

Chappaqua Central School District

Review of Facilities and Operations
Covering the NYS mandate for the year ending June 30, 2014

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TOBIN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, PC

To the Board of Directors
Chappaqua Central School District
Chappaqua, New York

We have performed an intensive review in the area of Facilities and Operations for the Chappaqua Central School District (the District). The purpose of this engagement is to ensure compliance with applicable New York State laws and regulations under the Fiscal Accountability Initiative for the fiscal year ended June 30, 2014.

Our report provides results of our review performed on the selected area. In addition, our report indicates any areas for which we believe improvements can be made to existing processes and internal controls.

We are pleased to have had the opportunity to serve you and look forward to reviewing this report in detail with you. We would also like to thank the Board of Education and the employees of the Chappaqua Central School District for their time and assistance during our engagement.

Sincerely,

Tobin & Company
Certified Public Accountants, PC

Purchase, New York
November 30, 2013

At the request of the Audit Committee of the Chappaqua Central School District ("the District") we have performed an intensive review of the District's Facilities and Operations. Our review included, but was not limited, to the following procedures:

- 1) Detailed interviews of District personnel and documentation of these interviews through industry accepted checklists.
- 2) Review of District's procedures over work management.
- 3) Review of District's procedures over general maintenance and preventative maintenance of equipment.
- 4) Review of District's policy & procedures over maintenance workers overtime and staffing.
- 5) Review of District's procedures of tracking equipment and inventory.
- 6) Physical inspection of maintenance depot, work areas and equipment room.
- 7) Physical walk through of various building facilities, fields, boiler rooms, etc.
- 8) Physical inspection of locked doors and security measures at several District buildings.
- 9) Review of facility usage policy and procedures.
- 10) Review of efficiency initiatives and plans.

Key personnel interviewed during our review process were as follows:

Assistant Superintendent for Business – *John Chow*

Director of Facilities – *Joseph Gramando*

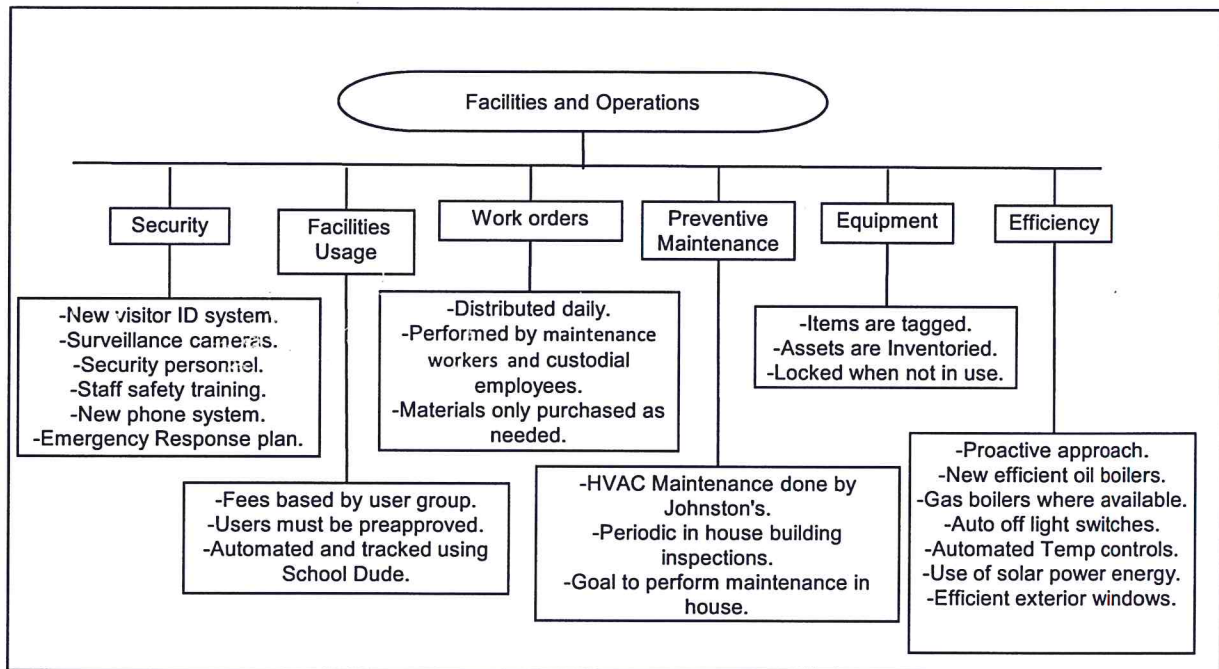
Maintenance Mechanic Buildings – *Jorge Barreiros*

District Courier – *Vincent Gavigan*

Secretary to Director of Facilities - *Margaret Kuhar*

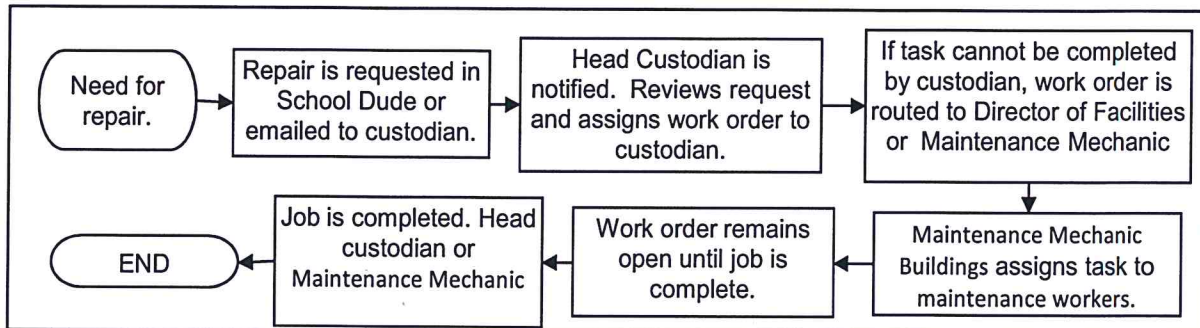
Overall, we found the District to have good policies and procedures in its area of Facilities and Operations. We noted steps towards preventative maintenance on its equipment and efficiency improvements in the buildings wherever and whenever possible. The Facilities and Operations department is also moving towards fully automating many of its components such as HVAC temperature and air control. The District utilizes School Dude software to automate the building rental activity, but does not fully take advantage of its work order module. Our review did not note any significant weaknesses; however we did note some minor areas for potential improvement. Those observations as well as our recommendations are detailed in the body of this report.

Overview



Work Order System

Overview



The District utilizes an automated work order system called School Dude. The software is used by most school districts, and is an excellent tool in organizing, prioritizing and tracking the maintenance work load of the District. When used to the fullest extent, the user is able to generate reports that can be used to analyze the work flow of the District. It can also allow the District to determine whether staffing is adequate, how staff is being utilized, and help identify continuous repair problems. The software can also be setup to track costs of material and labor of particular work orders.

Most of the District's work orders are communicated through email or verbally. When a repair is requested, the head custodians of each building are initially notified and assigned to the task. If the task cannot be performed by the custodial staff, the work order is passed onto the Mechanic Building Supervisor, who assigns it to the appropriate maintenance workers. On a daily basis, the Director of Facilities and the Maintenance Mechanic Buildings meet to review overall work orders and resolve any issues. They are also in contact with each building's head custodian delegating work orders and following job progress.

Both the Director of Facilities and Maintenance Mechanic Buildings perform surprise visits throughout the day to ensure the staff is performing the tasks assigned to them. Completed work orders are reviewed periodically for reasonableness of hours spent, and who performed the work.

Observations and Recommendations:

- 1) Observation: During our conversations with various custodial and maintenance workers we learned, in most buildings, School Dude is not consistently being used. Only a fraction of the District's work orders are logged into School Dude. At the time of our review, the total work orders in progress logged in School Dude was 76, which is significantly less than actual. Of the 76 work orders 52 were dated prior to June 2013 and as far back as 2009.

Recommendation: The District should require all work orders to be processed through School Dude. Any requests made in any other form should be denied and returned to initiator. The Maintenance Mechanic Buildings and the head custodians should be responsible for checking School Dude each morning and assigning the task to their respective staff. Once completed, the work order should be marked completed in School Dude by the assignee. The work order should then be reviewed and closed by

Work Order System *(continued)*

the Maintenance Mechanic Buildings. On a periodic basis, the Director of Facilities should review the completed jobs and work in progress to ensure work orders are operating effectively and efficiently. School Dude now has an application for smart phones, and we have noted another school district issuing phones to the maintenance workers so they can close their own work orders and keep the work order status live.

Facilities Usage

The District allows certain not for profit organizations as well as the Town to use its facilities and fields. The District has a written set of policies, procedures and fee chart, which are given to all users, and is available on the District's website. The process for facility rental is automated through School Dude. School Dude allows the user to add specific details about the event and/or make requests, and provides the District with helpful reports. The program also tracks user information such as the group's insurance coverage. The program will even prompt the District if the policy has lapsed.

Potential users of the facilities must first make a request to the District. Once approved, the user creates a School Dude account and makes a request for facilities use. The software automatically notifies the proper building departments for approval and then finally to the Director of Facilities for final approval. All the approvals are electronic, and a history is kept. The Director of Facilities denies requests in almost all instances and responds to the user inquiries. We recommend the first approver at the building level ensure that the user meets the District requirements and all documents are present, before it is approved and sent to Facilities.

The District charges room and field usage fees as well as custodial overtime to most users. Certain organizations, identified by the District, are exempt from room and field usage fees. The District has recently updated its fee structure as of July 1, 2013. The facilities and operations secretary invoices facility usage twice per year. The invoices are generated and tracked in School Dude. User payments are remitted directly to the Business Office and received by the Business Office Assistant. The invoice is marked paid in School Dude.

Noteworthy Observations

- Facility usage is automated through School Dude software.
- Director of Facilities reviews and approves events.
- District annually reviews usage fees.

Observations and Recommendations:

- 1) Observation: The Town of New Castle uses a significant amount of District facilities through-out the year and pays the District a lump payment each year for the use. During our review, we learned the Town occasionally sublets its reserved facility time to outside organizations. The District has recently enacted a fee for subletting time to an outside organization. At the date of our review, the Town owed the District approximately \$19,300 in sublet user fees of which \$7,120 is over 8 months outstanding.

Chappaqua Central School District

Observations and Recommendations

Facilities Usage (continued)

Recommendation: We recommend the District take necessary steps to collect the additional charges invoiced to the Town. In the future, the District may want to review its arrangement with the Town to ensure both parties are in agreement that additional charges will be assessed for subletting.

- 2) Observation: The Town of New Castle sublets a portion of its facility usage time to outside groups. The District is given very little notice by the Town as to who is subletting the facilities during the year. As a result the District is sometimes unaware of who is using the District facilities and whether or not the user has proper insurance coverage. It also is very difficult for the facilities department to later identify usage that should be charged a fee because it is masked under the event title of the Town.

Recommendation: In the District's endeavor to strengthen security, the Town should be required to provide the District with a list of groups that will sublet or potentially sublet the District Facilities. The facilities department can then update its event calendar in School Dude. This will also ensure any events that require subletting charges will be easily identified and invoiced. The Town should also provide certification that the user group is covered under the Town's insurance policy.

- 3) Observation: The facility usage invoices are processed through School Dude twice per year and tracking of the outstanding receivables are done infrequently. The process for identifying billable events and calculating fees is time consuming. It involves a significant amount of time from both the Director of Facilities and his assistant. We tested 63 events out of 1258 for the period February 2013 through August 2013. We noted 2 events were not billed for a total amount of \$1,037.

Recommendation: While the facility billing is not a significant part of District revenue, we recommend the facility billing be done on a more frequent basis, whenever possible, to ensure all events are invoiced.

Buildings and Grounds Employees

The District has approximately 46 custodians/cleaners and 7 maintenance workers that conduct the majority of the cleaning and repairs of the District facilities. Due to budget constraints, the District must constantly monitor the efficiency and accountability of time from maintenance and custodial staff. The School Dude work order system is one effective way to track employee time.

The head custodians report to the Director of Facilities on a daily basis and meet on a monthly basis. Maintenance workers report to the Maintenance Mechanic Buildings each morning. On a daily basis the Maintenance Mechanic Buildings provides the maintenance workers with their work duties, follows the progress of current jobs, and orders materials as needed.

Observations and Recommendations

Buildings and Grounds Employees (continued)

He performs unscheduled visits to each location to ensure the employees are performing the tasks they were assigned. All employees are required to report to the facilities and operation depot each morning, during lunch and at the end of the day. The employees clock in and out using the Time Piece biometric time clock system. The Director of Facilities periodically reviews reports from the building alarm system to see when the alarms were disabled and armed and compares it to time sheets for consistency. During our walk through of several district buildings, we observed all staff working and the maintenance areas were neat and organized.

The District is currently managing its overtime hours to the best of its ability. Overtime is usually designated for inclement weather, repairs that must be done after school hours or emergency repairs. The Facilities department also staggers shift times, to limit overtime hours whenever possible. Each pay period, the Director of Facilities reviews and approves overtime, through Time Piece, before it is sent to the payroll department.

Noteworthy Observations

- Maintenance workers report to buildings and grounds depot each morning, lunch and afternoon.
- Overtime is limited whenever possible. Overtime is estimated in advance.
- Director of Facilities and Maintenance Mechanic Buildings performs spot check visits on employees and work sites.
- BOCES administers job, material and equipment safety training.
- A management coach is periodically brought in to meet with the buildings and grounds staff.
- Some tasks normally contracted to outside vendors are slowly being performed in-house by District employees during their normal work schedules.

Observations and Recommendations:

- 1) Observation: The Director of Facilities conducts monthly meetings with its staff to discuss all aspects of District duties and industry developments. However, the District should increase its employee safety training to ensure it is in compliance with all OSHA requirements.
Recommendation: The District should provide the Facilities and Operations department with the resources it needs to provide additional safety training.
- 2) Observation: For maintenance staff overtime is approved verbally, but not documented.
Recommendation: All overtime should be requested in writing in advance and sent to the Director of Facilities for approval. All requests should include a reason. This will allow the Director of Facilities to plan work and staff time accordingly.

Observations and Recommendations

Equipment, Tools, and Materials

The Facilities department uses a significant amount of tools, equipment and materials during its daily operation. Overall the District does a good job tracking, maintaining and protecting its tools and equipment and minimizing supply and material waste.

The Purchasing Department tags any tool or equipment that is purchased with a value of \$500 or more. The Maintenance Mechanic Buildings maintains a list of equipment. All equipment is kept locked at the school buildings or facilities and operations depot. Tools and equipment are designated to buildings and/or tradesmen, which allows the District to easily identify misappropriation of assets.

The District owns 20 vehicles comprising of vans, trucks and one backhoe. Some vans and trucks are assigned to tradesmen and are parked in the Facilities and Operations depot each night. Other vehicles are designed to specific school buildings, and are parked on the grounds at night. Only two individuals are allowed to operate the backhoe and are properly licensed. Fuel for the trucks and equipment are obtained at the bus depot. The fuel pumps are operated by Gas Boy software and requires the user to enter a PIN, the vehicle number, and mileage. The District receives monthly reports and tracks the usage. Specific employees are given a PIN that allows them to fill gas cans for smaller power equipment. District vehicles are serviced by a local vendor, and the Maintenance Mechanic Buildings tracks service schedule.

The District does not generally keep inventory of building materials. Any materials needed can be ordered and shipped next day through Grainger. Only commonly used replacement parts such as fitting, nuts and bolts are kept on hand. These items are stored at the building and grounds facility. Building supplies (cleaning, paper products etc) are purchased at the beginning of the year by each building. Each location purchases enough to cover their respective needs. All purchases follow normal purchasing procedures. Orders placed through Grainger are made by the employee using the vendor website. The Director of Facilities must sign onto the vendor website and review, approve and place the order.

Noteworthy Observations

- District purchases materials and supplies as needed.
- District reuses materials and supplies when possible.
- On hand inventory is neatly stored and tracked in the buildings and grounds depot.
- Equipment and power tools are tracked.

Observations and Recommendations:

- 1) Observation: The Purchasing Clerk issues asset tags for equipment purchased over \$500. The Maintenance Mechanic Buildings has a consolidated fixed assets list of equipment; however, no inventory count has been performed to verify those items are still in the District's possession.

Recommendation: The District should periodically conduct a fixed assets count of equipment. The District could perform a count on a sample of items for a selected building each year.

Preventive Maintenance and Efficiency Initiatives

Most school districts have aging buildings that require ongoing maintenance and make it difficult to maximize efficiency. The District makes attempts to improve efficiency wherever possible. As items are replaced, better, more efficient items are installed.

The District focuses on preventive maintenance on all its equipment and systems. Preventive maintenance is the best way to extend the life of the equipment and ensure the systems are running efficiently. The District currently has a contract with a third party vendor to conduct preventive maintenance repairs on all HVAC equipment. The maintenance is conducted on a quarterly basis and the status of all equipment is reported back to the District. The Maintenance Mechanic Buildings tracks all the maintenance schedules on a spreadsheet. It is the future goal of the buildings and grounds department to perform in-house preventive maintenance service.

The District's buildings are annually reviewed by the Building and Grounds department staff and further inspected by New York State. The Board of Directors also performs an annual walk through of all facilities. The Director of Facilities prepared and maintains a five year plan of necessary repairs and projects. Work that cannot be performed in-house is bid to outside vendors. The lawns of the District are landscaped by an outside vendor. The District fields are maintained by the tradesmen in between work orders.

A significant amount of the District's HVAC system is controlled through Johnston's Control management software. This system allows the District to control the heat and air to specific rooms building wide. The District is currently awaiting Johnston's to complete setting up all the controls so it can turn it over to the District. During our walk through, we noted most steam pipes were insulated to eliminate heat loss.

The District is near completion of its energy efficiency performance grant. The project included energy efficient lighting, efficient windows, new boilers, HVAC control systems, air conditioning units and roof replacement. Interior building lights are controlled by automatic sensors, which time out after a period of inactivity. The hot water heater at the High School is powered by solar panels. Most of the District boilers operate on oil and only one building uses natural gas. The Director of Facilities is evaluating the feasibility of converting one of the High School boiler's from oil to natural gas.

Observations and Recommendations:

- 1) Observation: Preventive maintenance schedule is tracked manually.
Recommendation: The District should consider using School Dude to track preventive maintenance. The software has the ability to track all the essential information about the equipment; such as model information, replacement parts, and scheduled maintenance times. All information will be maintained in one central location and the program will send reminders and create work orders when service on equipment is due. It can also be used to schedule and track preventive inspections for roofs, windows etc. The implementation of this recommendation will aid in the District's goal of conducting in house preventive maintenance. Based on our understanding, the developers of School Dude offer a service to data enter all the preventive maintenance information into the software.

Observations and Recommendations

Efficiency and Preventive Maintenance *(continued)*

- 2) Observation: The District fields are the most widely used District facility. The District expends a significant amount of funds and time to keep the fields maintained. This is a common issue school districts are dealing with and trying to control.

Recommendation: An option we see growing among school districts is limiting the access of the fields for the general public, and limiting the facility usage to certain grounds. In doing so, the District can control the wear and tear of the fields thus controlling the cost to maintain. The limited access also allows the District to improve its security over its facilities.

Security

During our engagement we briefly reviewed District security as part of our review of Facilities and Operations. From our walk through and observations, we noted many safety measures established to help protect the District, its students and employees.

Noteworthy Observations

- New phone system installed; all classrooms have phones; emergency calls are alerted to various departments; improved communication abilities.
- District has contracted with a security company to provide approximately 6 security guards. The guards will be assigned to each school building of the District.
- The Safety Response Officers (SRO's) patrol the buildings and grounds each day.
- Buildings and grounds staff participates in safety awareness meetings. The Director of Facilities recently completed an explosive safety training course.
- Each building has an emergency response plan and responsible team. The team and Director of Facilities meet on a monthly basis.
- District performs 4 lock downs and 12 fire drills through-out the school year.
- Remotely controlled fire latch doors have been installed in strategic locations to limit access during an emergency.
- School building doors are locked. One building requires a visitor to flash their ID before entry.
- New visitor ID system will be installed at each school building. The system will run a background check on visitors and issue temporary passes.
- Additional video security cameras will be installed in strategic locations throughout the District. The video will be web based and accessible from anywhere.

The Buildings and grounds department has become the responsible department for all security measures taken on by the District. The department has been involved in the implementation of the new phone system, new security ID card system, new security camera system, new fire latch doors and has also participated in the interview of security guards. While the added responsibility is a strain on the already existing responsibilities, having a centralized location where all the security is handled is important.

Security (continued)

The Director for Facilities maintains an emergency response plan. The plan is reviewed with each building's designated emergency team on a monthly basis. The District also conducts monthly fire and lock down drills. During the lock down drills, the hall ways and classrooms are locked down and the custodians and police officers visit each classroom and unlock the rooms. The custodial staff and tradesmen have attended in house safety training meetings. The Director of Facilities has recently attended an explosive safety training course as well as other safety training courses.

The District has two trained SRO police officers who walk the school buildings and grounds each day. The District has also contracted with a security company to provide the District with six security guards that will be present at all school buildings. Three of the six guards have law enforcement backgrounds. The guards will be housed at the entrance of each building, where they will greet visitors, provide visitor passes and monitor surveillance cameras. The District is implementing a security ID card system that will scan the visitor's driver's license, perform a brief background check, save the image and issue a temporary visitor's pass.

All of the school buildings will be redesigned to include a security guard desk. The buildings have also migrated from old push bar doors (which can be manually unlocked) to lockable doors. The District has also installed fire latch doors which can be remotely closed from a single location (usually the principal's or head custodians office). These doors have been installed in strategic locations to limit the access in and out of the building. During our visit, we noted exterior school doors were locked (except at the high school, see observation 2) and visitors needed to be buzzed in. In one building the visitor was required to flash their driver's license to the camera before entry.

Observations and Recommendations:

- 1) Observation: During our walk through of several District buildings, we noted all exterior doors were locked except at the High School. Upon our visit to the High School we found most of the doors unlocked. We also noted some doors and windows throughout the High School were left opened while the building heat was on.

Recommendation: Due to its design and functionality, the High School is a difficult location to secure. There are several outdoor walk ways connecting each building, and students are allowed to freely move around the grounds. The District should evaluate the possibility of enclosing the outdoor walkways, especially in the front of the building. Enclosing the front walkway of the building would limit access onto the grounds to only one entry point. Within the grounds the students can then move freely. We recommend the District also remind employees at the High School to keep doors and windows closed, not only for security reasons but to conserve energy.

Security (continued)

- 2) Observation: After school hours, the buildings are left unlocked for after school programs and facility usage. Other than the custodial staff, there is no security presence.
Recommendation: The District should consider limited facility usage to one or two locations. This will allow the District to secure all other buildings and control the events. Another option is to charge a security fee for all after school events. The revenue could be used to hire security guards during the after school hours.
- 3) Observation: The buildings and grounds department issues and tracks all District keys. They have a controlled procedure that documents each person that receives a key. During our visit, we noted that a teacher lost their key twice since September 2013. We learned this is a common occurrence.
Recommendation: Employees should be reminded of their responsibility of safeguarding District keys. When a key is lost it diminishes the effort of the buildings and grounds department to control district access and security. As a deterrent, the District may want to consider imposing a replacement fee on an employee for lost keys. We have also noted other school district moving towards proximity cards, which can be easily replaced and controlled.