

SCHOOL FACILITIES BOARD
August 1, 2002
Goodyear, Arizona

The School Facilities Board held a board meeting at the Estrella Foothills High School, Auditorium, 13033 South Estrella Parkway, Goodyear, Arizona, 85338. The meeting began at approximately 10:05 a.m.

Members Present

Conley, Patrice
Keenan, Brooks
McCarthy, Kevin
Metz, Forrest Logan
Thompson, Scott (Non-Voting Member)
Van Sittert, Logan, Chair
Vaughan, G. Keith
Wicks, Michael
Wright, John, Vice-Chair

Members Absent

McGee, Kate

Staff Present

Edward Boot, Interim Exec. Director
Tim Brand, Facilities Deputy Director
John Arnold, Deputy Director of Finance
David Lujan, Asst. Attorney General
Tom Halverstadt, Land Specialist
Anna M. Stevens, Admin. Assistant
Darla Jordan, Public Information Officer
Amber Peterson, School Finance Spec.

Guests Present

Tom Williams, Mary C. O'Brien
Gus Headington, Yuma Union H. S.
Jim Galles, FCI Constructors
Paul Kasparian, Maricopa Unified
Alan Andrus, ProNet
Scott Harris, FCG
Alan Merrill, Network Infrastructure Corp.
Pat Sobel, Network Infrastructure Corp.
Peggy Rinegar, Qwest-Phoenix
Jason Williams, Qwest
Michael Kell
Tim O'Brien, Pinnacle One
Ernie Nicely, Mesa Unified District
Eric Freed, Mesa Unified District
Richard Dern, SFB
Judy Richardson, PHSG
Megan Zimmerman, Cox Education
Craig Larsen, The LearningStation
Ron Carrington, Qwest
Kim Marona, Qwest
Dan Farrar, Yuma Union H. S. District
Ken Galer, Yuma Union H. S. District
Joe Alvarado, Coconino County Acc.
Liz Whitaker, Tucson Unified
Chris Noel, Enterasys Networks
Bill Maas, Cox Education Network
Jack Sarrett, Tempe District #3
Paul Hanney, AZ Republic
Hong Lom, TEK
Jodie Fauk, TEK
Tom O'Brien, TEK
Jake Cory, JLBC
Steve Schimpp, JLBC
Brad Faubion, Sentinel Technologies
Joe Castello, Sentinel Technologies
Ken Rees, Sentinel Technologies
Joe Schnupp, ABACUS
Ray DelZotto, Pinnacle One
Chris Gillespie, Pinnacle One
Jeff Cook, Pinnacle One

David Schwee, Mastec Network Svcs
Doug Sexton, Todd & Assoc., Inc.
Gregoria Amadeo, DLR Group
Oliver Barlow, Colorado City Unified
Jeffery Jessop, Colorado City Unified
Bob Young, Dysart Unified District
Ron Van Dusen, RSI
Kathryn Kilroy, ASSET
Brandon Ames, ABLE
Kent Davis, Deer Valley Unified
Rick Blankenship, CISCO
Charles Johnson
Clyde Maghan
Juan Mata, SEFF
Jason Coe, Compel
Judy Kennedy
Steve Bass
Chuck Juenger, Glendale Elementary
Robert Benhard, Glendale Elementary
Luciano Ramirez, Glendale Elementary
Thomas D. Rushin, Yuma Elementary
Henry Staples, Kayenta Unified District
Michael Ford, Kayenta Unified District
Marquel Wheeler, Buckeye Union H. S.
Lester Dunning, GVE
Whitney Smith, Buckeye Union H. S.
John Gordon, Cave Creek Unified
Cathy Rex, PHSG
Randie Stein, PHSG
Joel Weeks, City of Show Low
Don McBride, Tanque Verde Coalition
Lucy Dahn, Tanque Verde Coalition
Eugene Dahn, Tanque Verde Coalition
Virginia Kclinger, TVUSD Coalition
Joseph Roalmuto, TVUSD Coalition
Maureen Realmuto, TVUSD Coalition
Charles Moffett, TVUSD Coalition
Dave Moser, Tanque Verde Coalition
Carolyn Moser, Tanque Verde Coalition
Kathryn Lewis, Tanque Verde Coalition
Doug Hughes, TVUSD Board Member
Sherrylyn Young, TVUSD Board Member
Lyle Aldridge, citizen
Red & Nanette Morrow, Tanque Verde

I. Call to Order

The Board Chair, Logan Van Sittert, called the meeting to order at approximately 10:05 a.m.

- III. Approval of Minutes of June 6, 2002
John Wright moved that the Board approve the Board Minutes for June 6, 2002 as revised. Mike Wicks seconded. Motion passed on a 6-0-2 voice vote with Keith Vaughan and Forrest Metz abstaining.
- IV. Director's Report
- a. Announcement of Personnel Changes
This was an informational item only. The following changes were made:
Forrest Metz is our newest Board Member and Represents the Small Business Owners
John Wright has been elected the Vice Chair for the School Facilities Board.
Tim Brand is the new Deputy Director of Facilities.
Public Information Officer Darla Jordan has resigned.
- b. Meeting Dates and Locations for the Remainder of 2002
The Board expressed a desire to re-schedule the Retreat for November.
- c. Executive Director Q1 Action Plan
This was an informational item only.
- d. Auditor General Report
This was an informational item only.
- e. Deficiency Bonding Update
Bob Casillas informed the Board about the last of the bonding issues.
- f. Deficiency Project Status Update
This was an informational item only.
- g. Status on Open Bid Protests
This was an informational item only.
- h. HB 2710 Plan
Lease to Own
John Wright moved that the Board approve the Proposed Lease-to-Own Structure as outlined below:
1. The School Facilities Board will issue certificates of participation on behalf of school districts. Staff anticipates that the majority of current year projects will be included in the first issue. This issue will take place in November or December 2002.
 2. Dollars raised by the issue will be deposited with the State Treasurer's office. Participating districts will design and bid their own projects as they currently do. Dollars will be distributed by the SFB to districts upon district requests supported by appropriate invoices.
 3. Staff recommends that the Board seek to enter the lease-to-own without pledging the resulting facilities and land as collateral.
 4. Depending on market conditions, title to the facilities would rest with either the governing school district or a single trustee. If it is necessary

for the trustee to hold title, the school district will enter into a sublease agreement with the State.

5. The School Facilities Board may attempt to identify one or two projects to be financed through a private lease-to-own structure.

Pat Conley seconded. Motion passed on an 8-0 voice vote.

Maintenance Inspection Plan

Keith Vaughan moved that the Board approve the steps as outlined below for the HB2710 maintenance inspection plan as amended by the legislature:

1. Create and Chair a committee composed of representatives from school districts, Department of Education and private sector facilities management professionals. The Committee's purpose will be to develop "preventative maintenance program guidelines" that can be tailored to school districts of varying sizes and complexities throughout the state.
2. Established preventative maintenance guidelines will concentrate on major building components, i.e. roofing, mechanical equipment, electrical, etc. and are being prepared to ensure proper and sufficient cyclical maintenance scheduling for school improvements provided through the School Facilities Board new construction or deficiencies correction programs. Proper preventative maintenance is intended to ensure useful life cycle is achieved for major building components.
3. Final Preventative Maintenance Guidelines will be presented to the School Facilities Board for review and approval. Staff would expect maintenance guidelines to be completed by the end of 2002.
4. School Facilities Board staff will randomly select twenty school districts throughout the state of varying sizes to begin inspections by the beginning of FY 2004.

Brooks Keenan seconded. Motion passed on an 8-0 voice vote.

Note: Kevin McCarthy stated that because of this bill, it would now cost more to build schools.

Definition of Quality Products

This was an informational item only. There was no action taken by the Board at this time.

Jeff Cook, Pinnacle One, addressed the Board to voice his concern regarding the FF&E requirements. Jeff would like the Board to consider raising the minimum standards for middle school.

Note: John Wright stated that Policies should be based on all schools and not based on exemptions. This is another example of bad legislature policies.

Project Management for New Schools

This was an informational item only. Staff will present this item at the September meeting for action by the Board.

- i. Discussion of Land Donation
This was an informational item only. Staff would recommend that the Board continue the policy of requiring, at a minimum, a significant portion of an elementary school site be donated.
- j. A.R.S. 15-2022 Interpretation
This was an informational item only.
- k. Approval to Pay Staff from the Deficiency Fund
John Wright moved that the Board approve the expenditure of Deficiency Funds for the following positions:
 - 1 Procurement Director
 - 3 Senior Procurement Specialists
 - 2 Procurement Specialists
 - 1 Finance Assistant
 - 1 Technology Director
 - 2 Technology/JOC Reviewers
 - 1 Administration Position
 - ½ Lawyer (Attorney General)

Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

- l. Alternative Project Delivery Methods
This was an informational item only.
- V. Assessment Deficiencies
- a. Qwest Update – Consideration of Additional Funding for Internet Connectivity Contract
John Wright moved that Board approve staff recommendation to amend the original Qwest purchase order to a new Lump Sum agreement in the amount of \$140, 768, 000 for the Networking and Internet connectivity of all 1,445 schools and district offices in the state as referenced in the ‘agreement in principle.’ Pat Conley seconded. Motion passed on a 7-1 voice vote with Kevin McCarthy voting against.

Alan Merrill, addressed the Board, to ask several question regarding the network infrastructure.

Ernie Nicely, Director or Information systems for the Mesa public schools, addressed the Board to thank them for the tireless job that they do and the staff for all the work that they are doing for the children of the state. He is for the approval of the Qwest contract.

Ron Van Dusen, Mesa resident and homeowner, addressed the Board and is in agreement with Senator Peterson and Senator Blanchard. He is for bidding out the remainder of the project.

Board Members Opinion

Keith Vaughan: Agreed with the motion. The cost will be higher to re-bid because of the work already done by Qwest that may not be accepted by another vendor.

Mike Wicks: Agreed with the motion. It will not be cheaper to re-bid.

Patrice Conley: Agreed with the motion. The cost was high but we have gotten quality work.

Scott Thompson: Agreed with the motion because of the assurance of the oversight to complete the projects properly.

Kevin McCarthy: He voted against the motion. He has strongly apposed the Board in moving in this direction since this process first occurred. The scope of the project goes way beyond what the Board should have been doing.

Brooks Keenan: Agreed with the motion. This is the low cost way to get to where we need to go.

John Wright: Agreed with the motion. Not a perfect solution but it can no longer be delayed. It is very important that we move forward.

Forrest Metz: He feels that this is the best solution of a very difficult process.

b. Cox Update on ASP Project

This was an informational item only.

c. Consideration of Funding Supplemental Assessment Deficiency Projects from the Deficiencies Correction Fund, including projects from:

Keith Vaughan moved that the Board approve the staff recommendation to approve the supplemental assessment deficiency projects, which will be eligible for funding from the Deficiencies Correction Fund. Forrest Metz seconded. Motion passed on an 8-0 voice vote.

The Dysart School District project was pulled off at this time and will come up for reconsideration at the September board meeting.

d. Consideration of Assessment Deficiency Projects review, bids, bid packages and expansion of change orders, including projects from:

Expansion of Scope and Increased Project Cost

John Wright moved that the Board approve the following recommendations:

1. That the Board approve the staff recommendation of additional funding in the amount of \$812,332 for the HVAC project in the Casa Grande Elementary School District project number 110404105-9999-004.
2. That the Board approve the staff recommendation of additional funding in the amount of \$87,606 for the replacement school project in the Miami Unified School District project number 040240102-9999-001.

Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

e. Consideration of CM @ Risk Contracts, GMP Applied and Purchase Orders Issued

John Wright moved that the Board accept the staff recommendation to approve the CM @ Risk contracts for the School Facilities Board and the districts and vendors listed under agenda item V.E. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

f. Consideration of Ratification of Contracts for Deficiency Corrections Projects

Keith Vaughan moved that the Board accept the staff recommendation to approve the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.F. Mike Wicks seconded. Motion passed on an 8-0 voice vote.

The tax issue will be up for further discussion at the November Board meeting.

g. Consideration of Change Orders

John Wright moved that the Board accept the staff recommendation to approve the change orders for the districts and vendors listed under agenda item V.G. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

VI. New School Construction

a. Consideration of 2002 Capital Plan New Construction Requests

Keith Vaughan moved that the Board approve the staff recommendation to rescind a core high school for 599 students that was previously approved for Yuma County Accommodation District to open in the fall of 2002, at a total project cost of \$6,213,131. John Wright seconded. Motion passed on an 8-0 voice vote.

b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders, and Expansion of Scope and Increased Project Cost: Review and Change Orders

Brooks Keenan moved that the Board approve the staff recommendation for the following project:

1. Approve Altar Valley Elementary School District's request to go to bid on a School Facilities Board project in the amount of \$4,540,368 for the K – 4 Elementary school facility with additional funding of \$868,802, project number 100351000-9999-201N.
2. Approve Dysart Unified School District's request to go to bid on a School Facilities Board project in the amount of \$9,175,320 for the K – 8 Elementary school facility, project number 070289000-9999-005N.
3. Approve Gadsden Elementary School District's request to go to bid on a School Facilities Board project in the amount of \$5,906,181 for the K – 6 Elementary school facility, project number 140432000-9999-003N.
4. Approve Maricopa Unified School District's request to go to bid on a School Facilities Board project in the amount of \$4,700,023 for the K – 5 Elementary school facility, project number 110220000-9999-003N.

John Wright seconded. Motion passed on an 8-0 voice vote.

Gilbert Unified District

Brooks Keenan moved that the Board approve Gilbert Unified School District's request to go to bid on a School Facilities Board project in the amount of \$8,307,426 for the K – 6 Elementary school facility, project number 070241000-9999-005N. John Wright seconded. Motion passed on a 7-0-1 voice vote with Keith Vaughan abstaining.

c. Expansion of Scope and Increased Project Cost

There were no districts listed under this agenda item.

John Wright moved that the Board go into executive session for the purpose of discussing land issues and to seek legal advice. Brooks Keenan seconded. Motion passed on an 8-0 voice vote. This session was not open to the public.

Executive Session was held from 1:30 p.m. to 2:30 p.m.

VII. Consideration of Request for Land or Real Property Purchase, Lease, or Donation:

a. Steps I and/or II and b. Step III

Mike Wicks moved that the Board approve the following staff recommendations under agenda item VII A. and B.:

Amendment: The Board approved the Coconino County Accommodation School District request to go to step III but would not be allowed to proceed at this point.

1. Accept Staff recommendation to approve Coconino County Accommodation School District's request for a high school site (project number 030199000-9999-001L) and move to Step III.
2. Accept Staff recommendation to approve the Coconino County Accommodation School District's request for a high school site (project number 030199000-9999-002L) and move to Step III.

Logan Van Sittert seconded. Motion passed on a 7-1 voice vote with Pat voting against.

b. Step III

Mike Wicks moved that the Board accept the staff recommendations as follows:

1. Accept Staff recommendation to approve the funding for the leasing of an elementary, 2 middle and a high school site for the Cave Creek Unified School District (project number 070293000-9999-001L).
2. Accept Staff recommendation to approve the funding for the leasing of an elementary school site for the Cottonwood Oak Creek Elementary School District (project number 130406000-9999-001L).
3. Accept Staff recommendation to approve the funding for the leasing of an elementary school site for the Deer Valley Unified School District (project number 070297000-9999-223L).

4. Accept Staff recommendation to approve the funding for the purchase of an elementary school site for the Laveen Elementary School District (project number 070459000-9999-001L).
5. Accept Staff recommendation to approve the funding for the purchase of an elementary school site for the Pendergast Elementary School District (project number 070492000-9999-002L).
6. Accept Staff recommendation to approve the funding for the purchase of an elementary school site for the Santa Cruz Valley Unified School District (project number 120328000-9999-003L).
7. Accept Staff recommendation to approve the funding for the purchase of a middle school site for the Santa Cruz Valley Unified School District (project number 120328000-9999-004L).

Logan Van Sittert seconded. Motion passed on a 7-1 voice vote with Pat Conley against.

c. Consideration of Other Land Related Issues:
Cave Creek Unified District

Brooks Keenan moved that the Board approve the recommendations as follows:

1. Approve the request of the Show Low Unified District to sell the school site associated with the Show Low Junior High School North campus and combine the sale proceeds with the deficiency dollars that would have been spent at this site in order to construct 5,300 square feet at the South campus.
2. Approve the request of Yuma County Accommodation School District to sell the approximate 30.785 gross acres of land, and that the proceeds of this sale will be forwarded to the School Facilities Board directly from the Title and Escrow Company that the District elects to utilize.

Mike Wicks seconded. Motion passed on an 8-0 voice vote.

VIII. Replenishment of Contingency Funds for Districts:

Keith Vaughan moved that the Board approve the staff recommendation to approve the supplemental contingency. John Wright seconded. Motion passed on an 8-0 voice vote.

IX. Request for Reduction of Square Footage for the Show Low Unified District:

John Wright moved that the Board approve the staff recommendation to approve Show Low Unified District's request to sell the Show Low Jr. High School North facility. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

X. Request for Waiver from Guidelines

Keith Vaughan moved that the Board approve the following staff recommendations:

1. Approve the waiver request from the Apache Elementary School District.

2. Approve the waiver request from the Isaac Elementary School District.

John Wright seconded. Motion passed on an 8-0 voice vote.

XI. Finance Report

This was an informational item only.

XII. Public Comment

The following comments were addressed to the board to voice their opinion regarding the Tanque Verde site.

Joe Alvarado, Coconino County Accommodation, clarification of their land issues.

Doug Hughes, Tanque Verde Unified board member.

Lyle Aldridge, citizen of the Tanque Verde area.

Sherrylyn Young, Tanque Verde Unified board member.

Charles Moffett, Tanque Verde Unified coalition, costs of proposed Tanque Verde high school.

Virginia Klinger, Tanque Verde Unified coalition, regarding high school site.

Dave Moser, Tanque Verde Unified coalition group.

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 3:45 p.m.

Approved by the School Facilities Board on _____, 2002

Logan Van Sittert, Chair