

The Finance Committee and the Facilities Committee of Franklin City Schools met at the Hampton Bennett Building in the New Media Center (old Board Room) on Tuesday, May 8th, 2007, at 6:00 p.m.

Roll By Sign-In

Finance Committee:

Present: Board Co-Chair: Mrs. Lori Raleigh
Ms. Amy Creech, Mr. Gary Myers, Mr. Doug Lantz, Superintendent and Mrs. Jana Bellamy, Treasurer

Absent: Mr. Denny Centers

Facilities Committee:

Present: Board Chair: Ms. Heidi Fella
Mrs. Jean Creech, Technology Director, Mr. Jim Martin, MS Principal, Ms. Theo Oakley, Mrs. Vickie Peters, Mr. Steve Woods, Mr. Doug Lantz, Superintendent and Mr. Jeff Johnson, Business Manager

Press: Mr. Christopher Magan, Middletown Journal and Mrs. Peggy Darragh-Jeromos, Franklin Chronicle

Guests: Mr. Tom Pecor

Discussion Items:

Finance Committee:

I. Library Bond Issue Refunding Proposal

Mrs. Bellamy presented information to propose the refunding (refinancing) of the library bond issue, which would provide an estimated savings of \$119,682 to our taxpayers. When the debt is reduced, the Warren County Auditor will reduce the millage and the result will be a savings to taxpayers.

The Finance Committee reviewed the information and it was unanimous to recommend the refunding to the Board of Education. The recommendation will be made on May 14th for possible board approval on May 29th.

II. 5-Year Forecast Revision

Mrs. Bellamy provided the Revised 5-Year Forecast and assumptions. The revisions were discussed extensively at the last Finance Committee meeting. The revisions are listed in italicized blue text for convenience in reviewing the revision assumptions.

The Finance Committee briefly reviewed the information and it was unanimous to recommend the forecast revision to the Board of Education. The recommendation will be made on May 14th and request board approval on May 29th.

III. Audit Report

Mrs. Bellamy provided copies of the fiscal year 2006 audit report. The report was excellent with no citations.

Mrs. Bellamy provided copies of the recommendations by the audit team. Recommendations are not part of the actual audit report. They are recommendations made to assist us in doing a better job. There were only two recommendations: (1) to adopt a cell phone usage policy and (2) student activity processes.

Mr. Lantz pointed out there was no cause for concern regarding the cell phone usage, just a recommendation that a policy be in place. Mr. Johnson will be presenting a policy to the Board of Education on May 14th for possible board approval on May 29th.

Mrs. Bellamy reported that Mr. Rodney Roberts will be working with the student activity advisors to assist in the paperwork process. In addition, the student activity manual has been updated and will be provided to each advisor.

IV. Handout – Off-Setting Spreadsheet

Mrs. Bellamy presented a spreadsheet that provides “Off-Setting” budget information. Board Policy “DD” states in the third paragraph: “When a recommendation is made to the Board for new programs, additional staff, etc. that will increase total costs, the recommendation is to be accompanied with a budget recommendation that will offset the costs where applicable.” The “Off-Setting” recommendations resulted in an estimated savings of \$1,162,503 over the 5-year forecast. The information provided on this spreadsheet was utilized in the 5-Year Forecast Revision.

The “Off-Setting” spreadsheet will be provided to the Board of Education for discussion on May 14th.

Facilities Committee:

V. Middle School Auditorium – Relocation and Renovation

Mr. Johnson and Mrs. Creech provided copies of the proposed Middle School Auditorium/new library layout and proposed facility and technology equipment needs.

Mr. Johnson and Mrs. Creech reviewed the proposed lay out. The largest obstacles are air conditioning, lighting and shelving.

Mrs. Raleigh asked which one of the spreadsheets are accurate?

Original figures estimated facility and technology costs of \$51,800 for the relocation and renovation. However, book shelving and other areas are coming in more expensive than originally estimated (new estimate = \$81,200). Therefore, there was some discussion regarding the increase in the estimate expenses.

Mrs. Raleigh asked why the estimate for the wall was still included.

Mr. Johnson said the wall is still in there for now, but that is something that we need to discuss.

Mrs. Creech said based on our experience from running wire in that building, the walls are tremendously thick. Sometimes it is hard to get through those walls. It could cause the wiring to have to be run outside down the halls to get to that space. So, I felt like it was better to bump up some of that rather than not have enough budgeted to take care of the needs.

Mr. Johnson said we would gain needed classrooms from this renovation.

Mr. Lantz pointed out that a special education classroom could be relocated from Hampton Bennett to the lower level at the junior high building.

After a detailed review of each expense estimate and a discussion of any structural problems with the wall removal was discussed, it was determined the presentation should be made to the entire board on May 14th.

VI. Window Air Condition Units – Update

Mr. Johnson said the master plan provides for the replacement of windows. As we replace the windows, we can replace panels and install window air conditioning units. Capital Aluminum (window contractor) is willing to put these in for us at no cost. We would just have to buy the panels to put into the windows. It was suggested that we should try to get window air conditioning units put into all the buildings as quickly as possible, which is a great idea.

Mr. Johnson provided information regarding window air conditioners in all buildings. Two quotes for installation (labor & parts) have been received. One company proposed \$420 per unit and the other proposed \$800 per unit. There are 130 units. Therefore, the total installation costs are estimated to be \$54,600 for the first company and \$104,000 for the second company.

Mr. Johnson reported that both companies stated they would not be able to install all units before the start of school. Therefore, we would have to use two or three companies to complete this project by that time period.

Mr. Lantz said otherwise, we're looking at about a year and a half or two year period.

In addition, most buildings will need to have their power upgraded before the units can be installed. Mr. Johnson provided the following information regarding power upgrades at the buildings:

Anthony Wayne – power upgrade completed
Gerke – needs electric \$16,000 in plan 2007
Hunter – needs electric \$16,000 in plan 2007
Pennyroyal – needs electric \$16,000 in plan 2008
Schenck – needs electric \$16,000 in plan 2008
Jr. High – may have enough
High School – may have enough

Mr. Lantz pointed out that the electrical upgrade money would have to be encumbered by this summer; therefore, the plan would need to be revised to increase the cost estimates.

Mrs. Bellamy asked about the cost of the air conditioning units themselves.

Mr. Johnson reported that the PTOs are willing to pay for the air conditioning units (\$400 per unit). However, the district would have to front some of the money and be reimbursed by some buildings.

Mr. Lantz said those donations are strictly for hardware (air conditioning units) because the assumption was that when we bid out the window replacement package that the installation costs were included. All the buildings will have windows installed according to schedule. If windows are installed now, some buildings we have to have the units taken out and re-installed when the windows are replaced.

Mrs. Bellamy noted that the installation costs are not included in the master facility plan.

Ms. Fella said the concern is to put air conditioning units in some elementary schools and leave other elementary schools hanging for two, possibly three years waiting on their new windows. So, I think the board consensus was no matter when the window projects are scheduled, we should try to get the air conditioning units in closer to the same time.

Mr. Johnson said I guess the question is, do we want to spend the money upfront to get this done or do we stick to the plan and save the cost.

Mrs. Bellamy said the actual cost would not include the \$52,000 if the PTOs are reimbursing us. It may affect the forecast, but it would not actually cost the district, correct?

Mr. Johnson confirmed that it would be a loan and repaid by PTOs.

Mrs. Bellamy said the cost would be \$54,600 - \$104,000. So, the question is – do we spend (blended rate = \$79,300) and get them done this summer. Did they say they could get them done?

Mr. Johnson said the company that proposed \$420 per unit said they could not get all these done. I talked to three different companies and they all said they could do them but not all of them in that time period.

Mrs. Bellamy asked about several companies working together to complete the units this summer and the possibility of a blended price or even negotiating with companies for one agreed upon price from several different companies.

Mrs. Johnson confirmed that the only way the installations could be completed is if several companies were used.

Mr. Johnson also pointed out that the installation cost would be free if the units were installed as the windows are replaced.

Mrs. Bellamy asked about Pennyroyal and Schenck buildings and their feelings regarding the project, which are in the 2008 plan.

Mr. Pecor said the Pennyroyal PTO is not quite ready to make their fundraiser, but is willing to begin fundraising for the air conditioning units.

Ms. Oakley said Schenck is ready now.

Mrs. Bellamy asked Mr. Pecor and Ms. Oakley additional questions regarding Pennyroyal and Schenck project timing. If it were impossible and/or impractical (financial or otherwise) for all the installations to be done this summer, would it be fair to students in buildings that are scheduled sooner. (Is it fair to delay some buildings until others are scheduled?)

Mr. Pecor said the Pennyroyal staff would love to have air conditioners as soon as possible. However, PTO fundraising has not yet began.

Ms. Oakley said we're ready now.

Mrs. Bellamy said so, they would prefer the district spend the money to have it done at same time?

Ms. Fella said the concern was for testing and those types of things where buildings with air conditioning would have an advantage. My personal opinion is that they go in when the windows go in; so, if your slated in year three for windows then you would get your air conditioning units installed in year three. That is my personal opinion. The board as a whole is a little concerned about giving them to one elementary a year or two before other elementaries.

Mrs. Bellamy said I understand that the board wishes to be fair to all the buildings and not create ill-will between the buildings. However, if the board wishes to do them all at the same time and in the process delays the installations – isn't that penalizing a larger group of kids? Or you would be paying the cost for everyone to have them at once, but isn't that penalizing the district through costs? Do you know what I'm saying?

Mr. Johnson pointed out that we have the problem right now because the high school is partially air conditioned. Some rooms have air conditioning and some rooms do not; so, there is that problem out there.

Mrs. Bellamy said that's true.

Mrs. Raleigh thanked Mr. Lantz for the idea to help our buildings have something that they have never had before.

Mr. Lantz said all of the buildings will get air conditioners – it is just the timing. There is a cost involved for getting the buildings done at the same time.

The information will be presented to the Board of Education at the May 14th work session for further discussion.

VII. Preliminary FY08 Technology Budget

Mrs. Creech provided a copy of the preliminary fiscal year 2008 technology budget and reviewed the proposed expenditures.

The 2008 Technology Budget will be presented to the board May 14th.

Set Next Meeting Date

The Finance Committee will adjourn for the summer. The next meeting will be announced for the month of September.

The Facilities Committee will announce the next meeting at the May 14th work session meeting.

Adjournment

The Finance Committee adjourned at 6:59 p.m.