

RECORD OF PROCEEDINGS

**Waverly City Board of Education
Special Meeting**

December 1, 2016

The Waverly City Board of Education met in special session on Thursday, December 1, 2016 at 2:30 p.m. in the High School Study Hall. Ms. Zaler called the roll. The following members were present: Ms. Ann Oyer, Mr. Josh Hobbs, and Mr. Allan Szoke. Ms. Sue Ann Bolin and Mr. John Boyer were absent. Mr. Josh Hobbs, President called the meeting to order.

DISTRICT EMPLOYEES PRESENT:

Claudia Zaler, Treasurer/CFO

Melissa Marquez, Assistant Superintendent

GENERAL DISCUSSION WITH POSSIBLE APPROVAL

Ms. Zaler reviewed where the District and OFCC are in regards to the 4th amendment of the OFCC remediation project regarding the roof replacement and replacement of the pipelines. Matt Westerman, OFCC legal counsel, needs Waverly to move forward with the Ohio School Facilities Commission by passing a resolution to continue with the remediation, approval of the 4th project amendment, and approval to enter into contract with Foill with payment to be made from the local share until the Commission and Controlling Board release the funds for the state share.

187-16 APPROVAL TO CONTINUE REMEDIAL PROJECT WITH OFCC

After post-construction work for Building envelope and roofing work completed in 2013-2014, it was discovered through litigation research that the original modified bituminous cap sheet material that the new roof was adhered to was defective; Thus due to this defect, the existing new roof does not technically satisfy needed roof wind uplift and fire rating classifications. A new re-roof with proper mechanical fastening can meet required classifications for insurability.

Mr. Hobbs moved, with Mrs. Oyer seconding the motion to approve the following resolution;

WHEREAS, the Waverly City School District and OSFC have previously entered into an agreement related to the funding of the remedial work on the school districts buildings; and

WHEREAS, THE Waverly City School District previously applied for and received a hardship loan in the amount of One Million Three Hundred Fifty Four Thousand Six Hundred Twenty Six Dollars (\$1,354,626) to pay for the local share of the remedial work; and

WHEREAS, as a result of litigation related to the defective work, the Waverly City School District and OSFC have received litigation proceeds in excess of Two Million dollars (\$2,000,000); and

WHEREAS, the Waverly City School District and OSFC wish to memorialize the previous existing agreements as part of this Amendment; and

WHEREAS, remedial cost to address defective work will exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000).

WHEREAS, the project has experienced problems with the underground water supply that mandate that all the piping be replaced.

WHEREAS, Project funds are currently being used to pay all litigation cost excluding attorney fees;

WHEREAS, in addition to the litigation proceeds, the District will be required to provide additional funds in the amount of \$ 865,495 as set forth in the schedule;

WHEREAS, the District has also experienced catastrophic failure of the piping for its water lines;

WHEREAS, all the underground piping is experiencing significant corrosion and has failed in several places;

WHEREAS, it has been determined that all the underground piping must be replaced;

NOW, THEREFORE, the Waverly City School District and OSFC agree as follows:

- 1) each party will be responsible for its own attorney fees in this matter as set forth in the Project Agreement; and
- 2) the parties will share all other litigation related cost based on their respective funding shares.

Litigation proceeds will be distributed as follows:

- a) the Waverly City School District will be reimbursed and made whole for its contribution to the remedial project(s) funding which is defined as the amount of the hardship loan and the amount of this amendment (the school district has already used the litigation proceeds to satisfy the hardship loan and are using litigation proceeds for its local share of this amendment); and
- b) all remaining litigation proceeds will be used to satisfy the state's contribution to the remedial projects; and
- c) in the event that litigation proceeds received exceed the cost of the remedial work; these proceeds will be divided between the Waverly City School District and the OSFC in accordance with the respective shares of the funding as set forth in the Project Agreement.

The Cost related to the replacement of the underground piping will be shared as follows:

The OSFC and the District will each be responsible for its share of the costs for the cost of the piping replacement with the State at 82% and the District at 18%

All litigation proceeds, if any, will be placed in the Project Fund and distributed to the OSFC and the District based on their respective shares.

Each party will be responsible for its own attorney fees in this matter as set for the in the Project Agreement.

Three parties will share all other litigation related costs based on their respective funding shares.

On roll call, the vote was as follows: Ayes – Mrs. Oyer, Mr. Hobbs, and Mr. Szoke. Motion carried.

188-16 APPROVAL OF 4th PROJECT AMENDMENT

Mr. Hobbs moved, with Mr. Szoke seconding the motion to approve the 4th Amendment to the Project Agreement. On roll call, the vote was as follows: Ayes – Mrs. Oyer, Mr. Hobbs, and Mr. Szoke. Motion carried.

189-16 APPROVAL OF CONTRACT

Mr. Hobbs moved, with Ms. Oyer seconding the motion to approve entering into contract with Foill for \$500,000, to be amended after state funding is received, to commence work on the replacement of the underground piping immediately with payment to be made from project funds per OFSC. On roll call, the vote was as follows: Ayes: Ms. Oyer, Mr. Hobbs, and Mr. Szoke. Motion carried.

190-16 ADJOURNMENT

Mr. Hobbs moved, with Mr. Szoke seconding the motion to adjourn the meeting at 2:49 p.m. On roll call, the vote was as follows: Ayes: Ms. Oyer, Mr. Hobbs, and Mr. Szoke. Motion carried.

The President declared the meeting adjourned.

The next regular scheduled meeting will to be held on December 14, 2016 at 5:00 p.m. in the High School Study Hall.

President

Treasurer/CFO