

SCHOOL FACILITIES BOARD  
August 7, 2013  
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Archives Building in Phoenix, Arizona. The meeting began at approximately 10:03 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Tom Rushin, Interim Chair	James Chesnik, Fowler ESD
Edward Boot	Jim Migliorino, Deer Valley USD
Dr. Jeff Smith	Kurt Palmer, Quality Sports Lighting
Vern Crow	Quinn Kellis, Dysart USD
Bryan Peltzer	Michael Williams, OSPB
Traci Sawyer-Sinkbeil	Rick Conrad, Fowler ESD
Ward Simpson	Patricia Ewanski, APS Solutions for Business
<u>Members Absent</u>	<u>Staff Present</u>
Dru Barisich	Dean Gray, Executive Director
Jennifer Stielow	Kerry Campbell, Public Information Officer
Stacey Morley	Debra Sterling, Attorney General's Office
	Amber Peterson, School Finance Specialist
	Angela Cade, Fiscal Services Manager
	Pat Cruse, School Facilities Liaison
	Ron Passarelli, Legislative Liaison
	David Kennon, Assessment Specialist

- I. Call to Order  
Interim Chairman Tom Rushin called the meeting to order at approximately 10:03 A.M.
- II. Roll Call  
There were seven (7) voting Board Members present.
- III. Consideration and possible vote to accept, reject or modify the Minutes of June 26, 2013  
Vern Crow made a motion for Board approval of the Minutes of June 26, 2013. Ward Simpson seconded. The motion passed with a voice vote of 7-0.
- IV. Director's Report
  - a. Building Renewal Formula History  
Dean Gray provided a brief explanation of the Building Renewal Formula History as presented in the Board packet.

Dr. Jeff Smith asked for clarification on the \$2.1 billion shortfall. Mr. Gray explained that from FY1999 through FY2014 the Building Renewal Formula totaled approximately \$2.7 billion. The annual appropriations totaled \$647.5 million, which equates to a \$2.1 billion shortfall. Over the same time period, approximately \$1.3 billion was spent during the Deficiencies Correction Program to replace any broken systems and systems that may fail within three years.

Tom Rushin commended staff on the preparation and presentation of the information.

b. Consideration and possible vote to accept, reject or modify the proposed changes to SFB Policy VI. Emergency Projects

Dean Gray provided a brief explanation of the proposed changes as presented in the Board packet.

Traci Sawyer-Sinkbeil asked if any public comment had been received. Mr. Gray answered that no public comment had been received.

Ward Simpson asked for an explanation of A.R.S. §15-907. Mr. Gray explained the sequence of events as established by the statute.

Traci Sawyer-Sinkbeil made a motion for Board approval of the proposed changes to SFB Policy VI. Emergency Projects as presented in the Board packet. Dr. Jeff Smith seconded. The motion passed with a voice vote of 7-0.

c. New School Facilities Fund Terms and Conditions

Dean Gray provided a brief explanation of the proposed changes to the New School Facilities Fund Terms and Conditions.

Edward Boot asked about section 4.1 Required Review Meetings and the omission of required meetings after the start of construction and review of the project by SFB staff or a project manager. Mr. Gray answered that while there is no statutory requirement to attend or schedule construction meetings, staff does attend the meetings when possible. Compliance with state and local building codes, laws and rules is the responsibility of the local jurisdiction and architectural / engineering professionals and when the project is completed, a signed statement that the project was built to the design specifications is required from the district's superintendent.

Mr. Boot asked if the architects for new construction projects will continue to be hired by the districts. Mr. Gray explained that districts will continue to hire the design professionals and that the roll of the SFB is to provide the funding and ensure the schools meet the minimum guidelines.

Mr. Boot asked if the districts choose the project delivery method as well. Mr. Gray briefly described the project delivery methods available to the districts and answered that the districts may choose the one most suitable to them.

Mr. Boot expressed his concern with small districts having the expertise to manage the projects appropriately. Mr. Gray acknowledged Mr. Boot's concern and explained that statute allows districts to hire a project manager, but the cost would come out of the formula amount awarded for the project. To maximize construction funding, SFB staff, including our architect and the district liaison (a certified project manager), assist districts with project management.

Ward Simpson pointed out section 11 Project Management Services and the ambiguity of the requirement to pay for a project manager within the allocated budget of the project, while allowing an exception to receive additional monies for a project manager if the budget does not allow for construction of a minimum guideline school. Mr. Gray clarified that the language in section 11 is taken directly from statute, adding that districts may hire a project manager on their own if they so choose.

Traci Sawyer-Sinkbeil asked what would qualify as an exception. Mr. Gray answered that currently there are no exceptions. The two projects that were allocated funding in FY2014 are very small. If any of the allocated budget were used for project management, it would be difficult to build the required space to the standard of the minimum guidelines. In addition, the rural location of the districts incurs additional costs.

Ms. Sawyer-Sinkbeil asked about section 2.1 Abandonment of Project and if any projects awarded by the Board had been abandoned. Mr. Gray explained that that no project has been abandoned; this is normal contract language.

Vern Crow made a motion for Board approval of the proposed changes to the New School Facilities Fund Terms and Conditions as presented in the Board packet. Ward Simpson seconded. The motion passed with a voice vote of 7-0.

d. Arizona School Design Primer

Dean Gray deferred to Ron Passarelli to address this agenda item. Mr. Passarelli provided a brief history and description of the Arizona School Design Primer.

Tom Rushin reiterated the positive nature of Marlene Imirzian's efforts to create and distribute the Primer.

Edward Boot expressed his interest in seeing the development of a similar document addressing preventative maintenance for use by school districts.

Mr. Passarelli commented that the Board and staff will undoubtedly continue the conversation on how to further assist districts understand and perform preventative maintenance.

e. Update on Fowler Elementary Building Renewal Grant to repair cracked masonry

Dean Gray provided a brief update on the findings of the masonry demolition at Fowler Elementary School District's Sun Canyon Elementary.

Ward Simpson asked if the structural engineer used radar to check the integrity of the horizontal reinforcing. Mr. Gray responded that the structural engineer has not recommended or requested this type of testing. For this reason, staff requested a sealed letter from the engineer regarding the integrity of the horizontal reinforcing. There is no evidence of further cracking.

V. Reduction of Square Footage Requests

Tom Rushin suggested the Board address the requests in two separate motions to allow Traci Sawyer-Sinkbeil to recuse herself for Dysart Unified's request.

Dean Gray deferred to Amber Peterson to address this agenda item. Ms. Peterson provided a brief explanation of Deer Valley Unified's request as presented in the Board packet.

Edward Boot asked where Desert Winds Elementary is located. Ms. Peterson deferred to district personnel in the audience to answer the question. Jim Migliorino, Associate Superintendent of Fiscal and Business Services for Deer Valley Unified, responded that Desert Winds Elementary is located at 15<sup>th</sup> Avenue and the 101 in the southern part of the district.

Mr. Boot asked if it was the district's intention to change Desert Winds Elementary to a K-12 school. Mr. Migliorino explained that the district intends to convert Desert Winds Elementary to a day school catering to special needs students.

Vern Crow made a motion for Board approval of Deer Valley Unified's request to reconfigure Desert Winds Elementary from K-8 to K-12. Edward Boot seconded. The motion passed with a voice vote of 7-0.

Traci Sawyer-Sinkbeil recused herself from the Board at this time.

Ms. Peterson provided a brief explanation of Dysart Unified's request as presented in the Board packet.

Edward Boot asked if the district intends to convert Desert Moon Elementary to K-12. Ms. Peterson responded that the district intends to convert Desert Moon Elementary to a day school catering to special needs students.

Ward Simpson made a motion for Board approval of Dysart Unified's request to reconfigure Desert Moon Elementary from K-8 to K-12. Vern Crow seconded. The motion passed with a voice vote of 6-0.

Traci Sawyer-Sinkbeil rejoined the Board at this time.

VI. Building Renewal Grant Requests

- a. Consideration and possible vote to ratify the Executive Director's awards of Building Renewal Grant funds as authorized by the Board motion approved on June 6, 2012, Director's Report, Agenda Item V.c. (up to \$50,000 for project award)

Dean Gray reviewed the balance of the Building Renewal Grant fund. If today's recommendations are approved by the Board the remaining balance would be \$2,733,718. The total of pending applications and projects in design is \$9,359,040. Staff continues working to close projects and make recognized savings and unspent monies available for new projects. He also explained the new look of the balance sheet including the tally of the FY2014 funding in the upper right corner and the separation of pending applications from projects that are in design awaiting award of construction funding.

Traci Sawyer-Sinkbeil made a motion for Board approval of the following staff recommendations:

1. Board ratification that **Laveen Elementary** be awarded \$765 in Building Renewal Grant funds to replace the 5-ton HVAC compressor serving Classroom 11 (Building 1003) at Desert Meadows Elementary (project number 070459106-1003-007BRG).
2. Board ratification that **Laveen Elementary** be awarded \$2,942 in Building Renewal Grant funding to replace the 5-ton condenser coil serving the gymnasium (Building 1002) at Desert Meadows Elementary (project number 070459106-1002-008BRG).
3. Board ratification that **Laveen Elementary** be awarded not to exceed \$6,000 in Building Renewal Grant funding to repair leaks in the fluid cooler's underground piping at Vista del Sur Middle School (project number 070459004-9999-009BRG).
4. Board ratification that **Phoenix Elementary** be awarded \$9,363 in Building Renewal Grant funding to replace the cooling tower blower assembly serving Kenilworth Elementary (project number 070401115-9999-002BRG).

Vern Crow seconded. The motion passed with a voice vote of 7-0.

b. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests (supplemental awards)

Dean Gray explained that staff controls all contingency monies and gave a brief description of each request as presented in the Board packet.

Dr. Jeff Smith made a motion for Board approval of the following staff recommendations:

1. Board approval of the staff recommendation that **Prescott Unified** be awarded an additional \$21,423 in Building Renewal Grant funding for a new 170 foot underground pipeline and new gas meter as required by the local gas utility company at Prescott Mile High Middle School (project number 130201150-1007-002BRG). This includes no additional contingency and brings the total project cost to \$111,423.
2. Board approval of the staff recommendation that **Santa Cruz Valley Unified** be awarded an additional \$58,321 in Building Renewal Grant funding for construction services to repair of the roofs on Buildings 1003, 1004, 1006 at San Cayetano Elementary School (project number 120235110-9999-004-BRG). This brings the total project cost to \$244,421.
3. Board approval of the staff recommendation that **Snowflake Unified** be awarded an additional \$143,714 in Building Renewal Grant funding for roof construction services for replacement of the roofs on Buildings 1006 and 1020 at Snowflake High School (project number 090205005-9999-001-BRG). This amount includes \$30,000 in contingency that will only be

used with SFB staff approval and brings the total project cost to \$151,646.

Edward Boot seconded. The motion passed with a voice vote of 7-0.

c. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests (construction funding)

Tom Rushin suggested taking the Tolleson Elementary requests in a separate motion so Traci Sawyer-Sinkbeil could recuse herself.

Dean Gray gave a brief description of each request as presented in the Board packet.

Vern Crow asked for clarification that one of Tombstone Unified's requests is for \$420. Mr. Gray affirmed the amount and explained that the request is valid.

Edward Boot questioned the standard of required preventative maintenance and requested that a discussion or development of a policy be placed on a future agenda. He also requested a discussion or development of a policy regarding the district's balance of building renewal monies. Mr. Gray commented that a discussion on these issues may transpire during today's meeting.

Traci Sawyer-Sinkbeil asked about Skull Valley Elementary's second request and if it is normal to replace and move HVAC equipment. Mr. Gray explained that it is not normal to move equipment. In this case, other building systems were designed and built next to the HVAC equipment which prevents the removal of the old and installation of the new HVAC system; consequently, the new equipment will be installed in a new location that is easier to access.

Ward Simpson made a motion for Board approval of the following staff recommendations:

1. Board approval of the staff recommendation that **Beaver Creek Elementary** be awarded \$6,000 in Building Renewal Grant funding for the roof recoating on classroom building 1010. This includes \$1,293 in contingency that will only be used with SFB staff approval.
2. Board approval of the staff recommendation that **Clifton Unified** be awarded \$3,000 in Building Renewal Grant funding for the repairs to the existing fire alarm panel. This amount includes \$1,189 in contingency that will only be used with SFB staff approval.
3. Board approval of the staff recommendation that **Hayden-Winkelman Unified** be awarded \$36,226 in Building Renewal Grant funding to replace four gas heaters and two evaporative coolers on the gymnasium (Building 1001) at Leonor Hambly Middle School. This amount includes \$2,500 for a structural evaluation and \$3,000 for contingency that will only be used with SFB staff approval.

4. Board approval of the staff recommendation that **Hayden-Winkelman Unified** be awarded \$105,436 in Building Renewal Grant funding to replace four gas heaters and six evaporative coolers on the gymnasium (Building 1005) at Hayden High School. This amount includes \$2,500 for a structural evaluation and \$9,300 in contingency that will only be used with SFB staff approval.
5. Board approval of the staff recommendation that **Nadaburg Unified** be awarded \$18,000 in Building Renewal Grant funding for the replacement of two compressors on the 25-ton unit serving the administrative/multipurpose building 1001 at Desert Oasis Elementary. This includes \$2,714 in contingency that will only be used with SFB staff approval.
6. Board approval of the staff recommendation that **Skull Valley Elementary** be awarded \$24,000 in Building Renewal Grant funding to repair and modify the existing wet-pipe fire sprinkler system in Building 1005 at Skull Valley Elementary. This amount includes \$3,900 in contingency that will only be used with SFB staff approval.
7. Board approval of the staff recommendation that **Skull Valley Elementary** be awarded \$9,000 in Building Renewal Grant funding to replace the 4-ton HVAC split system on Building 1005 at Skull Valley Elementary. This amount includes \$1,380 in contingency that will only be used with SFB staff approval.
8. Board approval of the staff recommendation that **Tombstone Unified** be awarded \$420 in Building Renewal Grant funding for the repair of the existing fire alarm system at Huachuca City Elementary. This amount includes \$43 in contingency that will only be used with SFB staff approval.
9. Board approval of the staff recommendation that **Tombstone Unified** be awarded \$1,400 in Building Renewal Grant funding to repair the existing fire alarm system at Tombstone High School. This amount includes \$190 in contingency that will only be used with SFB staff approval.
10. Board approval of the staff recommendation that **Tombstone Unified** be awarded \$2,100 in Building Renewal Grant funding to repair the existing fire alarm system at Walter J. Meyer Elementary. This amount includes \$188 in contingency that will only be used with SFB staff approval.
11. Board approval of the staff recommendation that **Valley Union** be awarded \$17,900 in Building Renewal Grant funding to repair the existing intercom system. This amount includes \$1,520 in contingency that will only be used with SFB staff approval.

Edward Boot seconded. The motion passed with a voice vote of 7-0.

Traci Sawyer-Sinkbeil recused herself from the Board at this time.

Dean Gray gave a brief description of Tolleson Elementary's requests as presented in the Board packet.

Ward Simpson asked if the HVAC control systems are too old to repair. Mr. Gray responded that very little info on the systems is available due to poor recordkeeping and that the staff recommendation for replacement is more cost effective than a repair.

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

1. Board approval of the staff recommendation that **Tolleson Elementary** be awarded \$65,000 in Building Renewal Grant funding for replacement of the failing controls with an integrated communication control system for the HVAC system at Arizona Desert Elementary. This includes \$9,000 in contingency that will only be used with SFB staff approval.
2. Board approval of the staff recommendation that **Tolleson Elementary** be awarded \$62,500 in Building Renewal Grant funding for replacement of the failing controls with an integrated communication control system for the HVAC system at Desert Oasis Elementary. This includes \$9,000 in contingency that will only be used with SFB staff approval.

Dr. Jeff Smith seconded. The motion passed with a voice vote of 6-0.

Traci Sawyer-Sinkbeil rejoined the Board at this time.

d. Consideration and possible vote to accept, reject or modify denial of Building Renewal Grant Requests

Dean Gray provided a brief description of Casa Grande Elementary's requests as presented in the Board packet.

Traci Sawyer-Sinkbeil asked what the district's course of action would be with denial of these requests. Mr. Gray answered that the district would have to fund the repairs out of their budget. Staff anticipated the district's attendance at today's meeting to answer the Board's questions, but they are not in attendance.

Edward Boot asked to clarify that Desert Willow Elementary was built in 2007 and that it has a central plant. Mr. Gray affirmed Mr. Boot's questions.

Mr. Boot asked if the district has maintenance personnel. Mr. Gray responded that many districts have had financial difficulties the last few years resulting in cuts, the reassignment of staff, and decreased maintenance of systems.

Mr. Boot questioned the Board's latitude regarding the district's performance of preventative maintenance based on the requirement in statute. Mr. Gray requested the Board convene in Executive Session to discuss the statute with legal counsel.

Edward Boot made a motion for the Board to convene in Executive Session to ask legal counsel questions about the Building Renewal Grant statute. Ward Simpson seconded. The motion passed with a voice vote of 7-0.

*The Board convened in Executive Session starting at 11:20am.*

*The Board concluded the Executive Session and reconvened the Board meeting at 11.38am.*

Ms. Sawyer-Sinkbeil asked for clarification that the building was built in 2007 and the useful life of the equipment is 12 years. Mr. Gray responded that Desert Willow Elementary was built in 2007 and the useful life is 12 to 15 years. The cooling tower at Saguaro Elementary was commissioned in 2002, making it eleven years old. He referred the Board to the pictures provided in the Board packet.

Mr. Boot asked about a district request presented to the Board the end of June that was denied. Ms. Sterling clarified that the denied request was for Emergency Deficiencies Correction funding, not Building Renewal Grant funding.

Mr. Boot commented on the duplicity of routine preventative maintenance in the Building Renewal Grant statute and requested an agenda item at a future Board meeting to discuss development of a policy regarding district performance of preventative maintenance and guidelines for the Board. Mr. Gray responded that currently the Board has discretion and that implementation of a policy has the potential to restrict staff to criteria of qualified preventative maintenance. He suggested having a Study Session on this issue.

Mr. Boot asked if Casa Grande Elementary filled out the Preventative Maintenance Task Sheets that were included in the Board packet. Mr. Gray affirmed Mr. Boot's question.

Vern Crow commented that the Board has exercised its discretion in the past and denied requests due to lack of preventative maintenance. He finds this request no different. Mr. Gray responded that staff wanted to present the Board with the whole picture.

Dr. Jeff Smith asked the chairman to call a vote.

Ms. Sawyer-Sinkbeil asked if the district has started school. Mr. Gray deferred to staffers Pat Cruse, School District Liaison, and David Kennon, Assessment Specialist. Mr. Kennon commented that the district started school today. Mr. Cruse answered that the cooling towers are running at about 50%. Mr. Gray added that he has discussed this issue at length with district staff and they are aware of the staff recommendation for denial. Staff was hopeful the district would be able to explain why the failure has happened.

Tom Rushin commented that the reason for the failure would be helpful information for the Board.

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

1. Board approval of the staff recommendation that Casa Grande Elementary's request for Building Renewal Grant funding for the replacement of two VFD's at a cost of \$3,469 be **denied** because the district cannot demonstrate that it meets the requirements in A. R. S. §15-2032 (E)(1).
2. Board approval of the staff recommendation that Casa Grande Elementary's request for Building Renewal Grant funding for the replacement of the butterfly valves, tower bearing assemblies and blower wheel at a cost of \$19,822 be **denied** because the district cannot demonstrate that it meets the requirements in A. R. S. §15-2032 (E)(1).

Dr. Jeff Smith seconded. The motion passed with a voice vote of 7-0.

- VII. Preventative Maintenance Inspection Reports  
Consideration and possible vote to accept, reject or modify the random selection of districts for a Preventative Maintenance Inspection  
Dean Gray provided a brief explanation of random selection of districts for a Preventative Maintenance Inspection as presented in the Board packet.

Ward Simpson made a motion for Board approval of the random selection of Union Elementary for a Preventative Maintenance Inspection.

Vern Crow seconded. The motion passed with a voice vote of 7-0.

- VIII. Future Agenda Items  
Tom Rushin confirmed Edward Boot's request to place discussion and possible development of preventative maintenance standards and remaining building renewal funds standards as future agenda items.
- IX. Public Comment  
No requests for public comment were received.
- X. Adjournment  
There being no further business, Tom Rushin adjourned the meeting at approximately 12:00 P.M.

Approved by the School Facilities Board on September 11, 2013

Thomas D. Rushin  
Interim Chair