

Lehigh Area School District

Lehigh, Pennsylvania

Building Informational Meeting

Thursday, May 21, 2015

6:00 PM

Administration Board Room

Minutes

Pledge of Allegiance

Call to Order - A building informational meeting of the Lehigh Area School Board was held in the Administration Building, Conference Room A, on the above date and called to order at 6:00 p.m.

- **Gloria Bowman** - *Tonight's meeting is for informational purposes only. No business will be transacted.*
- **William Hill** - *Why no voting? This is a public meeting. It was advertised in the paper. We can do voting.*
- **Jonathan Cleaver** - *It was advertised as an informational meeting.*
- **William Hill** - *If it's made public we can vote - sunshine law.*
- **Jonathan Cleaver** - *Atty. Schwab advised to advertise as such. No voting.*
-

David Bradley interjected Do you want my phone to call him?

Roll Call -

	Present	Absent
Mr. Rocky Ahner, Member	X	☐
Mr. William J. Hill, Jr., Member	X	☐
Mr. Stephen L. Holland, Member	X	☐
Mrs. Lori Nothstein, Member	X	☐
Mr. Hal Resh, Member	☐	X - Arrived 7:05 pm
Mr. Larry Stern, Vice-President	X	☐
Mr. Wayne Wentz, Member	☐	X
Mr. Andrew Yenser, Treasurer	☐	X - Arrived 6:15 pm
Mrs. Gloria Bowman, President	X	☐
Mr. Brian Feick, Business Manager	☐	X - Arrived 7:05 pm
Mr. Jonathan Cleaver, Superintendent	☐	☐
Attorney William Schwab, Solicitor	☐	X
Ms. Bonnie Cortese, Recording Secretary	X	☐

Board discussion on proposed ESCO projects for Middle School and High School HVAC -

- **Jonathan Cleaver -**
 - Thanks to Trane for coming to answer our questions pertaining to the ESCO and bidding process.
 - We have been pleased with Trane and tonight's meeting has nothing to do with any questions about our dealings up to now.
 - Tonight's meeting is for clarification purposes only.
- **John Linn (Trane) -**
 - Reviewed 5/11 letter.
 - Our challenge as a manufacturer is around the bidding process and an ESCO price.
 - Many manufacturers are our customers and it puts us in competition with them.
 - Puts us in an odd, unethical situation. Could compromise our position.
- **Gloria Bowman -**
 - Estimated pricing - high/low
- **Jonathan Cleaver -**
 - Before LEED
- **Gloria Bowman -**
 - LEED makes the pricing different?
- **John Linn (Trane) -**
 - That pricing is no longer good.
 - The scope of the project changed. It changed and is now a renovation project.
- **Gloria Bowman -**
 - Since this new piece of the puzzle, you haven't provided us with new pricing?
- **John Linn (Trane) -** Yes
- **Gloria Bowman -**
 - Where does that put us?
- **John Linn (Trane) -**
 - On hold.
 - It is only since last Friday that we have a handle where this project is going.

***** Andrew Yenser arrived at 6:15 p.m. *****

- **John Linn (Trane) -**
 - We intend to walk the contractors through the building but are on hold because of this meeting.
 - We will wait until after Tuesday's meeting to hear the decision.
- **Jonathan Cleaver -**
 - Until we have building specs
- **John Linn (Trane) -**
 - We did start but things kept changing.
- **Gloria Bowman -**
 - As I see it we have two choices: for HVAC for the buildings or have Trane do the MS project regardless of the price.
- **Gary Hill (Trane) -**
 - We will have three different prices and you will get to select.
- **Jonathan Cleaver -**
 - If they meet the specs

- › **Gary Hill (Trane) -**
 - With Act 39 you will get everything you want and it will work.
- › **John Linn (Trane) -**
 - We partner How can we do things more effectively, and then pass on the savings to you?
- › **Larry Stern -**
 - Guaranteed savings on the scope of the MS projects.
 - Concern this was on an old system. Will there be a new base line with new upgrades (windows, etc.)?
- › **John Linn (Trane) -**
 - We take the base line as it is today.
 - Redo the base line with improvements (building envelope / windows / efficiencies) and put that into the model.
 - The difference between the two models is guaranteed energy savings.
- › **Larry Stern -**
 - If I don't see the difference between a bid project and a non-bid project (Trane), I don't know the savings.
- › **John Linn (Trane) -**
 - Was referenced in the letter - HVAC only
 - Savings in a conventional project evaporates in 5 years.
 - Presume even the first 5 years
- › **Rocky Alner -**
 - The low bid no guarantee that we'll get your equipment.
 - Risk is on Trane in ESCO.
 - If you are supplying equipment in bids, it's a monopoly.
 - In Act 39, we won't have this problem.
- › **John Linn (Trane) -**
 - 5 years parts / labor warranty
- › **Gary Hill (Trane) -**
 - We design / build / install / we own it.
- › **Rocky Alner -**
 - Eliminates service
- › **Jonathan Cleaver -**
 - Maintenance costs
- › **Gary Hill (Trane) -**
 - You can do the maintenance if you have the manpower.
 - We will provide the training for maintenance / not for service.
- › **Jonathan Cleaver -**
 - What training? To certify the guarantee / warranty?
- › **John Linn (Trane) -**
 - We do not play that game.
 - Need some documentation that it is being maintained.
- › **Jonathan Cleaver -**
 - Basis of design is Trane equipment
 - 5 yrs parts / labor
 - If we go with conventional bid, 5 yrs. Parts/labor?
 - \$1M project savings against conventional process.
 - General conditional risk - how different from change order.

- **John Linn (Trane) -**
 - Call it contingency.
- **Gloria Bowman -**
 - Is the LEED estimate lower than the May estimate?
- **John Linn (Trane) -**
 - LEED project would increase the scope of the project.
 - LEED would be a higher estimate.
- **Rocky Ahner -**
 - LEED project would be going on points.
- **John Linn (Trane) -**
 - Gloria Bowman's point - Go with a LEED project, add 24-35% to your cost projection.
 - Rocky Ahner's point - The reason for LEED is to get the ACE Grant . Still to the good / makes sense.
- **Gary Hill (Trane) -**
 - Every year we have to validate that.
- **Jonathan Cleaver -**
 - Base bid - 12 HVAC bids vs. ESCO
 - If we go conventional, do not have Trane model.
 - \$2.6M HVAC - 31,500 change orders CCTI
- **John Linn (Trane) -**
 - The point on change orders
- **William Hill -**
 - Bid amount - no change orders (Trane replied - done)
 - You guarantee equipment and keep coming back at no cost to us? (Trane replied - yes)
- **Gary Hill (Trane) -**
 - You are buying an outcome.
- **William Hill -**
 - Conventional HVAC can't guarantee - not ESCO
 - Act 39 - all spelled out - gives us breathing room
- **Gary Hill (Trane) -**
 - District has no risk in Act 39.

***** Hal Resh Arrived at 7:05 p.m. *****

- **John Linn (Trane) -**
 - District (1) Education; (2) Risk Management - ESCO project shifts risk to us
 - Conventional: District owns the risk
 - ESCO: We own the risk
- **Gloria Bowman -**
 - For 5 years?
- **John Linn (Trane) -**
 - No, 20 years.
- **Jonathan Cleaver -**
 - After 5 years, if a system breaks?
- **John Linn (Trane) -**
 - Guarantee - parts / labor
 - Focus on energy usage / building performance

- **Gary Hill (Trane) -**
 - Service agreement after 5 years
- **John Linn (Trane) -**
 - Difference between guarantee / parts & labor
 - Year 6 break in equipment is a billable event on the district.
 - You can choose a service agreement.
- **William Hill -**
 - We still didn't sign a construction agreement.
- **John Linn (Trane) -**
 - Doesn't happen until we walk the building and create specs.
- **William Hill -**
 - How long to get this going?
- **John Linn (Trane) -**
 - About 3-4 weeks to get tight numbers
- **William Hill -**
 - We have to get moving on this.
- **John Linn (Trane) -**
 - We are not going to train people to service Trane.
- **Gary Hill (Trane) -**
 - We have classes up to 12 to use the controls.
- **William Hill -**
 - I personally can't find a down-side with ESCO.
- **Jonathan Cleaver -**
 - Biggest concern is the cost of bid vs. ESCO
 - If we do this, we won't see this.
- **Larry Stern -**
 - The difference is the on-going service.
- **Rocky Ahner -**
 - Looking for someone who will be there long term.
- **Jonathan Cleaver -**
 - Before you sign a contract, need to have hard numbers.
- **Gloria Bowman -**
 - Open-book format - not for free.
- **Jonathan Cleaver -**
 - Will we get cost of equipment and bids?
- **William Hill -**
 - Have HVAC for MS/HS - own bid packages
 - Mechanical Prime
 - ESCO bids
- **Jonathan Cleaver -**
 - On 5/26 - there will be two separate motions
- **William Hill -**
 - Detailed energy audit
- **William Hill -**
 - Have motions on an addendum for 5/26

Public Comment (limited to three (3) minutes as per board policy) -

1. David Bradley - ESCO

- *Since this was an advertised meeting it should be a Question & Answer*
- *Questioned why the district continues with the elementary center concept vs. renovation*

Gloria Bowman

- *I said it is comments only.*

Jonathan Cleaver

- *Look at schools that have much more dire need.*

David Bradley -

- *Questioned why we have not proceeded with the Trane project*

Jonathan Cleaver -

- *They do not have a letter of commitment*

David Bradley -

- *6,000 votes to people who said we want to renovate these schools.*

Gloria Bowman

- *There are a lot more than HVAC systems that need to be looked at. Feasibility study*
- *\$5-6M a piece*

David Bradley

- *You just proved you did not read it.*

Adjournment -

Next regular scheduled meeting is Tuesday, May 26, 2015 at the Administration Building.

MOTION by Mr. Stern, SECONDED by Mr. Holland to adjourn the meeting at 7:26 p.m.

VOTE: YES - 8 NO - ABSENT - 1 ABSTENTIONS -

Motion carried.

Respectfully submitted



Brian Feick
Board Secretary

(Minutes of May 21, 2015 include Pages 1 through 6)