

AGENDA
SPECIAL BOARD OF EDUCATION MEETING
SCHOOL DISTRICT OF MANAWA
MAY 23, 2014

1. Call to Order: President Kreklow – 10:00 am – MES Board Room – 800 Beech St.
2. Pledge of Allegiance
3. Roll Call
4. Verify Publication of Meeting
5. New Business:
 - a. Approve the 66.0301 Agreement for Shared Business Manager with Weyauwega-Fremont School District for 2014-2015 (E. Dombrowski)
 - b. Approve Energy Efficiency Provider (E. Dombrowski)
6. Adjourn

**AGREEMENT FOR SHARED SERVICES
BETWEEN
SCHOOL DISTRICT OF MANAWA
AND
WEYAUWEGA-FREMONT SCHOOL DISTRICT**

THIS AGREEMENT FOR SHARED SERVICES (hereinafter the “Agreement”) is made and entered into by and between the **SCHOOL DISTRICT OF MANAWA** (hereinafter “Manawa”) and the **WEYAUWEGA-FREMONT SCHOOL DISTRICT** (hereinafter “Weyauwega”), collectively referred to herein as the “Districts.”

WITNESSETH:

WHEREAS, Manawa and Weyauwega both operate public school districts in the State of Wisconsin; and

WHEREAS, in the interest of providing the most cost effective services, it is advantageous for the Districts to share certain services; and

WHEREAS, it is desirable and in the best interest of the Districts to enter into an agreement providing for shared services, specifically, a shared Business Manager (hereinafter the “Business Manager”); and

WHEREAS, the Districts desire to set forth in writing the terms and conditions for the sharing of the services contemplated herein by the Districts.

NOW, THEREFORE, in consideration of the mutual covenants and agreements as set forth herein, the parties hereto agree as follows:

1. Statement of Authority and Purpose.

- A. Authority. Manawa and Weyauwega, pursuant to Section 66.0301, Wis. Stats., Wis. Admin. Code Section 14.02, and any other applicable laws of the State of Wisconsin, enters into this Agreement in order to establish the terms and conditions upon which the parties will share the services contemplated herein.
- B. Purpose. The purpose of this Agreement is to provide the Districts with services and staff that, due to declining enrollments and finances, they would not otherwise be able to cost effectively maintain.

2. Services Provided.

- A. Shared Services. The Districts agree to share the services of one Business Manager. The Business Manager’s salary and benefit costs shall be shared between the Districts as follows: Manawa 50% / Weyauwega 50%. (Benefits

shall include IRS rate of mileage, meals, lodging and materials of all conventions and conferences; membership dues in one professional organization for both the state and national association appropriate to the professional assignment of the Administrator and for one additional \$100 membership in a professional organization; one state convention each year and one national convention every third year pending both District Administrator's approval.)

- B. Hiring and Supervision of Business Manager. The Districts agree that Manawa shall hire Daniel Storch (hereinafter "Storch") as the Business Manager employed under this Agreement. The Business Manager shall be an employee of Manawa subject to an administrative contract negotiated and approved by and between Manawa and Storch. The District Administrators of Manawa and Weyauwega shall cooperatively create a schedule as to the Business Manager's presence in each District.

The Administrators of the Districts are jointly responsible for supervising and evaluating the Business Manager employed under this Agreement, during such times as the Business Manager is located in their respective school district. The District Administrators are also jointly responsible for preparing and updating job descriptions for the shared position, subject to the approval of both School Boards.

Weyauwega may engage in any non-disciplinary corrective action it deems appropriate regarding the Business Manager employed under this Agreement. In the event conduct potentially warranting disciplinary action occurs, the Districts shall consult one another regarding the conduct and any potential disciplinary action, up to and including termination, provided such action shall remain the responsibility of Manawa.

- C. Maintenance of Credentials and Employment Verification.

(i) Employment Eligibility. The Districts certify that they have complied with all laws and regulations pertaining to verification of the lawful employment of the Business Manager employed under this Agreement.

(ii) Licensing. If at any time the Business Manager employed under this Agreement fails to obtain or maintain required licensure and/or certification and, is therefore, unable to perform the services under this Agreement, such failure shall be grounds to set aside this Agreement until such time as appropriate licensure and/or certification is obtained. Both Districts shall cooperate fully with the Business Manager to secure necessary licensure and/or certification throughout such time as this Agreement is in force.

3. **Fiscal Responsibilities.** Manawa is designated the fiscal agent for purposes of this Agreement. As such, Manawa shall be responsible for payment of all salary

and benefit costs. Manawa shall maintain appropriate workers compensation insurance, unemployment insurance and shall at all times be deemed the employer for any purpose under state or federal law (Wis. Admin. Code Section 14.02(2)(c)).

4. Cost Reimbursement From Weyauwega

A. Amount of Payments. In consideration for the professional services provided to Weyauwega by the Business Manager employed under this Agreement, Weyauwega shall pay to Manawa 50% of the salary amount of **\$76,095.00** plus 50% of employer paid benefits and 50% of all expenses for conferences and/or conventions attended, and professional membership renewals.

The reimbursement amount in this paragraph is inclusive of all costs related to this Agreement. The reimbursement amount is determined based on a reasonable valuation of the costs associated with the Business Manager employed under this Agreement, such valuation deemed to be the most fair and equitable method of sharing costs in this Agreement.

B. Method of Payment. Payment for the services contemplated within this Agreement for the school year 2014-2015 shall be billed in four equal amounts by Manawa on the first of each month commencing July 1, 2014; October 1, 2014; January 1, 2015 and April 1, 2015. Weyauwega agrees to pay the amount due within thirty (30) days of receipt of invoice.

5. Term and Dissolution or Modification of Agreement. Unless otherwise terminated in accordance with the terms herein, the term of this Agreement shall be July 1, 2014 through June 30, 2015. The Term of the Agreement may only be extended by mutual written agreement of the parties.

This Agreement may be dissolved prior to the end of the Term only by mutual consent of the parties unless the Business Manager leaves employment with Manawa prior to June 30, 2015. In the event the Business Manager leaves employment prior to the expiration of this Agreement, the parties shall: (a) work together to hire a shared replacement; or (b) if a shared replacement cannot be hired, each District shall be responsible for finding its own business manager and this Agreement shall terminate. Manawa shall reimburse Weyauwega for any quarterly overpayment should the Business Manager leave prior to the end of any quarter.

**School District of Manawa
Manawa, Wisconsin
Detailed Engineering Study**

This Detailed Engineering Study/Technical Energy Audit & Project Development Agreement (the "Agreement") is made and entered into as of May 15, 2014, between MCKINSTRY ESSENTION, LLC ("McKinstry") and School District of Manawa, 800 Beech Street, Manawa, WI 54949.

WITNESSETH

WHEREAS, MCKINSTRY is a company with experience and technical and management capabilities to provide for the discovery, engineering, packaging, procurement, installation, financing, maintenance and monitoring of energy and water saving measures at facilities similar in size, function and system type to Owner's facilities; and

WHEREAS, School District of Manawa has reviewed the Performance Contracting for Energy Conservation for State of Wisconsin Owned Facilities – Contract 22-92534-800 preferred contractor list and associated responses, and based on the responses, has selected MCKINSTRY to provide the services described herein; and

WHEREAS, School District of Manawa desires to enter into an agreement to have MCKINSTRY perform a Technical Energy Audit to determine the feasibility of entering into an Energy Savings Project, as well as other professional services.

THEREFORE, the parties agree as follows:

1. Detailed Engineering Study

McKinstry agrees to complete the Detailed Engineering Study / Technical Energy Audit and present, to the School District of Manawa (the "Owner"), a final report within 90 calendar days from the execution of this Agreement. However, McKinstry and the Owner may mutually agree to extend the dates on all associated deadlines for this Agreement in the event the Owner wishes to expand the scope of work to a degree sufficient enough to warrant an extension, e.g., a major capital infrastructure project that is added to the scope of work/project.

The Technical Audit will be completed in the following buildings:

- High School / Middle School

The Owner agrees to assist McKinstry in performing the Technical Energy Audit. The Owner agrees to work diligently to provide full and accurate information. McKinstry agrees to work diligently to assess validity of information provided and to confirm or correct the information as needed.

2. Compensation to MCKINSTRY

Except, as provided for below, within 60 days after McKinstry's submission of the final Technical Audit report, The Owner shall compensate McKinstry for performance of the Audit by payment to McKinstry of no more than **\$5,300 (five thousand three hundred)** or **\$0.05 /square foot**. A portion of the cost may be recouped through grants available from the State of Wisconsin Focus on Energy Program. The District and McKinstry will work cooperatively to explore all possible grant and rebate programs available.

- a. The Owner shall have no payment obligations at the time of execution of this Agreement, but acknowledges that the fee indicated above shall be incorporated into McKinstry's project costs, in the event McKinstry and Owner execute an Energy Savings Project within 90 days, or such longer period as the parties may mutually agree upon in the form of a **Letter of Intent**, after submission of the final Technical Energy Audit report by McKinstry to Owner.
- b. The Owner, in collaboration with McKinstry and documented in writing, may elect to procure McKinstry's design and project development services, in addition to the scope of the technical energy audit, for pending capital infrastructure improvements that are slated to be incorporated into the overall Energy Savings Project. In this event, the cost of associated design and project development will be rendered by McKinstry on a cost-plus basis, and will be included in the total project design cost. However, should the Owner elect not to implement the Energy Savings Project, the Owner agrees to pay for said additional design and project development services costs as part of the Audit Agreement project termination compensation.
- c. The negotiated audit fee above does not represent the true cost of executing the audit analysis and is, in effect, a "walk-away" fee, should the Owner opt not to proceed with the Energy Savings Project, even after McKinstry has met the financial and energy savings requirements mutually agreed to by both parties. McKinstry reserves the right to include the actual development costs into the overall project. The Investment-Grade Audit does not include the actual construction design cost portion of the project. The cost for construction design will be included in the final contract. McKinstry may opt to perform, at their own risk, some of the construction design during the Audit phase as a way to expedite the development the project. This design cost is separate from the Energy Audit and will be included in the final Energy Savings Project's total implemented cost.

MCKINSTRY ESSENTION, LLC

Name: _____

Title: _____

Signature _____

Date: _____

Owner (School District of Manawa)

Name: _____

Title: _____

Signature: _____

Date: _____

Performance Contracting Recommendations

Objective: Research viable Performance Contractors and determine alternatives to a potential agreement with McKinstry.

Research: The state of Wisconsin VendorNet system has previously completed similar research. (<http://vendornet.state.wi.us/vendornet/asp/ContractDetail.asp?SystemContractNumber=2251>)

Firms Researched:

Ameresco	8% to 10%
ESG	10% to 16%
H&H	10% to 25%
McKinstry	4%
Noresco	9.7% to 12.8%
Trane	8% to 21%
Uihlein	5% to 15%

Conclusion: It is my belief that we have successfully negotiated a fair administrative rate

Objective: Investigate short term borrowing options

Research: Met with Brian Brewer from Baird. His recommendation was to seek a line of credit from a local bank. I found that the district previously secured such credit from First State Bank. I am currently in discussions with Mike at First State Bank regarding re-establishing procedures. The district previously paid a rate of 5.5%. Currently, a variable interest rate line will come in around 4.5% and a fixed rate line will come in between 4.5 and 5.5. Mike indicated that there is not a lot of movement in rates at this time. The district could opt for a variable rate now and lock in a fixed rate at a later date if market factors change.

Conclusion: I recommend establishing the line of credit with First State bank at a variable interest rate. The line's need an rate will be evaluated on a fiscal year basis.

Objective: What are the next steps for the performance contract?

Research: The District would enter into an agreement with the performance contractor and they would in turn hire August Winters for the HVAC portions of the project. Regarding the technology items of the project, the district would work with the performance contractor to establish a RFP or RFQ to purchase the equipment. The items would not be able to be purchased and later certified. The agreement would allow the performance contractor to work with August Winters to determine the scope of the project.

Recommendation: I recommend approving the work study contract with McKinstry at the next board meeting.

Objective: Technology upgrades for 2014-2015. The initial proposal included \$107,000 for technology enhancements. We have determined that purchases of \$173,000 are the minimum requirements to move forward. We need \$70,000 how can we move forward?

Option 1: Increase the Energy Efficiency levy to match the technology needs.

Option 2: Reduce the quality or quantity of the technology purchases to match the initial proposal

Option 3: Is there room within the current and/or next year budget to provide some assistance?

- The initial preliminary budget showed ~100,000 in surplus and the Administrative team was working toward recommendations for additions
- Following a meeting with our insurance company, we received information on the performance of our self-funded insurance plan and the outlook was not favorable. It was determined that we needed to budget for a 15% increase in premiums. This increase removed the previously determined surplus. We hope that as we receive new information, we can lower the premium increase.
- I believe we can use \$20,000 from 2013-2014 and \$20,000 from 2014-2015 technology budgets leaving \$30,000
- I believe we can use \$5,000 from the 2014-2015 special ed budget for the special ed items leaving \$25,000
- There are other unknown factors that could increase our ability to accomplish this such as employee turnover (e.g. new employees making less than employees no longer with us), Increased revenue from the state (Property values and state aid numbers are guesses at this point) and insurance rates as previously mentioned.
- We could also consider increasing the Energy Efficiency levy by \$25,000 for now and updating the number as we get better information. We will have better numbers after July 1 and then in October

Recommendation: Let's discuss the options and determine the best option to move forward.