

SCHOOL FACILITIES BOARD
January 12, 2011
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Capitol Building in Phoenix, Arizona. The meeting began at approximately 10:12 A.M.

| <u>Members Present</u> | <u>Guests Present</u> |
|--|---|
| Dr. Frank Davidson, Chair | Tom Harris, PV Advanced Concepts, LLC |
| Tom Rushin, Vice-Chair | Bruce Brazis, Primestar LED |
| Gary Marks | Cathy Rex, So. AZ School Facilities Grp. |
| Penny Allee Taylor | Vickie Guy, So. AZ School Facilities Grp. |
| Dr. Bill Johnson | Marty O'Shea, Tanque Verde USD |
| Vern Crow | Randie Stein, Stone & Youngberg |
| Stacey Morley (non-voting member) | Eric Peterson, Laveen ESD |
| | Patricia Ewanski, APS |
| <u>Members Absent</u> | |
| Eric Hafner | |
| <u>Vacant Board Positions</u> | |
| Teacher Representative | |
| Demographer Representative | |
| <u>Staff Present</u> | |
| Dean Gray, Executive Director | |
| Kerry Campbell, Public Information Officer | |
| Debra Sterling, Attorney General's Office | |
| Phil Williams, Deputy Director-Finance | |
| Amber Peterson, School Finance Specialist | |
| Yujun Mei, Demographer | |
| Gerry Breuer, School Facilities Liaison | |
| Sameer Pandey, School Facilities Liaison | |

I. Call to Order

Chairman Dr. Frank Davidson called the meeting to order at approximately 10:12 A.M.

II. Roll Call

There were six (6) voting Board Members and one (1) non-voting member present for this meeting.

III. Consideration and possible vote to accept, reject or modify Minutes of December 1, 2010 and December 8, 2010

Vern Crow made a motion for Board approval of the Minutes as presented by staff. Tom Rushin seconded. The motion passed with a 6-0 voice vote.

IV. Director's Report

a. ARRA Update

Dean Gray provided an update on the ARRA Energy Efficiency and Solar Energy Grant projects.

Stacey Morley joined the Board at this time.

V. ARRA Energy Grant Awards

Consideration and possible vote to accept, reject or modify final award of Energy Efficiency Grants

Director Gray provided a brief review of staff recommendation for Douglas Unified.

Tom Rushin made motion for Board approval of the following project:

| <u>Application</u> | <u>Investment Grade Audit</u> | | |
|---|-------------------------------|------------------------------|------------------|
| Douglas Unified – 020227000-9999-001EFF | | | |
| 14 schools | | | |
| Project Scope: HVAC Control, Demand Control Ventilation, Lighting Upgrade | | | |
| Total Project Costs: | \$1,523,653 | IGA Total Project Costs | \$1,699,400 |
| Recommended Award: | \$457,096 | ARRA Requested: | \$509,820 |
| District Funds: | \$1,066,557 | District Funds: | \$1,189,580 |
| Estimated Savings per year: | \$233,894 | Guaranteed Savings per year: | \$254,394 |
| | | Payback: | 6.6 years |
| | | Contingency: | \$15,294 |
| | | Commissioning: | \$19,400 |

Gary Marks seconded. The motion passed with a voice vote of 6-0.

VI. New Construction Requests

- a. Consideration and possible vote to accept, reject or modify the FY 2011 Capital Plan requests for New Construction

Dean Gray provided a brief explanation of staff recommendations.

Dr. Bill Johnson asked if there was a reason projects were being awarded considering the moratorium and lack of appropriations for new construction. Debra Sterling responded that session law requires the SFB to review district capital requests and award projects according to need, subject to legislative appropriation.

Dr. Johnson asked if the awards lock in the formula funding and if this may have ramifications if funding is not appropriated for 4 or 5 years. Director Gray affirmed that formula funding is established at the time of award. He added that staff may pursue similar legislation to that passed last year allowing for an increase to current formula funding.

Dr. Johnson questioned the discrepancy in capacity that is the subject of the written comments provided by Continental Elementary and asked for explanation. Mr. Gray explained that staff looks at ADM and recognizable square footage during our analysis. He plans to visit the district in the near future to take measurements and collect data to perform a space-use analysis, as well as inform the district on our processes to avoid any misinformation or misunderstanding. One issue that needs to be addressed is how pre-kindergarten handicapped children are counted as ADM. Should further analysis result in a need to adjust Continental Elementary's conceptual approval, staff will bring a new recommendation to the Board before the end of the Capital Plan cycle.

Dr. Frank Davidson clarified that the conceptual approval for Continental Elementary is for FY19 and that there is substantial opportunity for adjustment should the projections change.

Mr. Gray confirmed Dr. Davidson's comment, adding that conceptual approvals are also affected by the moratorium. Conceptual approval triggers the district's search for land, but under the moratorium, all land acquisition activity is halted.

Dr. Johnson pointed out that the comments provided by Continental Elementary do not differentiate between state-funded handicapped children, which are counted as ADM, and typical children, which are not. Mr. Gray added that all of these factors will be taken into consideration when staff performs additional analysis after his site visit.

Dr. Johnson made a motion to approve the following staff recommendations:

1. **Continental Elementary (K-8): Conceptually approve** 002N (K-8 for 500) to open in FY 19.
2. **Marana Unified (K-6): Deny** conceptual approval for 003N (K-6 school for 650 students) to open in FY 17.
3. **Sahuarita Unified (K-8): Deny** the district's request for 005N (K-8 school for 600 students) to open in FY 14. **Conceptually approve** 005N and 006N to open in FY 15 and FY 18, respectively.
4. **Vail Unified (K-5): Approve** 012N (K-5 for 531 students) to open in FY 13. **Conceptually approve** 014N (K-5 for 600 students) to open in FY 17.

Gary Marks seconded. The motion passed with a voice vote of 6-0.

- b. Consideration and possible vote to accept, reject or modify changes to a previously approved project

Dean Gray provided a brief explanation of staff recommendations.

Gary Marks made a motion for Board approval of the following recommendation:

1. **Revise** previously-approved **Vail Unified** project 100220000-9999-015N to 9-12 space for 607 students, 75,875 square feet at \$167.05 per square foot, with a budget of \$12,674,919 and a new student capacity of 807 students.

Penny Allee Taylor seconded. The motion passed with a voice vote of 6-0.

VII. Land Requests

- a. Consideration and possible vote to accept, reject or modify the disposition of Land or Real Property

Dr. Bill Johnson recused himself from the Board at this time.

Dean Gray provided an explanation of the district's request.

Tom Rushin made a motion for Board approval of the following staff recommendation:

For **Laveen Elementary** to accept the offer from the City of Phoenix to purchase 5,193 square feet of the 13 acre site (070459000-999-001L) in preparation for the widening of 35th Avenue between Southern and Baseline and for right-of-way purposes at a market value of \$6,232 (\$1.20 / SF). All proceeds from this disposition to the City of Phoenix shall be returned to the SFB and the new school facilities fund.

Penny Allee Taylor seconded. The motion passed with a voice vote of 5-0.

- b. Consideration and possible vote to accept, reject or modify Request for Land or Real Property Purchase (Steps I and II)

Mr. Gray explained the history of the district's request.

Vern Crow made a motion for Board approval of the following staff recommendation:

Board approval of Steps I and II for **Laveen Elementary** land project number 070459000-9999-012NCB, and approval to proceed with Step III, including a budget of \$33,000 for due diligence expenditures and closing costs.

Penny Allee Taylor seconded. The motion passed with a voice vote of 5-0.

Dr. Johnson returned to the Board at this time.

VIII. Building Renewal Grant Requests

- a. Consideration and possible vote to accept, reject or modify the requests for Building Renewal Grant funds

Dean Gray reviewed the balance of the Building Renewal Grant fund, explaining that the Governor's Budget Office has advanced the 4th quarter installment of Building Renewal Grant funding in the amount of \$666,975. With this advance and upon approval by the Board, \$1,019,860 in projects will be awarded today. If today's recommendations are approved by the Board, the available balance is \$433,517. Staff continues working to close projects and make recognized savings and unspent monies available for new projects.

Dr. Davidson asked if the remaining balance would have to cover requests through the end of the fiscal year. Mr. Gray commented the remaining balance is for FY2011, but that he plans to pursue additional funding as new requests are received on a daily basis.

Mr. Gray provided a brief review of the Building Renewal Grant requests as presented in the Board packet.

Penny Allee Taylor asked how the Vernon Elementary septic system mistake was made and if there have been measures put in place to keep this from happening again. Mr. Gray responded that he asks the same questions when issues such as this arise. Staff has reviewed the plans and specifications of the septic system that was installed at the time of construction, and have no explanation for the oversight. About four years ago, changes were made to the design review process and staff is more involved and more critical of the system designs for new schools.

Tom Rushin made a motion for Board approval of the following staff recommendations:

1. Board approval that **Ash Creek Elementary** be awarded additional Building Renewal Grant funding in the amount of \$16,746 for added electrical upgrades. This additional funding will bring the project total to \$96,946.
2. Board approval that **Canon Elementary** be awarded \$30,000 in Building Renewal Grant funding for the replacement of five HVAC package units. This includes \$3,634 in contingency funds that will only be used with SFB staff approval.
3. Board approval that **Chino Valley Unified** be awarded \$25,000 in Building Renewal Grant funding for the repair of the gym roof at Chino Valley High School. This includes \$4,196 in contingency funds that will only be used with SFB staff approval.
4. Board approval that **Santa Cruz Valley Unified** be awarded \$80,000 in Building Renewal Grant funding for the repair and recoating of 41,714 sf of foam roofing at Rio Rico High School. This includes \$4,990 in contingency that will only be used with SFB staff approval.
5. Board approval that **Santa Cruz Valley Unified** be awarded "Not to Exceed" \$104,000 in Building Renewal Grant funding for the replacement of the sky light domes at Rio Rico High School and San Cayetano Elementary School.
6. Board approval that **Sierra Vista Unified** be awarded \$53,770 in Building Renewal Grant funding for the replacement of the fire alarm at Village Meadows Elementary. This includes a \$5,000 contingency that will only be used with SFB staff approval.
7. Board approval that **Tanque Verde Unified** be awarded \$87,628 in Building Renewal Grant funding for the reroofing of Building 700 and connecting canopies at Aqua Caliente Elementary. This includes a \$6,000 contingency that will only be used with SFB staff approval.
8. Board approval that **Tanque Verde Unified** be awarded \$314,000 in Building Renewal Grant funding for the reroofing of the MPR Building at Tanque Verde High School. This includes a \$20,607 contingency that will only be used with SFB staff approval.

9. Board approval that **Tanque Verde Unified** be awarded \$139,025 in Building Renewal Grant funding for the replacement of the intercoms at Tanque Verde Elementary, Agua Caliente Elementary, and Emily Gray Junior High Schools. This includes a \$5,000 contingency that will only be used with SFB staff approval.
10. Board approval that **Vernon Elementary** be awarded "Not to Exceed" \$70,000 in Building Renewal Grant funding to upgrade the existing septic system. This includes \$10,000 in contingency funds that will only be used with SFB staff approval.

Gary Marks seconded. The motion passed with a voice vote of 6-0.

- b. Consideration and possible vote to accept, reject or modify the request for Building Renewal Grant funds

Gary Marks recused himself from the Board at this time.

Mr. Gray provided a brief review of the Building Renewal Grant request as presented in the Board packet.

Vern Crow made a motion for Board approval of the following staff recommendation:

Board approval that **Humboldt Unified** be awarded \$99,691 in Building Renewal Grant funding for the repair of the cooling tower at Glassford Hill Middle School. This includes \$10,000 in contingency funds that will only be used with SFB staff approval.

Dr. Bill Johnson seconded. The motion passed with a voice vote of 5-0.

Gary Marks returned to the Board at this time.

IX. Future Agenda Items

Dr. Bill Johnson asked for a Legislative Update at the next Board meeting.

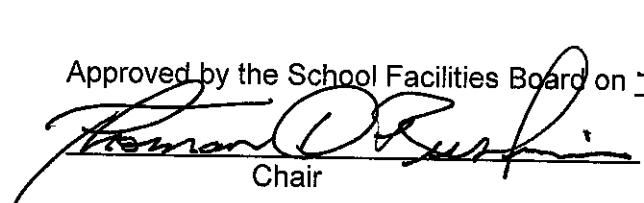
IV. Public Comment

Tom Harris with PV Advanced Concepts commented on the compatibility of the ARRA Solar Energy Grants with the APS School and Government Program.

V. Adjournment

There being no further business, Dr. Frank Davidson adjourned the meeting at 10:53 A.M..

Approved by the School Facilities Board on February 2, 2011


Frank Davidson
Chair