

## Virtual Special Board Meeting, June 15, 2020

**The June 15, 2020, virtual special meeting** of the Moon Area Board of Education was held virtually at 6:00 p.m., for general purposes. The meeting was CALLED TO ORDER by Vice President, Robert Harper. The following directors were present:

Mr. Harper	Mr. Dugan	Mr. Bogatay	Mr. Hauser
Mr. Testa	Mrs. Partica	Mr. Scappe	Mrs. Blair

Mrs. Zieger joined the meeting at 6:22 pm.

Also, in attendance: Mr. Balaski, Mr. Haslett, Ms. Regan, Mrs. Finnegan, Mrs. Pompeani, Mr. Daniels, Mr. Roth, and Mr. Cambest, Solicitor.

There were approximately 161 audience members.

Mr. Balaski announced that this Zoom meeting will be recorded.

Mr. Harper commented that the agenda would be modified tonight so comments from the public can be received. The Board members will speak first with their comments and then move to audience recognition on agenda and non-agenda items.

### **Board Comments**

Mr. Harper commented that there has been a lot of talk over social media about the building renovation and financial implications regarding Hyde Elementary School. There has been information out there that has merit and non-merit and the reaction to the misinformation that has been published. He clarified he has heard and read a lot of comments that the Board wants to close Hyde. That is not the desire of the Board to close Hyde. The primary reason many of the folks on this board ran in 2015 was to maintain Moon and Crescent Townships five elementary schools. The Board understands the value of Hyde to the community and how it specifically benefits the Mooncrest community. The Board also believes in the educational benefit the students receive by attending neighborhood schools. As a board, they understand and hold in highest regard the sanctity of the name of Richard J. Hyde. The Board has never said that they are going to close Hyde. The directors want to be transparent and has been 100% transparent with the information discussed, i.e, renovations, taxes, tax increases, student population, building capacity, etc., for months on end and some topics for years. The meetings are open to the public and are accessible on MCA TV, streamed online and the meeting notes are made public. Mr. Harper encourages everyone to come to the board meetings or get in touch with the board members if you have any questions. He has heard discussion of community members talking about that the Board is going back to the centers model. This is not something the Board has discussed publicly nor privately. He has also heard that the Board doesn't care about Hyde as they do not have children that attend school there. The Board cares about all of the neighborhoods and the kids.

Mr. Bogatay thanked everyone for participating in the meeting this evening. He wanted this special meeting to be held so the Board could hear what the public had to say. In all transparency, he intends to vote to spend the money to renovate Hyde. This issue is complicated

## Virtual Special Board Meeting, June 15, 2020

and goes back a number of years. It will be a very large plan to implement. We have to address building issues. The buildings need maintained, and no matter what, we need to spend money to update the buildings. We are engaging in an ESCO program. Most of our borrowing power is gone; we took out bonds for projects, devoted certain resources to certain projects. He asked the public to familiarize themselves with the history of the buildings/district. We will vote to raise taxes. The prior Board had a \$10 million-dollar fund balance. They depleted it and left the current Board with an \$8 million-dollar deficit. We have been climbing out of this deficit year after year. Right now, we need continuity throughout the district. There are a number of reasons why he will vote to approve to renovate Hyde. Former Superintendent, Mr. Baker, and the Board wanted to close Hyde without a plan. To properly close any school, you would have to have a plan, which could take years and then transition with a plan to renovate and adjust the other buildings from the additional overflow, from whichever school you were going to close. Those renovations would need to be completed before you can close a school. We have not had a superintendent in place long enough to look at a plan about what we are going to do 5 to 10 years down the line. Without a plan in place, we cannot look at what we can do over the next few years. There is no plan in place to address closing any of our schools. Mr. Bogatay said he voted for a meeting to take place and wanted the taxpayers to hear the information presented. There was hysteria that Hyde was going to close. The majority of the Board supports spending the money at Hyde for these renovations. We need to do work on our facilities to save money, keep the kids and staff safe and get the building to code. The ESCO is a great program to use at this time. We don't want to enter into decisions lightly. The extra time spent speaking to residents is good. We have obligations and a duty to make sure everyone knows what is going on.

Mr. Harper and Mr. Balaski both commented that the meeting this evening is not about a vote to close Hyde. No discussion has happened at the board level.

Mr. Dugan commented that this is not a vote to close Hyde. This is a vote on a districtwide construction project. It is not that he doesn't want to fix the buildings, his concern is how we finance these projects and the timing. The last few months have been shaky ground for everyone. We were hit with the COVID-19 virus; our revenue projections have fallen off a cliff. He's wary about taking out a lot of money to fix any of our buildings right now and would like to postpone the projects another year if possible. He voted no last week as well for the Bon Meade project. It was a decision based on the long-term financial health of the district.

Mr. Testa commented that the administration and Board apologize to the Hyde community. We cannot hold off on repairs at Hyde. Hyde has not been renovated in decades. There are dedicated teachers and staff at Hyde and the Mooncrest program serves as a tremendous benefit to the community. We are funding a \$4.1 million-dollar bond by refinancing existing bonds --\$4.3 million-dollar total received, \$3.2 million dollars to refinance and repair Hyde. The payment would be roughly \$170,000 per year for the first 15 years, after that the payment jumps for the next 5 years. This is a bond-wrap and a lot of other bond debt will be retired by the time it jumps up. The impact on the district is low. Some of the numbers shown on the spreadsheet on the website are not accurate. There are 3 different scenarios: (1) showing a scoop and toss loan (2) with renovating Hyde (3) without renovating Hyde. What's in the projection is an overpayment for \$500,000 that we are paying on the bond and that is incorrect. Mr. Testa commented that the numbers on the District's website are inaccurate. He is sure it is an unintentional error. We are

## Virtual Special Board Meeting, June 15, 2020

not talking about renovations. We are just repairing critical items at Hyde. This work will be done under an ESCO project and Bon Meade and Hyde will be rolled into that project. The buildings will be more efficient, and ABM guarantees a savings to the District. If ABM is wrong and the savings are off, they have to write us a check. The Moon Transportation Authority (MTA) is a tri-party agreement between Moon Township, Moon School District and Allegheny County. The MTA was developed in the late '80s and we receive approximately 3 mils of revenue from the MTA from properties in that zone. Five years ago, he fought over Hyde when the building projects were going on. Five years ago, everything could have been fixed at Hyde if the Board and Mr. Baker did things differently. The building needs to be safe and secure for staff and students. Mr. Testa commented that he will vote in favor of this project and apologized for any incorrect numbers on the district website.

Mr. Regan commented that the numbers on the district website were developed by the two principals, Mr. Balaski, Ms. Finnegan and Jill Regan. They are based on the calculations of what our current operating expenses are and what our debt service is as a whole and will be over the next three (3) years. You have to add the entire increase for all of our bonds, which we currently have six and will now have seven. We have a lease payment to pay every year for the computers for the students for the 1-1 program, and we are also adding more devices, which will increase our debt service payment. Ms. Regan commented that she did not make up those numbers; they are not incorrect. They looked at the numbers very carefully. It was also based on the current population of teachers and staff, all 500+, where they are at on the salary scale, where they will be in 3 years, reviewed health insurance, and the average increase the health insurance would be for all employees. Transportation costs go up every year. 70% of the budget is salary set for the contracts. Debt service would span over 20 years. In past years, we have received an increase equal to the index 2.3% increase. The Governor has said we will not be getting the increase and are telling districts to plan for a 3.5% deficit. We are talking to the people at the state that are doing extensive research as to where we should be and that is what these budget numbers are based on. We are not allowed to raise taxes to a mil. This year we can raise to a .57% for taxes; that will not cover the increase in salaries, health care, transportation, or the debt service fund. We were going to be a half million dollars short as it is.

Mrs. Partica commented that since she's the new person on the board, she thanked people that have shared the history as to what has happened in the past. It sounds as if in the past there was a very adversarial relationship between the public and the Board when Hyde was closed. She does not wish to continue that. Her goal as a board member is providing oversight and looking at our entire district and figuring out how can we stay financially healthy, which that means we are the point of how we can keep local control. We need to figure out how can we get to a point where we are not forcing long-time Moon residents out of their homes with taxes they cannot afford. We need to provide equal opportunities and equal facilities to all of our students. She would like all of the students to attend beautiful school that is well maintained, healthy and doesn't have materials in it that were banned by the EPA and keep all of the opportunities that we have now. This is why she voted against moving forward with this project. This project is just a piece of a larger financial picture. She wants to make sure the district is healthy, and our students have what they need. She understands how important the location is as well. Parents throughout the district are frustrated their kids are in classes with 28 students and in some classes around the district there are 17 students. We also know that we need to redistrict and that is

going to be painful. The Board has a lot of hard choices ahead of them. She thanked everyone for being here and communicating with the Board.

Mr. Hauser commented that the conversation given by Board members to this point has been very good. He thinks it has been very revealing about past concerns about where we are in the present and about the impact of the decision we will be making will have on the future of our district, residents and community. He will be voting “yes” on the motion this evening. He thinks his reasons have been articulated by Mr. Bogatay, Mr. Harper and Mr. Testa. Having worked in the district, he has seen the damage that was done when the schools are not maintained. Not only does it cost money, it also costs us a negative impact on the ability of teachers to be effective at what they do and the students in terms of learning. In his view, this was never about closing Hyde. It’s about using an innovative program to get some repairs done around the District. We have worked on this for months. We knew we were going into this energy savings program and had to figure out where we could most effectively address some issues in the District, gain some savings and really have a positive impact on the educational environment and the outcome for everybody in the District. There are pros and cons; it’s not an easy decision. This will have a long-term effect and will benefit the District financially and educationally down the road.

Mr. Scappe appreciates everyone’s comments; however, he has a different perspective. Throughout this process, the Board members have never talked about closing Hyde. This was a total shock to him that this subject even came up. He’s been on the board the longest. There has been nine (9) months of discussion on this subject. Three (3) firms came in and did presentations at the board meetings. We worked through our budget process through January. Then the coronavirus hit, and we knew there would be additional obstacles as well. He believes the Board has been transparent. There have been over 10 – 12 meetings discussing this project as well as the budget combined. The residents didn’t see this coming and it was like déjà vu from five (5) years ago when the Baker regime closed Hyde. Maybe the residents got scared that it would be a repeat the past. He has heard from the public that some of our administrators commented on closing Hyde. Mr. Johnson was involved in all the decision making for Hyde. The panic was caused by miscommunication. He has always been supportive of Hyde and for the repair work that needs to happen. He will be voting “yes” on this item this evening.

**Audience Recognition (Agenda and Non-Agenda Items)**

Todd Novak, 155 Greenlea Drive, Moon Township, PA, thanked the Board for all of the information. He’s looking at the millage rates going back to 2016 and noticed there has been an increase every year. He’d like to know why the increases every year, where those funds went and why are we at the point we are at right now?

Mr. Testa commented that before Mr. Baker and the previous Board took over, we had a \$10 million-dollar fund balance and were in great shape. Unfortunately, due to decisions made at that time, the \$10 million-dollar fund balance turned into a negative \$5 million-dollar deficit. We were looking at deficit spending every year. We did a number of things and said at the time that we would have to have a multi-year tax increase to make for this. We renegotiated contracts with our vendors, the bus company and implemented a spending and hiring freeze to give some relief. The tax increases this year is to help rebuild the fund balance. The deficit occurred over

## Virtual Special Board Meeting, June 15, 2020

a 4-year period 2011-2015. Then, the new Board took office and helped us to get us back to where we are now.

Nancy Augustine, 502 Dogwood Court, Moon Township, PA, she has lived in Moon for 26 years, her children attended Hyde Elementary School and received a very good education. She had participated on two strategic planning committees. She and her husband worked tirelessly to get the Middle School and High School buildings on track. The reason you are seeing such a high attendance rate at the meeting this evening is because the residents are listening. Families local to Hyde are passionate about a community school. Community schools were listed as a district priority in all of the strategic planning committees that she had served on. She understands the concern about raising taxes, the uncertain financial status and sees the dangerously low fund balance. She agrees with Mr. Testa that it's a shame that Hyde wasn't renovated earlier as it's a mirror image of Allard. It is ironic that Hyde is always the last school to be addressed. Hyde is an equally important community school for each family that lives in that part of Moon. She urges the Board to look at a holistic plan for this project and bring all of our buildings up to par. A lot of miscommunication in the district.

Mr. Hauser commented that he recalls her involvement over the years, and it was very constructive, positive and beneficial for the students and the community. Whenever plans were developed, finally approved and put in place, for some reason Hyde was dropped from the radar. Nancy has shared that we do value community schools in our district. Those kids deserve the same opportunities that the kids and residents have in other parts of the community. This is one of the reasons he is voting "yes" for this project this evening. This defacto systemic bias towards Hyde needs ended and this Board has an opportunity to do so.

Mr. Harper commented that he will speak to our Public Relations Coordinator about plans to further promote these meetings. Right now, the meetings are advertised on Twitter, on both of the marquees and the district website. They will discuss some creative ideas to publicize the meetings better as well.

Mr. Dugan thanked Mrs. Augustine for her comments. At our last board meeting, he pointed out that the District has a painful history in its investment in Hyde Elementary. His concerns moving forward, a "no" vote on this motion has nothing to do with Hyde. He voted "no" to Bon Meade as well. He is recommending that we wait until we have more certain times and that we are on better financial footing. An investment in Hyde renovations is long overdue and is not saying Hyde is not worth the investment.

Scott Kubatka, 822 Balmoral Court, Moon Township, PA, alarms him that the Board is already telling the public the way they are going to vote before they hear the public comments. He thought the position of the Board was to listen to the people and take that into consideration. He also noticed that during roll call, Mrs. Zieger, President of the School Board was absent. This is an extremely important issue for the community. Mr. Harper interjected that he doesn't think his comment about Mrs. Zieger is appropriate. Mr. Kubatka talked about the slides, the financial deficit and taxes that were listed on website. Nobody wants to close Hyde. The school district doesn't have the money to keep digging themselves out of debt and needs to figure out other ways to get rid of debt or how to pay for any renovations in a different way. He reviewed the expenses as well. Questioned the amount of money diverted to MTA this past year? Ms. Regan

## Virtual Special Board Meeting, June 15, 2020

commented that it was a little over \$600,000 in the 2019-2020 school year. The number for the 2020-2021 school year is \$670,000. Mr. Kubatka also wanted to know why we sign over that much money to the MTA. Mr. Bogatay commented that one of the biggest challenges we have is creative generation of revenue for the district. Mr. Harper and Mr. Bogatay have had private and public conversations regularly about whether or not the MTA is optimal the way it is currently structured. In an emergency, there is no way to access any of those tax funds. Need to come up with ways to generate revenue and cut spending – that is what that program is. Mr. Scappe or a rep from the MTA can speak further on that. They have the numbers, additional tax revenues that have been generated over the years. LERTA districts have benefited this district to the tune of millions of dollars. This program was a stroke of genius to bring larger benefits and more businesses to the infrastructure into the district so we can benefit from those tax funds. He understands his point and concerns. Not a perfect system, but it does benefit us greatly. We are audited regularly. It is not a scam. It is a tax generation program. Also, he believes it is unfair to put blame on Mrs. Zieger or say this information has been sprung on everyone. It is the public's job to follow along and stay informed. We have talked about the ESCO plan for months. The fact that people haven't been watching the presentations with the ESCO companies and not listening to the board meetings where we have those discussions, is not the Board's fault. The ESCO program will not be the reason for our deficit spending; it will be the reduction of state funds. In four (4) years, we went from having a negative \$8 million-dollar fund balance to, if it was not for this COVID crisis, being on the brink of being in the black. We are confident we are going to stay the course. Ms. Regan is a brilliant business manager and is phenomenal at what she does. Mr. Testa has years of expertise in the world of finance. We have people in place that are absolutely turning over every stone, looking at every possible opportunity, including the MTA, for the past 4 years looking for extra money. We have facilities that need kept up, have to make difficult decisions and have to operate in a deficit because the circumstances mandate it. We are doing everything we can to keep neighborhood schools intact. Our level of transparency hasn't changed. He appreciates and respects Mr. Kubatka's comments. We are not blindly making decisions. We put the kids first and taxpayers second. He supports the neighborhood school model and will do everything in his power to help this work. We are not doing anything derelict in our duty and are being as transparent as we can. Trying to make it clear to everyone why we are doing what we are doing. We are doing our best to dig ourselves out of this mess. He has the utmost faith in Mr. Balaski, Ms. Regan and the rest of the administration to get us through this.

Mr. Kubatka commented that deficit spending is not the way to go. Our kids will be paying the price for years to come. Ms. Regan was asked, in her professional opinion having a strong command of these numbers, it was extremely impressive what she did earlier today, crystal clear that these numbers are very accurate, would taking out additional debt make sense?

Ms. Regan cannot say "yes" or "no" to that question as it's a double edge sword. Right now, taking out debt in the middle of a pandemic seems crazy. However, the raising of the taxes is necessary to keep us at level funding. We were \$500,000 from being level funded before COVID 19 happened. COVID 19 is the problem causing the \$3.5 million deficit over the next 3 years. The taxes keep up with the expenses. Making sure as an administration and a Board, that we keep all of the expenses within the tax raise so that no one gets furloughed, we are not considering building closures, moving kids around, etc. We were all set that everything was going as planned and we were going to get there in the black. It really isn't about Hyde. It's

about whether this is the right time to take the new money. That is what the Board is considering now, if they want to take new money now or not take it now because of loss of revenue and the pandemic. If they don't take the new money, then other cuts will have to be made in the next 3 years. We are losing \$3.5 million dollars and something else is going to have to give. Now it's about how are we going to get out of the COVID-19 crisis, as that is what is causing this. No idea how many people have lost jobs and cannot pay earned income tax, or how much businesses are affected. This is about Crescent and Moon Township students, all 3,900 of them.

Mr. Kubatka also asked Mr. Balaski what Plan B will look like if the district decided not to take out additional loans to renovate the facilities. Mr. Balaski commented that Plan B would have to be voted on by all nine (9) board members. He clarified that when questions were asked of him, his kids are not in the district, but he lives in the district. If you are looking at a money savings, you would go to a centers model as that is where you can save the most funds. He had also told a few people that called him that you can choose to renovate Hyde and keep it open, choose to not renovate Hyde and you cannot close it next year, but you can have it under consideration in the future. Two choices would be to run 4 neighborhood schools either K-4 or into a centers model. He explained to people that that is not his choice. People have to decide for themselves whether the value the neighborhood schools versus valuing what it does in the tax revenue and what we are doing. He did state that we do have enough room, but that's not the question. His job is whatever the public decides and through the Board, to run that the best way that he can. We will run the schools the best way we can given the circumstances that are set in front of us. We have worked hard to have plans in place and that is what he explained to the public. We should not do things in haste. The goal is to take care of kids first. We were on a very good track. This Board has done a very nice job of trying to save money over the last five (5) years. If you choose to move forward with building renovations, we will take out loans and they have been set up the right way. Ms. Regan commented about Plan B. At this time, we would have to develop a thought process about Plan B; however, after next tax season, around February/March, when she sees what the real estate tax loss will be and she can calculate what half of a year's earned income tax loss is, we will know much better what the loss of revenue to this district is. Mr. Dugan commented that Plan B is not a plan to close Hyde. We have never discussed that. The discussion was if it was a good idea to borrow this much at this time. Mr. Balaski also commented that he stated that the Board never had any discussions along that manner of closing Hyde.

Mr. Scappe clarified the Moon Transportation Authority (MTA) and what they have done to help the school district. The MTA is an entity comprised of two school directors, two supervisors and one person at large appointed by the township supervisors. MTA has an agreement with the county, the township, as well as the school district, in the LERTA district. The MTA's task is to find undeveloped area in Moon Township and build infrastructures to entice corporations and industries to come to Moon and get additional tax revenues over the years. MTA has been very successful in doing that. Because of all of the growth that Cherrington Parkway is creating, the MTA is improving the Thorn Run Interchange. The land taxes have never left the school district. Once buildings are built, the taxes are diverted to the MTA so they can continue to build infrastructures across Moon Township. Over the year's the MTA has created over \$10 million dollars of new tax revenue to the district. Without the MTA, it would have amounted to a 4 mil increase on our budget. We cannot do anything out of the ordinary. Our books are audited—

## Virtual Special Board Meeting, June 15, 2020

they are reviewed by the state, the county, the township and the school district. All of what we do at the MTA is secured by the township supervisors. If there was any default or anything happened to the MTA, it would reflect back on the township. The MTA has some projects moving forward: a new road, Stevenson Mill Road, is a connector behind the hotel off University Boulevard going past the Park n Ride; Rouser Road connects Thorn Run and University. There is a lot of interest with developers in developing that land to give us some additional tax revenues that can help the taxpayers of Moon and Crescent Townships. With that, the school district does not have to raise taxes all the time. We are also looking at other avenues to generate revenue. That is the reason the MTA has been very successful since the mid 80's and we continue to do that. To say that the MTA is doing something illegal is absolutely not true.

Steve Perry, 303 Beagle Court, Moon Township, PA thanked the Board for trying to do the right thing under these conditions and for looking out for all of the kids and trying to give them all a nice facility to attend. He understands how the GISA project works. He asked if there was a public solicitation for an RFQ or RFP process to make sure there was more than one ESCO company coming in and if so, what was the criteria for selection? Mr. Cambest responded that there were three (3) different companies that submitted proposals to the Board of Directors for review. He didn't speak to the specifics as to the Board's rationale for picking ABM over the other two, but he did attend ABM and Schneider's presentations and there was some difference between them. One of the important issues was if there was a shortfall in the proposed energy savings, the company would write a check. Some of the other companies indicated they would provide some additional equipment or some other way to offset the shortfall. That was a primary concern for the district. Mr. Harper commented that that was our solicitor that responded to Mr. Perry's question. There was an RFP in place. There were presentations given to the Board at various meetings. There were three (3) companies that made presentations and also a 4<sup>th</sup> company that gave us a quote as well. One company inquired but did not give us a quote. Trane, Schneider Electric, ABM and TEN. Various criteria were used: what projects are available, what savings is out there, what assurance do we have that the savings will happen, references from other districts., etc. Due diligence was done as far as making the decision goes.

Nicholas Hamilton Archer, 215 Lochinvar Drive, Moon Township, PA is new resident to the area. Commented that the Board is spending taxpayer money through a crisis and thinks it is terrible. He also thinks the communication plans have been terrible. In a COVID crisis, we all take a hit and cannot spend our way out of this. It doesn't make sense to him to spend this money at this time. However, it sounds as if this is a done deal. This is public money and you have to be a good steward about that. Mr. Harper addressed Mr. Archer, saying that if he would like to talk to him or any other Board member and if he has suggestions on how we can improve communication. We will try to publicize the meetings better. The intention is never to hide the meetings.

Bob Parsons, Moon Township, PA he apologizes that he wasn't diligent in attending the meetings that have taken place for this topic. It sounds like it's a done deal. He asked what repercussions there will be for the rest of the district in order to makeup for this money that we are spending on this renovation project. In the past several years, we have cut programs, which is totally ridiculous, like reading specialists, librarians, etc. Mr. Balaski commented that we have reading specialists, librarians, and we cannot answer what the affects will be until we see the loss of revenue. Mr. Testa commented that we still have reading specialists. We reduced by a

## Virtual Special Board Meeting, June 15, 2020

couple reading specialists, and still have reading specialists working with the kids. Mr. Balaski commented that we went from 9 to 3 reading specialists. Mr. Parsons also asked what affect does that have on the kids? If you're spending money you don't have, you have to make it up somewhere. Will other programs need cut? Athletic budgets have been cut as well. As far as other elementary buildings, Bon Meade is bursting at the seams, but what about the other schools? Are there classrooms sitting vacant now? Mr. Balaski said that this information is posted on the website. The school district can hold 2,600 elementary students, which is the max. You really can't hold 2600--about 80% range – try not to go over the 85% range if you can help it. Mr. Scappe commented that we had to submit a plan to the state under Plan Con A. At that point in time, we had six (6) classrooms that were empty, four (4) were at Allard and two (2) at McCormick and everything else was filled up. The capacity posted on the website does not agree with the numbers that went to the state--only four (4) rooms are available. We are having to relocate kids from Bon Meade and transfer them to another school, because we don't have room in that building. Mr. Testa commented that we also to keep growth in mind. Last year we had the largest Kindergarten class we had seen in years. The supervisors have plans for 600 new homes in Moon as well. At one point, we may have to look into redistricting. We have some kids signing up for Bon Meade that will have to go to another school. Bon Meade is bursting at the seams. Mrs. Partica commented that there are several reasons why kids can't go to their neighborhood schools and she knows that people want them to be able to go to the neighborhood schools to be close to home; however, the schools fill up fast. Parents throughout the district get frustrated with this. Mr. Parsons commented that you can't keep raising taxes and spending money that you don't have. Mr. Testa commented that ABM is going to do a demographic study for Moon. We will have a better handle on where growth is occurring and can use that to project where we need to redistrict. In response to Mrs. Partica's question, when the building projects came up for Allard and Brooks it was the perfect time to renovate Hyde. Mr. Hauser and he fought for Hyde to get those changes made and they were out voted. Because we inherited such a mess, when we get to a position where we can do it, we will. A few years ago, a secured entrance was built at Hyde. We need to repair critical items needed at Hyde. Mr. Parsons asked if Hyde will be equal to the rest of the elementary buildings with all of this money being put into it or will it just be a band aid fix? Mr. Testa commented that the good news is Hyde is structurally sound; so, we are taking care of items that are past their useful life: roof, HVAC system, new windows, new doors. He has spoken to Mr. Johnson and the teachers at Hyde and they feel the kids are getting an excellent education there. Mr. Parsons asked how this will affect the other buildings in the district, the high school, middle school, etc.? Where are we at with the middle school and high school attendance wise? Will we have too many kids for either building to hold? Mr. Testa commented that in our capital improvement fund we have \$1.7 million dollars earmarked for capital improvements. Along with taking new money, we are refunding bonds from 2015. Our capital improvement fund will grow, and money will be set aside so we don't have to go out and borrow all the time. Bonds were issued for capital improvements and that is all you can use them for. There may come a point in time when we have to add on to both the middle school and high school, as the district keeps growing.

Mr. Balaski commented that a study was done on the two newest neighborhoods, Cimarron and Foxwood, which is about 300 homes. There are about 144 elementary school age students with those two combined. Out of 276 school age students. He would have to go back and look at the actual capacity of the middle school. One concern at the middle school is the size of the cafeteria. At the high school, at a maximum is 1,367 students and there are roughly a little over

## Virtual Special Board Meeting, June 15, 2020

1,200 students there and there are no empty rooms at the high school at this time. The size of the cafeteria is a concern as well. Mr. Parsons does not think it's a good time to vote on this item tonight, as more discussion should be held.

Sissy Jochmann, 105 Treeview Drive, Moon Township, PA she has been teaching in Moon for 25 years and the last 15 years at Hyde Elementary. She is proud to work at Hyde saying they have an amazing staff, students and parents that make her proud to go to work there. She wanted to express her firm belief in Hyde and its students and the community they serve. The students are achieving greatness every day. She believes the school provides a safe, supportive and challenging learning environment for students.

(audio is very hard to hear)

Ronnie Peduzzi, 548 Sautter Drive, Crescent Township, PA she is on the Mooncrest Neighborhood advisory board. She commented that the spirit in Hyde is amazing. She sent an email to the Board and didn't get a response. She'd like to know what budget cuts will be made. Why was the Bon Meade renovation approved last week and not Hyde? Why is there money for Bon Meade and not Hyde? She's wondering what renovations were done the last time Hyde was made into a learning center. Were none of these concerns addressed then and was that building deemed safe then but not safe now? She appreciates Mr. Testa's comments about the building and the spirit at Hyde. Wondering why that building has been ignored and other buildings have not? Class sizes? Where are the 200 students going to go? Talks of adding on to another building. Why weren't the asbestos issues addressed under the last renovation? If the renovations won't be done, will Hyde still stay open without the renovations? Mr. Testa responded to her question, regarding what went on at Hyde when it was transformed into a learning center. During that building program, when Allard and Brooks were renovated, Mr. Baker and the Board elected to put a kitchen in Hyde that could serve meals throughout the entire district and a million dollars was spent on that project. A kitchen already existed at the middle school and instead of repairing Hyde, a million dollars was wasted on the kitchen for a duplication we already have. Mrs. Partica commented that we have not had conversations of closing Hyde. The question of can we afford to do these renovations just came up. The Board has not discussed what would happen if the building would close. Mr. Testa commented that he is in favor of repairing. You either repair or you close. Hyde provides such an asset to the community it would be a shame to close it. We have been discussing the ESCO project since September. The projections we received were between \$3 million and \$6 million dollars to repair Hyde. Mrs. Partica commented that right now we are focusing on these critical needs. From the list of items given to the Board, there are far more items that need attention to bring the building up to par with the rest of the elementary schools in our district. Mr. Bogatay commented that we haven't had any borrowing power. He can appreciate the point made regarding today's climate. However, this Board hasn't actively ignored Hyde. He doesn't think anyone on this board can accurately answer this question. He understands what she is saying. There is a whole other conversation that needs to happen but not today. Hyde has been underserved always seems to be overlooked.

Melissa Eiker, 124 Jarod Drive, Moon Township, resident since 2012, PTO president at Hyde for the last three (3) years. Hyde and Bon Meade are the larger portion of renovation dollars. In this vote today, are you just voting on Hyde or will everyone else get their repairs? Mr. Harper commented that the vote this evening is for Hyde Elementary. Ms. Eiker commented that the

## Virtual Special Board Meeting, June 15, 2020

kids are doing well at Hyde; they are asking for doors, windows, roof and heating. Doesn't think they are asking for too much, just bring the building up to date.

John Gott, 1014 Sandhurst Drive, Moon Township, if this is a vote for Hyde and it is a "no", where do things go from there? Mr. Balaski commented that if it's a "no" tonight to not do the renovation, Hyde is open. You are not going to close Hyde; it is illegal, there is a process you have to go through and involves public meetings. Mr. Dugan commented that this is not a vote to close Hyde. His overall comment would be that it seems to him that it's short sighted to close a school because then Hyde would not get the repairs. If we get more students in the coming years and we need more room, where will they go? Are we robbing Peter to pay Paul and ignoring what will happen 10 years from now? Mr. Scappe commented that strategic plans have been done for all of the buildings. When he was on the board in 1999, they had a plan: 1) high school, 2) middle school and 3) elementary schools. Hyde was supposed to have been taken care of about 12 years ago. When elections came, certain individuals were on the board and moved the plan in a different direction. We still have a plan on how we address every building. We can't take of every building all at one time. After the repairs are done at Hyde, we will probably have to take a look at the Middle School and High School. The Board receives updates every year from our Facilities Director. We have list of projects and we extend those out 5 years and have a plan on what buildings we are taking care of. It's an ongoing process and buildings are done on a rotating basis. Mr. Gott asked the members that are voting "no" what is your thought? Mr. Dugan commented that he thinks if we don't have a plan that ensures solvency, may not be public control of the school district. He thinks what Ms. Eiker said about Hyde is true, the school deserves more than the basic necessities to make sure the kids are safe. Hyde deserves a \$10 million-dollar investment as Hyde has been underserved for decades. He voted "no" for Bon Meade as well. We are not in a good financial situation right now to take on more loans. The COVID 19 and budget projections that were posted on Friday paint a very bleak picture. Mr. Hauser commented that he's worked for 16 years in the district in what was deemed a "sick" building. That building had mold, bad air circulation, and the old high school had no windows. That environment had a bad effect on how effective kids were learning. If we talk about continuing to delay giving Hyde a decent environment, that is a disservice to those kids and the teachers. They deserve to have this done so they have an environment where they can learn better, teach better, etc. We have a really good opportunity to make a difference in one of our very important community schools. Mr. Harper commented that if we are committed as a board to having the five (5) elementary schools open, there may not be a time when the money is available to us at the lower rate than it is now. Mr. Testa commented that we have a historic low rate. There is a savings involved due to the ESCO project. Buildings will be more efficient. Mr. Scappe commented that the cost savings are coming from all of the buildings. Renovations will be done on all the buildings to generate savings. Hyde will generate more savings once we do these repairs.

Nicole Butteri, 110 Christler Court, Moon Township, PA commented on the last comments made talking about all the repairs the schools need. She's sad that repairs that were needed at Hyde have gone undone all of these years. What does that say about us a district? Her kids have attended Hyde as well. Hyde has the lowest socioeconomic group here and repairs that have been needed for years and years have been ignored. It should have never gotten this far. It's a scar on Moon Township.

## Virtual Special Board Meeting, June 15, 2020

Lisa Machi-Baldis, 1075 Jackson Road, Moon Township, PA thanked the Board for their volunteer efforts. Community appreciates everything you do. Upsets her that the Hyde families are upset about their school possibly closing and the repairs that need done.

Nicholas Hamilton Archer commented that it seems as if the vote is to do the construction at Hyde. Mr. Scappe said there will be other construction going on across the district. Mr. Harper and Mr. Hauser commented that the vote is Hyde specific tonight. Mr. Archer asked if you can look at a larger investment for Hyde or can you hold off on voting? Mr. Testa commented that we should move forward with voting on this item tonight. Critical items are needed to be repaired before we go back to school. The entire project generates the savings, not one particular building. Mr. Hauser expressed that this is an ongoing process. The district needs to engage in some strategic planning with regard to facilities and capital projects. Need to make sure the buildings are up to code, and a safe, suitable and safe environment for our kids. Getting this done for Hyde is a good step forward in the process. Because of COVID, he envisions the future being very different in terms of how schools will be used. Mr. Archer thinks that what COVID has provided in terms of opportunity and everything that was presented here tonight regarding low rates, now is the time, kids are out of school, he thinks all of those points are valid. His question is, is it enough and is this truly just a stop gap and then what is part 2? And from a strategic standpoint, if you are going to underwrite any loan of any sort, he would really like to know what part 2 is. Mr. Testa commented that he doesn't think we are ready for part 2 yet. Our goal is to get these critical items repaired. Part of step 2 will come, do we have to social distance when the kids come back? Are we going to have to go A day, B day—there is a lot we don't know yet. Unfortunately, the PDE hasn't given us solid guidelines. Mr. Archer commented that that is his point, the costs only go up. Social distancing is going to require more space for more students, more bus routes, more cleaning supplies, more staff, etc. What else does it really need to make sure we aren't looking for more money for Hyde? Mr. Hauser commented that we can probably be certain we won't be looking for more money to do a roof, windows, boilers, etc. We will be in the same boat as every other school district in the Pennsylvania because the future is so uncertain. We are anticipating going back to a normal schedule. That has to be our first plan at this point in time. Therefore, we need to make sure all of our facilities are upgraded and will work for the people who will teach and learn in those buildings. As things begin to unfold and we have a clearer picture about everything, then we can make the necessary adjustments. Mr. Harper commented that we are trying to come back and work in a normal state. This Board has proven that we are able to climb out of a deep hole. We will adapt and move forward and once things get back to normal, we will try and cut costs and be more efficient. Mr. Dugan is 100% committed to making plan B work and create financial stability for this district for the students, staff and taxpayers.

Nichole Remmert, 113 Meadowbrook Drive, Moon Township, PA commented that while she's not sure of future issues, if we spend the \$4 million dollars on what we have heard is the absolute bare minimum needed to keep this school open and barely safe, what is the guarantee that Hyde won't have to close in a couple years when we know we are going to be running ongoing deficit well into the foreseeable future? And with the increase in teacher salaries, is it possible the state will step in and decide for us? If we spend this money now, Hyde will still be subpar to the other schools in the district. They will not be equal to the other buildings with these upgrades. What is the timeline to put Hyde on a path to receive the same level of upgrades and renovations to the facilities as the other schools? This does not put Hyde on equal footing of the other schools.

Mr. Hauser commented that the characterization that is just a bare minimum spin to keep Hyde open, isn't the proper characterization of what this \$4.1 million is supposed to do. Hyde can continue to operate as it is, but should a boiler go down, it would need to be repaired. We are trying to do a good, solid repair job, mild renovation job. Will Hyde have the same facilities as Allard after this \$4.1 million renovation? No, they will not have the same facilities, but then we will have a strategic plan to look at all of our facilities and over the course of time make those things happen. What guarantee that Hyde won't close anyway, Ms. Remmert asked? Mr. Harper commented that we are a Board that serves 4-year terms. We cannot guarantee that won't happen outside of our terms. We have to manage the situation and try to plan for the future while we serve on this board. Mr. Bogatay commented to say that it's very possible, is saying a more than likely chance it will happen is not the case. As we have said previously, we have operated at an \$8 million-dollar deficit previously during a time when the state Auditor General was releasing press conferences about the results of our audit. The state has been watching us. The state knows what we are doing. If there was a time the state was going to intervene it would have been when they intervened with Penn Hills. They know that we are on the right path to repairing this district and to repairing the finances. Again, had the COVID not struck, we were on the brink of wiping out an \$8 million-dollar deficit. Hyde is going to be open anyway. Hyde's energy inefficiency costs us an exorbitant amount of money, 70% less efficient than any other building, due to age and infrastructure. It's a long-term fix to save money into the future. The community has spoken over and over that they support the community schools' model. In the future, we will have to spend more money on Hyde to bring it up to par. The financial landscape changes. These bond issues have different terms that manifest over certain amount of years. Different programs become available. If something else like COVID comes along and slams into this district, then yes, we have to adjust course. We have been very transparent with the public. Ms. Remmert commented on the teachers' salary increases over the next few years, is it wise for us to be taking out a loan now? Mr. Cambest commented that it is not appropriate to be talking about teacher contracts or about individual personnel issues when we are going into contract negotiations. Mrs. Partica asked, even though we are on a good trajectory, we had to work to fend off state control, what is the possibility of that? Mr. Testa commented that he doesn't recall that. We were never at the point of being taken over or state control. The state looks at the overall situation. Our bond rating was lowered. We had discussions with Standard & Poor's, a spending freeze, renegotiated contracts with our vendors and our bond rating rose. We put a plan together and we succeeded. We will do that again. That was a huge victory for this board.

**Resolution No. 2020-6 – ABM Building Solutions, LLC**

IT WAS MOVED by Mr. Testa, SECONDED by Mr. Bogatay, “that the Board of Education approve Resolution No. 2020-6, approving ABM Building Solutions, LLC, for the implementation of a design build project with alternative funding sources, for the Hyde Project, authorizing the President of the Board to issue a Notice to Proceed with the project.”

All directors voted in favor on a roll vote with the exception of Mr. Dugan and Mrs. Partica who voted in disfavor.

**Adjournment**

IT WAS MOVED by Mr. Scappe, SECONDED by Mr. Hauser, “that the Board of Education adjourn this meeting, 9:50 pm.”

All directors voted in favor on a voice vote.

Respectfully submitted,

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Lisa Brown  
Clerk, Board of Education

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James Bogatay  
Secretary, Board of Education