

PARK RIDGE BOARD OF EDUCATION

SPECIAL MEETING MINUTES

Date: February 28, 2018

Public Started: 7:00 P.M.

Public Ended: 8:00 P.M.

Park Ridge High School Little Theater

I. Roll Call

F. Church	P. Montalbano	B. von Bradsky	R. Sileo	D. Browne	P. Moran	J. Bruno
Y	A	Y	Y	Y	Y	Y

Also Present:

R. Gamper	R. Wright
Y	Y

II. Pledge of *was led by Board President, Joseph Bruno.*

III. Open Public Meetings Statement *was read by Board President Joseph Bruno.*

This is to advise the general public and to instruct that it be recorded in the minutes that in compliance with Chapter 231 of the Public Laws of 1975, entitled the "Open Public Meetings Act," the Park Ridge Board of Education on February 26, 2018 caused to be posted at the Office of the Board of Education located at 85 Pascack Road, Park Ridge, New Jersey and on February 26, 2018 sent to The Record, 1 Garret Mountain Plaza, P.O. Box 471, Woodland Park, NJ 07424-0471 and The Ridgewood News, 41 Oak Street, Ridgewood, NJ 07450-3805 and on February 26, 2018 delivered to the Office of the Municipal Clerk of Park Ridge and the Park Ridge Public Library a meeting notice setting forth the time, date and location of this meeting.

IV. Special Presentation

HVAC Referendum Information

President Bruno reported that there will be a district referendum vote on March 13, 2018. The referendum will have two questions. The first question is to replace the current steam heating system in the old building with a hot water system. The second is to install air conditioning in the A-wing. Question 2 will only be done if both question 1 and 2 pass.

Mr. Somjen gave a PowerPoint presentation. In his presentation, he reviewed and discussed the need for the new heating system. He discussed how the current system operates and why the proposed system is needed. He explained that the cost to maintain the steam heating system has become challenging, with pipes leaking and parts hard to find. Replacing the boilers would not resolve the problem. The proposed boilers are smaller and will operate more efficiently saving

the district money. He then addressed the details of the second question, which asks for air conditioning in the A-wing. New univents would be installed, which would allow for both heat and cold air. This was necessary because the A-wing windows will not allow for window units to be installed. This area represented the final area in the district that remained without air conditioning. Mr. Somjen then reviewed the financing of the project. He explained that the district had saved money over time to do these projects. Mr. Somjen mentioned to the district that these projects qualified for a state subsidy if they were passed in conjunction with a referendum. The Board has opted to try and take advantage of the state money. Regardless of the voting outcome, there would be no additional taxes levied to cover these costs. Mr. Somjen then displayed a diagram of the High School with the areas impacted by the work highlighted. He stated that this referendum represented an opportunity to get a portion of the project paid by the State. He explained that the only way to secure this funding was to get voter approval for the project(s). The budget for question 1 is 2.8 mil. The budget for the A-wing air conditioning is 798,466. The Board received confirmation of their eligibility for state funding in October 2017. All figures have been confirmed.

Lisa Gorab, the Board's bond counsel, discussed the financing of the project. She explained there is the opportunity to get it between 34-40% of cost funded by the State. The reason for this is that if the project is being done for health and safety reasons, the State will fund a portion of it but only pay if voters agree and the district incurs debt to finance the project. In order to meet these requirements, the Board plans to issue short-term debt. The State would pay its share on both the principal and the interest. No additional tax dollars are needed. She reiterated that you can only access State aid with a referendum that passes. Ms. Gorab also explained that the reason for the range is that while the letter the district received says that the State will pay 40%, for the last few years they have only been funding 85% of that number.

Mr. Somjen reviewed the schedule for construction. The district is planning on doing an April bid. Construction would start in June. The contractor would work through the summer and continue through the school year working evening shifts. By December 2019, the project will be substantially complete. The plan is to have both the steam system continue to operate while the hot water system is installed. The new system will run parallel. Mr. Somjen explained that the steam replacement project will still move forward regardless of the vote. The objective is to get funding from the State and thereby stretch the district's capital dollars further. When the district was discussing the steam conversion, they saw it as an opportunity to add the 2nd question and get a subsidy for the air conditioning as the topic kept coming up over the years.

V. Public Comments

George Heller asked about how the new boilers would be installed. Mr. Somjen stated that the hot water boilers would be installed next to the steam boilers. The new boilers are much smaller and can fit next to the old boilers. When the system is completely switched over to hot water, then old boilers will be removed. Mr. Somjen stated that the age of steam boilers is estimated to be between 20-30 years.

Mr. Heller asked about getting vendors to bid on the job. Mr. Somjen explained that this is a publicly bid project. A notice will be placed in the paper for qualified bidders. In addition, a notice will be sent to contractors who have worked on similar jobs for the architect. Mr. Somjen commented that on similar projects he has had as many as 15-16 bidders. Since the district was going to move forward regardless of the outcome of the referendum, the plans will be ready for bid quickly and ahead of other school districts looking to do projects in the summer. This will allow the district to attract contractors who are still hungry, which will benefit the district.

A question was asked if the district received a proposal to repair the system as opposed to replacing it. It was explained that repairing the system was not deemed to be cost effective. There are numerous old pipes in the building that were in bad condition and wrapped in asbestos. It was determined that it would probably cost more than the referendum to patch and replace and would still offer no guarantees for prolonged effectiveness. Mr. Wright also explained that a recent repair to a broken steam pipe in a small section of the proposed replacement area recently cost the district about \$250,000 to mitigate.

Concern was raised by a resident that the money being spent on this project would not be available for other purposes and then the district would have to go back to taxpayers to ask for more money. Mr. Somjen stated that the current system has outlived its useful life. It cannot be repaired. The district did a good job in putting money aside for this contingency. The district is going out to bid early, which will hopefully drive the price down. The district will get the best and lowest price. The hope is to be below the budgeted amount.

A resident asked why air conditioning is needed in the A-wing if it was never there before. Dr. Gamper responded that the A-wing has the warmest classrooms. Air conditioning is needed in those spaces due to students with health issues and 504 plans. The number of those students who are in that category are growing. All of the elementary school rooms are air conditioned. The main building has it. For most people, they did not have this when they went to school but now it has become more of a norm.

A resident asked if the asbestos covered pipes will stay. Mr. Somjen indicated that the plan called for some to be removed where it is easily accessible but they are not sending contractors into tunnels or behind walls to remove it. In those areas it will be abandoned in place. The removal will be done outside of normal school operation. The district has an environmental consultant working with the architect to review where the hotspots are. While there may be surprises, it has been minimized.

A question was asked as to whether the new boilers were going to be high efficiency. Mr. Somjen responded that they would. There will be three units, which will be daisy chained. A follow up question was if there is an estimate on the cost savings. Mr. Somjen stated that he did not have one available. He did state that these boilers will be 80% efficient. You can get higher efficiency but will spend more to buy them. The challenge is that the building is still old. You will still lose efficiency as a result but operating them will be much better.

Mr. Heller inquired why the first proposal was a round number and the 2nd was an odd number. It was explained that this was just how the numbers worked out. It was not intentional. Mr. Heller then asked about the length of the bond. Ms. Gorab explained that the financing was just for one year. She also confirmed that the State will pay both principal & interest as incurred.

Mr. Heller asked about the warranty. Mr. Somjen replied that typically you get a two-year installation warranty (maintenance bond). The equipment itself will have a 10-20 year limited warranty on parts.

Mr. Heller asked why we did not use the 1.4 million that was left over from a referendum in 2009/10. It was explained that those funds were repurposed. It was not a new bonding nor did the district receive additional aid. Furthermore, at the time the field project was proposed, the district did not realize that the steam boiler was in such poor shape. Mr. Heller asked how the district was able to put away up to 6 million dollars in reserve. Mr. Wright responded that the funds are unexpended monies from previous year budgets and have been accumulating for several years.

Mr. Heller attributed this to over budgeting each year. Mr. Moran responded stating that the amount left after each year did not represent a tremendous amount of the budget but rather a small percent. Mr. Heller wanted to know why these funds are not appropriated each year for tax relief. Mr. Wright indicated that some of the money is. It shows up as Surplus Anticipated in the budget. Other funds are set aside to accommodate future projects and unforeseen circumstances. Mr. Heller then commented that he felt the Board did a good job of taking care of the kids. He used the latest issue with the steam pipe break as an example. Maintaining the infrastructure is a major problem and the Board deserves credit for dealing with this. President Bruno thanked Mr. Heller for his comments. He felt it was important to build a reasonable amount of money into the budget for unanticipated items. If the administration comes up with ways to save money, that's a good thing. He stated that he takes these financial issues very seriously. All the board members are impacted by these decisions personally. They want to make sure their decisions will benefit the district.

VI. Adjournment – 8:00 P.M.

M:	RS		S:	BVB			
FC	PM	BVB	RS	DB	PatM	JB	
Y	A	Y	Y	Y	Y	Y	Y

Robert Wright
Business Administrator/
Board Secretary