

**MINUTES OF THE SPECIAL MEETING
OF
FOX RIVER GROVE SCHOOL DISTRICT 3
BOARD OF EDUCATION
MONDAY, APRIL 20, 2009 – 3:30 P.M.
FOX RIVER GROVE MIDDLE SCHOOL LIBRARY**

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CALL TO ORDER AND ROLL CALL

Board President Pat Hughes called the meeting to order at 3:30 p.m. Members present were Tom Mollet, Steve Knar and Pat Hughes. Also present were Superintendent Tim Mahaffy and Principal Karen Machroli. Absent were Board members Gerry Blohm, Kris Germain, Susan McGarrigle, Lisa Anderson and Principal Eric Runck.

WELCOME GUESTS/PUBLIC COMMENT

Members from Control Technology and Solutions (CTS) were welcomed to the meeting. They included Michele James, Account Executive, Mark Graves, Account Executive, Carl Moore, Roofing Consultant, Dave Stensrud, Head of Operations and Project Manager and Tim McCarthy, PE Engineer.

NEW BUSINESS

Ms. James stated that the goal/philosophy of CTS is to create customers for life. Their primary business focuses on K-12 school districts. Their in-house engineers focus on comprehensive and innovative solutions for school districts. One project manager is assigned to the district and will be onsite for the duration of the project. Various references/school districts with similar projects were highlighted. CTS wants to deliver a quality system at a reasonable price that is delivered on schedule. The Board requested good workmanship be included in the project. CTS stated that relationships are the cornerstone of a performance contract. CTS could also help investigate what grants may be available and could help the District write those grants. CTS stated that they are a very flat, private organization, they report directly to the managing partners and they have limited overhead. Districts that used CTS for Phase 1 projects have gone back to CTS for any future projects. Once the project is chosen, no change orders will be brought back to the District.

Dr. Mahaffy stated that references have been very positive.

Board member Gerry Blohm entered the meeting at 3:55 p.m.

Ms. James showed a diagram of the ARS roof. Mr. Carl Moore, an independent roofing consultant retained by CTS, came out and looked at the ARS roof. Section A of the roof is completely surrounded by Section B. All existing roofing in these two areas will be torn down to the deck materials repairing any metal panels or concrete as needed. Drainage issues will be

addressed to eliminate any ponding areas. New insulation will be added to form a ¼ inch per foot slope. An additional peak will be added to drain to the two interior drains complete with a clamping mechanism. The roofing material will be 87% reflective. The upper roof section will be R26 with the lower section of R36. All water will be forced to the outer edges of the roof to new gutters around the outside edge. A roofing reflective membrane for the Board to review was shared. All the seams will be welded together and is 87% reflective. The downspouts will be tied into the existing drains. There is a sewer drain and if possible additional water may be directed to this drain but further investigation is necessary. There is a 20 year leak free guarantee from the manufacturer. Specifications will be written in such a way that insulation, fasteners, etc. will be bought from the same person; that way if any component of that system causes a leak, it is covered and not limited to the amount the District originally paid, not prorated – a straight 20 year guarantee.

Board member Tom Mollet exited the meeting at 4:05 p.m.

Mr. Tim McCarthy, engineer for CTS, discussed the replacement of the windows at ARS. Their recommendation was for architectural grade, custom built windows. They have the best lines, best performance and less infiltration (energy side and comfort side). The lead time for these windows is approximately 12 weeks. CTS are still confident that if they are chosen, they will still meet the timeline with the custom windows. Other window options (store front window) were also discussed.

Exterior doors at ARS and the doors shown to them by Rick Miller at the Middle School would be replaced with fiberglass reinforced polyester (FRP) doors with a continuous hinge all the way down the door. They are anodized aluminum doors that require no painting and come with a 10 year warranty. CTS do not recommend hollow metal doors which have limited insulation and require painting.

CTS recommended vinyl composite tile which is part of their base bid. The tile itself is the same color throughout so scratches do not show. The tile still will need to be waxed. Konecto Flooring was a no wax solution that was looked into. Ms. James will provide names/locations of school districts to Dr. Mahaffy who use Konecto Flooring. They have a plank type as well as a tile type no wax flooring with a 10 year warranty. CTS has not installed Konecto anywhere at this time. If the District decided not to do the 1985 section (classrooms only), \$40,000 can be deducted from their RFP. All abatement in the 1964 section to replace the 9” tile as well as carpet removal is included in the proposal.

Parking lot modification was also discussed but is not included in the RFP as presented. Water draining from the bank and freezing overnight in the parking lot is another problem. A drop inlet and curbing, which is part of the base proposal, would be installed to help this situation. Relocation of some parking spots can also be considered.

Scheduling and pricing followed. CTS said there is grant money available if the District decides to pursue this to do Alternate 1. A CTS project schedule (09-04-03) was distributed. There will be an onsite project manager on a daily basis to manage the subcontractors. Windows and doors are the crucial portion of this project. CTS is willing to preorder this equipment while the District

works on funding and should be on site in July. Engineering up to this point will be free of charge (up to June 1st). CTS hires safety monitors to also watch the project. Background checks on completed on all subcontractors. CTS is registered through the DOE (Department of Energy).

Additional flooring questions and types were discussed.

The not to exceed price of their RFP is \$1,078,776. This includes their measurement verification of the project for the first year. There is no long term service contract. When the project is complete, CTS will come back and verify and measure the savings as part of the base. If the District would like CTS to come out on an annual basis, this would cost between \$3,000 and \$5,000. Further discussion followed on this topic. If there is a shortfall over the 20 year period, CTS is responsible for this shortfall until this is corrected. CTS stated they feel they have presented a good project for the District and can accomplish it in the required timeline and thanked the Board for their time and additional questions.

Chevron Energy Solutions Company was now introduced to the Board – Sharon Uslan, Manager-Midwest Region, John Moraris, Lead Project Engineer-Midwest Region and Dan Brandolino, Sales Director-Midwest Region.

Chevron's goal is to do the project once, do it right and remain a long term partner with the District. Chevron began to talk to Dr. Mahaffy over seven months ago. They did a no cost feasibility study for the District and came to several meetings to explain and prioritize the project.

Chevron feels that being in the Chicagoland area they can be more responsive to our needs. Ms. Uslan reviewed other school districts that had similar scope items (asbestos, flooring, pavement, roofing, windows and doors) and their overall positive experience with Chevron.

Chevron stated that the main challenge is the very short window of time. Ms. Uslan stated that two timelines would be discussed – the project schedule and the financial schedule. Concerns include the bond proceeds and the 30 day petition period, scarce in-house resources to manage a large project and financial constraints. Ms. Uslan stated that performance contracting turned out to be the best choice primarily because of the guaranteed price from a reliable company – no change orders and no big dollars up front for design development. Chevron has been investing all their resources in putting together this project. Chevron looks at this as a good investment; a good relationship.

Ms. Uslan stated that the financial solution included no voted referendum, within the debt service extension base of the district. This would avoid inflation and interest rate costs by getting three projects done this summer instead of spreading it out over years and risking a change in interest rates and inflation that can occur over multiple years. The operational savings would go directly to the operating budget because the money is coming out of the bond and interest fund. Any savings derived from the project helps the operating budget to be more healthy.

Chevron stated that they are different from other companies because they have already built the timelines into their proposal. They feel they can complete all the projects this summer based on

the 30 day window passing. The only project that may take a little longer is the windows, but still could be completed in the fall with no disruption to school programming.

References for Chevron have been very positive. They need this project to go well and have a vested interest to make sure this project goes perfectly. A company that comes from another area who does not have a lot of projects in the area and they would go back to St. Louis if the project doesn't go well. Chevron has a great devotion to understanding the needs of District 3. During spring break, Ms. Uslan and Mr. Moraris was in the District every day for 8 hours a day walking multiple contractors through the building. Chevron did not have any subcontractors at their presentation because they stated that they know the building inside and out and this is their area of expertise. Chevron is not a controls company, not a manufacturer and not a service provider. They do renovation projects. They also did not bring any subcontractors because Chevron wants to have the flexibility to bid it out to many subcontractors based on what the final project will be. Chevron meets quality guidelines and is part of NESCO and the Department of Energy. Chevron has a local office and support to back up your project.

Roofing was discussed at ARS. They look for companies who belong to the National Roofing Contractors Association, the National Fire Protection Association, Underwriters Laboratories, etc. In addition, OSHA and Dunn & Bradstreet records for these companies are reviewed. Roofing, drainage and the parking lot issues were reviewed and the roofing would be completed this summer. The parking lot issue would be part of a Phase 2 project. The core of the roof would be a new Energy Star rated 2 ply modified filament built up roof and has a 30 year warranty for the 1985 section of the building. Chevron thought there would be some value in doing the other section of the roof. They are also proposing a Energy Star rated white polyurethane coating and the warranty for this roof would be extended for another 15 years.

Board members questioned which sections of the ARS roof (1985 or 1964) would be torn off. Mr. Moraris stated that the roof constructed in 1985 would be a complete tear off and rebuilt. Dr. Mahaffy stated that he thought that in Chevron's roof proposal section, the 1964 and the 1985 years were flipped. Dr. Mahaffy questioned why would we do a total tear off of the newer roof area when it's the 1964 that is leaking. Mr. Moraris stated that they studied the roof and that this is the most cost effective approach. He stated that the 1985 section is so deteriorated and so saturated, it is beyond repair. The 1964 section is not original to 1964 and has been replaced since then and Chevron can repair it and get 15 years out of the deal. Board members questioned the picture that Chevron had shown of the standing water and that this would not be a tear off. Mr. Moraris stated that they would fix the tapering of the drainage so the water does not stand and squeeze more life out of the roof. Board members again questioned and wanted clarification on the roof – that Chevron is proposing to do the entire length of the school not just the area around the library – Chevron stated “the entire thing”. The District originally thought it would only be Section A and B around the library. The Board questioned the tearing down of the 1985 section again. Chevron will just build up the low areas where the standing water is. This turns out to be a larger scope of the roofing project then originally discussed. The goal of Chevron is to maximize the investment of the District and this would be a total roofing solution.

Dr. Mahaffy stated that we keep saying 1985 but it should really be 1989.

Mr. Moraris stated that on the 1980's section it would be a complete tear down. He shared samples of the insulation and roof with the Board. He reviewed the thickness of the roof which comes with a 30 year warranty. The other side which would be cleaned, coated, drained properly to the drains would receive a White Knight coating. Mr. Moraris stated that the 1980's section is the worst half of the two halves of the building. The current roof is not as good of a system with a single ply membrane. The membrane punctures easily and expands and contracts a lot with the weather (sun) making the seams split open more easily. Dr. Mahaffy stated that there has been some leaking in that area but was more concerned about the water park on the other side of the building. Mr. Moraris stated that this roof would come with a 15 year leak proof warranty and around each downspout they would put a 4' sump to make sure the water completely sinks into there.

Ms. Uslan stated that the warranty requires a re-inspection every five years. Any damage to the roof would be a cost to the district. Chevron will train us on proper maintenance of the roof so there should be no additional cost. Whoever carries the warranty would re-inspect the roof.

The Board stated that this puts a different spin on the roof situation – replacing the roof on the 1980's wing was not even being considered at this time since it seems to be functioning at this time. The Board did appreciate Chevron looking at the big picture but this makes it hard to compare to other proposals. Chevron stated that this is another reason why they feel they are different from other companies. They did not want the District to tear off a roof that does not have to be torn off for 15 years. After the 30 year warranty has expired on the other roof, this roof can be coated with the White Knight product and give it another 15 years.

Sloping on the 1964 section was discussed. Chevron does not feel that this roof needs to be sloped. The roofing is more durable than the 1985 section.

Flooring was next to be discussed. Chevron does again go through a qualification process for their flooring contractors. OSHA, EPA and Dunn & Bradstreet records are checked on the contractors. In all the areas where there are 9 x 9 tiles, asbestos will be abated and the tiles replaced with new 12 x 12 flooring which matches better with the tile already there. Chevron is proposing using tile for maintenance free solutions – it lasts longer than carpeting and does not smell, get moldy, etc. Tile in the entire building will receive a urethane coating. Current carpeting in the 1985 section would not be touched. The urethane coating would be the best solution to a no wax solution at this time. It is truly a sustainable product. The urethane coating would go on evenly even over the years. An outside source is recommended to reapply this coating.

Ms. Uslan stated that window and door manufacturers also are screened by Energy Star, Department of Energy, the EPA, Dunn & Bradstreet, etc. All windows in the 1964 area would receive all new commercial grade windows which are 1" windows overall, including two ¼" sections of glass with a ½" in between. The trim has an iodized finish. In the 1985 section there would be glazing to the windows which would still bring the energy conservation the District is looking for. Chevron brought along a window to show the Board. There is a thermal break in the sash. The metal on the window cannot act as a conduit to conduct the cold or warm weather into the building. All screens are included for the 1964 wing and any screens missing or that need

repair on the 1985 wing will be done. All the windows on the school will match. Sheet metal around the downspouts on each side of the doors will be recovered to match the windows and doors with no painting required.

New insulated anodized aluminum energy efficient commercial grade doors and hardware will be installed on all doors at ARS.

Planning, design, engineering, construction management, subcontracting, equipment selection, financial consulting, the guarantee, commissioning, maintenance and operation and training and final completion is included in Chevron's proposal. Ms. Uslan stated that this job is not finished until District 3 says it is finished. This why they feel performance contracting is the better solution. The break out of the timeline and pricing was discussed and Ms. Uslan will email this to Dr. Mahaffy. Chevron's total amount for their RFP is \$1,064,342. The timeline is as follows – selection on 4/27/09, project review and legal review of the agreement, warranties, etc. on 4/28/09 or as soon as possible, final scope and price by May 11th, approve the Agreement on May 18th with projects under construction in the summer with a job close out on or before December 31st.

The financing timeline could include the Resolution of Intent to sell bonds at the April 27th Board meeting or at a Special Board Meeting. The Board president will call for a BINA Hearing and the Resolution of Intent would be published in the local newspaper at least 7 days prior to the Hearing. The Hearing would be May 18th. The 30 day petition period ends May 30th. Bonds would be sold on or around June 18th with the Bond Resolution being approved on June 22nd, file the Resolution with the Clerk and close the issue the beginning of July. Chevron can float some funds till everything is done.

Board member Tom Mollet re-entered the meeting at 5:45 p.m.

The Board reiterated that they have a lot to think about especially in light of Chevron's roof recommendations for ARS. Other expert roof engineers did not present the same scenario. Chevron stated that there is a 5 year re-inspection on the 15 year warranty as well. Dr. Mahaffy stated that he has been warned about these re-inspections. Chevron stated that to take advantage of any warranty you need to do proper maintenance and be sure to look at all warranties in detail.

Monitoring and measurement verification is part of the project and will be done up front and documented once. Chevron feels what they recommend is the most cost effective.

Chevron is ready for a partnership and proud of their track record.

Dr. Mahaffy stated that no action needs to be taken tonight. Tammy Beckwith Schallmo does need some information regarding the amount of the Intent to Sell for Chapman & Cutler. Dr. Mahaffy reviewed the various payment options – debt service extension, debt certificates and operation funds. The Board recommended using \$1.2M for Dr. Mahaffy to give to Ms. Beckwith Schallmo for the debt service extension. Even if the Board decides not to do anything, this does not hurt the District but does give the District flexibility.

Another special Board meeting will be scheduled to review the RFP's and to decide on a recommendation to be presented at the regular Board meeting on Monday, April 27th.

Dr. Mahaffy did meet with Mr. Bob Blumberg, Treasurer for District 3. Mr. Blumberg commented that he was surprised that the Board would even think about using the debt service extension base in this economy. However, Mr. Blumberg agreed that ARS needs a ton of work and we are wise to be looking at it. Mr. Blumberg suggested utilizing some operation funds, debt certificates that will sit in your operating funds over time and also protect those operating funds and a smaller portion of the debt service extension base. Tammy Beckwith-Schallmo will look at this in more detail and does agree that this would be an option. As you look at the financial forecast, the District must remember that the operating funds are healthy now but may not be in the future.

Another special Board meeting will be held on Sunday, April 26th to review the project needs and to review all the Request for Proposals.

ADJOURNMENT

A motion to adjourn the meeting at 6:00 p.m. was made by Gerry Blohm and seconded by Tom Mollet. A voice vote was taken. Voting aye – All ayes. Voting nay – None. Motion approved.

Patrick B. Hughes
President
BOARD OF EDUCATION

Lois M. Bowman
Secretary
BOARD OF EDUCATION