

Richard Prater made the motion

RESOLUTION # 13-22

**AUTHORIZING THE SUPERINTENDENT TO NEGOTIATE A MEMORANDUM OF
UNDERSTANDING AND A SETTLEMENT AGREEMENT REGARDING THE
PIONEER CAREER & TECHNOLOGY CENTER,
PHASE II BUILDING RENOVATIONS PROJECT**

WHEREAS, the Board of Education of the Pioneer Career & Technology Center (the "Board"), in cooperation with the Ohio School Facilities Commission/Ohio Facilities Construction Commission ("OSFC" or "OFCC") (together, the "Owners") through the OFCC Vocational Facilities Assistance Program, had building renovations performed to the Pioneer Career & Technology Center ("Pioneer CTC") as a part of the Pioneer Career & Technology Center, Phase II Building Renovations Project (the "Project"); AND

WHEREAS, the Board experienced failures in the HVAC system installed as a part of the Project; incurred expense in addressing the HVAC system failures; worked with the OFCC to replace the HVAC system; and, along with the OFCC, filed a lawsuit against the contractor that installed the HVAC system, Vaughn Industries, LLC ("Vaughn"), and its surety, Ohio Farmers Insurance Company ("Farmers") to recover costs incurred in addressing the HVAC system failures and replacement; AND

WHEREAS, the Owners and Vaughn entered into settlement discussions and have reached a proposed settlement conditioned on the Board and the OFCC approving a settlement agreement; AND

WHEREAS, as a result of settlement discussions Vaughn and Farmers are agreeing to pay to the Owners the sum of \$1,750,000 in exchange for a release and dismissal of the lawsuit; AND

WHEREAS, the Board is unwilling to settle the dispute for less than \$2,300,000; AND

WHEREAS, negotiations with the OFCC have resulted in the OFCC agreeing to recognize and/or leave behind \$137,500.00 in the Project fund as an additional amount for the Board to recoup over its share of funds currently in the Project fund, which represents the District's share of the difference between a settlement value of \$2,300,000 and \$1,750,000, which will be recognized in the execution of a memorandum of understanding between the Board and the OFCC.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Pioneer Career & Technology Center as follows:

1. Based upon the recommendation of the Superintendent, the Board of Education finds that it is in the best interest of the Board and the District to negotiate, execute and enter into a settlement agreement with Vaughn Industries, LLC and Ohio Farmers Insurance Company after the successful negotiation and execution of a memorandum of understanding with the OFCC to recognize the difference in the settlement value represented above.

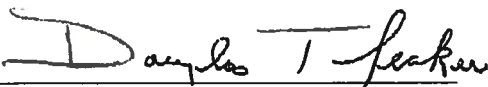
2. The Board authorizes the Superintendent, with the assistance of legal counsel, to negotiate a memorandum of understanding and settlement agreement, and authorizes the Superintendent to execute the negotiated memorandum of understanding and settlement agreement to accept the settlement amount of \$1,750,000 upon the OFCC agreeing to account for the difference in settlement amounts such that the District can proceed to close out the Project and recoup its share of remaining Project funds, including the difference in the settlement value referenced above.

Royden Smith seconded the motion.

VOTE: YEAS: R. Prater, Smith, Almanson, Grady, Hope, Long, M. Prater and D. Theaker.

NAYS: none. Motion carried.

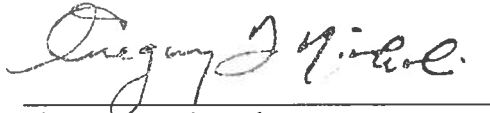
Adopted this 18th day of July 2022.



Pioneer Board of Education President



Pioneer Treasurer



Pioneer Superintendent