

**MIDDLE BUCKS INSTITUTE OF TECHNOLOGY**  
**EXECUTIVE COUNCIL MINUTES**  
**February 11, 2013**

- I. The regular meeting of the MBIT Executive Council was convened on Monday, February 11, 2013, at 5:30 p.m. by Mr. John Gamble, Chairperson, in Room 101 at MBIT. The Executive Council rose to recite the Pledge of Allegiance to the flag. The following members were in attendance:

**Council Members**

Ms. Katherine Driban, Centennial S.D.  
 Dr. Bill Foster, Council Rock S.D. (Arrived at 5:35 PM)  
 Mr. John Gamble, Central Bucks S.D.  
 Mrs. Bernadette Heenan, Council Rock S.D.  
 Mrs. Betty Huf, Centennial S.D.  
 Mr. Joseph Jagelka, Central Bucks S.D.  
 Mr. Charles Kleinschmidt, Centennial S.D.  
 Ms. Alison Kingsley, New Hope-Solebury S.D. (Alternate)  
 Mrs. Kelly Unger, Central Bucks S.D.

**Absent**

Mr. John Vaughn, New Hope-Solebury S.D.

**Others in Attendance:**

Mr. Rick Black, Career and Technical Education Supervisor  
 Mr. Jeffrey Garton, Esq., School Solicitor  
 Mr. Richard Hansen, Facility Supervisor  
 Mrs. Roberta Jackiewicz, Assistant Board Secretary  
 Mr. Vincent Loiacono, Director of Facility Operations  
 Mrs. Kathryn Strouse, Administrative Director  
 Mr. Robert Vining, Business Manager  
 Dr. Thomas Viviano, Assistant Director

- II. Guests included Ms. Donna DeSimone, Moore Energy, Mr. Michael McCombe, Culinary Arts Teacher, Mr. Barry Moore, Moore Energy, Mr. Bradley Rosenau, Commercial Art & Design Teacher/Middle Bucks Education Association President, and Mr. Dave Turner, Tangent Energy Solutions. The following MBIT Culinary Arts students were in attendance: Douglas Histan and Alyssa McDill.
- III. Mr. Gamble announced that last week marked the beginning of our Adult Evening classes for the spring semester. There are courses offered in Dental Assisting, HVAC, Computerized Drafting, CNC Machining, Welding and much more. This is a great opportunity for Middle Bucks to provide training to the adults in our community to develop a new occupational skill or upgrade their present skill set.

He also announced that our secondary students participated in SkillsUSA District Competitions at Western Center for Technical Studies in Limerick, Pennsylvania. There were 55 medals awarded over two days of competitions and our Middle Bucks students earned 36 of those medals. Our students earned 21 gold, 11 silver and 4 bronze medals in the competitions that included Architectural Design, Commercial Baking, Extemporaneous Speaking, Nail Care, Preschool Teaching, Residential Wiring and

Welding. Our 21 gold medal winners will be traveling to Hershey to compete in the State competition in April.

Finally, the Comprehensive Planning Steering Committee comprised of School Board members, teachers, college partners, parents, students, business representatives and administrators met last Thursday to begin the process of identifying action plans to support our three new strategic goals. There are enhancing student achievement, supporting students academically at risk and providing access to technology resources.

- IV. Ms. Driban commented that she is proud of our students and she really hopes when the Council members go back to their home schools they are pushing to celebrate more of what our students are doing here as a satellite campus of our high schools . The numbers of awards our students earn at every competition are so impressive and they are always so excited to share their accomplishments. Ms. Driban extended kudos to the students and said she would like them to know that we are very, very proud of all of our students here and everything they do.

Mrs. Heenan added that the student representative that spoke on Thursday evening was very articulate and so positive about all of the awards.

Mr. Gamble added his congratulations and said we need to end the great secret of Middle Bucks. He said we need to continue to push this at our district meetings and let them know that this is a great satellite campus of our school districts and just one more school of our district.

Dr. Foster arrived at 5:35 PM.

- V. Ms. Driban moved, Mrs. Heenan seconded, **passed** unanimously, to approve the minutes of the January 14, 2013 meeting. Attachment 1 (pg. 1-1)

VI. Routine Business:

A. Administrative Report

1. Mr. Michael McCombe explained that the Culinary Arts students do a lot of community service because he thinks it is important for students to realize that their commitment to community goes beyond just being a part of the community and is actually being a part of the solution to some of the issues. They have participated in events at Moreland Towers, March of Dimes, Please Touch Museum and Blair Mill Inn.

He said this last event was a lot of fun. They went to Fox Sub Acute, an assisted health care facility in Warrington for individuals who aren't able to care for themselves. Many of them don't have the ability to walk, stand or move and for the most part are on ventilators. He has gotten involved with the group over the last few years while doing some fund raising. Mr. McCombe thought it would be a neat thing to include his class. The students did a presentation on "Soups of the World". They researched soups from different countries, prepared the soups, which were easy to serve, and the students presented information on what country they were from, the

ingredients used and how they made it. He was really pleased to have the students come out for the project and noted that there were six students that worked on this event, although only two were able to attend the meeting. Mr. McCombe recognized Alyssa McDill and Douglas Histan for their participation.

Mrs. Huf added that she has friends at Moreland Towers and every time Mr. McCombe and the students go there, she hears nothing but compliments. She said the residents of Moreland Towers are so grateful because most of them don't get out and it is such a treat for them. She thanked Mr. McCombe.

2. Dr. Viviano recognized Mr. Michael McCombe's induction into the American Academy of Chefs. He explained that the American Academy of Chefs (AAC), is an affiliate of the American Culinary Federation (ACF), and represents the highest standards of professionalism in the organization's society and industry and is considered its National Honor Society. The AAC is an ACF ambassador of culinary education and programs. AAC fellows always promote education in this profession and support those efforts by passing on the skills, training, and expertise they possess. AAC fellows are always accountable for presenting a positive image throughout the local, regional and national communities at events they attend and sponsor. He also mentioned that when you pass Mr. McCombe in the hallway and ask him how he is doing, he answers with "I never had a bad day!" and everyone around the school knows this about Mr. McCombe.

Dr. Viviano explained the mandatory requirements of the induction and said it is not only Mr. McCombe's willingness to serve his community, but his influences on the young people here today, what they do, and that his students do want to contribute as well.

Dr. Viviano presented Mr. McCombe with a certificate of recognition for his valuable service and dedication to the American Culinary Federation and induction into the American Academy of Chefs.

Mr. McCombe received a standing ovation.

Mr. McCombe said that the reason he has been able to accomplish any of these things in his life is because of his time spent here at Middle Bucks. He went to Middle Bucks and had a teacher who was able to inspire him to raise the bar in himself. He hopes he can do that with the students he has and feels blessed to be able to have that opportunity.

Mr. Vining added that he accompanied Mr. McCombe and a group of people to Biloxi, Mississippi after Katrina. He explained how Mr. McCombe organized a prom event for one high school and found out another high school didn't have food for their prom and he figured out how to provide food for them too. Mr. McCombe also took a group of people to the "Hands On USA" headquarters and they went in to different houses, did demolition work and helped get things back together. He said it was an uplifting experience and Mr. McCombe is amazing.

3. Mr. Vining reviewed the proposed 2013/2014 Budget. He discussed the unknowns, which include health insurance costs, retirement, insurance, utilities, state subsidies, federal grants and contract negotiations. The goal was to be at or under the Act 1 index of 1.70%. The proposed budget increase for 2013/2014 is \$145, 661, which represents a 1.49% increase over last school year. Assumptions include salaries and wages, medical and prescription benefit costs, PSERS pension costs, utilities, increase in Professional & Technical Services for testing of aging transformers and labor negotiations, increased supplies for program growth in Building Trades Occupations, Computerized Drafting & Engineering Graphics, Web Design and a new half day program Administrative Sciences & Business Technology. He reviewed components of the increase, discussed the General Fund receipts from member school districts and local, state and federal revenue. He also reviewed other budget details. The other budgets included the Capital Reserve Fund, Adult Education, Production Fund, Proprietary and Fiduciary Funds. The next step in the process will be to finalize the General Fund and Lease Rental Budget and other budgets at the March Executive Council meeting.

Discussion included that the Perkins Grant funding is based on the poverty level in our area and is basically used for special needs support. If the numbers were to change because of the Governor's budget providing relief to the districts, we can reopen the budget. We give back the unspent money to the member districts; the numbers used in the budget are based on what is known.

4. Mr. Dave Turner of Tangent Energy Solutions attended the meeting to answer questions from the Executive Council regarding the proposed Solar Energy project.

Questions and discussion included the following:

- If new technology emerges throughout the contract, how is it determined when to update the technology and how has it worked with other established projects? Mr. Turner said that of the 15 or so projects in place right now for the last 3 or 4 years, Tangent hasn't had to or wanted to upgrade any of the technology. We develop a standard business case associated with the project and determine the kilowatt hours it is producing and the cost to produce. If there was new technology available and it made sense to replace the existing technology because it could produce more, could lower the peak, have a positive impact on economics and the business case would still hold, then we would do that analysis. If it becomes that much better, the price points are there and it can save that much more, we would build that in. When it comes to the replacement of the technology, it's up to the investor to see if it makes sense and it's always something we are looking at. He concluded that they have seen the technology incrementally improving, but haven't seen any changes in technology where it makes a lot of sense to switch everything.

- Does New Jersey have better incentives than Pennsylvania? New Jersey put a very lucrative renewable energy credit market in place about 5 or 6 years ago. There are two revenue streams associated with a project. One is the energy we sell and the other is the renewable energy credits that it produces, which are the environmental attributes. Some people in New Jersey are getting .50 to .60 a kW hour for renewable energy credits and that's why you see so much development. Pennsylvania has a much more conservative renewable energy market in place. It is balancing out, with New Jersey down to about .10 a kW hour on the open market and Pennsylvania down to about .02 per renewable energy credit. That's what is hurting the Pennsylvania market.
- Does it show as an expenditure in the New Jersey budget? Mr. Turner explained that it shows as a line item on the electric utility bills. If you look at your electric utility bill, there's a small charge every month that every utility charges associated with the implementation of energy efficiency projects. The renewable energy credits that the utility has to pay are flowing through to all of the rate payers. It is a hidden tax in New Jersey on the utility bill and is one of the fees that they tag on. In general, the distribution system rates charges in New Jersey are higher than in Pennsylvania.
- What argument should we make to our legislators to make the incentives a little better? Mr. Turner said the biggest argument is that the solar you put in today creates a long term edge and a long term impact and usually a utility is not looking nearly that far out.
- The life of the contract is so long and the escalator is around 2% a year, is there a way to formulate it differently so we would know what we are getting? We renegotiated our utilities and all of the rates are pretty low right now. Is there a way to have an idea of a spread based on the prevailing market? Mr. Turner explained that there are two components; number one is the power that is offset by the solar and includes both your distribution rate and your supply rate. Right now supply rates are the lowest they have been in the last 10 years. Based on information from the EDI, the overall electric rates in the past 10 years have grown about 3.6% on the industrial side and about 3.2 % on the commercial side. You are unique here in that you are a large commercial or small industrial site and your rates are somewhere in between. Historically, in the last 40 years, it's been between 2% and 3%. Supply rates are down right now and distribution rates are still ticking up a little bit. He said there are ways to financially engineer it, go with a low rate and a high escalator or a higher rate and a flat escalator. We tried to look at what the total impact would be on MBIT's electric bill from the implementation of the solar project. Mr. Vining's numbers show a \$30,000 decrease next year in electric. If we just replaced the supply contract, that \$30,000 savings would be about \$20,000. It would cost a net \$10,000 more. If we implement active management technology along with that and create the change in

demand charge and capacity charge, it would be a virtual wash for next year. You're also looking at 20 years, so the bet is if electric is going to grow at 2%, 3% or 3.5%. The real question is what is going to happen to your distribution and supply rates in years 3 through 20. What's driven it in the last three years is the cost of gas, and the cost of gas has gone down significantly. Electric usage in the U.S. has also gone down over the last 2 or 3 years. If electric usage picks up and the cost of energy goes into the oil margin, then we're in big trouble; if it stays down in the gas margin then the rates are good. Either way, you are talking about a small incremental cost and must realize the educational and environmental benefits as well.

- Are there any significant soft costs associated with this project? Tangent Energy incurs all of the capital costs and they put the technology in place to monitor and control it. They are also responsible for ongoing operations and maintenance.
- Can you share about your investment team? There are different types of investors. One is a large pension fund; investors that want to take the long term bet on the energy market. Capital Dynamics is one that invested in our first set of projects. Laurel Capital Partners is another that we have used. It is a local family run investment organization and they have invested in projects in PA, NJ and Ohio with us. There is also a large group of solar pc contractors. Tangent is looking for investors who want to get involved with projects that show an approximate return rate of 7% to 9% over the life of the project.
- Have you already identified an investment team and what would be the timeline for them to concur or say no to this project? Mr. Turner noted that there is an investment summary that has been developed. They need to know if the project is going to move forward. They have to get back to the township and reinitiate permitting efforts and have to get an interconnection agreement with PECO Energy. These are called the "Conditions Precedent" that they need in order to get funding.
- Where are we with the permits for the township? Mr. Turner said that they went through the zoning process and got all the appropriate variances and approvals from the planning commission. They have to present the revised plans showing that it is the same footprint area as the previous model and need to pay for the electrical permit, which is substantial.
- Assuming we approve this next month, what is the timeline and when would the project be completed? Mr. Turner explained that it would take one to two months to complete the permitting process and the interconnection process, assuming that PECO gives approval. They have done 3 or 4 others and have not had an issue. It would take 60 days to get through that process, another 30 days to finish the

financing, and the Purchase Power Agreement has to be re-signed. They would probably choose to start construction in June 2013.

- Are there any chances this will fall through again and was it only because we were contingent on the grant money? Mr. Turner said that right now there is a renewable energy credit from Pennsylvania in this project at a very low rate they know they can get. The big issue last time was that the renewable credit market dropped through the floor and at the rate they had with the renewable energy credits available and no grant, the project was not possible. A grant has not been factored in. The Alternative Energy Program in Pennsylvania has some grant money available and they will apply for a grant. If they get it, they will come back with what they can do. They have not factored a grant in it and have not factored the renewable energy credits above .02 a credit.
- If for some reason, power is not being generated, do we only pay for the power that is being generated? Mr. Turner said that you only pay for the power that is generated. They guarantee output, so if you don't hit the minimum level, they have to pay the difference between what your current rate is and what they would have charged. If it is lower, you have to pay them.
- Does the interconnection with PECO move very quickly? Mr. Turner answered that if PECO requires a large infrastructure investment on their part to make it work, then it could take time. He thinks with the way you are set up now with the dual feed and where you sit on the end of 2 4 KB circuits, and having been a distribution planner, this should have nothing but a positive impact on the PECO system. If they have to increase their infrastructure and spend a million dollars to make your circuits work right, he would have to come back and say we are in trouble. Right now it should cost Tangent \$100,000 to get interconnected. They absorb all capital and insurance costs. The township has been tough and also added obligations that it has to be maintained to their level and satisfaction and it has to be producing power.
- Will this be union shop? This will be prevailing wage, which is the requirement from the state.
- When you say it will have a positive impact on the PECO system, what kind of positive impacts will it have? Mr. Turner stated that it should have a positive impact since it is at the end of 2 4 KB lines, and it is reducing demand. This is something that was calculated and factored into the project the last time. What they have done since the last time, is reconfigure the solar array so they only need to take one line underground rather than both electric feeds, which will help with the interconnection costs. They have done everything they can to get the costs to a minimum.

- There are concerns that the contract is long and if what you promised does not happen and the school does not benefit from it. Mr. Turner explained that there are protections in the contract. If we don't produce the power we said we would produce, then we owe you for the difference in what you are paying and what that is. If the project doesn't work, we are required to take it out and restore the field to the shape it was in. This is in the Power Purchase Agreement and is required by the township.
- The escalator is a concern. Mr. Turner explained that historically electric rates have gone up typically 2% to 3% a year. Recently, supply rates have gone down. Your demand charges from PECO have gone up every year. They go up every two years because those are the costs they use to replace infrastructure and rebuild infrastructure. The supply rates have gone down in the last two or three years.
- There was a lengthy discussion on projecting future costs of power.
- Have you finalized the size of the system? The size is 460 KW.
- Are the financial terms for what the school is paying for each of the twenty years locked in with an escalation of 2% per year? It is 1.9%.
- How has the funding world changed since the original agreement? There has been a reduction in the cost of equipment. The investment tax credit has moved back from a grant to a tax credit. The renewable energy markets have changed considerably. People are now looking at projects much differently. We can get money to put in to a 7% project today that was 9% or 11% before, because there aren't that many good projects out there.
- What is the plan at the end of the 20 years? Mr. Turner said that right now the plan is that we are obligated to take it out. In twenty years, if it is still operating we probably wouldn't want to spend the money to take it out, but would either turn it over to the school or continue the Purchase Power Agreement. There is also a buyout provision in the contract. Technically, the owner has to hold onto it for over 66 months in order to take full advantage of the investment tax credit and accelerate depreciation. Most of the owners would like that to be at least 7 years; to be sure the federal government would treat it right and not pull back at the tax credit. After 7 years, there would be a buyout schedule. It is basically the sum of the present value of the expected revenues from the project at that point in time. All those are included in the Power Purchase Agreement and obviously have changed since the last Power Purchase Agreement.
- When will you give us those buy out numbers? Before we sign the contract. Right now our model has a \$700,000 buyout at year 7.



- Tangent will pay the legal fees associated with their side of the project and MBIT pays the legal fees for their legal counsel to review the contract. MBIT previously paid for Attorney Andy Cohn review the contract.
  - The agreement would have to be amended to take care of the changes.
- B. Ms. Driban moved, Mr. Jagelka seconded, **passed** unanimously, to receive and file MBIT's update including activities/events, correspondence and related matters as per Attachment 2 (pg. 2-1)
- C. Committee Reports
1. Dr. Boccuti, Superintendent and Chairperson of the Professional Advisory Council was unable to attend the Executive Council meeting. Mr. Gamble asked that the minutes be referred to for the report.
  2. Mrs. Heenan, Chairperson of the Building, Security and Technology Committee was unable to attend the committee meeting. She asked that the minutes be referred to for the report. Attachment 4 (pg.4-1)
  3. The Program, Policy and Personnel Committee meeting scheduled on Tuesday, February 5, 2013 at 5:15 PM was cancelled. – Mrs. Betty Huf, Chairperson. Attachment 5 (pg. 5-1)
  4. Ms. Driban, Chairperson of the Finance Committee asked that the minutes be referred to for the report. Attachment 6 (pg. 6-1)
- D. Ms. Driban moved, Mr. Kleinschmidt seconded, **passed** unanimously, to approve the Cash Payments Reports for January. Attachment 7 (pg. 7-1)
- E. Ms. Driban moved, Mr. Kleinschmidt seconded, **passed** unanimously, to approve the Treasurer's Reports for December. Attachment 8 (pg. 8-1)

VII. Current Agenda Items

A. Personnel Items

1. Ms. Driban moved, Mr. Jagelka seconded, **passed** unanimously, to ratify employment of the additional spring 2013 Adult Evening School staff. Attachment 9 (pg. 9-1)

B. Other Matters for Consideration

1. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to approve the additional field trips for the 2012/13 school year. Attachment 10 (pg. 10-1)
2. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to approve the revised primary textbooks for Construction Carpentry for the 2012-13 school year. Attachment 11 (pg. 11-1)

Discussion included that the sending school districts do not review the textbooks, it might be a nice piece for the sending districts to know what type of textbooks we are using and what level those textbooks are as we start going forward with the Keystone Exams and the Superintendents suggested that we hold off on anything regarding Keystones until they figure out what their plans are going to be and how they are going to address these changes coming forth. It was also noted that the Occupational Advisory Committees review the physical textbooks every spring with the teachers to make sure it contains the curriculum that is being taught in that particular trade and they recommend it be brought forward to the Executive Council, the sending districts don't know what our curriculum is and it is hard for them to approve a textbook if they don't know how to compare it to the curriculum and some programs use on-line textbooks depending if they are available.

3. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to receive and file the ISO 9001:2008 Surveillance Audit. Attachment 12 (pg. 12-1)
4. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to receive and file the January 25, 2013 Local Advisory Council Minutes. Attachment 13 (pg. 13-1)
5. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to accept the two PDE Equipment Grants, Project Number 122-13-3025 in the amount of \$47,500 and Project Number 122-13-3026 in the amount of \$45,000, totaling \$92,500 and to use the Capital Reserve Fund as a 50 percent match for the purchase of the equipment listed in the grants. Attachment 14 (pg. 14-1)
6. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to authorize the Administration to advertise and solicit sealed bids for the following equipment in the PDE Equipment Grant, Project Number 122-13-3025: *Multifunction Printer/Plotter*.
7. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to authorize the Administration to advertise and solicit sealed bids for the following equipment in the PDE Equipment Grant, Project Number 122-13-3026: *Panoramic X-ray System*.

Discussion included that this is an X-ray system that can take a picture of your entire mouth, you place your head in it and it scans the top or your jaw and then it scans the bottom, it is for the dental program, it is a part of the matching funds that we got the grant for and because of the cost we have to go out to bid and the hope is that local dentists will come and use it and we will charge them to use it.

8. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, to approve the Keystone STARS Merit and Education & Retention Award (MERA) grant received by L'il Bucks Partners in Learning; the grant stipulates a portion of the grant money is to be awarded as bonuses to the teaching staff of L'il Bucks Partners in Learning; therefore to award the following bonuses: Nicole Stymiest, Group Leader \$1,545.00 and Noelle Bush, Assistant Group Leader \$600.00. Attachment 15 (15-1)
9. Ms. Driban moved, Dr. Foster seconded, **passed** unanimously, authorizing the administration to pursue federal, state and local funds consistent with the MBIT approved Strategic Plan.

Discussion included that this motion is included on the agenda every year and the Executive Council needs to authorize it.

- VIII. Mrs. Huf moved, Mrs. Unger seconded, **passed** unanimously, to adjourn the February 11, 2013 meeting of the MBIT Executive Council at 6:40 PM.

Respectfully submitted,

Bernadette Heenan  
Secretary

Roberta Jackiewicz  
Assistant Secretary