

**SCHOOL FACILITIES BOARD
 May 1, 2003
 Tempe, Arizona**

The School Facilities Board held a board meeting at the Tempe Elementary School District Office, 3205 S. Rural Rd., Tempe, Arizona. The meeting began at approximately 10:00 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Conley, Patrice	Henry Stapleton, Kingman USD
Keenan, Brooks	Judith Bobbitt, Somerton ESD
McCarthy, Kevin	Roxanne Morris, Saddle Mountain USD
McGee, Kate	Mike Apostolos, Abacus
Metz, Forrest	Judy Richardson, Stone & Youngberg
Van Sittert, Logan, Chair	Michael Medeiros, Marana USD
Vaughan, G. Keith	Thomas D. Rushin, Yuma ESD
Wicks, Michael	Ed Hall, Tolleson ESD
	Gus Headington, Yuma UHSD
<u>Members Absent</u>	Terry Worcester, SSPW Architects
Wright, John, Vice-Chair	Bob Young, Dysart USD
Vicki Salazar, Superintendent's Representative (non-voting)	Patrick McGee, SSPW Architects for Tuba City
	Gregoria A. Moran, DLR Group
	Cathy Rex, Architect
<u>Staff Present</u>	Mary Radcliffe, Isaac ESD
Edward Boot, Interim Exec. Director	Tim O'Brien, PinnacleOne
Tim Brand, Facilities Deputy Director	Liz Whitaker, TUSD
Candy Cooley, Deputy Director of MIS	George Priniski, Gervasio and Assoc.
John Arnold, Deputy Director of Finance	John Gordon, Cave Creek USD
Judith Darknall, Assistant Attorney General	Joe Schnupp, Abacus
Tom Halverstadt, Land Specialist	Susan Holt Maas, Tempe ESD
Carol Civiello, SFB Liaison	Paul Hanley, Isaac ESD
Kristen Landry, Public Information Officer	Al Flores, Vail USD
Amber Peterson, School Finance Specialist	Bob Anderson, Tempe UHSD
	Ron Begay, Tuba City USD
	Doug McCarthy, Cave Creek USD
	Tamara Moore, NIC
	Dirk P. Walter, DVUSD
	Tina Bertand, PinnacleOne
	Daniel O'Brien, Union ESD
	Randie Stein, Consultant for Stone and Youngberg

Welcome

Susan Holt Maas welcomed the School Facilities Board.

I. Call to Order

The Board Chair, Logan Van Sittert, called the meeting to order at approximately 10:00 A.M.

II. Roll Call

There were eight Board Members present at this meeting.

III. Approval of Minutes of April 3, 2003 Meeting

Keith Vaughan moved that the Board approve the Minutes for April 3, 2003. Brooks Keenan seconded. Motion passed on a 8-0 voice vote.

Approval of Minutes of Executive Session of April 3, 2003 Meeting

Keith Vaughan moved that the Board approve the Minutes for the Executive Session of the April 3, 2003 Meeting. Brooks Keenan seconded. Motion passed on a 8-0 voice vote.

IV. Director's Report

a. Deficiency Correction Update

This was an informational item only. The following issues were discussed.

- April 2003 Status of Work and Performance
- PM Performance
- Cost Analysis
- Projected Schedule of Work
- Bid Protests
- Qwest Chart

Kate McGee asked if any of the deficiency correction projects have been impacted by the discovery of the alternative delivery methods problem (discussed under Agenda Item IVb.). Tim Brand replied that only school districts are impacted by the problem, not the School Facilities Board. Therefore, none of the deficiency correction projects are affected. Candy Cooley updated the Board on the status of the Qwest project; Qwest representatives have indicated that the project is on schedule. Brooks Keenan asked about the scope of the project management firms in relation to the deficiency projects. Ed Boot replied that they provide project management as needed, and will act as our construction representatives. Pat Conley inquired about the reporting of deficiency correction expenditures, and whether districts will need to submit that information this year when annual reports are due, or whether SFB staff will be able to pull that information from its database. John Arnold replied that staff does not have an answer to Ms. Conley's question at this time, but will research this issue.

b. Information Items

The following issues were discussed.

- Land Funding Timeline – staff provided revised guidelines for determining when to provide land for a conceptually-approved school, based on the changes adopted by the Board at the April SFB meeting.
- Electronic Board Packet Distribution – Ed Boot expressed staff's desire to reduce the amount of paper that is used for printing monthly Board meeting packets. Candy Cooley is working on a system for distributing the packets to Board members electronically. A paperless system would save approximately \$600 and 24 hours of labor a month. Mr. Boot explained that the Administrative letter used to be mailed to approximately 450 recipients, but is now only sent electronically. Staff is also looking into the cost of buying a tape recording system for the

monthly Board meetings. Kate McGee expressed her concern about the poor quality of recordings from past Board meetings.

- Alternate Delivery Methods – Ed Boot described an error that was discovered by the Chandler Unified School District's attorney regarding a bill passed in the 2002 legislative session, which restricts districts' ability to use alternative delivery methods until rules are established. Staff has asked the Auditor General about the impact of this legislation, but has not yet received an answer. Ed Boot offered to provide copy of the Auditor General's opinion when it becomes available, and explained that this legislation does not affect the School Facilities Board, only school districts. A current bill would correct the problem if passed.
 - Flex Tech Litigation – Ed Boot explained that staff attended a hearing to determine whether or not Flex Tech would be allowed to introduce new evidence in its case. Judith Darknall provided information to the court during the hearing. It was determined that Flex Tech may challenge the administrative review but may not present any new evidence. Staff anticipates returning to court in October.
 - Tanque Verde Update – Legislation to stop the building of the high school was defeated last month. Ed Boot explained that staff met with district representatives on Wednesday, April 30th, and reached an agreement in principle on some changes that will be brought to the Board in June for approval. The changes include building the school in phases, with only one classroom wing to be built initially. The second classroom wing would be postponed until SFB staff has collected data on opening enrollment for the FY 04 school year and the FY 04 40th day student count. There is still active discussion in the Legislature to stop this school in the budget bill.
 - Second June Board Meeting for Deficiency Contracts – Staff intends to schedule a meeting on June 30th for the approval of June contracts. Board members may choose to participate via telephone.
- c. Accommodation Districts' Sale Proceeds Reverting to State
This was an informational item only. Ed Boot indicated that staff will recommend at the June meeting a change to the terms and conditions which would require accommodation districts to return proceeds resulting from the sale of property (land or building) to the State. Mr. Boot referred to the correspondence from Judith Darknall regarding this issue and advised the Board that questions for Ms. Darknall should be asked in Executive Session. Kate McGee asked if the change would be retroactive to previously-approved accommodation schools and Ed Boot replied that it would not be retroactive.
- d. Preventive Maintenance Presentation
This was an informational item only. Tim Brand introduced Bob Anderson from Tempe Union High School District who gave the presentation on preventive maintenance previously shown to school districts by the Preventive Maintenance Committee. This presentation had been given approximately ten times during March throughout the State. Judy Richardson spoke on this issue and indicated that districts generally support this program, but there are some concerns, mainly as to how the SFB will measure compliance. Liz Whitaker from TUSD also spoke on this item and asked the SFB to encourage the Legislature to fully fund Building Renewal so

that districts have funding resources for the program. Ed Boot told the Board that 540 schools would be reviewed by the end of next summer, and that districts would be asked to submit their first five-year Building Renewal plans in September 2003. Keith Vaughan expressed his concern that districts would not be ready to submit in September, and indicated that pushing the deadline back even one month would be beneficial to school districts. Ed Boot explained that districts need to submit sooner rather than later so staff could review and help correct any problems with reporting. Mr. Vaughan also requested training for building managers to ensure that they know how to maintain their buildings. Mike Wicks indicated that although this program is needed, many districts fear the impact it will have on their maintenance and operations budgets. Kate McGee thought that district board members and those involved with budgets should be familiar with the program and wants the SFB to provide procurement resources for small districts that cannot afford the requirements of this program. The SFB presented certificates of appreciation to the members of the Preventive Maintenance Committee, including Bob Anderson from Tempe Union High School District, Bob Young from Dysart Unified, Michael Medeiros from Marana Unified, Tom Rushin from Yuma Elementary, Doug McCarthy from Cave Creek Unified, Henry Stapleton from Kingman Unified, Carol Civiello from the SFB and Tim Brand from the SFB. Members of the committee who were not in attendance include John Frankenfield from Alhambra Elementary, Sheldon Ceislak from Flagstaff Unified, and Bert Berkshire from Lake Havasu Unified.

e. Legislative Update

This was an informational item only. John Arnold updated the Board on the status of proposed bills that would affect the SFB and Students FIRST. HB 2012 regarding building renewal has been on the consent calendar in the Senate for over three weeks. HB 2091, if passed, would reinstate districts' ability to use alternative delivery methods, as well as several other provisions that would affect the SFB. HB 2096 regarding building renewal reports has passed the Senate and is waiting for the Governor's signature.

f. Building Renewal Subcommittee

This was an informational item only. Last month a Board member asked staff to find out how the Governor felt about this issue. Paul Koehler, the Governor's Education Policy Advisor responded that the timing is inappropriate as the Governor is focusing her resources on the current budget crisis, and intends to do an in-depth review of Students FIRST after the budget is resolved. Kate McGee expressed her discontent that this issue has been delayed and asked for other Board members' input. Pat Conley indicated, and Mike Wicks agreed, that an in-depth review of the building renewal formula needs to be done, but that waiting for the results of current bills would be appropriate. Kate McGee requested that this issue be placed on hold and re-visited once HB 2012 is passed. Ed Boot stated staff would put this item on the August agenda.

The Board recessed for lunch at 12:00 P.M. and reconvened at approximately 1:20 P.M., except for Keith Vaughan who returned at approximately 1:25 P.M.

V. Assessment Deficiencies

a. Consideration of Funding Supplemental Assessment Deficiency Projects from the Deficiencies Correction Fund

Brooks Keenan moved that the Board approve the staff recommendation to approve the assessment deficiency projects, which will be eligible for funding from the Deficiencies Correction Fund. Pat Conley seconded. Motion passed on a 7-0 voice vote with Keith Vaughan absent.

b. Consideration of Assessment Deficiency Projects review, bids, bid packages, and expansion of change orders
Expansion of Scope

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

1. Additional funding in the amount of \$495,297 for Project #020345101-9999-001 for Double Adobe Elementary District, bringing the total project cost from \$903,906 to \$1,390,203.
2. Additional funding in the amount of \$141,207 for Project #020227101-9999-005 for Douglas Unified District, bringing the total project cost from \$432,400 to \$573,607.
3. Additional funding in the amount of \$347,527 for Project #020227104-9999-004 for Douglas Unified District, bringing the total project cost from \$4,183,164 to \$4,530,691.
4. Additional funding in the amount of \$499,072 for Project #020227105-1001-001 for Douglas Unified District, bringing the total project cost from \$1,536,673 to \$2,035,745.
5. Additional funding in the amount of \$282,261 for Project #020227106-9999-002 for Douglas Unified District, bringing the total project cost from \$319,465 to \$601,726.
6. Additional funding in the amount of \$321,702 for Project #020227107-9999-001 for Douglas Unified District, bringing the total project cost from \$222,714 to \$544,416.
7. Additional funding in the amount of \$107,730 for Project #020227109-9999-004 for Douglas Unified District, bringing the total project cost from \$13,690 to \$121,420.
8. Additional funding in the amount of \$120,924 for Project #020227210-1013-001 for Douglas Unified District, bringing the total project cost from \$948,017 to \$1,068,941.
9. Additional funding in the amount of \$128,048 for Project #020227210-1019-002 for Douglas Unified District, bringing the total project cost from \$402,265 to \$530,313.
10. Additional funding in the amount of \$144,630 for Project #020227210-9999-002 for Douglas Unified District, bringing the total project cost from \$261,573 to \$406,203.
11. Additional funding in the amount of \$217,610 for Project #020227210-9999-006 for Douglas Unified District, bringing the total project cost from \$208,411 to \$426,021.
12. Additional funding in the amount of \$308,944 for Project #020412101-9999-004 for Elfrida Elementary District, bringing the total project cost from \$763,576 to \$1,072,520.

13. Additional funding in the amount of \$495,993 for Project #100240101-9999-004 for Indian Oasis Unified District, bringing the total project cost from \$213,565 to \$709,558.
14. Additional funding in the amount of \$152,397 for Project #100240102-9999-005 for Indian Oasis Unified District, bringing the total project cost from \$40,077 to \$192,474.
15. Additional funding in the amount of \$436,334 for Project #100240204-9999-006 for Indian Oasis Unified District, bringing the total project cost from \$25,198 to \$461,532.
16. Additional funding in the amount of \$565,567 for Project #020355001-9999-001 for McNeal Elementary District, bringing the total project cost from \$774,363 to \$1,339,930.
17. Additional funding in the amount of \$400,427 for Project #140417101-9999-002 for Mohawk Valley Elementary District, bringing the total project cost from \$25,280 to \$425,707.
18. Additional funding in the amount of \$220,804 for Project #120201103-9999-002 for Nogales Unified District, bringing the total project cost from \$46,696 to \$267,500.
19. Additional funding in the amount of \$295,340 for Project #120201104-9999-003 for Nogales Unified District, bringing the total project cost from \$79,160 to \$374,500.
20. Additional funding in the amount of \$962,000 for Project #120520201-9999-006 for Patagonia Union High School District, bringing the total project cost from \$4,215,265 to \$5,177,265.
21. Additional funding in the amount of \$194,242 for Project #110418001-9999-003 for Sacaton Elementary District, bringing the total project cost from \$39,400 to \$233,642.
22. Additional funding in the amount of \$170,266 for Project #110418002-9999-004 for Sacaton Elementary District, bringing the total project cost from \$39,400 to \$206,666.
23. That the Board approve the staff recommendation of additional funding in the amount of \$740,600 for Project #020201207-9999-001 for Tombstone Unified District, bringing the total project cost from \$6,927,150 to \$7,667,750.

Mike Wicks seconded. Keith Vaughan returned during discussion of this item. Kevin McCarthy expressed concern that the Board may be perceived to be ignoring the May 10, 2002 deadline for approval of new projects. Ed Boot explained all of these recommendations are expansions to existing projects, and no new projects are being recommended. Motion passed on a 8-0 voice vote.

- c. Consideration of Ratification of CM @ Risk Contracts, GMP applied and Purchase Orders Issued
None at this time.
- d. Consideration of Ratification of Contracts for Deficiency Corrections Projects
Keith Vaughan moved that the Board ratify the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.d. Brooks Keenan seconded. Motion passed on a 8-0 voice vote.

e. Consideration of Ratification of Change Orders for Deficiency Corrections Projects

Keith Vaughan moved that the Board ratify the change orders for the districts and vendors listed under agenda item V.e. Brooks Keenan seconded. Motion passed on a 8-0 voice vote.

f. Consideration of Other Deficiency Correction Issues – Emergency Deficiency Projects

Ed Boot explained that A.R.S. §15-2022 establishes an emergency deficiencies correction fund, and that the Tuba City Unified District may qualify for Emergency Deficiency funding. Tim Brand explained that the SFB was in the process of correcting six projects at Tuba City High School when a fire occurred. The district consequently hired a consultant to inspect the building, who determined that the roof needs to be replaced, not as a result of the fire, but for structural reasons. Due to the way the structure was built, replacing the roof will require replacement of the entire building. Pat Conley inquired about insurance coverage, but Ed Boot explained that the fire did not cause the need to replace the roof; therefore, insurance would not cover it. He indicated that the original design or lack of maintenance was the likely cause. Brooks Keenan agreed that lack of maintenance probably caused the roof's condition. Staff believes this roof will not last more than five years, but staff has not yet received a formal application from the district to replace the roof. Judy Richardson spoke on the law regarding districts that receive impact aid and their ability to exceed budgets. Pat Conley asked about the potential cost savings from providing temporary classrooms while the building is being replaced. Ed Boot responded that the district size and location would preclude much savings. Tuba City's request will be brought back to the Board for action at the June SFB meeting.

VI. New School Construction

a. Consideration of 2003 Capital Plan New Construction Requests

Forrest Metz moved that the Board approve the staff recommendation as follows:

1. That the Board approve the staff recommendation to *approve* project 070390000-9999-001N, a core K-8 school for 750 students with classroom space for 375 students for Saddle Mountain Unified School District to open in FY 05, for a total project cost of \$4,472,969.
2. That the Board approve the staff recommendation to *deny* Union Elementary District's request for a new K-8 school in FY 04, but to *approve* \$4,471,166 for project 070462000-9999-002N, a core K-8 school for 800 students with classroom space for 400 students to open in FY 05. Staff also recommends the conceptual approval of the buildout for this core to open in FY 07, and the next core school to open in FY 08.

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

These approvals represent changes to the New Construction Plan that was approved at the April 3, 2003 SFB meeting.

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

Liberty Elementary School District requested to be removed from the agenda. Keith Vaughan moved that the Board approve the staff recommendation as follows:

1. Approve Deer Valley Unified District's request to go to bid on a School Facilities Board project in the amount of \$29,950,000 for a 9 – 12 high school, project number 070297000-9999-010N.

Forrest Metz seconded. Motion passed on a 8-0 voice vote.

c. Expansion/Change of Scope and Increased Project Cost

Keith Vaughan moved that the Board approve the staff recommendation for additional funding in the amount of \$1,474,888 for additional high school square footage for Cedar Unified, revising project 090225000-9999-001N from a core school to a complete school for 250 students. Forrest Metz seconded. Motion passed on a 8-0 voice vote.

d. Consideration of Other New Construction Issues

New Construction Projected Funding with Inflation Adjustment

This was an informational item only. Ed Boot presented a report of new construction projects that are approved or conceptually-approved to open in FY 04 through FY 10. The report compared the cost of each project based on today's funding rates to the potential cost assuming a 3% annual inflation factor for conceptual projects. Kevin McCarthy requested a differentiation between approved and conceptual projects in future cash flow reports.

Mike Wicks moved that the Board go into executive session for the purpose of discussing land issues and to seek legal advice if necessary. Forrest Metz seconded. Motion passed on a 8-0 voice vote. This session was not open to the public.

Executive Session was held from approximately 2:10 P.M. to 3:20 P.M. Kate McGee left at approximately 3:10 P.M.

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

a. Steps I and/or II

Gilbert Unified

Brooks Keenan moved that the Board Accept Staff recommendation to approve Gilbert Unified School District's request for a K-6 elementary school site (project number 070241000-9999-015L) and move to Step III. Logan Van Sittert seconded. Motion passed on a 6-0-1 voice vote with Keith Vaughan abstaining.

Isaac Elementary

Logan Van Sittert moved that the Board Accept Staff recommendation to approve Isaac Elementary School District's request for a K-5 elementary school site (project number 070405000-9999-006L) and move to Step III. Brooks Keenan seconded. Motion passed on a 7-0 voice vote.

Isaac Elementary

Pat Conley moved that the Board Accept Staff recommendation to approve Isaac Elementary School District's request for a 6-8 middle school site (project number 070405000-9999-001L) and move to Step III. Logan Van Sittert seconded. Paul Hanley spoke on this issue and expressed his appreciation for the work done by the SFB. Motion passed on a 7-0 voice vote.

Maricopa County Regional

Pat Conley moved that the Board **deny** Staff recommendation to approve Maricopa County Regional School District's request for a high school site (project number 070199000-9999-003L) and move to Step III. Forrest Metz seconded. Motion passed on a 7-0 voice vote.

Tolleson Elementary

Logan Van Sittert moved that the Board Accept Staff recommendation to approve Tolleson Elementary School District's request for a K-8 elementary school site (project number 070417000-9999-003L) and move to Step III. Mike Wicks seconded. Motion passed on a 5-2 voice vote, with Kevin McCarthy and Forrest Metz against.

Union Elementary

Logan Van Sittert moved that the Board Accept Staff recommendation to approve Union Elementary School District's request for a K-8 elementary school site (project number 070462000-9999-004L) and move to Step III. Mike Wicks seconded. Motion passed on a 7-0 voice vote.

b. Step III

Avondale Elementary

Logan Van Sittert moved that the Board approve Staff recommendation to approve the acceptance of a donation of land for a K-6 school site for the Avondale Elementary School District (project number 070444000-9999-212L). Mike Wicks seconded. Motion passed on a 7-0 voice vote.

Isaac Elementary

Logan Van Sittert moved that the Board approve the purchase of a parcel of land for a 6-8 school site for the Isaac Elementary School District (project number 070405000-9999-001L), as long as certain conditions are met as described in Executive Session. Mike Wicks seconded. Motion passed on a 7-0 voice vote.

Vail Unified

Forrest Metz moved that the Board approve Staff recommendation to approve the purchase of state land for a K-5 elementary and a 6-8 middle school site for the Vail Unified School District (project number 100220000-9999-002L). Brooks Keenan seconded. Motion passed on a 7-0 voice vote.

c. Consideration of Other Land Related Issues

Isaac Elementary Alternative Land Site Studies

Logan Van Sittert moved that the Board approve Staff recommendation to approve the request of staff for an additional \$15,000 to complete the

applicable Step 3 requirements associated with the second alternative site for the Isaac Middle School. Brooks Keenan seconded. Motion passed on a 7-0 voice vote.

Phoenix Union High School District

This item was removed from the agenda.

- VIII. Replenishment of Contingency Funds for Packages including:
Forrest Metz moved that the Board approve the staff recommendation to approve the supplemental contingency funds for packages A, B, D, E, F, G, H, I, K, M, N, O, P and Q in the amount of \$14,705,409.47. Keith Vaughan seconded. Motion passed on a 7-0 voice vote.
- IX. Request for Reduction of Square Footage
There were no districts listed under this agenda item.
- X. Request for Waiver from Guidelines
Keith Vaughan moved that the Board approve the staff recommendation as follows:
1. Accept the waiver request from Amphitheater Unified School District for Science Equipment at Canyon Del Oro High School and San Joaquin Alternative School.
 2. Accept the waiver request from Amphitheater Unified School District for Temperature at Canyon Del Oro High School.
 3. Accept the waiver request from Pima County Accommodation District for Equipment.
- Forrest Metz seconded. Pat Conley requested an amendment to the motion that would preclude Amphitheater Unified from asking the SFB for mold remediation, if mold is found, regarding the Temperature waiver. Keith Vaughan amended his motion and Forrest Metz accepted as seconder. Amended Motion passed on a 7-0 voice vote.
- XI. Finance Report
This was an informational item only. John Arnold updated the Board on the status of the three funds (Building Renewal, New School Facilities, and Deficiencies Correction). The format of the report was revised this month to reflect Board members' requests at the April SFB meeting.
- XII. Future Agenda Items
- Keith Vaughan requested a review of Robert's Rules for a future meeting.
 - Pat Conley reminded staff that she had requested a vote regarding whether or not to have a July meeting. Ed Boot agreed that staff will review this with her and put this item on the June agenda if she desires.
 - Ed Boot indicated that Assistant Attorney General Judith Darknall will discuss protocol of Executive Sessions at the June meeting.

Board Minutes
May 1, 2003

XIII. Public Comment
None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 3:50 P.M.

Approved by the School Facilities Board on _____, 2003

Logan Van Sittert, Chair