

## SPECIAL JOINT COMMITTEE ON EDUCATION

March 11, 2013

4:30 p.m.

The Clerk called the meeting to order.

The Clerk called the roll.

Present: Committee Member Ambrogio, Alderman Corriveau, Committee Member Connors, Alderman Craig, Committee Member Staub

Alderman Shaw arrived late

Mssrs.: K. Sheppard, K. O'Maley, T. Brennan, A. Beaudry, D. DeFrancis

### **TABLED ITEMS**

5. Existing FY13 contracts between the City of Manchester and the School District.  
*(Note: The Aramark contract is also attached)*

*On motion of Alderman Corriveau, duly seconded by Committee Member Connors, it was voted to remove this item from the table.*

Mr. Kevin Sheppard, Public Works Director, stated thank you for inviting us in. I have watched a couple of the past meetings and have been able to review the initial discussion on chargebacks. I appreciate you having us here. What Kevin O'Maley, our Chief of Facilities, put together is hopefully a quick presentation on what our Facilities Division does for the School District. We look at the School District as our largest customer, not only in our Facilities Division, but also in our Parks Division. They are an important customer. I think you will hear tonight, if the superintendent has an opportunity to speak, or some of the other School Committee members from the Buildings and Sites Committees, they

have been very satisfied with the services we have provided to the School District. Kevin has put together some numbers and I think you will see some of the interesting things and some of the dynamic things we are doing. We are not satisfied with status quo; we are always looking at ways to improve things, whether it is through Facilities or the Parks Division. I'll turn it over to Kevin and he can give his presentation.

Mr. Kevin O'Maley, Chief Facilities Manager, stated good afternoon everybody. Kevin and I have been keeping abreast of what is going on with this committee. Instead of responding to a bunch of questions I thought it would be a better idea to put together a comprehensive presentation about who we are, what we do and how we do it. I have a lot of information here. I am going to go through it very quickly. I know this forum doesn't really lend itself to questions along the way, but if you see something that stimulates a question it would probably be better to deal with it right at that point. As soon as your eyes start glazing over, I will start skipping through the slides a little quicker. This is a quick list of all our responsibilities. We are basically responsible for the building envelope and the building systems. There are a lot of things within the buildings that we are not responsible for which is a source of frustration with lockers and kitchen equipment and those type of things. Just some of the highlights here: the School District consists of 2.3 million square feet. The facilities division in total takes care of about 3 million square feet, but the 2.3 million is just for the School District. We take care of 6,500 work orders annually with a relatively small team. These are primarily work orders that come from the School District. We are starting to build a more robust preventive maintenance program, but these are basically work orders that are requested of the facilities division. We have one of the biggest building automation systems. We have one control tech who takes care of three million square feet and he does a phenomenal job with that. His name is Nate Wasserstrom. That is one of the reasons that we can be as productive as we are.

We have always had a preventive maintenance program and what that allows us to do is get into buildings in different places so we can be proactive. It is just like changing the oil in your car. If we are doing things on certain cycles then that is going to eliminate any need for a breakdown or a catastrophic event that might happen in the schools. For the last number of years we really haven't had any catastrophic events where we have had to close down a school for any particular reason. Within the Facilities Division we also take care of construction for the School District. You can see a lot of the projects we have had on the right hand side. We had a \$10 million project at MST. Over the past three years, we have been doing a lot of work at Bakersville. Recently, the school administration was fit up and there was no charge in the chargeback to do that, but we supported all the construction and renovation for that project over there as well. One thing, and I will get into more detail later, we have had a very significant energy management strategy that has taken a lot of cost out of the School District budget as well. This chart didn't come out great, it is kind of washed out with the light, or at least it is for the color blind people in the audience, but we basically have two functions within facilities: one in the maintenance side and one is the construction side. Barbara Connors, one of our superintendents, who has been with the City a long time, is a key member of the team. She is sitting back to my right. Eric Krueger does the facilities service, mostly the construction and support. This is just a quick chart to show what has been going on with facilities. We started off with 17 people a while ago and as our square footage responsibilities increased we have actually been taking FTEs out of the facilities division. This gets right into the chargebacks. This is what is going on with the chargebacks since FY07. You will see that the trajectory of the chargeback has actually been diminishing over this period of time. That is from FY07 to FY13. That is about a 6% reduction. When you contrast that to the School District budget they have had about a 4% reduction over that period of time. As another metric to measure that against, over that same period of time, the consumer price index, the basic consumer price

index, has gone up about 11%. You can see that as the trajectory of the School District budget has been going up, the chargeback number has consistently been going down. I would also note, at least from my perspective, that we haven't really diminished any levels of quality of levels of service while we have been doing that. Once you take some of the high level information and start to drill down and look at this, we try to look at it from a bunch of different angles to make sure we are providing good value to the School District. Over the same period of time, just for custodial purposes, we have had significant increase in square footage, that is what these bars show, and at the same time, custodial staffing has either been flat or has started to diminish as well. Aramark is a \$13 billion company. They are our partner as far as custodial services and they also do grounds maintenance and some preventive maintenance for us. These are all their accounts up in the northeast and you can see from a productivity standpoint they basically average about 20,000 square feet per custodian for cleaning purposes. This bar that stands out shows that this is where we are with the Manchester School District with day porters. I just want to make a quick comment about day porters. I'm not saying they are not important positions; I know the principals believe they are incredibly important positions, but you really have to take that day porter component out of there because they don't really do any custodial schedules so when you take the day porter component out, you can see, just where they are with the rest of their accounts in the northeast, they are within 100 square feet per custodian on that. We can say so what, Aramark compares against Aramark, that is one good thing. We look at a bunch of other metrics and the one on the left is the council on greater city schools. That includes the Los Angeles, Chicago and Boston, but there are also a number of cities within that category like Portland, Maine; Portland, Oregon; Dayton and Akron, Ohio. We think that is a pretty good metric to measure against. I put American Schools and Universities up there are well. They are the next bar. I'm not that crazy about that one because colleges and universities have a lot of square footage in gymnasium and dormitories that

don't necessarily get cleaned by a custodian; they would just take care of the common areas. The ones on the left, I know the committee had asked for a copy of the Aramark contract and those are APPA standards. That is not a group of people sending their information, those are actually calculated benchmarks and they go from APPA one to APPA five. APPA is the Association of Physical Plant Administrators. APPA level one would be a hospital grade quality. When the committee got together to determine where we should be at, the School District as well as some of the principals who were on this selection group, we thought the School District should be between an APPA two and an APPA three. That is pretty much where we gauge the contract standards. The APPA two we did for the classrooms and bathroom. Some of the other ancillary areas such as gymnasiums, offices and media centers, we left at an APPA three standard. This is the mechanical staff. This one really jumps out at you. We are at a place where we are three times the APPA two standard. This is the per square footage for each one of the mechanics that we have at the facilities division. When you think about that from a cost perspective, it says that we are in a good place, but from a strategic perspective, I think the committee and the School District really needs to be asking themselves are we investing the right amount of money within the buildings? The replacement value is probably about \$500 million for all the schools. Again, it is just like changing the oil in your car; if you are not taking care of them... I work in a pay me now or a pay me later business. We grossed this all up and this slide here I think is very telling because when you look at a lot of other facilities they might contract out a lot of work, they might do it in house and this boils all that down and says what is your total cost for facilities, which includes maintenance, includes grounds, includes custodial and everything else and Manchester sits in the middle at \$2.39 a square foot, well below all the averages. As I mentioned earlier, the facilities division is responsible for the building, the building envelope and all the systems in the building. We are not responsible for lockers, kitchen equipment or a lot of other things which I know is

a source of frustration, but that doesn't stop us from helping out where we can. On the energy side, as I mentioned earlier, we have done a lot on the energy side for the schools. All the numbers that I am going to throw up here really quickly are compared to the previous fiscal year; they are not cumulative. In 2009 we spend \$118,000 less in utilities than we did in 2008. This isn't adjusted with any other factors for weather or factors inflation or things like that, this is just a raw number that we get from the School District. In 2010 compared to 2009 we took another \$364,000 of expense out of the utilities. In 2011 it was another \$276,000 compared to FY10. Then we really started gaining some traction on our energy management program and we took out close to a half a million dollars in 2012 compared to 2011. Overall, when you compare those things, that all roles up to our energy costs, the School District energy costs, in raw dollars is \$1.1 million less. The other thing I wanted to point out real quickly from an avoided cost perspective, it is really about \$2 million. What I mean by avoided costs... This is actually the School District's budget, their line item for what they have been paying for utilities over this period of time. Had we done nothing on the consumption side, the consumption would have been relatively flat, but the utilities have been passing cost increases over this period of time. When I say \$1.9 million, that would have been a cost that the School District would have had to cover had we done nothing on the energy side. There are a number of things that we do that we are not responsible for like the waste management program or the waste management contract, but our custodial supervisor, Sean Collins, had noticed that the dumpsters were being picked up when they weren't full. He worked with school administration and said we can pick these things up less frequently and that would save some money in the contract. We renegotiated the custodial services contract to a performance based contract. Again, it was a collaborative effort, but we took another \$350,000 just out of the custodial side. We reorganized the maintenance department. We had two supervisors and we changed that to one supervisor managing the maintenance technicians. We put

more wrenches and more screwdrivers on the ground to support the School District. We do other things that fall into the category that we are really not responsible for like bleachers and score boards. The School District had a challenge at Southside and for probably less than \$1,000 we went out and looked at something that they were getting proposals from \$20,000 to \$40,000 to repair. It is the same thing; we are not responsible for score boards, but Aramark stepped up and helped out with some maintenance along with working with some of our technicians. Another thing we did with the School District was get a grant for a little over \$1 million just for energy work. It was an ARRA funded grant. The bulk of that went to school energy projects. We got a low interest energy bond for them as well. While we were doing all the energy work the local utilities offer a lot of rebates so we got close to \$600,000 in rebates that were reinvested back into more conservation work. We also got, for the bonded portions of this, we worked with school administration and we got building aid for all the bonded portions of the project so we got another 30% to 50% from the State for each of the energy projects there too. Superintendent Brennan got a letter from the commissioner from the Department of Education and was congratulated for compliance. It was the first time in ten years that the School District was in compliance. We felt pretty good helping out with that. This really gets into some of the questions that, as I have gone through the minutes of this committee, that address the labor rates that we charge. In a minute I will get into how these rates are built up, but we do have to contract out work in certain areas. On the right hand side, these are some rates that we get from contractors. In addition to some of the things that we contract out to the School District we obviously do a lot of construction. When we are getting bids from contracts, the numbers that we get from them are in this range. You will note the asterisk that on top of these rates there are generally surcharges for fuel, trucks and equipment, those types of things. How we build those up, I use the plumber for example. One of our plumbers makes \$28.72 an hour, his benefits we calculated at \$18.89 per hour. Those are actual expenses.

That is what we charge the School District for medical, dental, retirement. Those are the actual costs that come off of his pay check on an hourly basis for those types of things. The City also has a component for taxes, for social security, Medicare, and federal income tax and those sorts of things. That is the City's portion that we pay for. Then we add in overhead costs for that and that is the cost for the fuel, trucks, telephones, postage, any administrative type of expenses that we might have. That is how we came up with the plumber rate. Some other things that I have heard; we have minimum charges and that type of thing, but you only pay for actual usage. If I am working on something or Barbara or our plumber you just get charged for the actual time that we were there. One of the other things that I extracted from the minutes was why we don't use a flat rate. We could do that. I could tell you that the math would be basically the same. We would take all our costs, add them all up and divide them by the number of hours and if it worked out to \$60 an hour, there would be some times when someone is going out there and making \$70 an hour and the School District would benefit from that, but there are other times when someone is going out at \$50 an hour and that is what the charge would be, if we wanted to move to a flat rate. I would encourage the School District to stay at the actual rate. We like the transparency because if we move to a flat rate there is no doubt in my mind that at some point in the future I would be sitting in front of a similar committee justifying why we use a flat rate instead of what the actual rate is. The light bulbs were another thing that came up and who replaces light bulbs. We make an effort, it doesn't happen all the time, but we are generally pretty good at it. The light bulbs, 98% of the time, are done by the custodians. Again, they are the lowest paid individuals even though they are contracted. They are the ones in the facility everyday so they are best able to deal with a light bulb replacement. Looking at the chargeback in total, the chargeback for FY13 was about \$5.5 million. The Aramark contract, of that, is \$3.7 million. We went through a very vigorous, transparent effort with the School District and there were School Board members, as well as the business

administrator, as well as principals on that. We basically designed a contract that we thought was a good fit for the School District. That is 68% of our entire budget. We are half way though a three year contract that was competitively bid. I think that from everyone's vantage point you would have to say that that is a pretty solid number for the bulk of our contract. We also have other categories and special projects and contract work that are a smaller component, but we follow the procurement code on each one of those. When we had the problems with the portable classrooms, that was something that we took out of the special projects category. If there is any work that we need to do, it is all competitively done and done according to the procurement code on the City side. Materials: we have wire, copper, pipe, conduit and everything else that needs to be done. That is to support the maintenance mechanics. We have accounts set up with many of the local vendors so we are getting a substantial discount off of retail so we think that is a pretty competitive number. All that is left is the salary benefits and overtime, which is \$1.3 million. It is 24% left of our budget. When you compare it to the benchmarks, we know that is a pretty competitive number. That is the only number, in my mind, that would have any ambiguity or anybody would have any question there. We do a lot of collaboration with the School District. We focus on the value proposition; we don't always look at cost. The School District is the one that sets expectations; they are the ones who set the service levels, just like they did in the custodial RFP. Our job is just to design a solution for them. We engineer the solution for what they are ultimately comfortable with. From a management perspective, the fact that we share resources, I think it is better for both the School District and the City that we work together on this. If you started breaking things up you would probably have to contract more things out, which would ultimately end up with some additional cost. You are our biggest customers, as Mr. Sheppard mentioned, but we don't have any room to negotiate anything. What we have the ability to do is design systems and processes that the School District is comfortable with. We don't have any margin to negotiate with.

We don't have any customers that we could shift costs to or anything else. It would just be a subsidy, that would be the only way we could get the cost down. I'm going to start skipping over some of these things. I touched on most of these things with the custodial contract. We had a very good custodial solution. The contractors' profit margin is entirely at risk; if they don't meet the APPA standards that we set they don't make any profit. It gave the City and the School District a smaller safety net, but we think the cost benefit to the School District was worth having some bigger holes in the safety net. Working together, in my opinion, I don't care if you are a Harvard minted consultant or a skeptical lay person, this is a model, in my mind, that works. I have spent 25 years of my career competitively bidding these services. I think that the model that we have here today is very effective and efficient. I think we have a stellar working relationship between the School District and facilities. We have had very good outcomes. I'm not trying to put words in the school administration's mouth, but I think we generally exceed their expectations. We are totally transparent. One thing, as I was thinking about this meeting, we have more oversight in the Facilities Division than probably any other department or anyone else in the City. All our invoices are run by the Building and Sites Committee; they are run by the business administrator. We recently changed the reporting so all the principals, for every work order that gets sent out, they know exactly the labor hours, the labor cost and the materials cost for each one of the work orders that they call in. I think we have a great relationship with the School District. It might sound a little self-serving, but it is easy for me to say these things. There are another 18 or 19 people within the facilities division that I know work hard every day to serve the School District well. They are proud of what they do and they work hard to make sure that the principal is happy and everything is operating every day they open the doors to the building. With that, that is pretty much all I had wanted to say.

Alderman Craig stated just looking at next year's budget; it looks like there is an increase for cost for utilities. I was wondering if you put that number together or if it was Ms. DeFrancis and why?

Mr. O'Maley replied we took a look at it. The closer we get to the beginning of the fiscal year we have better information, but we have an energy consultant who we work with. That entire savings wasn't a result of just consumption reductions. Tim Clougherty has done a great job negotiating energy contracts. We saw from Public Service of New Hampshire that they are looking for some increases. The way the utility was deregulated isn't really working for Public Service of New Hampshire so we thought there was going to be a mild increase and on the natural gas side I told her we would probably be looking at a 1% increase. I did work with Ms. DeFrancis along with getting some input from others who work in that field everyday.

Alderman Craig asked so you do anticipate about \$100,000 more?

Mr. O'Maley replied I think it is probably a little less than that now, since that was two or three months ago that we had conversation. It would probably take \$20,000 or \$30,000 off of that number at this stage in the game.

Alderman Shaw stated that was an excellent presentation and it did answer some questions. I do think you have a good handle on everything. I was just wondering if Aramark lives up to the standards that they should in the cleaning of the schools.

Mr. O'Maley stated that is a great question. I skipped over this slide really quickly, but when we negotiated a contract, we looked at cost, we look at quality and we look at service. One of the things that we do, as you can see from the third bullet point, three times a year we survey the principals and those things always

come back in the range of A- to B+ that the principals are incredibly happy with the level of service. We also have within the contract that we can bring in a consultant if they are not meeting that APPA two and APPA three standards. Based on the feedback that we get from the principals, there is really no reason for us to do that. I think there was a number of about \$13,000 to bring a consultant in. We didn't do that in the first term of the contract because all the feedback that we got was that they were exceeding the quality levels that we had established. We basically took that \$13,000 out of the contract and we used that for other things within the Facilities Division or we gave it back to the School District. I can't remember exactly what it was. For three years in a row, I know a lot of School Board members, as well as the mayor, go around to the schools at the beginning of every year and the only comments I hear are it is always better than the year before.

Alderman Shaw stated this is about the heating of the schools. I have been out of the school full time since 1999 and part-time for at least four years now. Has there been a way to control the heating so that the schools aren't heated to the max like they were for a while? Once the custodians didn't regulate the heat anymore there seemed to be an issue where, if you went in on a weekend of late in the evening, it was stifling in the schools and that to me was a waste of energy. I didn't know if that is better controlled now or not.

Mr. O'Maley replied that is part of the building automation system that I talked about early on in the presentation. We have one of the biggest in the state and we do night set backs with everything. We are not only setting things back but we tend to watch it and we have alarms set up. We probably only drop it four or five degrees at night, but if the temperature is below that set point then we have alarms that are sent to a pager to someone who is on call. We not only are taking the heat

down, but we are making sure we do it in a safe fashion as well. Those are some of the things that contributed to the energy conversation reduction that we had.

Alderman Shaw stated I liked that program.

Committee Member Connors asked are there costs charged to the district for the maintenance of the equipment that you use?

Mr. O'Maley asked could you give me an example of what you might be talking about?

Committee Member Connors responded even just basic tools and equipment. Are we charged for purchases of new equipment?

Mr. O'Maley replied it is in the \$1.29 an hour overhead expense.

Alderman Corriveau stated Kevin, basically I am looking at the graph about the annual facilities budget. It looks like in fiscal year 2007... We have seen a drop of about \$600,000 in chargebacks over six years.

Mr. O'Maley responded probably about \$300,000 or \$350,000 over that period of time.

Alderman Corriveau asked how much of that do you attribute to... It is over a period of time, and we are about a year, year and a half into the Aramark contract, but do you continue to see the trajectory of that staying the same in a year or a year or two out?

Mr. O'Maley replied my hope is that it would remain the same, but the reality is that we are getting to the bottom of things. It is not different than the energy side. I think there are still some things that we can do on the consumption. I think there are some things that Tim Clougherty is going to do on the supply side. At some point we are going to hit a bounce and at some point inflation is going to start kick in with the utilities as well as us. One of the things that we did with the Aramark contract in year one, we thought that it was a good idea to negotiate a 1% increase. The rest of them are all tied to the consumer price index, but we wanted to be more predictable in our expenses.

Alderman Corriveau stated obviously you mentioned that ARRA funding was a source of a lot of projects that we have done, particularly energy efficiency in the schools. ARRA funding is essentially dried up now. Whose domain is it to seek new revenues to continue these upgrades? Is it the facilities division, is it the School District, is it a combination or collaboration?

Mr. O'Maley replied we try to approach everything in a collaborative basis. The School District I know has a lot of challenges and we have a lot of expertise and if we can help out we will do that. For example, we spend all those utility rebates and the ARRA funding and that bond that we had presented to the School District and with the mayor's support we bonded another \$3 million worth of energy projects. We are not going to get the same type of savings net of the bond and those types of things, but we are moving into a phase where we took all the low hanging fruit and now we are going to be replacing equipment that needs to be replaced anyway; some windows, roofs, mechanical equipment. We did all the things with the short-term payback, but for the \$3 million, instead of me having a boiler break down and rushing to the Building and Sites Committee or the Board of School Committee and saying you need to take care of this, I think we are trying to be a little bit more proactive in dealing with it. The net cost of those

things are probably not going to save the School District any money, but it is another program where we can start replacing some boilers and other capital equipment without having a calamity on our hands in the future.

Alderman Corriveau stated I agree with Alderman Shaw; I think this was a very useful and comprehensive presentation. Looking forward, what are some of the challenges that you see with the facilities division working with the School District? What is our infrastructure looking like? Are there any upgrades that we need to be keeping in mind long term over the next few years? Any particular work that we are not doing now, but we need to look forward to as we put forward annual budgets?

Mr. O'Maley replied that is probably my biggest concern. I think in the budgeting process, when we are able to support the School District, we can probably look two, three or four years down the road, but what I mentioned earlier, are we investing the right amount of money in facilities? When you think about things strategically, when it comes to facilities, it is a significant asset of the City or the School District, however you want to look at it, and we should be looking at that stuff 15 and 20 years down the road. I know there are always a lot of other things that happen and it could be redistricting, maybe yes maybe no, but there should be a master plan with the facilities to make sure you are always investing the right amount of money in the infrastructure?

Alderman Corriveau asked is there one right now? Is there a master plan for facilities right now?

Mr. O'Maley replied not that I am aware of. I think on the City side we have a master plan, but it doesn't really relate to facilities or anything.

Alderman Corriveau asked would that be something that the Board of School Committee would need to come up with or this committee? How do we get cracking on that?

Mr. O'Maley replied I'll turn that question over to my boss.

Mr. Sheppard stated I think we need direction and to work collaboratively with the School Board and school administration to look at long term plans, as Kevin mentioned, whether it is redistricting or taking schools offline, adding schools. We can work on existing schools, but without knowing what the long term or the strategic plan is, which I believe the School District is working on now, I think it would be more difficult to put it together. We could make assumptions that nothing changes, but I don't think that will be the case going into the future.

Alderman Corriveau stated you mentioned something that never dawned on me and the impact that redistricting would have on the work that you do. Some initial thoughts on that? I understand that there is not a plan in front of you.

Mr. Sheppard responded maybe I am going down the wrong road, but I'm not too sure that it will affect it. It depends on the type of schools, whether it is new construction because of the type of school it is going to be, but I'm not too sure that it will have much of an impact on our facilities division, but maybe Kevin feels differently.

Mr. O'Maley stated it depends if you look at things on the micro or macro level. In working with Dr. Brennan, one of the things that they were talking about doing was eliminating all the portables at Beech Street School. We have portables and Beech Street School and maybe bringing those students back inside. It costs a little bit of money, when I say a little, a few hundred thousand dollars to do some

renovations to make some classrooms in Beech Street School and at the same time you could eliminate all the utilities and other things associated with the portables. That is a micro look at that, but we have never had any key conversations because I really don't know what is going on relative to districting, but I think when you look at things from a master planning perspective, if that is a component or a variable that you are looking at when you are looking at anything in the School District over the long term, there are ways to reduce cost because you are going to have costs associated with having facilities renovations, but you should be able to offset some of that if you can look down the road five or ten years.

Alderman Corriveau stated I have a very general question for you. How do our facilities look? Are you satisfied with the conditions of our schools and the conditions of classrooms? I'm not necessarily asking you to pick any particular school—this school is doing fantastic, this school is not—but are you seeing any patterns anywhere like we are seeing degradation is that perfectly normal or we are keeping pace with what we need to? Are we ahead of the game? Are we lagging? I think in terms of energy, we are certainly well ahead of the game.

Mr. O'Maley replied I think the buildings themselves, the roofs, the envelopes, the infrastructure, the electrical systems and the mechanical systems are in pretty good shape. That's where we focus all our attention on. I would tell you that from an aesthetic point, from a building finishes point, I know we haven't painted pretty much in any of the buildings since I have been here. I have been to a lot of other school districts throughout my career and even over the past couple of years and I think those things are important educational components like ceiling tiles, wall finishes, flooring and those types of things. We just don't invest in those types of things at all.

Alderman Corriveau asked why is that? For budget purposes?

Mr. O'Maley replied pretty much. I'm not exaggerating that there are probably walls within the School District where it has been a decade since they have seen a coat of paint or anything like that. I think we make them look okay and I think the custodial contractor does a great job of making things look clean. They are not dirty, they are not dusty and they wipe as many marks off the wall as they can, but when I travel around to other school districts, I have a colleague in Nashua and obviously they have invested a lot down there, but it is a stark contrast to me walking through those buildings compared to some of our buildings. It is not horrible, but it could be better, I guess.

Alderman Corriveau stated this question is for Kevin Sheppard. Anything you want to add, whether it is parking, transportation in and out of the schools, anything in terms of parks and recreation; athletic complexes or ball fields?

Mr. Sheppard replied I think Kevin did a good job. Kevin came into and we were talking that we wanted to bring Peter as well, our parks and recreation manager, but I think this presentation was all encompassing. I think you would hear something very similar from our Parks Division. I have always valued the City employees, meaning that they are an extension of the School District, that is the way I look at it. The coordination that goes on between the School District administration and Kevin O'Maley and Peter Capano, our division managers, is amazing. I think they are typically on the same page. They meet quite frequently. They report to the Buildings and Sites Committee, as Kevin mentioned earlier. We look at ourselves as an extension of the School District. Our people are available for anything that the School District needs. A few years ago there was concern with roof load, with snow on the schools. We worked with Aramark. We had Aramark and City employees out there, people who don't typically do that work, but, as a team, we got together and we got the work done. That is the value

that Kevin brought up here, whether it is through parks and recreation or highway or facilities. That is the value that we have. We have the ability to reassign people to certain tasks or tasks that aren't within a contract. You can see the contract that was presented to you. It is pretty basic; it is a one-page contract, which, to me, is a good thing because it allows us the flexibility to work with the School District on the priorities and the needs at that time. If we got into a detailed black and white contract, I think it would be quite limiting. Facilities covered it. I have gone through parks as well and it is a very similar thing. We took a look at plowing in the City schools. I believe we feel it is roughly \$7,000 or \$8,000 per school per year. I called my mother, who is part of a condo association. They pay \$10,000 a year, a flat rate, lump sum, whether it snows or not. That is how a lot of plowing contracts work because contractors want to guarantee a payment for their people. They pay \$10,000 a year for a site that is much smaller than Jewett Street School. Our average is probably about \$7,000 or \$8,000 per site in the School District and the School District pays actuals, so if it didn't snow all winter you wouldn't pay a dime. It is snowed a considerable amount you would pay a little bit more, but you are paying only actuals. I think that is an important thing. As Kevin mentioned earlier, the transparency of the services we provide I think is very important.

Committee Member Ambrogi stated I would join the rest of the committee in saying what a helpful overview this was. I did sit on the Buildings and Sites Committee and I saw information that I had not seen before so I appreciate that. Just picking up on the aesthetic issues, the paint; has there ever been an effort to look at what a good strategic way of going after some of those aesthetic issues would be? It seems to me that we tend to shy away from doing anything like that because our budgets are so tight, but I think the morale benefit, of perhaps engaging on a structured program to start lifting up the general look of things would be helpful. When buildings look fresh and shiny I think people feel really

good about them. I think certainly our schools are clean and safe, but are they perky? Do they have a fresh coat of paint? I think that would be something that I would be interested in. It would probably be something that the Buildings and Sites Committee would look at, but coming up with a more strategic approach to making a plan. Is that something you would be able to work with us on, whatever the appropriate place to work on that would be?

Mr. O'Maley replied certainly. We would be happy to do that. I think you hit the nail on the head. When I talked about those aesthetic things, in my personal opinion, I think those things are key to the education environment and if people feel good about the buildings... It doesn't even have to be a school, it could be a hospital, it could be an office, but if it is more vibrant people feel like they are going to do their work better. As much as we have gotten into, on the Buildings and Sites Committee, if you remember, I forget how many things are on that list, we said let's put a number of \$80,000 in to see if we can get something funded on painting. It wouldn't be complicated for us to sit down with Dr. Brennan and say these are the areas that need it first and this will probably be in the main entrances of the buildings. I think that would probably be where you would get the biggest bang for your buck right off the bat, but then have something where you would sustain that. It is the same thing for me, whether you are replacing a boiler every 30 years or you are painting something ever so often, you come up with a plan and you stick with a plan and the plan needs to be funded. The rest of it is easy to get the work done.

Dr. Thomas Brennan, Superintendent of Schools, stated I just want to emphasize what both Kevins said about the cooperation and collaboration that exists not only between and among us within the City and the district, but also with Aramark. This team has come together and I know Kevin O'Maley doesn't like to take credit for a lot of things, but I believe it is what he has brought to this job that has made

this happen. We work constantly. When I first came here I remember talking about things and we developed a strategy and it has worked out very well. Kevin and Barbara and their team are very responsive and they get things done immediately. Getting back to the heating issues, we would have some days where it would be very hot in the rooms. Just this past winter, if you recall, we were anticipating some very cold weather and called Kevin and asked if he could do anything about the buildings to keep them a little warm and he had already taken care of it. It is a relationship that has evolved among the partners of this School District and the City. It is a good working effective and efficient machine right now and I can't say that about too many things, quite candidly, but this is hitting the nail on the head, as Kevin said earlier. I just wanted to share that because it is important. We don't do enough of that and talk about the pluses. This is definitely a plus relationship.

Committee Member Beaudry stated I just wanted to echo what Dr. Brennan had said. I think Barbara Connors and Kevin O'Maley have done a fabulous job running the facilities for our buildings. Aramark has really come up to speed. The new contract, I have noticed a big difference as I walk through the buildings now, how the floors are and the cleanliness of the buildings. There are a few issues that I would like to bring up. Alderman Corriveau, you mentioned a plan. We had two plans, Parsons Brinkerhoff and a NASDAQ study that were done back in 1998 and 2002 or 2004. They have been shelved and basically have not come off the shelf since then. That was a strategic plan as far as what we should be doing to our schools and maintenance and what schools we should have, what schools should have been torn down. That was all in those studies that have pretty much been shelved. We used to have a skippy fund for special projects. It was pretty much a non-discretionary fund that had roughly \$1 million a year that the aldermen would give us and we would use that money for painting and some of the stuff that Kevin O'Maley had mentioned that is not being done today. That was taken away once

the design build came in. That money pretty much went away. I think they gave it to us one year and the School Board, in their discretion, did not use it towards facilities, they used it towards education and that upset some of the aldermen. At the time, was it classrooms or was it buildings, and the School Board chose the classrooms at that time. That is something that I, personally, as an 11-year member on the Building and Sites Committee, would like to see come back where we have that non-discretionary fund or maybe you want to make it discretionary so the maintenance department can take care of the floors or take care of the buildings. He is right; some of these buildings, if the teachers don't paint their classrooms they are not getting painted. That is a huge thing. The other thing I have been bringing up. and it doesn't seem to go anywhere and I don't know if it is a law that we can't do it, is to have a depreciation fund. We build a building and then there is no depreciation account so in 20 years when we need a new roof, now we have to come up with hundreds of thousands of dollars that year to repair the roof instead of planning for it. We know we need roofs after 20 years, we know we need certain aspects of the building; windows, envelope areas to be take care of, but we don't plan for that. There is no depreciation account that we can go to. That is something, if possible, with the aldermen or how we can set that up; I think that would be very beneficial to the School District.

Alderman Corriveau asked Dr. Brennan and Committee Member Beaudry, if this committee came forward with a recommendation for a strategic plan for our school facilities, where would you suggest... Arthur, who paid for those studies that you mentioned? Granted it was more than a decade ago, but was that an appropriation that the aldermen gave the schools?

Committee Member Beaudry replied I would have to refer that to our business administrator, if she can answer that. I would assume that it came out of us. The City would not pay for a study for the School District. One way or another it must have come out of our budget.

Alderman Corriveau stated in looking forward, if this is something that we decided to make a recommendation, for both boards to pursue, what do you think is step one other than a recommendation from this committee that there should be a master plan for this?

Committee Member Beaudry replied a master plan and how we are going to fund it. I think there had to be discretionary funds that have to into our buildings. We really haven't done much to our elementary schools. We did a lot of repairs through the design build in the high schools and middle schools, but the elementary schools have pretty much left alone. If my memory serves me right, \$54 million is the number that I remember under one of the reports said it is going to take to get our elementary schools up to par.

Dr. Brennan stated I think those reports would be a good place to begin in looking at that because I don't think much has changed other than the demand that has increased. Kevin O'Maley said it and others have said it before that you can have all the strategic plans that you want, but unless you have a strategy, as Mr. Beaudry said, to fund those, it will be the third one in the pile on the shelf because it won't get done and there will be needs that will be determined that are greater than that. My recommendation is that if you go forward with something like this that you identify those dollars and perhaps using the idea of a depreciation accounts or something, but it be specifically earmarked and it can't be touched. That is what happens; you have a strategic plan in a single building and you are

going to buy books every so many years and then something comes up and that is the first thing to go. It is critical that if you get into this master planning concept, as well as the whole strategic planning aspect, that those dollars be sacrosanct; that is what they are there for, no matter what. I think that is critical, perhaps even more so than the plan itself.

Alderman Corriveau asked are either of you aware of other school districts, whether in the state or similarly sized school district in New England, that have separate depreciation funds built into their district budgets?

Committee Member Beaudry replied I personally don't know.

Dr. Brennan responded in New Hampshire I'm unaware of that. I don't think that is in there. Again, in the state, most of us are reacting, rather than plan and even after we plan we are reacting because something else has come up. Even if we had special accounts set aside they have probably been chipped away. Somehow it has to change or ten years from now people will be having the same conversation.

Alderman Corriveau asked Dr. Brennan, could you forward the study to the members of this committee and maybe to Kevin O'Maley as well for our review and we can see if we need to go forward with another one right away or figure out the next steps forward?

Dr. Brennan replied I'll take it right off my shelf and get it right to you.

Committee Member Beaudry stated that is the reason why, in 2001, they did the design build for \$105 million because there were decades of neglected work that the buildings needed. If we continued on that, we are probably going to end up,

another decade from now, end up looking at another \$100 million project because they have been deteriorated to that point.

3. Discussion regarding safety in the schools.

Committee Member Ambrogio asked did you have an intention on where we would start with that discussion?

Alderman Craig replied I'm not sure who is in charge. It was more security safety for the schools. I would like to get an understanding, now that we have the mayor's, he had allocated \$500,000 in there for telephone and intercom system replacement and I just want to make sure that that is something that the School District needs, that that is the appropriate amount or whether there are different needs that we should be focusing on to make sure that the schools are secure.

Alderman Corriveau stated Alderman Craig, if you are willing to make that motion and maybe we can have the mayor testify at our next meeting.

Alderman Craig stated I guess it is not necessarily the mayor who I would be interested in speaking to, but if it is Mr. Robidas or Mr. O'Maley, someone associated with the school side to talk about security.

Committee Member Ambrogio asked Ms. DeFrancis, is that something, in putting together the initial budget that you have given us, you would have some comments on?

Committee Member Connors stated Mr. Robidas did come in and talk to our Buildings and Sites Committee. I believe it was fairly recently about this issue and we were looking at our CIP plan and the two most important things he said for

the safety of our schools would be bringing the intercom system and the telephones up to date. As we have had different school principals come in and tell us about the problems they are facing in their schools, the intercom systems have come up over and over again as a need for our district.

Ms. Karen DeFrancis, Business Administrator, stated I was actually going to say the same thing that Mr. Robidas did come forward to the Buildings and Sites Committee and if it is something that this committee would like to hear from him then we can certainly bring him forward. Mr. O'Maley and I have been working on reviewing the intercom systems. Mr. O'Maley has been working with an organization that is going to do an analysis of all of our schools and then come back to us with a recommendation as to what we need in order to upgrade our intercom systems.

Alderman Craig asked when is that due? When will you receive that?

Ms. DeFrancis replied I believe it will be about 60 days.

Alderman Craig asked that would have a dollar sign associated with it as well?

Ms. DeFrancis replied yes.

Alderman Craig asked regarding the intercoms, does that include Central High School and making that more secure so that the doors aren't unlocked through the whole day?

Ms. DeFrancis replied we would be looking at all of the schools.

Alderman Craig asked so you would be addressing the issue? Central is the only one in my mind that has a unique issue and I want to make sure that is being taken care of.

Dr. Brennan responded I agree completely about Central. I think we have to look at that through a different lens. Because of the number of buildings that we have and the access, that may cause us to recommend something slightly different than we would have in a typical structure. That is part of the conversation. Red has been, again, I know I am talking a lot about the City, but Red has been outstanding in working with us and developing strategies around the technology necessary and perhaps the technology that we could implement at some point.

Alderman Craig stated two other points that I have heard regarding security: one is that the cameras are broken and two is that there are no shades on the first floor of schools so if people are walking by, they can see right into classrooms. Would those be addressed as well?

Dr. Brennan replied two things that I would say; we are paying very close attention to the security, the safety and wellbeing of our students. I am very reticent at times to talk about specific issues such as x or y. The reason for that, and it may sound superficial, but it is true that sometimes when you highlight a weakness someone pays attention to and then reacts. If you would like to talk about that and we actually did that in Buildings and Sites and we went into non-public session and we had the conversation about some specifics. I would be more than willing to do that rather than just talk about things that a lot of people have heard about. I just don't want to talk about any of the strategies we are looking at. That is why I am giving a generic response in terms of needs.

Committee Member Ambrogi stated perhaps it would make sense to invite Mr. Robidas to come to our next meeting and address that in this fashion. We will put that forward to our next meeting.

4. Discussion regarding the FY14 budget.

Committee Member Ambrogi asked any follow up comments from our first discussions. The Board of School Committee has not taken that up again since that meeting. I don't think the School Board members have anything additional to add at this point, but if there are additional questions we should certainly continue to discuss.

Alderman Craig stated I think until we hear what your budget is that you are presenting to the board of aldermen there is not anything.

Committee Member Ambrogi stated I would want to thank everyone who came before us this evening. It is very helpful to get the information. It has been very well presented and I think we all gained a good understanding. Thank you very much.

*There being no further business, on motion of **Committee Member Connors**, duly seconded by **Alderman Shaw**, it was voted to adjourn.*

A True Record. Attest.



Clerk of Committee