

MINUTES
SPECIAL MEETING OF THE BOARD OF EDUCATION
LOCKPORT TOWNSHIP HIGH SCHOOL DISTRICT 205
Thursday, December 2, 2010 (7:00 PM)

A Special Meeting of the Board of Education of Lockport Township High School District 205 was duly held at the East Campus, 1333 East Seventh Street, Lockport, Will County, Illinois, and was called to order by President Ronald Svava at 7:02 p.m. The Pledge of Allegiance to the Flag was led by Member Michael Lewandowski.

THE FOLLOWING BOARD MEMBERS WERE PRESENT:

Michael Lewandowski
 Cindy Polke
 Angela Kamely
 Lou Ann Johnson
 John Lukasik
 Susan L. Forbes
 Ronald Svava

Public Hearings and Petitions

Name Mike Petty
 Address Homer Glen, IL
 Topic General Contracting/Construction Managers

Mike Petty explained that he was very fortunate to have been a member of the Board of Education when the addition was put onto East Campus. The Board hired an outstanding architectural firm and a construction manager that could build a building while students were in the school without disrupting the school day. They did an outstanding job. They even got an award from their peers in their own field for the job that they did. He said that even thinking about making a change befuddled him. He said it would be like going to the math department and saying that you are doing a great job but we decided to go in a different direction. It's not a proven direction but we decided to go in a different direction. He felt that the Board should stay with the proven product, and that they were sitting in an example of the proven product, and stay with who we have.

Name Anita Gorman
 Address Lockport
 Topic Strike N Spare II

Anita Gorman stated that she was representing herself and also Strike N Spare. It was brought to her attention by several people that the Board was possibly considering stopping your PE bowling program as an offering to gym classes to accommodate space for gym students and their rotation. She asked if the Board was going to cancel that portion of gym classes and, if so, when would that decision be made? Would there be a special Board meeting for that? Is it financial? What would be the next approach? Superintendent Raymond replied that in January administration would be working with the Board on next year's budget. Last year the Board was cut a little over \$740,000 in the budget, and this year they were probably looking at a number around that figure again. Anita asked if they (Strike N Spare II) would be able to give the Board a proposal because it would be hard to cut something if you don't even know what it is going to cost you. Superintendent Raymond stated that they would notify Strike N Spare II when the Board would be discussing this issue at a future meeting.

Name Lori Orban
 Address Homer Glen
 Topic Referendum

Lori Orban informed the Board that over the past couple of weeks, she had an opportunity to meet with a small group of stakeholders from both Homer Glen and Lockport to discuss past referendums and the upcoming referendum and what we thought was going to be a great path to success in April. She shared the ideas of the group with the Board. She noted that the group met on their own with no predisposition, no specific direction, and hopefully, the Board would use some of their ideas to come up with a strong referendum campaign. **Taxes**—Stakeholders need to be assured that passing this referendum will not only help LTHS secure funds that will greatly offset the debt for construction of a new school; but they also need to know that a yes vote comes with no tax increase. They decided that our message needs to be concise, direct, and brief. It could be as simple as “Vote yes to no tax increase!” **Boundaries**—it was their belief that the referendum will not pass unless the boundary issue is addressed. They understand that there may be a way to create a diagonal, finite boundary with soft areas near each campus which would provide both campuses with a balanced allocation of students. They felt this approach could gain yes votes. **Deannexation**—they felt that it could be addressed in several ways—maybe from endorsements from our feeder school districts in the form of a letter indicating support of building a new school under the umbrella of Lockport Township High School District 205. Another simple item might be how the new site would be addressed, such as the North Campus, or something to indicate that it would be inside the LTHS umbrella. Also, perhaps use the documents that the District already has that addresses the concerns of deannexation. Most importantly, she felt that none of this is going to be possible unless we have a unified Board that wants to include addressing these topics, be positive, and dedicated to passing a referendum in April. This group hopes that the Board considers these suggestions as it plans for the referendum and that it knows that there are a lot of us behind the Board who are willing to help.

Name Tom Polke
 Address Homer Glen
 Topic Upcoming Referendum

Tom Polke felt that one of the very important things the Board should consider with the upcoming referendum are the items Lori addressed because without addressing them the Board will have a very difficult time finding the support of a team to lead the effort. The issues that Lori described are absolutely in the forefront. He asked the Board to look at what you have done in the past and try and do things differently. The first key is to do what is right for the kids. Saying that we are not going to have two campuses and that we are not going to have boundaries when we know that this is best for kids is the wrong approach. Balance that with people’s concerns. Take an approach that at least addresses fears if you can’t answer questions. Stress the fact that it would be a flat tax. Maybe have a third party to validate that. The detachment problem would solve itself with a successful campaign. There is an issue of trust here. We have to start looking to outsiders to help. Have open, honest dialogue. Respect each other. Pause before you make decisions. Don’t rush to a resolution.

Discussion Items

Construction Management vs. General Contracting for the East Campus Addition

President Svava asked the Board to take turns speaking about this topic. Member John Lukasik sees choosing a construction manager or a general contractor as an administrative decision. Administration chose construction management. The Board’s job is to provide parameters, dollars to spend, importance of staying within a certain timeline. The Board told administration what needed to be done and now it’s up to the administrative team to make that decision—it’s not a Board decision. Member Lou Ann Johnson agreed with John. The Board sets parameters, get details as to how it is going to work, set the timeline, and expects Administration to provide frequent updates to make sure that things do happen as the Board expects them to happen. As long as the job gets done and we get the kids back to a regular

schedule in the fall, she could go either way. Member Susan L. Forbes agreed with what John said as far as trusting in our administration to go ahead with what is best for the District. It makes perfect sense that the Board needs to be kept informed along the way. Member Angela Kamely explained that she met with Bill Thompson, Rich Lesniak, and Garry Raymond, because it was her understanding that on a small scale project like the addition, typically a general contractor would be used and wanted to know reason why we weren't going that way. Administration explained that it was because of the timeframe. The addition needs to be constructed while the kids are in school. It needs to be done before students come back in the fall. The meeting was enlightening because now she knows both sides of the fence. Member Michael Lewandowski stated that he felt Angela brought up some good points. Having the students in school while the construction is going on is an important concern. The pieces are already in place to get this done and in time for school opening in the fall. If the referendum passes and the Board wants to make some changes, then he would be willing to look at that. The way to get this addition done has already been set. He had no complaints with the decision that Administration made.

Member Cindy Polke referred to a document from a few months back that listed a recommendation by the Administration to use a general contractor for a project this size, and that the general contractor would be determined by a bid process. She explained that did a lot of research and talked with John LaVelle, who was involved with building additions with Homer School District 33C, and what he said was that by qualifying the bid process, you can make sure that you get local contractors, if you put it within the bid, and you can put in a certain timeframe for completion. She felt the Board's job to the taxpayers was to ensure that the District uses a competitive bid process and being open and transparent. She felt that according to State statute, the Board should follow the bid process. Cindy read that portion of the statute: "seek formal or informal submissions of the verbal or written estimate of costs of proposals in terms of dollars, hours, required percentages, cost of construction, other measures of compensation and in no case shall those political subdivisions get those estimates prior to selecting a firm for negotiations." So, we should be putting this out to bid is what the State Statute tells us to do. So, if we went with the recommendation of administration, they are saying they would have a general contractor which would be determined by the bid process, according to our document. So, I guess I'll concur with all of you on that. President Ronald Svara stated that about two weeks ago he talked to two of his friends who were in the building business for about 20 years. One said they like the construction manager and the other like a general contractor. It was his understanding that with a general contractor, the District lets out the bids, and with a construction manager, the construction manager lets out the bids. He wanted to know if that was correct.

Tom Filipiak, former LTHS District 205 Business Manager, introduced himself and explained that Garry Raymond asked him to come to the meeting tonight as a resource person for the Board. He stated that he was not be recommending which way the Board should go. He was just here as an informational resource. In regard to the topic of bidding, if the project is all being bid as one project that's one thing. However, when East Campus was expanded, there were 15 phases to this construction project. So, 15 different times we did all of the bid packages that went out to the varying contractors for that specific phase. They were put together in a bid document for the specific phase. We, as an administrative team, met with the construction manager or architect, had a bid opening and would go through each of those documents to determine that was the lowest, responsible bidder for each trade. The Administrative Team then brought recommendations to the school board for the acceptance or non-acceptance, in some cases if they were outside of what they should have fallen into from a cost range. The school board then approved the documents. The administrative team then had the attorney for the District draft contracts with each of those contractors, and the administrative team then managed, paid, and tracked all change order contracts. That was not done at the construction manager level. It was done as an administrative level. In this construction project, there were 210 contractors whose contracts were managed. Once they bid the specifications, then it is not in their hands, it is in the hands of the school district for overseeing the bid process and making recommendation upon it. Each phase of the bids had a specific date of completion

because the project was fast-tracked. What that means is that while you are designing, bidding, and building small units, you continue to design, bid, and build. He met with Bill Thompson today to refresh his memory from his computer files that Rich Lesniak retained. They pulled up the finalized reports that he share with the Board concerning that particular construction project so he had some numbers for the project and to see what the scope was of the work, because much of what we did was 15 years ago. It was a very extensive project and if the Board wanted more information as to how it all went, what the revenue sources were, what the expenses were, what the bottom line was related to the budget process, he would be happy to share that information. He commented that he was very happy working with the people he worked with on the East Campus expansion and had no negative comments to make regarding the people who worked with on this project.

Member Johnson asked if Dr. Raymond or someone else could describe for the Board how they saw this project going. Eric Sickbert, DLA Architect, replied that because of the time issue involved with this project coming into this season that ideally, they would have designed in the summer and had things ready to go by now. Consequently, they were “behind on the ball” a little bit for the scheduling of things, so, construction management does seem to be a good option in this particular case. Yes, general contracting has to abide by the time that is put into the contract specifications, but typically if you compress the time, the price usually goes up and it would increase the cost because it would most likely have overtime and other such things because of the lateness of the decision. The construction manager does have flexibility in allowing an early release which Mr. Filipiak mentioned, in that you can release certain parts of the project before another part of the project is completely done in order to “keep the ball rolling” quicker. This is how they see the advantage of using a construction manager. Each bid package comes before the Board for approval. There would be competitive bids throughout the entire project. The construction manager would be helping the District in the bidding process which would allow many more people to competitively bid and if a general contractor was used. If you sign up a general contractor, that is who you work with throughout the process. You don’t necessarily have a choice of what plumber or electrician they would use. The general contractor is pretty much in charge of the entire project.

Suspend the Rules to Allow Public Comment

President Svava entertained a motion to suspend the rules to allow the public comments. Member **Lou Ann Johnson** moved, Member **John Lukasik** seconded the motion to suspend the rules to allow public comments. By voice vote, the vote was **6 Aye**, and **1 Nay (Lewandowski)**. The motion **CARRIED 6 – 1**.

Name Lisa Mikolajczak
Address Homer Glen
Topic School

Lisa Mikolajczak explained that where her husband works, a building project is going on and is ahead of schedule and under budget. They are using teams of project managers. She too is a project manager for her own company, and a project manager micromanagers the job much more closely. You have the opportunity to have those bids and control over the trades that you retain under contracts, and you get a better quality of work. She felt with a general contractor you are under his umbrella and don’t have all the ins and outs of the control. She suggested several resources for information regarding projects that are currently going on (Silver Cross Hospital and 33C) and also to use the references of the architects. Member Polke interjected that 33C is all general contractor and they don’t use a construction manager. She stated that 33C said that by using the qualified bid process, they can get local people. She further explained that typically, bidders will give you their qualified bid and then submit an alternate bid, and how that works. Cindy commented, “33C who is our largest feeder district used general contractors on all their projects over the last decade they build two schools and three additions. Bids can be qualified to

use local contractors etc. and alternative bids can be submitted if the contractor thought a preferred sub-contractor was outside the qualification.”

Bob Neilson from Henry Bros., who was also a member of the community, explained that Henry Bros. does both general contracting and construction management. From his prospective as a project manager, the biggest difference is the relationship and collaboration. When they work with a client, they are the client’s agent. The District’s goals and objectives are their goals and objectives. When you work with a general contractor you are not always in alignment. With construction management, it’s all competitively bid. You know from day one what their fee would be—it’s fixed. You know what the general conditions are—they are fixed. They go out and competitively each bid package. They dissect it down into pieces to open up more competition instead of getting many general contractors to bid your project. They will get in 15-16 packages—whatever the job warrants. And they will go out and solicit specific bidders for those packages. As a result you will get very competitive numbers—but it’s the collaboration that makes the difference because everybody has the same goals. He listed all of the people who work at Henry Bros. who are members of the Lockport community, like he is, and that he has two children in our school district, so they have unbelievable incentive to do a fantastic job. This is the project team that the Board would have. The chief estimator and I live in Lockport, and the project coordinator, site superintendent, and I feel like we’re here tonight fighting for our job. We live in the community, we pay taxes, we voted for every referendum, we have a vested interest in doing a good job and we’re here defending our job.”

Bill Callaghan, one of the principals of Henry Bros., who explained that they had five people in the audience tonight. He also introduced George Farrell, his partner. They are co-owners of Henry Bros. Company. He introduced Stan Jagelski, Vice President, who was the senior project manager for the East expansion in 1996. Howie Mulford was the contractor who orchestrated and coordinated those 210 contractors. Bob Neilson is the senior project manager who has been working on the numerous budget revisions since 2005, trying to keep the Board updated on the many different scenarios that were put together for the various referendums. He explained that Henry Bros. is as much a general contractor as it is a construction manager. They know both systems. He stated that they were not here to bash the general contractor because half of their own business is doing general contracting. The key is to match the right general contractor with the right people who have the right ability and right attitude. You don’t know who you are going to get in a competitive bid process; and certainly there are guidelines—dates to be met, schedules, competitively bidding. But what you may think is the responsible, lowest bidder on bid day and award a contract could be a problem three months into the project, and there is little you can do about it at that point. Certainly there is payment of performance bond. You can call up that bonding company. Unfortunately, it is a long, very difficult process to get a bonding company involved with a general contractor if there is a performance issue. You have a project that needs to be complete in the summer of 2011. He went into more detail regarding the various scenarios that could happen with any contract or formal agreement, including what happens when there is a problem with a subcontractor. He explained all of the requirements that are in a contract, e.g., certificates of insurance, bonds, etc. He informed the Board that requirements of a contract can limit the work to local subcontractors, it could be done in either form of agreement. President Svava was not sure if you can legally do that. He said that State law says that we to choose the lowest, responsible bidder. How do you define local contractor? So, it was his understanding that if we did not choose the lowest, responsible bidder, that lowest, responsible bidder could sue the District.

Tom Polke interjected that a few meetings ago, Rich Lesniak talked about how bids were coming in lower and you have the prevailing wage and such, and people are hungry for work, I applaud the fact that you have people in the community, the question is who determines a fee if you are negotiating with one person? Although he agreed that you should try to get people in the community to do the work. How do you determine that fee, that’s your biggest challenge? President Svava stated that he was wondering if there was an operational standard behind that, similar to architects. Mr. Polke asked, in what market? In

today's market? Ron replied in today's market. Mr. Callaghan stated that they submitted a proposal to Bill Thompson and we feel it's extremely competitive, we think it is very fair. Ron asked, did we see it? In my mind it's not sufficient to say that we've been doing it that way so we'll keep doing it this way. Member Lou Johnson asked if the real issue was did we ever go out for a public bid for a construction manager? Rich Lesniak explained what is legal for architects. He explained that in the School Code there were particular ways to go about to change and architect—a Request for Qualification (RFQ). You cannot ask for a price because it's based on qualifications from the Architect. The way the Board went about searching for their legal was the same way—asking for an RFQ. He further explained the process, choosing three or four firms, brings them to the Board who rates them, enters into negotiations with the Board's first choice, come to a settlement, if you can't agree on prices, you go to the second choice, and so on. Regarding the construction management field, there is no legal obligation to go out for an RFQ. If the Board would decide to do that now, it would be delaying the process.

Member Polke referred back to a document that was provided to the Board several months ago from the administration recommending the use of a general contractor which would be determined in the bid process. Member **Cindy Polke** moved to accept the administration's recommendation from a few months ago to use a general contractor for this addition. There being no second. The motion died.

Superintendent Raymond clarified that this recommendation Member Polke was referring to was when we were looking at the gym shell and temporary classrooms. It involved demolishing both of those pods. That was going to be a two-year project, which was a \$16 million project. The addition that the Board approved now, we are not demolishing the math pod but adding onto the back of it. We are also expanding the "K" hallway. The current project is fast-tracked in order to get students back on a traditional schedule this fall, which is what the Board directed administration to do. The most current recommendation from the Administration is dated November 8, 2010, which was mailed out to the Board in a confidential packet. Administration's current recommendation is that we use a construction management concept and that we move that forward on a fast-track for this \$4 million addition.

Member **Michael Lewandowski** moved to accept the recommendation from the Administration to use construction management. Member **John Lukasik** seconded the motion. A roll call vote being had thereon, the vote was **6** Aye and **1** Nay (**Polke**). The motion **CARRIED 6 – 1**.

Michael Lewandowski	Yes
Cindy Polke	No
Angela Kamely	Yes
Lou Ann Johnson	Yes
John Lukasik	Yes
Susan L. Forbes	Yes
Ronald Svava	Yes

Discussion took place on the next steps and re-identifying the construction manager. President Svava explained that there are cases where previous boards signed agreements and it was presumed that would be that way forever. Rich Lesniak explained that in 2005 contracts were signed with the architect and construction manager. He received legal opinions from the District's law firm that those contracts could be used in one of two ways. Basically, it was determined that these contracts are no longer valid because of the timeframe and so forth. Even if they were valid contracts, it wouldn't matter because of the very short termination clauses in those contracts. However, those same documents can be used as a basis to simply amend the contracts by adding the current prices because the terms are already done. In 2005-2006 referendum, there were two components to that project—one was the Cedar Road site and the other component was to put an addition onto East Campus.

Superintendent Raymond explained that the next steps for the Board, now that we have chosen construction management, and Administration recommendation is to use Henry Bros. and DLA for the reasons previously given, and if the Board is accepting to that, the attorney for the District will be asked to amend those contracts to update them and bring them to the Board for approval at the Board meeting on December 20, 2010. Proposals from the CM and architect were received and in the case of the construction manager, the price was lowered. The architect kept the pricing the same. Superintendent Raymond stated that he would send out the hard numbers to the Board ASAP and the Board would have to approve or disapprove that. Member Cindy Polke interjected that the process has to be open and transparent. She stated that she felt that Henry Bros. are awesome, they are qualified, and there is no reason for us to believe they are not. However, she felt the Board has a duty to the process to open it up to competitive bidding, and hopefully, Henry Bros. will be awarded the bid and feels that Henry Bros. does a great job, but the Board owes it to the public to get a competitive bid. Cindy clarified that the document that she had been referring to was the \$5.4 million addition with the two high school proposals, not the \$16 million addition that Garry referenced. It stated the administration recommended that due to the size of the project we would use a general contractor and seek a public bid.

President Svava stated that because this item was not on the agenda tonight, the Board cannot vote on it. Superintendent Raymond stated that he would get the best information we have on the construction management and architect out to the Board with all the hard number in it. This information does show that the East Campus expansion was completed on time and under budget. Administration's concern at this late date is about opening the bidding process for the construction management piece. Member Michael Lewandowski recommended that the administration continues to work with our current architect and construction management so this construction project can be completed on time. Regarding the \$85 million project, Superintendent Raymond stated that this would be predicated on whether the referendum is successful or not. President Svava gave Administration direction to put what their proposal will be on the agenda for the December 20 meeting regarding the architect and construction manager contracts.

Referendum 2011

Superintendent Raymond reminded the Board that it set aside the time tonight to answer the essential questions as best as it can. At the end of the night a plan needs to be set to go. He informed the Board that last night, Kim Brehm and Rich Lesniak co-chaired the first CAC meeting (approximately 22 members) and gave them this year's question from the Board. What came out of the CAC meeting was to keep the message simple.

The Board worked through each of the following questions and the bullet points associated with each question with suggestions/deletions/additions for updating. A link will be placed on the District web site for Frequently Asked Questions (FAQs) regarding the referendum.

- What is the rationale for the referendum?
- What is the plan?
- How is this plan different from the past plans?
- How much will it cost?
- What will the attendance boundaries be?
- What is the timeline?
- Will additional staff be needed?
- What is the future for Central Campus?

Darren Deskin interjected and emphasized that he felt that there were essentially only three issues the public is interested in—taxes, boundaries, and detachment.

Approval - Amortization Schedule Available on the Web Site

President **Ronald Svava** moved to put the amortization schedule as a link on the District web site. Member **John Lukasik** seconded the motion. The voice vote was unanimous. The Motion **CARRIED 7 – 0**.

President **Ronald Svava** recommended that the referendum packet would include a statement that the new building will be built without a tax increase. Consensus was that clarification needed to be made regarding the no tax increase statement. regarding no tax increase. A suggestion was made that perhaps the CAC should come up with a way to phrase this statement appropriately. Kim Brehm explained that the committee discussed the question last night and they were very much in agreement to what the message should be but were waiting for the Board to iron out the details. The CAC will be meeting every other Wednesday until the referendum is voted on. They expressed that the hottest issues were universal: taxes, boundaries, and detachment. Their recommendation was for the Board to have a unified voice, to choose a boundary line and stick with it, and communicate that to as many people as possible. Member Lou Ann Johnson recommended that Kim and Rich give the CAC several options of verbiage and let the CAC tell us which best conveys the message. If CAC does not feel that any of the options would do and then let CAC give the Board their recommendation. Superintendent Raymond recommended that what is decided upon tonight should be taken to the CAC to refine it.

Various boundaries were discussed and consensus of the Board was to go with a soft boundary. In the first phase of this process, all freshmen will attend East Campus, regardless of where they live. Once a family chooses what building their students will attend after freshman year that would be the building they must attend for the remainder of their students' high school years. It was recommended that a new map be put together showing the soft boundary to be from Farrell to Cedar and Taft to Fairmont.

Superintendent Raymond stated that he would update the FAQs from tonight's meeting and send this information to the Board for review.

Announcements

None

Adjournment

Member **John Lukasik** moved, Member **Michael Lewandowski** seconded the motion to adjourn the meeting. Voice vote being had thereon, the vote was unanimous. The motion **CARRIED 7 – 0**. The meeting adjourned at 9:07 p.m.

Ronald Svava, President

Lou Ann Johnson, Secretary