

The District School Board of Indian River County met on June 23, 2015, at 1:00 p.m. The workshop was held in the Teacher Education Center located in the School District Office at the J.A. Thompson Administrative Center located at 1990 25th Street, Vero Beach, Florida 32960. District School Board Members attending were: Chairman Matthew McCain, Vice Chairman Charles G. Searcy, and Board Members: Dale Simchick and Shawn R. Frost. Dr. Frances J. Adams, Superintendent of Schools; Mark J. Rendell, Ed.d, Superintendent Elect; and Suzanne D'Agresta, School Board Attorney, were also present. Claudia Jiménez, Board Member, was not present.

Five-Year Capital & Performance Contracting Workshop Minutes

- I. Workshop was called to order by Chairman McCain.
- II. Purpose of the Workshop – Chairman McCain
Dr. Adams stated that the purpose of the workshop was to present the proposed 2015-2016 Five-Year Capital Outlay Plan and Proposed Performance Contracting. She turned the workshop over to Mr. Morrison and Dr. Rendell, who had been working with staff.
- III. Presentation – Mr. Morrison
Mr. Morrison introduced guests: Rob Risley, FPL; Doug Hennen, ConEdison; and Jon Ford, Ford & Associates, Financial Advisor. He also introduced Pete Copeman, Building Official/Fire Official; Scott Sanders, Director of Facilities; and John Earman, Director of Physical Plant. Mr. Morrison reviewed the agenda.

2015-2016 Capital Outlay Budget, List of Subjects Reviewed:

- History of the 2.0 and 1.5 mills Capital Millage Levy and Collections
- Sources and Uses of Capital funds
- Technology Funding for 2014-2015
- State Requirements for Educational Facilities (SREF) and Chapter 5 Maintenance Standards
- 2014-2015 Capital Outlay Budget Highlighted Projects Update
- 2014-2015 Capital Outlay Budget Summary
- 2015-2016 Capital Outlay Budget New Projects
 - HVAC Repair/Replacement Projects
 - Security Cameras
 - Roof Replacement Projects
 - School Parking Lot Repair Projects
 - Playground Fall Protection Replacement to New SREF Safety Requirement
 - Citrus Elementary Expansion to Replace 13 Existing Portables
 - Carpet to Tile Replacement
 - Status of Identified Capital Needs vs. Funding of School District

Performance Contracting

Mr. Morrison talked about the process that brought them to this point. Mr. Earman stated that FPL and ConEdison proposals were chosen through the RFP process for Performance Contracting. Rob Risley, FPL Representative, presented information to introduce services available through FPL. He said that the concept of Performance Contracting was not new in the State of Florida. Mr. Risley talked about the annual guaranteed savings of electricity. He talked about the current conditions, preliminary analysis, opportunities, and proposed measures. Doug Hennen, ConEdison Representative, presented information to introduce their services. He handed out binders with references of their work product. Mr. Hennen said that the cost for Performance Contracting would have a payback in 12.77 years, taking into account the annual guaranteed energy savings. The total cost for the proposed project for Performance Contracting was \$13.4 million and included Vero Beach High School, Sebastian River High School, Gifford Middle School, and Oslo Middle School. Jon Ford, Ford & Associates, Financial Advisor, stated that the cost of financing energy system improvements was less than the monetary savings that would result from the improvements. He presented financing options available for Performance Contracting. Option 1 was a Tax Exempt Lease. Option 2 was an Energy Services Contract.

V. Board Discussion

Board Members were given an opportunity to ask questions and make suggestions. Mr. Hennen said that the School District would be responsible for maintenance of all equipment in place and installed. He said that in the end, the School District would own the equipment/Parts, etc. Mr. Risely said that they had never not met the guaranteed energy savings proposal. Mr. Morrison said that in-house personnel do not have the expertise to bring to the table and the District does not have an army of engineers that these two companies had available. At the end of the finance period, some equipment may need to be replaced as was the process of normal aging equipment. Board Members also mentioned the debt payment, items in the Five-Year Plan that were unfunded, compliance with SREF, charter school Capital funding, consider becoming a charter school district, and timeline for covered walkways and tiling projects. Dr. Rendell said that he was familiar with Performance Contracting but would like to take a look at the financing options.

IV. Next Steps

Mr. Morrison said that with Board consensus, the next step was to look at the finance options and bring a recommendation to the Board for approval and implementation. Chairman McCain stated that the Board was not ready to move forward. He suggested that the topic be place on the next Discussion Session.

With no further discussion, the workshop adjourned at approximately 2:57 p.m.