

Arapahoe Public School
Board of Education – Regular Meeting
School Library
May 8th, 2017 7:00 pm

President Dennis Roskop called the meeting to order at 7:03 pm.

President Dennis Roskop announced that the Arapahoe Board of Education follows the rules of the Open Meetings Act which is posted.

The following members were present: Dan Warner, Chad Carpenter, Rod Whipple, Dennis Roskop, Brad Schutz and Lisa Anderson.

The following member(s) were absent: None.

Also present was Dr. George Griffith, Superintendent, Bob Braithwait, Principal and Cassie Hilker, Board Secretary. Visitors were present.

A motion was made by Whipple and seconded by Carpenter to approve the agenda as presented. AYES: Carpenter Whipple, Roskop, Schutz, Anderson and Warner. Motion carried 6-0.

President Roskop welcomed the visitors and asked for Public Comment. Tammie Middagh reported that on Friday we hosted Tom Osborne here at the school. He gave a presentation to the small group that attended and we were very pleased to have him here. On Sunday, we graduated 4 Teammates Mentee's. I am hoping to get those mentors to sign up again. Roskop thanked Tammie for everything she does with that program; it is a very good program. Roskop turned the meeting over to Jesse Volpp with Hausmann Construction and TJ Schirmer with Clark Enersen. Jesse presented a detailed estimate of the guaranteed maximum price. This will be referred to as bid package two. Bid package one was the pre-engineered metal building. Bid package two covers everything from earthwork, grading, site utilities, demo, all finishes, all building envelope, basically everything but the pre-engineered metal building and the footings and foundation. And that bids on next Tuesday, May 16th. We had a pre-bid meeting here this afternoon at 4:00 pm and we had a pretty good turn-out. A number of contractors came and got their questions answered and Dr. G was gracious enough to tour the facility for some of the bidders that wanted to look at some of the existing conditions. This estimate represents everything in the design, the complete program that has been contemplated. This is the full budget at this given time. The pre-bond budget for construction was \$11.7 million and what is currently in this information is approximately \$87,000 over. One thing we've looked at is using the northwest parking lot as an area to protect the budget and having an alternate to go to a rock lot, in the event that everything comes in exactly as shown in this estimate. This would be a little over \$100,000 item. Talking with Dr. G last week, there might be some constituents in the District that may want to see more reductions on the concrete paving. We will look at another alternate to go to asphalt blacktop just to have an alternate. The basis of design is concrete both lots; we have an alternate to go to a rock lot and another alternate to go to asphalt paving. Once we go through the bidding process, we will present those different items and different cost points and it can be the decision of the board as to what is the best value for the District. The budget is broken down in CSI division by scope of work. Starting with Division 3 concrete, 4 masonry, 5 steel, 6 woods and plastics all the way through to mechanical. In addition there is a separate break-out and that is everything site work related. The first sheet is the summation and the next several sheets are renovations and additions and the last two sheets are site work. TJ added that comparing to the last budget that Hausmann prepared last June during the pre-bond and it shows a total project cost of \$14,150,000 with a bond amount of \$12,650,000. There is \$2.4 million in soft costs associated with that, so when Jesse says your construction budget is \$11.7 million, that's construction. In the \$2.4 million there are things included such as our fees, site survey, geotechnical report, legal fees, equipment and furnishings. Hausmann included \$250,000 for kitchen equipment. The equipment and furnishings budget when we set this last June was \$632,000. So, there is roughly another \$380,000 left if the \$250,000 works for the kitchen equipment. There was also a line item for \$469,000 for non-construction costs. The cost estimate that Hausmann has come up with is very close to the cost estimate for construction that the budget was based upon. If that holds true, we are close to being on track. Jesse stated that the \$250,000 for kitchen equipment on the front sheet is not carried in the total of \$11.7 million. It would be included in the \$635,000 set aside for equipment and furnishings in the soft cost amount of \$2.4 million. TJ added that the bulk of this will be bid next week. The kitchen equipment building will be bid later. The footings and foundation will be bid later. Jesse stated that Behlen is working through their design to get loads, reactions and anchor bolt layouts. As soon as they get those in the next 3-4 weeks, we will get those to Clark Enersen then they will take a couple weeks to finalize the design. We will then issue that out for bid and that could be the last bid package. May 16th there will be a lot of bids and a lot of different scopes of bidding. We will spend the rest of that week tabulating the priority bids, the site utilities, and the site grading in order to mobilize and break ground in June. A board meeting will need to be scheduled as soon as possible to award those bids, as early as May 22nd. TJ stated that they have discussed bids; we talked about having a bidding conference next week. Those from the eastern part of the state could deliver their bids to Clark Enersen and local bidders could deliver their bids to the school. We discussed having a video conference to open bids so that everybody sees everything and that would be next Tuesday at 2:00 pm. Schutz asked to clarify the costs. TJ stated that the total project cost was

\$14,150,335 when the board decided to proceed with the bond. Schutz stated that \$2.4 million was budgeted at that time for soft costs. TJ agreed. Schutz asked to clarify the amount of the bond. Warner stated that the bond amount was \$14,150,335 less \$1.5 million, which ended up around \$12.6 million for a bond amount. Jesse stated that \$11.7 million is the construction, bricks and mortar. Anderson asked about the contractor contingency fee of 5%. Jesse stated that the contractor contingency fee is for unforeseen conditions, such as a burial ground or something not found on any survey. It is basically security for protecting the budget. At the end of the day, it is the Districts money that every dollar unspent goes back to the District. It is likely that it will not be spent. There will likely be a contingency reduction once we get through buyout, at that time it could be reduced from 5% to 3%. TJ stated that we are guaranteed to find some stuff with the heavy renovations. Anderson stated that in the contract we, the board, authorize you to use that contingency. Jesse agreed. It will go through an approval process, likely a change order process and whoever the District designates would be approving that. The percentage gets reduced once the risk is lower, so after ground work and utilities. Anderson also noticed that the reimbursable costs are set at 4.1%, what are those. Jesse stated that the reimbursable costs are general conditions, such as our trailer, staff, toilets, dumpsters. Anderson asked if that percentage is a maximum or is it similar to the contractor contingency and could be reduced. Jesse stated that it is a stipulated percentage on the contract and is based upon the cost of the work. Anderson asked about the CMV fee, at a prior meeting it was stated that the CMV fee would be \$593,703 and asked where that is shown on the estimate given. Jesse stated that it is shown on the two sub-total pages and includes the performance bond, management and supervision at 2.55%, and the fee at 2%. Also, it is a function of the cost of work. Basically, if the cost of work goes down, the fees go down. Anderson asked that the only item that is possibly negotiable is the contractor contingency fee without changing scope. Jesse agreed. TJ stated that there will be a lot better of an idea once the bids come in. Anderson asked if the guaranteed maximum price is being agreed upon tonight. Dr. Griffith stated that the idea is to take care of the bids and the guaranteed maximum price at the special meetings. Warner is concerned about the soft cost number of \$650,000. He asked if the \$250,000 for food service equipment was included in the soft cost number or not. TJ stated that it was included, which is normal. Warner stated that if that comes in at \$250,000, there is \$400,000 remaining but we could use the equipment out of our existing facilities and save that money. TJ stated that the amount was actually \$632,000 and it is a percentage. Jesse stated that next Tuesday, there will be a bid tabulation sheet go out. There are probably 20 scopes that individual contractors will be bidding on. That is what we will spend that week working on. We will probably not get through all of them, but we will prioritize the ones that we need to take immediate action on and we will have enough information to update the estimated guaranteed maximum price. It will be supported by assumptions, which will be fewer now than if the GMP was set 6-8 months ago. We will be prepared to enter into sub-contractor agreements and start June 1. Schutz asked if bids were going to be taken for the gym bleachers and floor this time around. Jesse confirmed that there is enough information in this bid package #2 to bid that out. There is the possibility that there are some non-critical items that are not going to be bid out this go around. Schutz asked about the contractors here today and their thoughts about the renovation of the elementary. Jesse stated that some electricians were here trying to get an idea on if some projects could be done now versus later and if it is cost effective to do them now. They talked about changing out the lights in the big gym and possibly some overhead lines for fire sprinklers, but can't tear into it too much this year.

REPORTS

Braithwait reported that all NeSA testing has been completed and submitted. Kids and staff did a great job testing. The last day of preschool is the 11th with programs at 10:00 and 2:00. Honors night will be the 11th at 7:00. The Athletic Banquet will be the 12th at 6:30. There will be a graduation at New View at 1:00 on the 16th and any board members interested in attending are welcome to ride along, just let me know. The elementary fun day is at 1:00 on the 16th. Elementary Honor's is at 9:00 in the morning on the 17th. I will be attending a Law Workshop in Kearney, June 6th and 7th. Our High School Quiz Bowl Team won the ESU #11 Quiz Bowl for the first time since 1999.

Dr. Griffith reported that we held a staff and spouse health screening at no cost on April 19 before the track meet. I would like to thank the Wellness Partners group out of McCook for their willingness and offer to put this on for the district. It was a well-attended event. I participated in a webinar dealing with the new process for receiving REAP grant funds to help offset the cost of our computer lease. School districts are now required to do an application for these grants, which was not required before. LB409 did pass the Legislature by a 38-0 vote on General File. The school finance measure now becomes part of the overall 2-year budget package. Base Limitation: The base limitation rate or allowable growth rate will decrease by 1%, going from 2.5% to 1.5% for FY 2017-18 and FY 2018-19. The change in rate decreases the cost growth factor in the formula, which is used to inflate school district expenditures for purposes of calculating aid. The cost growth factor was set at 5% for FY 2018 and FY 2019. The allowable growth rate decreases to 4% in 2018 and 3% for FY 2019. The decreases in the cost growth factor are projected to reduce the amount of state aid provided as basic funding by \$21.5 million in FY 2018 and \$48.1 million in FY 2019. Local Effort Rate: The local effort rate in the state aid formula is currently set at \$1.00 for FY 2018 and FY 2019. LB 409 increases the local effort rate to \$1.0203 in each fiscal year, which increases the local effort rate. This is estimated to reduce the amount of state aid provided to school districts by \$19.8 million in FY 2017 and \$24.3 million in FY 2019. Net Option Funding: LB 409 provides for the net number of option students to be multiplied by 95.5% instead of the current 100.0% of the statewide average basic funding per formula student. The estimated decrease in state aid is \$5.8 million in FY 2018 and \$2.4 million in FY 2019. The dyslexia bill (LB 465), which provides a definition of dyslexia under the Specific Learning Disability category passed on Thursday,

May 3rd and is on its way to the Governor for his signature. The bill does not create a new disability category. I will also be attending the Law Conference in June along with Cassie.

Board Member Reports: None.

Board Committee Reports: Whipple reported that the Curriculum Committee met to discuss the new Social Studies Curriculum proposed by the elementary staff. A lot of it will be online. The cost includes a six-year license. Connie is checking on the availability of computers. Griffith reported that Buildings and Grounds met and discussed door hardware. Roskop reported that the Finance Committee met. We went over the athletic budget and are recommending it to be approved as presented. We are seeing some of the annual costs for refills going through.

ACTION ITEMS

A motion was made by Anderson and seconded by Whipple to approve the Consent Agenda as presented, which included minutes from previous meeting and financial reports. AYES: Whipple, Roskop, Schutz, Anderson, Warner and Carpenter. Motion carried 6-0.

A motion was made by Whipple and seconded by Warner to approve claims including the General Fund, Lunch Fund, Building Fund and Student Fee Fund totaling \$546,607.43. AYES: Roskop, Schutz but abstaining from claim number 28693 to the Arapahoe Public Mirror for \$847.97, Anderson, Warner, Carpenter and Whipple but abstaining from claim number 28695 to ATC for \$349.61. Motion carried 6-0.

Dr. Griffith reported that Elizabeth Klein and Courtney Bahe submitted their resignations. A motion was made by Warner and seconded by Whipple to approve the resignations of Klein and Bahe. AYES: Schutz, Anderson, Warner, Carpenter, Whipple and Roskop. Motion carried 6-0.

Dr. Griffith reported that Jaclyn Renken was hired for the 3rd Grade Teaching Position. Mrs. Lisa Schutz is moving to teach 1st Grade. Mr. Guy Kuntz was hired for the Ag Teaching Position. Renken will be a first year teacher and Kuntz is very experienced. A motion was made by Whipple and seconded by Carpenter. AYES: Anderson, Warner, Carpenter, Whipple, Roskop and Schutz. Motion carried 6-0.

Dr. Griffith stated that the total cost for the K-5 social studies curriculum is \$14,343.07. It was recommended by the Curriculum Committee to advance this purchase. A motion was made by Carpenter and seconded by Anderson to approve the purchase of the new social studies curriculum totaling \$14,343.07. AYES: Warner, Carpenter, Whipple, Roskop, Schutz and Anderson. Motion carried 6-0.

Dr. Griffith reported that \$35,000 is being requested and is the amount that was budgeted. Anderson stated that in the amount of receipts that \$980 was collected for activity passes and very little was collected for student passes, most were adult and family passes. Anderson would like to propose giving each student a free activity pass. Whipple would encourage it. Dr. Griffith will add it as an action item for the next board meeting and will do some more research. A motion was made by Carpenter and seconded by Warner to approve the 17-18 Athletic Budget and transfer \$35,000 from the General Fund to the Activities Fund. AYES: Carpenter, Whipple, Roskop, Schutz, Anderson and Warner. Motion carried 6-0.

DISCUSSION ITEMS

Public Comment – Whipple stated that he was approached by Steve Magorian's class and they have some money they would like to donate for a bench or something like that. Dr. Griffith stated that he is the person to talk to about that. He has also been contacted about an interactive screen and other items.

Special Board Meeting, Monday, May 22nd, 2017 at 7:00 pm in the Arapahoe Public School Library to review bids and approve purchase of pre-engineered building materials.
Regular Board Meeting, Monday, June 12th, 2017 at 7:00 pm in the Arapahoe Public School Library.

A motion was made by Whipple and seconded by Carpenter to adjourn the meeting at 8:03 pm.

Respectfully submitted,
Cassie Hilker, Board Secretary