

**Mt. Lebanon School District**  
**School Board President's Report – April 18, 2016**  
**Lawrence M. Lebowitz**

Good evening and happy spring to all! Tonight we will continue the very important process of developing and, ultimately, implementing our budget for the 2016-2017 school year. As discussed last week, on this evening's agenda is a Motion to approve a preliminary final budget of .56 mills while simultaneously utilizing \$750,000 from our Fund balance and cutting expenditures by \$592,000. I stress that this is a preliminary budget which we must pass tonight to comply with state requirements including posting on our website for at least 30 days.

This is by no means, however, our final budget. To the contrary, and as we clearly instructed Dr. Steinhauer and his team last week, we need them to look very closely at ways in which the increased millage can be reduced. This past week, we received some potentially very good news in this regard that both the State Senate and House have approved legislation which, if it is ultimately passed, could result in increased funding to the District of approximately \$344,000 plus receipt of our long-awaited PlanCon money. If both of these things happen, Dr. Steinhauer has indicated that they may well be able to fairly significantly reduce the millage below .56 without any further reductions. We are very hopeful that this will in fact come to fruition and, next month, we

will be able to present and vote upon a final budget which has less of an impact on our taxpayers.

Finally in this regard, but I believe very importantly, we always need to keep in mind the need to balance the commitment which we have to our community to simultaneously maintain the excellence of our education and run the affairs of our District in a fiscally responsible manner. Achieving this balance is always difficult but I do feel that our ongoing discussions, incredibly hard work by Dr. Steinhauer, Ms. Klein and the entire administrative team and, finally, some final resolution from our lawmakers in Harrisburg will enable us to get there. I look forward to our continuing discussions and again thank both my fellow Board members and the administration for their ongoing support.

Tonight's agenda will also include the Board voting on a Motion relating to an "Agreement of Settlement and Release" between the District and our general contractor for the High School Project, Nello Construction Company. As we will discuss, the Motion seeks approval to reimburse Nello for \$205,000 in change orders (as opposed to the \$600,000 which they were seeking) along with a claim for delay damages in the amount of \$792,500 (compared to the \$2.1 million that they were seeking), for a total of \$997,500. While certainly a significant sum of money, this settlement is a fraction of what our potential exposure could have been not even including associated legal costs and expert fees. In

short, and after discussing this issue in great detail with our legal counsel and other experts, we determined that settling these claims (on these favorable terms) would absolutely be in the District's best interests and enable us to resolve claims and get necessary assurances to complete the project in a timely manner from both Nello and their subcontractors. I should add that both our architect and construction manager have contributed to the settlement for which we are greatly appreciative.

Even with the additional payment required for this settlement and release, the total cost of our \$109 million High School Project is slightly over 0.5%, i.e., less than 1%, over the original budgeted amount (including all change orders, soft costs, equipment, professional fees, etc.) This is, I believe, absolutely outstanding particularly considering the complexity of the project, its multi-year term and the ability to phase the project to keep our students in the building at all times. Thank you to Dr. Steinhauer, his team and our partners on the High School Project for enabling us to successfully resolve this matter and very soon complete the High School Project.

In that regard, and because we are (happily) nearing completion of our High School Project, we no longer have the need to receive a monthly construction update from P.J. Dick. Instead, and going forward, we will have construction updates on an "as-needed" basis.

Turning now to a few, shall we say, “lighter” items, I want to first thank our colleagues from the Mt. Lebanon Education Association for their work in the “Celebration of Education” event held at the High School on April 2<sup>nd</sup>. I was able to attend and thoroughly enjoyed seeing the exhibits from each of our schools and hearing several of our performers. This is, again, yet another example of the excellent relationship which our District has with our teachers and the incredible commitment which each of them have to our students.

Another example of this is the Mt. Lebanon Foundation for Education which, this past Saturday, held the Second Annual “Taste of Lebo” event. I also attended this (and, am happy to say, taste tested several delicious hors d’oeuvres!) and am very pleased to report that the event was sold out and extremely successful. Thanks to Sloane Astorino, MLFE’s Executive Director, Dale Ostergaard, current MLFE President, MLFE officers (including our own Elaine Cappucci) and many other volunteers for their time and effort in enabling MLFE to support teacher-driven projects which provide innovative learning opportunities for our students.

Thank you and good evening.