

A SPECIAL MEETING OF  
THE KENOSHA UNIFIED SCHOOL BOARD  
HELD MAY 24, 2016

A special meeting of the Kenosha Unified School Board was held on Tuesday, May 24, 2016, at 5:45 P.M. in the Board Meeting Room at the Educational Support Center. The purpose of this meeting was for an Informational Public Hearing Regarding Phase 2 Series of Energy Efficiency, Operational Savings and Capital Maintenance Projects and the Initial Resolution Authorizing General Obligation Bonds in an Amount Not to Exceed \$74,990,000 and for Views and Comments by the Public.

The meeting was called to order at 5:47 P.M. with the following members present: Mrs. Snyder, Mr. Kunich, Mr. Garcia, Mr. Falkofske, Mr. Wade and Mrs. Coleman. Dr. Savaglio-Jarvis was also present. Ms. Stevens was excused. Mr. Tarik Hamdan, Chief Financial Officer; Mr. Patrick Finnemore, Director of Facilities Services; and Mr. Philip Hohlweck from PMA Financial Network; were also present.

Mrs. Coleman, President, opened the meeting by announcing that this was a special meeting of the School Board of the Kenosha Unified School District No. 1. Notice of this special meeting was given to the public by forwarding a copy of the notice to all requesting radio stations and newspapers.

Mr. Finnemore presented the Phase 2 Series of Energy Efficiency, Operational Savings and Capital Maintenance Projects submitted by Mr. Finnemore, Mr. Hamdan, and Dr. Savaglio-Jarvis, excerpts follow:

“At the April 25, 2016 School Board meeting, the Board approved a proposal to implement a Phase 2 series of energy efficiency projects using the energy revenue limit exemption based on the provisions in 2011 Wisconsin Act 32 and subsequent legislation. What follows is an excerpt from that report that summarizes the projects proposed.

The projects would be:

- Project 1 - Bullen Middle School and Lance Middle School;
- Project 2 - Tremper High School; and
- Project 3 - Bradford High School.

Facilities Department staff members have performed detailed evaluations of the 4 schools proposed for the three projects with the help of a number of contractors, engineers and architects. The evaluations focused on energy efficiency related work as allowed by the revenue limit exemption statutes, but also included other improvements that should be performed at the same time funded by our major maintenance budget similar to what was done in Phase 1.

One of the major benefits of the three projects would be replacing the existing mechanical systems, all which are original to the building construction. In most cases those systems are on the order of 50 years old (similar to the systems at the 9 schools in Phase 1). In addition, the replacement of the air conditioning equipment at Bradford looms as one of the major unfunded investments that the district will need to tackle

soon. That equipment is over 35 years old and is at the end of its useful life. These projects would provide a number of benefits in addition to massive energy savings at the four schools. One of the most notable would be the addition of air conditioning at Tremper High School. The statutes allow for the addition of air conditioning if the entire heating and ventilation system is being replaced due to the dramatic energy savings in those areas plus the major overlap in equipment that serves the full array of HVAC.

Another major improvement would be the addition of vestibules at the main entrances to the four schools. These vestibules would provide for significant energy savings as well as improved security and an aesthetic improvement to the front of each school. These entrances in combination with window replacement projects will have a similar impact as the aesthetic appeal of the projects performed at Forest park, Grewenow, Harvey, Roosevelt and Jane Vernon.

The budgetary cost estimates are based on 2016 dollars, and so some level of inflation should be used as we evaluate the projects due to the six year implementation. It is proposed that a 3% inflation factor be applied to the second project (Tremper) and a 6% inflation factor be applied to the third project (Bradford). As mentioned earlier, we will also be performing other upgrades to the schools concurrently funded by our major maintenance budget. These projects will include major flooring replacements including removal of the asbestos floor tile at Lance, replacement of casework, and in some case locker replacement and resolving problems with classroom entrances. These projects will be detailed each year as part of the capital plan proposal provided to the Board in the January-February timeframe. Another improvement that would be implemented would be the expansion of the cafeteria at Lance which would be funded by the Food Service budget (Fund 50).”

Mr. Hamdan introduced Mr. Hohlweck and he presented the Initial Resolution Authorizing General Obligation Bonds in an Amount Not to Exceed \$74,990,000, excerpts follow:

“The proposed energy efficiency projects total \$73,004,434 (\$74,990,000 when including inflation) and will be funded by long-term debt issuance in Fund 38. The attached resolution authorizes an amount not to exceed \$74,990,000. The “Initial Resolution” was discussed in the April 25, 2016 report and is required to be approved in order to be in compliance with issuing Fund 38 debt (non-referendum debt). With this Board approval, a Public Hearing is also required since the maturity of the proposed debt will exceed ten years; therefore, Notice to the Electors was published in the Kenosha News on May 16, 2016.

The next steps as stated in the April 25th report are as follows:

1. Public Hearing (within 10 days of publication of Notice) – May 24, 2016
2. 30-day Petition Period begins the day after the Public Hearing – May 25, 2016
3. Final Board Approval and Approval for Sale of Bonds for Project 1 – June 28, 2016.

As stated in the April 25, 2016 report, the scheduled debt service payments in the 2016-2017 fiscal year are set to decrease dramatically (approximately \$4,600,000) as the District will have retired (paid-off) debt related to previous capital projects. The

timing will be such that we have the opportunity to issue new debt to fund these new projects with minimal impact on the debt service tax levy. PMA Securities, Inc. has prepared an example financing plan (Attachment C) along with a graphical representation of the debt service impact over the next 20 years as related to the proposed projects.

The School Board approved the initial Resolution and call for a public meeting at the May 10, 2016, special board meeting. This report is being provided again this evening for informational purposes to support the public hearing.”

Mr. Hohlweck distributed and presented example energy efficiency financing plans for all three projects. He then presented Fund 39 and energy efficiency debt service levy comparison graphs for the existing levy versus the three projects.

There were no questions from Board members.

There were no views or comments by the public.

Mr. Kunich moved to adjourn the meeting. Mr. Falkofske seconded the motion. Unanimously approved.

Meeting adjourned at 5:55 P.M.

Stacy Busby  
School Board Secretary