

DAVENPORT COMMUNITY SCHOOL DISTRICT  
ACHIEVEMENT SERVICE CENTER  
JIM HESTER BOARD ROOM  
1606 BRADY STREET  
DAVENPORT, IOWA 52803  
MONDAY, JULY 2, 2018  
COMMITTEE OF THE WHOLE MEETING

The Board of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met on Monday, July 2, 2018 for the Committee of the Whole Meeting. The meeting was held at the Achievement Service Center, 1606 Brady St., Davenport, Iowa, in said District. President Johanson called the meeting to order at 5:30PM. Present: Director's Johanson, Hayes, DeSalvo, Potts, Beck, Gosa and Mayfield.

**1. Solar Options**

Presenting at the meeting was Mike Maloney, Director of Operations; Doug Palmer, President and co-owner of Tri-City Electric and his construction partner, Jim Pullen, General Manager of Eagle Point Solar and Ben Keith from MidAmerican Energy. Mike Maloney explained they issued a Request for Proposals (RFP) for an option to have a private investor install solar arrays at multiple school locations. The intent of the RFP was to allow for a variety of proposals that meet legal tests and results in the greatest possible reduction in General Fund expenditures. He said they are not prepared at this point to make a recommendation and explained the purpose of the discussion this evening is to present information to the board, answer questions and see where the board wants to go next. Five RFP's were submitted for review and Maloney said that Tri-City Electric ranked the highest of the five proposals according to a scoring rubric which assessed nine components for each proposal but Maloney also recommended a third party such as Jon Muller from Iowa School Finance Information Service (ISFIS) review Tri-City's proposal and provide his opinion and feedback.

One of the options included in Tri-City's proposal was a hybrid option of a Power Purchase Agreement (PPA) with the infusion of the \$3 million dollars of the district's Capital Funds as a means to speed up recovery and eventually lower the KWh rates charged in the PPA to the district. They also modeled the impact of including \$5 million of Capital Funds over five years to determine impact on KWh rates. Maloney added that at the rates indicated a \$3 million investment would generate about \$150,000 savings in the first year and be an on-going savings to the General Fund. Over a twenty year life the total General Fund savings would be approximately \$3.7 million dollars. Maloney emphasized there is still work remaining for the district's legal counsel and Tri-City regarding the PPA.

Mr. Palmer provided an overview of his company and discussed their work history in the Quad Cities and provided an overview of their proposal. He said that all the arrays would be roof mounted with the exception of one or two and the cost for structural engineers to inspect the roofs, re-roofing expenses, and removal and reassemble of the roofs is included in the cost. The roof warranties would also remain valid. Board members asked a variety of questions about the proposal and Mr. Palmer explained the 14 school sites proposed for the arrays were selected based on the overall investment and the highest possible savings to the General Fund. Mr. Keith from MidAmerican said on a dollar for dollar basis with a \$5 million investment they projected a loss for the district, but they would review the proposal and arrive at additional analysis.

Director DeSalvo requested the side-by-side comparison school by school she has mentioned in the past and expressed concerns about rushing into this project. She would have to have solid numbers in order to make a decision. Director Gosa asked about the life of the arrays and the cost of decommissioning the arrays. Maloney said the arrays could be functioning in 30-50 years and the decommissioning would be an expense to the district since it would be owned by the district at that point.

Mr. Pullen from Eagle Point Solar who would be working with Tri-City Electric on the project provided an overview of their company's experience doing solar projects. Director Mayfield asked if data from the other school districts he mentioned could be made available and Maloney said they can get this data. Beck asked Maloney if he thinks this is a worthwhile investment and he said the City Administrator in Dubuque as well as the Waco School District, who have had arrays installed, say they are quite pleased about their decision to move in this direction. Beck said she is hesitant to rush into this without making sure the public understands the difference in funding sources for this project especially in light budget cuts and discussions of closing a school. Director Potts said he believes this is a good investment that produces on-going General Fund savings. He pointed out that the General Fund is where teacher's salaries and bus routes are paid from and he believes this is a good return on the investment. Potts said he is open to committing to some type of solar plan.

Board members agreed they would like an independent person such as Jon Muller from ISFIS to review this proposal first in order to get his opinion. Johanson said he has been pushing hard for the solar projects but acknowledged this is a complex and complicated decision for the board to make and appreciates the caution expressed by fellow board members. He supported the first PPA because it involved no investment on the part of the district, but this proposal involves spending Capital Fund dollars so he is more cautious and would still be interested in learning more about lease options. Johanson said on the other hand, a solar project would provide a wonderful opportunity for students to learn about solar energy production and data. Johanson agreed with DeSalvo and said he would like a side by side comparison of individual schools as well. Mr. Palmer clarified they can provide a proposal without the use of Capital Funds. Johanson asked Mr. Keith if he would do this project and he said he would not. Mr. Palmer reminded the board that because he would also be invested in the project and if it doesn't produce then he is also at risk of losing money so he has a personal stake in the project going well for the district.

## **2. K-8 Smart Option**

Dr. Tate said at the last meeting it was suggested administration look at the option to make Smart Intermediate a K-8 school. Tate said this option could work with the feeder schools being Monroe and Hayes but that Jackson and Jefferson students would have to go to other intermediate schools. This option would preserve the neighborhood but he still has to review information concerning pros and cons and exact costs of transportation. This can be discussed again at the next Regular Meeting on July 13th, however, very early estimates on the savings for this option is \$800,000. Beck asked about the option to do the same model at Adams and Williams and Dr. Tate said these schools would not fit this model. Beck said according to her calculations 125 students who are currently at Smart would have to go to a different middle school and Rob Scott said that estimate is correct and Jackson and Jefferson students would have to go to Williams or Walcott instead of Smart. Mayfield would like to see an analysis of Jefferson students who would have to go to Williams since they would have to be bused to different neighborhoods. He doesn't like the idea of these students being bused and expressed how important it is for these students to stay in their neighborhood. Mayfield also said he believes busing these students to a different neighborhood would be a deterrent to their education. DeSalvo asked why not send students to Walcott since they have capacity. Dr. Tate said some will go to Walcott but they will need to calculate transportation costs. Director Hayes expressed her concern about the possibility of students

losing services and Tate said they would make sure this did not happen. Potts said this option would put Smart and Sudlow running at 97% and 98% capacity and to keep in mind the data provided to board earlier which indicated a proposal for 270 single family homes being built in the Sudlow attendance area.

Director DeSalvo said she knows Dr. Tate has really tried not to “pink slip” anyone but asked if her previous suggestion on the elimination of 32.5 FTE’s, which includes administration, could be considered. Dr. Tate said this could be considered but the board would need to come together to see what that would look like. Tate said it is too late to do it next year but it could be done the following year. Tate said if the board is asking him to come up with a list of 32 positions to cut then he could do that. DeSalvo said she looked at the numbers Dr. Tate provided on the number of staff vs. students and the number of staff has gone up but the number of students has gone down, so this is what has led her to making this suggestion. Dr. Tate said he can include an option in Vision 2020 to cut 32 positions but also reminded the board of some other options discussed such as adding two students to every classroom or going from block to traditional scheduling. Tate also mentioned the option of one Associate Superintendent after he retires which would also save money. Dr. Tate said 32 positions are a lot of positions which would cut into the heart of the district, but he can certainly include this option. Johanson suggested that rather than saying 32 positions, the board could request information on a bottom line savings of \$1 million dollars through this type of proposal be included in the next discussion of Vision 2020. It was agreed they would take this approach. Beck expressed her appreciation for administration gathering this information on the Smart K-8 option.

The meeting was adjourned 7:30PM.

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Mary Correthers, Board Secretary/Treasurer