, Jerry Drake, Jerry Erwin, Linda Isgrigg and Joanna Yeend

Members absent: Misty Tennell and David Rush

President Jerry Drake called the meeting to order at 6:10 p.m. He led the pledge to the United States Flag.

Discussion of proposed Southwestern Elementary HVAC project including window/door replacement, air handlers, campus-wide building security system and improved outside security lighting. Discussion included a campus tour to view issues of concern.

Mr. Drake started the meeting by voicing his concern over the interest structure. He talked about the High School project from several years ago for the track and how those bonds were re-sold to save money for the corporation. He said the taxpayers don't want to pay unless we really need this project to be done.

Dr. Sargent explained that the Board had said last August to move forward with this project at the budget worksession. The Board directed us to move forward which is exactly what we did. He stated that we did tack on a couple of things as per discussed and suggested to add to this project. He questioned as to "Why now, is this all being brought up all over the community as if we have done something wrong?" He agreed that we should have had the walk through of the buildings last fall instead of now. However, these items that are being discussed and rumored all throughout the community should have been brought back to him or to the Board at a meeting. He would not treat any one of them like this and did not like being treated this way himself. He has done nothing but follow the Board's direction in this. Mrs. Yeend noted that she did not like Mr. Drake out in the community speaking as a representative of the entire board. He said he had the right to discuss the project with people. She noted that the community believes that he is representing the entire board when he is speaking to them when he is not really doing that. He stated that he cannot control what people think.

Mrs. Rooks had been asked by a Board member if we had documentation from anyone else other than the current contractor regarding the status of the equipment. Mrs. Rooks passed out reports from past years regarding the boilers and controls conditions. These reports were from Mr. Tarplee and separate vendors who had been here to look at and repair/replace these units. She also informed them that we have an opportunity if we do the project now to apply for grants through Rush Shelby Energy for Motor Incentive, HVAC Incentive and Lighting Incentive reimbursements due to the energy savings that would result from this project. Mr. Tarplee explained the payback and how it would work. Mrs. Rooks explained the breakdown of the sheet that was given to the Board from Umbaugh. There is rumor in the community that the project amount has gone from way up from the original amount. Dr. Sargent noted that he did not have any clue where or how the amount of \$200,000-\$300,000 to complete the project came from. Mr. Drake said that is the amount the project was going to cost when Cathy Egolf was here. Mrs. Yeend noted that project was ten years ago the prices would not be anywhere near the same. Dr. Sargent stated that the original amount the Board was given in January was \$765,000 for the Total Base + Alternates and an additional amount of \$45,000 for professional services to RQAW and the costs of document printing and plots, mileage, postage and overnight delivery and state and local filing fees. Mrs. Rooks explained how the amount of the estimated bond series came to \$1,140,345. These amounts were given to the Board at the March meeting. She went over them again. She noted that none of the bond issuance costs were included and many other costs that are involved with the bond issue. She stated that the only two things that were part of the project that were additional were the air handlers at \$80,000 which was per the Board's request at the January meeting and \$5,000 more to the RQAW fee for the work involved with that and the keyless entry project for both buildings totaling \$29,570 to provide security in both buildings. She explained that at the preliminary budget meeting with RQAW, Umbaugh, Ice Miller, Dennis Harrold, Attorney, Dr. Sargent and herself it was asked if there were any other projects the school was working on or had

coming up in the near future. The keyless entry project was the only thing at that time that could be thought of. It was suggested to add this to the debt project in order to protect our Capital Projects Funds. Jane Herndon, Attorney for Ice Miller explained the reasoning for this.

Mrs. Rooks asked Mrs. Maurer to please explain why updating/repairing and adding additional lights to the elementary building are necessary. Mrs. Maurer explained that on this past Monday we had a power outage on campus that started around 11:05 a.m. and lasted almost two hours. During this time we had only one small light working in the cafeteria area and the room was completely black. There were students in the room trying to eat lunch. The cooks also had to prepare part of the alternate meal in the dark. The boy's restrooms also were without any emergency lighting. The students handled themselves very well but this is an issue that needs to be addressed. Mr. Tarplee explained that the powerful lights were mostly the original ones and he planned to replace them. He also explained that the new light fixtures that they are planning to install also have an emergency light feature in some of them. These items are in the estimated amount for the base bid work to be completed by the school.

Following discussion, Mr. Tarplee led everyone through a walk through of the building. He started with an explanation of the control system which is a 1994 system and explained that this system is dying. The next area was the boiler room. The boilers are currently operating at 72% efficiency however they are over 40 years old. Scott Latimer explained that due to the age of the boilers they are reaching the end of their life use. If we choose to not replace them now and have to do so in an emergency situation we are going to be in a very bad situation. He noted that our buildings and equipment have been exceptionally well maintained. He stated if we replaced these boilers with more efficient boilers then we will see a payback. He noted the control system is shot and the staff is currently manually controlling it. Mr. Erwin asked what all would be replaced and Mr. Latimer explained. Ms. Herndon asked what would be the life expectancy on new boilers. He stated 30 more years. The next areas looked at were the air handlers and tunnels. Mr. Tarplee explained that the control system is reset daily and they keep deferring back to 1978, 1990 or 1994. He did show where one of the units that had been reset earlier that day had already deferred back to 1990. He then took everyone to one of the classrooms to show the window leakage problems.

Dr. Sargent then explained the vestibule door that is in the alternate bid and the need for these both as a security issue and also for efficiency purposes when the doors are open in the morning and afternoons. Terry Lancer also explained how this works and how the placement of this door frame would allow for future updates to the office area. Dr. Sargent noted that the keyless entry portion of this project is for security purposes. He stated that he still has severe concerns for the safety of our students and staff here. He mentioned the recent Martinsville student shooting situation and noted that this could also happen here. He highly recommends that they do this portion of the project.

Following the walk through Curt Pletcher, Umbaugh explained the interest breakdown and how the calculations worked. He also provided them with the information as to how low the project would have to be in order to have no tax impact at all. That amount including all fees, project costs would be somewhere near \$665,000 total. Mrs. Herndon asked Mr. Lancer if that was even possible to do with the base bid and the additional costs. He said not unless the quotes came in way under bid estimates. Mrs. Herndon explained that due to the legal requirements from the General Assembly they have to present the highest maximum interest. They cannot go over this amount. The amount presented is about a point higher than it is right now and it could come down. We will not know until the bonds are sold for sure what this amount will be. She explained that the costs of borrowing are the same no matter what amount the project will be and that is why the suggestions were made to add anything now to the bond issue.

Following discussion, Mr. Burbrink noted that he would like to see air conditioning in the cafeteria for these employees and students. A question was asked if we could negotiate the bids. Ms. Herndon explained how that process would work. Re-bidding would not be an option if we wanted the job completed on the time schedule we are currently looking at. Mrs. Yeend asked if the drain around the foundation would clear the water in the tunnel. Mr. Latimer explained that FEMA had suggested doing this as a minimum to help with that issue.

Mr. Pletcher noted that the tax impact at this time is very low. He also noted that this is a very good time to lock interest rates in. He stated that they need to know what amounts and figures they want them to use for the April meeting. Mr. Drake said he wanted to keep the project at \$665,000. Mr. Pletcher explained what could happen if they delay the project. Ms. Herndon then explained that direction needed to be given to Umbaugh so they would know how to proceed. She also explained the process for the April 13th meeting and how the Board needs to be prepared. The bid opening is scheduled for tomorrow and the Board needs to make a decision at the meeting on the 13th. It was suggested that they have a meeting prior to the 13th to review the bids and to be prepared for the meeting on the 13th. It was decided that a special meeting would be held on Tuesday, April 12th at 6:00 p.m. Mrs. Rooks will email the bid results to all board members tomorrow following the bid opening.

Mr. Drake thanked everyone for coming and adjourned the meeting at 8:30 p.m.
