

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: May 29, 2012

AGENDA ITEM No. 12-05-(2)-09

ACTION ITEM (Y/N) Y

SUBJECT: N.C. Education Lottery Proceeds – 2011-12 Spending Plan

INFO. CONTACT: Dr. George McFarley PHONE: 919-732-8126

ATTACHMENTS:

1. Orange County Board of Education Agenda Item Abstract, dated December 5, 2011, "NC Education Lottery Funds Projects Update"
2. E-mail dated April 11, 2012 to Orange County Government Finance Office, "2011-2012 Lottery Projects"

PURPOSE: To provide the Board of Education with the opportunity to consider approval of the proposed spending plan for 2011-2012 NC Education Lottery proceeds.

BACKGROUND: The net proceeds of the NC Education Lottery go to education expenses, including reduced class size in early grades, academic prekindergarten programs and capital improvements, to include school construction. Lottery proceeds cannot be used for technology purchases or needs. In years past, these funds have historically been used for health, safety, and infrastructural needs that could not be met through the current year's Capital Investment Plan (CIP).

On December 5, 2011, the Board was given an update on lottery fund projects. During this presentation, the Board was informed that lottery proceeds for 2011-2012 had not been released yet. Additionally several high priority projects were unfunded, and staff recommended that projected 2011-2012 lottery proceeds be used to fund these projects. These projects were identified, and there was consensus from the Board that this list of projects was good.

Currently the district has \$304,880 available in NC Education Lottery proceeds to spend during the 2011-2012 school year. From the December 5, 2011 update, of the projects identified to the Board, this funding could cover the following projects:

- OHS Stadium Lights Replace \$115,322
- OHS 170 Ton Chiller Replacement \$147,727

These two projects total \$263,049 and reflect the proposed 2011-2012 NC Education Lottery spending plan. The total \$304,880 has been drawn down by the county, and this leaves \$41,831 in uncommitted lottery funding that will carry-over.

FINANCIAL IMPACT: The \$263,049 in 2011-2012 NC Education Lottery proceeds should be obligated and encumbered this school year.

RECOMMENDATION: The superintendent recommends the Board of Education approves the proposed spending plan for 2011-2012 NC Education Lottery proceeds.

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: December 5, 2011

AGENDA ITEM No. 11-12-09

ACTION ITEM (Y/N) N

SUBJECT: NC Education Lottery Fund Projects Update

INFO. CONTACT: Dr. George McFarley PHONE: 919-732-8126

ATTACHMENTS: None.

PURPOSE: To provide the Board of Education with an update of the approved projects for 2011-2012 NC Education Lottery funds and some possible additional lottery projects.

BACKGROUND: The net proceeds of the NC Education Lottery go to education expenses, including reduced class size in early grades, academic prekindergarten programs and capital improvements, to include school construction. Lottery proceeds cannot be used for technology purchases or needs.

On September 6, 2011 the Board approved the expenditure of \$524,292 in NC Education Lottery proceeds to be used for four HVAC replacement projects. All four HVAC units are over 20 years old, and showing serious signs of age. These specific HVAC replacements are at the following locations:

- 2 EACH 185 ton chillers (ALSMS)
- 1 EACH 170 ton chiller (OHS) *12 wk lead time*
- 1 EACH 20 ton chiller (OHS)

All of the chillers were bid as a package to help drive down the cost. The competitive bids were received, with Warren-Hay Mechanical Contractors the lowest responsible bidder. The recommended bid was \$485,368. To date, the 20 ton chiller at OHS has been received and installed. The remaining chillers have been ordered but not received yet. A difference of \$38,924 remains. Staff recommends these funds stay with this project in the event of unforeseen change orders, given the age of these units. If the \$38,924 is not used, staff will come back to the Board with recommendations for re-purposing these dollars.

+ \$42,073 (lost gtr 2010-11)

The district expects to receive additional lottery funds before the end of the fiscal year. There are several high priority projects which are currently unfunded and the additional lottery funds may be considered for funding these projects. Competitive bids have been solicited and received for the following projects:

- | | | |
|---|-----------|-------------------------------|
| • OHS stadium lights (35 years old) | \$115,322 | <i>BOE says
good list</i> |
| • 1 EACH 170 ton chiller (OHS) | \$147,727 | |
| • 1 EACH 60 ton chiller (OHS) | \$78,000 | |
| • Roof replacement OHS Cultural Arts Wing | \$143,305 | |

FINANCIAL IMPACT: None at this time.

RECOMMENDATION: The Superintendent recommends the Board of Education receive the update of the approved projects funded by the 2011-2012 NC Education Lottery funds to date and discuss some possible additional lottery projects.



George McFarley <george.mcfarley@orange.k12.nc.us>

2011-2012 Lottery Projects

11:05 AM EDT

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To: plaughton@co.orange.nc.us
Cc: Donna Brinkley <donna.brinkley@orange.k12.nc.us>
Bcc: George McFarley <george.mcfarley@orange.k12.nc.us>

Wed, Apr 11, 2012 at 12:25 PM

Paul,

From the \$304,880 we have in this year's lottery funds, here are the projects we want to fund:

- OHS Stadium Lights Replacement \$115,322
- 1 EACH 170 Ton Chiller Replacement (OHS) \$147,727

I know this is only \$263,049 of the total, leaving \$41,831 uncommitted...for now.

Thanks.

George McFarley, Jr., Ed.D.
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