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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Building Committee
Minutes
9/16/10

Members in attendance: P. Williams, R. Basford, Superintendent Gallagher and guest Chris Anthony

Item 1. Electricity Purchase Offer – Mr. Anthony provided some background information about how small utility energy providers can now provide electricity directly to customers at a reduced rate from that which is paid to CMP. The process, it would appear, would require the drafting of some legal documents which Mr. Anthony indicated that his attorneys could draft that would spell out the agreement between the district and Mr. Anthony’s company to produce electrical power for the school district for each of its buildings. It is Mr. Anthony’s presumption that the district could save approximately 30% of its electricity costs that are now paid to CMP for delivery if we were to enter into an agreement with him. There are some liabilities that the district would take on since it does require that “customers have legally enforceable ownership interest or legally enforceable rights and obligations in the facility under which the customers have joint responsibility for the costs of the facility and have the rights to the benefits of the output of the facility in proportion to the cost responsibilities”. This basically means that the customer has some legal liability as a part owner in the facility that produces the electrical power. Mr. Williams, having knowledge of this area, indicated that the district would need to move forward cautiously since this is a brand new area of agreement between power producing facilities and public entities. He further went on to explain that a review of the costs now associated with electrical consumption in each of the district’s buildings needs to be compared with the costs of electricity produced under the plan proposed by Mr. Anthony. He suggested that Superintendent Gallagher work with the PUC to better understand the current billing in the district in order to make a fair comparison between continuing to obtain power from CMP and/or Mr. Anthony.

Item 2. Update on School Construction Application and Visiting Committee – Superintendent Gallagher explained that the visiting committee thought the Manson Park School and Vickery School were in very good shape; therefore, it was rather discouraging to Superintendent Gallagher and Principal Faye Anderson. However, one of the recommendations made by the committee was in regard to the section of the application

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having to do with projections of student population. Superintendent Gallagher had included the cohort survival for projecting enrollments out to 2020. The committee indicated that the cohort survival lacked the sophistication when compared to the studies that other school districts' applications had for projecting future student population. They had offered that several applicants had used the services of a company from So. Portland called Planning Decisions. Superintendent Gallagher had contacted Planning Decisions prior to the building committee meeting and asked for an estimated cost for producing the documentation similar to that of other districts' applications. He electronically shared the proposal with the Building Committee prior to the meeting, and it was discussed at the meeting. The cost to complete this much more sophisticated review of projecting student populations is \$2,750. Mr. Williams and Mrs. Basford both indicated that if there is a way to better our application at this point, then it would be worth our while to try to do so. Therefore, Superintendent Gallagher will contract with Planning Decisions to do the population projections and submit the report, as is allowable, to the Department for inclusion with the application.

Item 3. Update on Capital Projects Completion – Superintendent Gallagher provided the Building Committee with a spreadsheet of the projects completed during the summer and the costs of each of those projects. The district was authorized at the district budget meeting to expend up to \$120,000 on projects that had been identified. The cost of all of the identified projects amounted to \$100,959; however, the district had gained an energy efficiency grant of \$1,400 which reduced the total costs to \$99,559, leaving \$2,149 of the approved amount unexpended. He also shared with the committee the history of capital reserve revenues and expenditures. During the summer of 2010 with an expenditure of \$99,559 the district's capital reserve balance is \$110,802.51.

Item 4. Closing of the Central Office Building – decision about utilities – Superintendent Gallagher indicated that the heating and electricity were still on at the Superintendent's office, but questioned whether or not the building should be drained of water and not heated during the time that it is up for sale. Mr. Williams suggested that we check with the insurance company and make sure that we are not obligated to keep the building heated under our insurance plan. It was recommended, even though the cost is quite exorbitant, to continue to have electricity in the building.

Being no further business, the committee adjourned at 7:10 P.M.

Respectfully submitted,

Michael A. Gallagher