

SCHOOL FACILITIES BOARD
January 4, 2007
Buckeye, Arizona

The School Facilities Board held a board meeting at Freedom Elementary School in Buckeye. The meeting began at approximately 10:20 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair	Ruth Garcia, Town of Buckeye
Chovich, Cynthia	Marcie Celaya, Avondale Elementary
Gober, Patricia	
Ortega, David	
Rushin, Tom	
Taylor, Penny	
<u>Members Absent</u>	
Keenan, Brooks, Vice Chair	
Torrez, Gregory	
Phil Williams, Superintendent's Representative (non-voting)	
School Board Representative Position Vacant	
<u>Staff Present</u>	
John Arnold, Executive Director	
Dean Gray, Deputy Director of Facilities	
Monica Petersen, Deputy Director of Finance	
Kristen Landry, Public Information Officer	
Jim Chang, Staff Demographer	
Amber Peterson, School Finance Specialist	
Debra Sterling, Attorney General's Office	

Liberty Elementary Superintendent Vicki Morris welcomed the School Facilities Board.

- I. Call to Order
Frank Davidson called the meeting to order at approximately 10:20 A.M.

- II. Roll Call
There were five Board Members present at this meeting. Penny Taylor arrived at 10:32 bringing the total to six.

- III. Approval of December 7, 2006 Minutes
Pat Gober moved that the Board approve the Study Session and Regular Session minutes of December 7, 2006. Cynthia Chovich seconded. Motion passed on a 5-0 voice vote.

IV. Consent Agenda

- a. Consideration and possible vote of FY06 3 Year Building Renewal Plans
- b. Consideration and possible vote of FY07 3 Year Building Renewal Plans
- c. Consideration and possible vote of Preventive Maintenance Plans

Cynthia Chovich moved that the Board ratify the districts listed in agenda items IVa, b, and c. Pat Gober seconded. Motion passed on a 5-0 voice vote.

V. Director's Report

- a. Five Year Strategic Plan

John Arnold presented the Five Year Strategic Plan, which outlines the agency's funding requirements for next five years.

David Ortega asked for an explanation on "Loss of Prior Year Revenue Sources" in the New School Construction section. Mr. Arnold explained that in the first few years, the legislature provided a set amount of cash funding regardless of what the SFB really needed for new construction. This gave us a healthy cash balance. In addition, the Lease-to-Own process generated some cash that was set aside to handle the cash needs of that program. Those funds rolled over year after year and supplemented what the legislature provided. In FY07, staff anticipates spending that cash out which will leave a zero balance for FY08.

- b. Applying Minimum Guidelines to a New School

John Arnold noted that one change was made to the flooring area. Staff is now recommending that the board provide 2% of the total construction cost for flooring.

Cynthia Chovich said the estimated cost for gym flooring was originally \$11 and now it is \$13. She asked if that increase was to cover the moisture barrier. Mr. Arnold confirmed that it was.

Frank Davidson clarified that the 2% budget for flooring is for any school, Kindergarten through 12th Grade. Mr. Arnold said that was correct.

Penny Taylor arrived at 10:32, bringing the number of voting members to six.

Ruth Garcia, with the Town of Buckeye addressed the board. She indicated that Buckeye is concerned with a number of interior and exterior design elements including: hardwood flooring for gyms, cabinetry in classrooms, carpeting, ambient lighting, high school parking, and number of buildings.

Mr. Davidson noted that the Board would not vote on this item until the February meeting.

- c. Budget Update

Monica Petersen explained that while the FY08 budget request for new school construction (\$399 million) was an increase of 59.6% from the current FY07 appropriation (\$250 million), the projected expenditures are only 15% more than the FY07 projected expenditures. The \$149 million increase was driven by a lack of ensuing revenue sources, such as cash balances,

transfers-in, and lease-to-own proceeds, that were available in previous fiscal years more than a dramatic increase in expenditures.

For Building Renewal, Ms. Petersen explained that the SFB budget request is for the full formula amount of \$190,219,962. This includes an inflation adjustment of 12.2%, which is what the Joint Legislative Budget Committee approved in October.

d. Legislative Preview

Monica Petersen noted that the 48th Legislature, 1st Regular Session starts on January 8 and the Governor's State of the State Address is on the opening day. The Governor's Office of Strategic Planning and Budgeting is expected to publicly release and submit their budget recommendations to the Legislature on January 12. The budget hearing for SFB is tentatively scheduled for the afternoon of January 23 and 24 with both the Senate and the House Appropriations Committees.

As part of the SFB budget, staff requested expanding the New Construction Program to include providing adequate facilities for Full Day Kindergarten Programs and increasing new construction awards by 5% to address energy efficiency and sustainability

David Ortega said he believes the agency is staffed well enough, especially on the energy side, to handle these new requests.

Pat Gober asked if there was a timeline as part of Executive Order 2005-05 to have all state funded buildings designed and constructed to derive at least 10% of their energy from a renewable resource. John Arnold explained that the Executive Order states "as practicable." Dr. Gober noted that APS and SRP are mandated to reach 15% by 2025 and right now they are at 1.5%. Mr. Arnold indicated that the fiscal resources are not there, but this is a goal we must work towards. He added that if our request for an additional 5% for energy efficiency is approved, staff will see what can be done with that money. Dr. Gober asked if any schools have 5-10% of their energy use from a renewable resource. Mr. Arnold is not aware of any.

Cynthia Chovich asked if staff was also looking at using Building Renewal monies for energy efficiency in older buildings. Mr. Arnold said staff encourages districts to use building renewal for energy efficiency. Currently, staff has not considered increasing building renewal for that purpose. He also said that if districts are able to make an upgrade that provides an eight-year payback, they should. Tom Rushin noted that if Building Renewal were to be fully funded, that money would go further for districts to improve energy efficiency.

Penny Taylor noted there is a bill that will be introduced this year that is related to an accounting mechanism that will allow some of the larger utilities to work with schools on energy efficiency.

e. Full Day Kindergarten

Tom Rushin moved that the Board approve Eloy Elementary School District's revised Full Day Kindergarten Expenditure Plan. David Ortega seconded. Motion passed on a 6-0 voice vote.

VI. New School Construction

a. Consideration and possible vote of FY 2007 Capital Plan New Construction Requests

John Arnold provided additional information on the Bouse Elementary District. He explained that this is a one-school school district that currently has 57 students. The district's capacity is 134 and so they do not qualify for new space. The school only has four classrooms, and the district is trying to make the best use of the space that they can. Mr. Arnold explained that the SFB does have some flexibility for small schools like this one and those that were built prior to 1998, which this was not. Staff does not currently have any recommendations as to how to adjust the capacity on schools such as this, but is open to any suggestions.

David Ortega moved that the Board approve the following:

1. Avondale Elementary (K-8): Approve project 001N (K-8 for 1,100) to open in FY 09 and deny 006N (K-8 for 850) to open in FY 10. The actual capacity of 001N will be 1,271 students. Conceptually approve project 006N to open in FY 11.
2. Bouse Elementary (K-8): Deny the district's request for additional space to open in FY 09. Conceptually approve additional space for 90 students to open in FY 11.
3. Dysart Unified (K-8): Approve projects 022N and 023N (K-8 schools for 1,100 each) to open in FY 10, and deny the district's request for projects 029N and 030N to open in FY 10. The actual capacity of each 1,100-student school will be 1,271 students. Conceptually approve five K-8 schools, including 029N and 030N.
4. Dysart Unified (9-12): District did not request current funding approval, only conceptual approval. Conceptually approve 034N (9-12 for 1,800 students) to open in FY 12.
5. Gadsden Elementary (K-6): Deny the district's request for 008N (buildout of core Ed Pastor School) and 009N (K-6 school for 650 students). Conceptually approve 008N to open in FY 10.
6. Higley Unified (K-8): Deny the district's request for 008N (K-8 for 1,200) to open in FY 10. Conceptually approve three K-8 schools, including 008N.
7. Humboldt Unified (K-5): District did not request current funding approval, only conceptual approval. Conceptually approve 004N (K-5 for 550 students) to open in FY 11.

8. Humboldt Unified (9-12): Deny the district's request for 006N (buildout of core high school) to open in FY 10.
9. McNeal Elementary (K-8): Deny the district's request for additional K-8 space to open in FY 09.
10. Mohave Valley Elementary (K-6): Deny the district's request for additional space to open in FY 09. Conceptually approve additional space for 240 students to open in FY 13.
11. Mohave Valley Elementary (7-8): District did not request current funding approval, only conceptual approval. Conceptually approve additional space for 50 students to open in FY 12.
12. Red Rock Elementary (K-8): Approve project 001N (K-8 for 733) to open in FY 09. The actual capacity of this school will be 837 students. Conceptually approve additional space for 317 students to open in FY 12, and a new K-8 for 1,050 to open in FY 14.
13. Stanfield Elementary (K-8): Deny the district's request for six schools to open in the next three years. Conceptually approve two schools for 700 students each.
14. Vail Unified (K-5): District did not request current funding approval, only conceptual approval. Conceptually approve 012N (K-5 for 600 students) to open in FY 14.
15. Vail Unified (6-8): Deny the district's request to retire Building 1007 at Old Vail Middle School. Approve the district's request to retire Building 1009 at Old Vail Middle School. Deny the district's request for replacement space. Conceptually approve 010N (6-8 for 650) to open in FY 12.
16. Vail Unified (9-12): Deny the district's request for 013N (9-12 for 750) to open in FY 10.

Penny Taylor seconded.

Ruth Garcia, of the Town of Buckeye, addressed the Board and suggested the SFB request a higher inflation factor for new construction. The SFB, in October, requested a 12.2% increase from JLBC. She explained that Buckeye has seen a 25% increase in some areas and suggested looking at different methodology in the future.

Marcie Celaya, of Avondale Elementary addressed the board and discussed past year's differences between district and SFB growth projections. She commended staff on hiring a demographer to evaluate the growth projections.

Motion passed on a 6-0 voice vote.

b. Consideration and possible vote of New Construction Projects Review, Bids, and Bid Packages

John Arnold explained that Navajo County's request is to go to bid on their accommodation school. This project will be brought back to the board for any additional funding once the bid is finalized.

Frank Davidson asked about the design features in Littleton and Buckeye's schools because there is about a \$5 per square foot difference. Mr. Arnold said these two schools have the same contractor, but different architects. He explained that staff has tried to identify the differences in the design elements, but that has been difficult. He did say that Buckeye has a tighter timeline and that may have been a factor.

Cynthia Chovich moved that the Board approve the following:

1. That the Board approve Buckeye Elementary District's request to proceed with CM@Risk Project 070433000-9999-008N, upon staff receipt of necessary documents, and that the Board approve additional funding for inflation in the amount of \$1,213,108.
2. That the Board approve Littleton Elementary District's request to proceed with CM@Risk Project 070465000-9999-006N, upon staff receipt of necessary documents, and that the Board approve additional funding for site specific requirements in the amount of \$298,133, and additional funding for inflation in the amount of \$1,940,116.
3. That the Board approve the Navajo County Accommodation District's request to go to bid on a K-12 accommodation school, project 090199000-9999-001N

Tom Rushin seconded. Motion passed on a 6-0 voice vote.

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

a. Steps I and/or II

Cynthia Chovich asked about the District's letter that was submitted as part of Chandler's request. She asked why Spectrum provided a site for the Gilbert District and not the Chandler District. John Arnold explained that the Spectrum development serves mainly the Gilbert District's students, but a small portion of that development is within Chandler's boundaries. Spectrum provided a school site to the Gilbert District which serves the majority of the development's students.

David Ortega moved that the Board approve the following:

1. That the Board approve Chandler Unified District's request to purchase 11.60 acres for an elementary school site and move to Step III for necessary testing.

2. That the Board approve Fowler Elementary District's request to accept a donation of 4.2 acres for an elementary school expansion and move to Step III for necessary testing.
3. That the Board approve Laveen Elementary District's request to accept a donation of 9.78 acres for an elementary school site and move to Step III for necessary testing.
4. That the Board approve Maricopa Unified District's request to accept a donation of 22.55 acres for a middle school site and move to Step III for necessary testing.
5. That the Board approve Toltec Elementary District's request to accept a donation of 20 acres for an elementary school site and move to Step III for necessary testing.

Cynthia Chovich seconded. Motion passed on a 6-0 voice vote.

b. Step III

This item was for information only.

John Arnold explained that Humboldt is working on a parcel donated from a developer where the school site is expected to receive all the development's water run off. He added this is a problem the SFB is seeing more often in master planned developments. Mr. Arnold noted that the 30% tax credit for donors does not allow any stipulations such as this. The district is working with the developer to resolve this issue. Staff is now asking for the development's drainage plan prior to acquiring a school site.

VIII. Consideration and Possible vote on Reconfiguration of Space

Cynthia Chovich moved that the Board approve Maricopa Unified School District's request to re-configure to K-5, 6-8, 9-12. Tom Rushin seconded. Motion passed on a 6-0 voice vote.

IX. Consideration and Possible Vote on Reduction of Square Footage

David Ortega moved that the Board approve the following:

1. That the Board approve the retirement of Building 1008 at Echo Mountain Elementary School for Paradise Valley Unified District, thereby reducing the district's K-6 square footage by 1,680 SF.
2. That the Board approve the retirement of Building 1012 at Sunrise Middle School for Paradise Valley Unified District, thereby reducing the district's 7-8 square footage by 1,680 SF.

Penny Taylor seconded. Motion passed on a 6-0 voice vote.

X. Future Agenda Items

None

XI. Public Comment
None

Adjournment

There being no further business, Frank Davidson, adjourned the meeting at approximately 11:10 A.M.

Approved by the School Facilities Board on February 1, 2007

Frank Davidson
Chair