

SCHOOL FACILITIES BOARD  
January 10, 2008  
El Mirage, Arizona

The School Facilities Board held a Board Meeting at the Canyon Ridge Elementary School - Library in El Mirage. The meeting began at approximately 10:16 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair	Gene Repola, Sunnyside USD
Marks, Gary	Terry Bohl, McCarthy
Ortega, David (via telephone)	Tara Malloy, McCarthy
Rushin, Tom	Jeff Smith, Cartwright ESD
Allee Taylor, Penny	Cathy Rex, School Facilities Group
Gober, Patricia	Scott Thompson, Dysart USD
Friesen, Lyle	Bob Young, Dysart USD
	Dana Hawman, Florence USD
<u>Members Absent</u>	
Keenan, Brooks, Vice Chair,	
Private Business Owner Representative, position vacant	
Teacher Representative, position vacant	
<u>Staff Present</u>	
John Arnold, Executive Director	
Dean Gray, Deputy Director - Facilities	
Amber Peterson, School Finance Specialist	
Kerry Campbell, Public Information Officer	
Jim Chang, Demographer	
Debra Sterling, Attorney General's Office	

I. Call to Order

Frank Davidson called the meeting to order at approximately 10:16 am. Scott Thompson, Dysart Unified School District Executive Director of Business Services, welcomed the Board. Mr. Thompson presented a brief overview of a comparison of some of the design elements incorporated in the Canyon Ridge School to the recommendations given in the 21<sup>st</sup> Century Schools Report.

Canyon Ridge School Principal, Jim Dean, played a short video highlighting the school and the relationships forged between the community, school and students.

II. Roll Call

There were seven Board Members present at this meeting, including one member (David Ortega) who participated by phone.

III. Approval of Minutes of December 6, 2007

Dr. Patricia Gober moved that the Board approve the Minutes of December 6, 2007. Tom Rushin seconded. Motion passed on a 6-0 voice vote.

IV. Consent Agenda

a. Consideration and possible vote of Preventive Maintenance Plans Including Amendments to Existing Plans and Addition of New Schools

b. Consideration of FY08 3-Year Building Renewal Plans

The Humboldt Unified 3-Year Plan was removed from the Consent Agenda to be voted on separately in order for Gary Marks to recuse himself.

Tom Rushin moved that the Board ratify the districts listed in agenda items IV.a and IV b. except for Humboldt Unified. Gary Marks seconded. Motion passed on a 6-0 voice vote.

b. Consideration and possible vote of FY08 3-Year Building Renewal Plan

Gary Marks recused himself from this item due to his position on the Humboldt Unified District Governing Board. Tom Rushin moved that the Board approve the Humboldt Unified District's FY08 3-Year Building Renewal Plan. Penny Allee Taylor seconded. Motion passed on a 5-0-1-voice vote with Gary Marks recusing himself.

V. Director's Report

a. Energy Grant Update

John Arnold reminded the Board that the Legislature passed a bill last year that appropriated \$2.5 million to the SFB, \$2 million of which is for the Energy Grant. The Board adopted a methodology for applying for the grants and for reviewing the applications. A timeline was also adopted, with the applications due January 21, 2008. To date, the SFB has received five applications with a total value of approximately \$325,000. However, staff anticipates several more applications to be submitted before the deadline. The SFB has received several requests from districts for technical assistance. Staff will present a report on the final application count at the next Board meeting.

b. 2007 SFB Year in Review

John Arnold expressed how the New Year was an opportune time to look back over the last year at the accomplishments the Board has achieved and talk about Board goals for the coming year. Mr. Arnold presented the list of accomplishments for the Board's review and thanked the Board for their support and leadership throughout the year.

Frank Davidson pointed out the significant number of land donations; eighteen land donations valuing \$35 million dollars.

VI. New School Construction

a. Consideration and possible vote of FY 2008 Capital Plan New Construction Requests

Frank Davidson reviewed the recommendation for approval of the new school construction requests for the Sunnyside and Vail Unified Districts.

John Arnold reviewed a letter from the Appropriation Chairs dated December 19, 2007, asking the SFB to suspend approval of any additional school construction projects or related land purchases until further notice. The Chairs also requested that the SFB defer any currently approved projects that have not yet broken ground.

Mr. Arnold reminded the Board of the budget overview presented at last month's Board meeting and of the discussion of how State law requires the Board to stop obligating funds once the FY 2008 New School Construction Appropriation has been awarded. Mr. Arnold reported that at this time, staff does not believe the Board has completely obligated this year's appropriation and it is still appropriate to make the awards recommended in today's agenda. Mr. Arnold referred the Board to his letter dated January 8, 2008 in response to the Chair's request.

Penny Allee Taylor asked if there was still funding in the SFB account to be encumbered.

Mr. Arnold explained that the Chair's letter asked the SFB to not approve any new school construction projects. Instead, the SFB's intent is to inform the districts that the Board recognizes they are eligible for a new school, but currently there is no funding. When additional appropriations are made the districts will receive the awarded funding. This allows the district to begin planning the new school, helps the SFB keep the Legislature informed on the fiscal need of the districts, and allows SFB staff to prepare future budget requests. The Chair's letter asked the SFB to not even do this.

Mr. Arnold continued, under agenda item VIb, the Board is authorizing Cartwright ESD to proceed with construction. Since staff was expecting this project, funding was budgeted and this project was included in the Budget Overview information provided at the December Board Meeting. The SFB has sufficient funds to start this project and probably one more. Staff is recommending going forward with this project, even though the Chair's letter asked us not to award any further funding. The Appropriations Committee Chairmen want to recommend reverting the funding for projects that have yet to break ground by December 1<sup>st</sup> to put back in the General Fund, approximately \$42 million dollars. They do not want the Board to authorize any further projects to break ground and stop the projects the Board authorized last month. Staff has spoken to the Governor's office; which supports staff's recommendation to proceed.

David Ortega expressed his concern that the development of an approved project, specifically the architectural and engineering, could proceed where appropriate. A school cannot be built if you don't have the development drawings approved by the county/city, as well. He asked if there is a danger of halting the architectural/engineering end since this would crush the construction schedule when a project is funded.

Mr. Arnold responded that there is no question that delaying the dollars associated with design and development will have a delay on the eventual

construction of some of the schools that have been authorized. Historically, it takes districts several months after award to begin the design process, but every project is different. Mr. Arnold cited several examples where projects may be delayed including projects in the Vail School District and the Sunnyside School District.

Mr. Ortega commented that the Board recently has tabled several construction projects because of ADM changes and other estimates; this is also reflected in the budget.

Mr. Arnold responded that the SFB has cancelled or delayed multiple projects due to updated demographic projections.

Mr. Ortega asked if the schools that were cancelled were included in the report provided to the Legislature.

Mr. Arnold confirmed that the Legislature is updated on a monthly basis on all SFB Board Actions and all the demographic projections.

Dr. Patricia Gober asked for an interpretation of what it means to approve a project with no money. She asked what the moral, ethical and more importantly, legal ramifications are of formally approving a project but not associating any money.

John Arnold responded by deferring the legal part of the question to SFB counsel, Debra Sterling. He further responded by explaining what this means from a practical standpoint. The school district has applied for new construction. Statute requires the SFB to review the district's estimates, do estimates of our own and make a determination as to whether the district qualified for the space. We are meeting this requirement. Statute also requires that we distribute 5% of the award at the time of qualifying for the space. There is also a conflicting statute that says the SFB cannot award funding it doesn't have. From a practical standpoint, we cannot make an award of money, but we can award a new school and notify the district that they qualify. When the SFB receives more funding, the district will receive the funding they qualify for which will allow the district to start the planning process. Some districts will be able to start the design process with local funds, with the assurance that when the SFB receives additional funding they will have the ability to be reimbursed.

Dr. Gober said the SFB is making the statement that the district qualifies under the rules as we understand them, but that the word "approve" has some strings attached to it in her mind.

Debra Sterling, Attorney General, asked if Board wished to receive legal advice on this subject and suggested the Board convene in Executive Session.

Frank Davidson asked for a motion and Penny Allee Taylor moved that the Board go into Executive Session to confer with legal counsel. Seconded by Tom Rushin. Motion passed with a 6-0 vote.

**EXECUTIVE SESSION lasted from 10:46am to 10:59am. The Board reconvened at 11:04am.**

Frank Davidson asked if the Board had any further questions or if Mr. Arnold had any further comments to add on agenda item VIa. There being no additional comment, he opened the floor to public comment from Gene Repola, Assistant Superintendent from the Sunnyside Unified District.

Mr. Repola expressed his district's happiness with the approval of their new school and that everyone is aware of the hard times the State is facing. Sunnyside is looking forward to alleviating their crowded conditions with the addition of a new high school and has started looking at their options for design and construction in anticipation of the Board's approval. He added that funding is key to the timely completion of the school. He thanked the Board for their consideration of the district's request.

Mr. Davidson asked if there was a motion to approve agenda item VIa.

Patricia Gober moved that the Board approve the following staff recommendations:

1. **Altar Valley Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 001N for 750 students to open in FY 16.
2. **Benson Unified (K-4):** District did not request current funding approval, only conceptual approval. **Conceptually approve** a K-4 school for 500 students to open in FY 13.
3. **Benson Unified (5-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
4. **Benson Unified (9-12):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
5. **Continental Elementary (K-8):** **Deny** the district's request for a school to open in FY 11. **Conceptually approve** a K-8 school for 500 students to open in FY 14.
6. **Marana Unified (K-6):** **Deny** the district's request for 005N to open in FY 10. **Conceptually approve** 005N to open in FY 14 and 010N to open in FY 16.
7. **McNeal Elementary (K-8):** **Deny** the district's request for additional K-8 space to open in FY 11. **No conceptual approval.**
8. **Pearce Elementary (K-8):** **Deny** the district's request for additional K-8 space to open in FY 08. **No conceptual approval.**

9. **Sahuarita Unified (K-8): Deny** the district's request for two schools to open in FY 11. **Conceptually approve** 005N to open in FY 12 and an additional school to open in FY 15.
10. **Sahuarita Unified (9-12):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
11. **St. David Unified (K-8): Deny** the district's request for 001N to open in FY 11. **Conceptually approve** 001N to open in FY 16.
12. **St. David Unified (9-12): Deny** the district's request for 002N to open in FY 11. **Conceptually approve** 002N to open in FY 15.
13. **Sunnyside Unified (K-5):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
14. **Sunnyside Unified (6-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
15. **Sunnyside Unified (9-12): Approve** a 9-12 school for 889 students to open in FY 11. Monies cannot be awarded for this facility until sufficient funds are available in the New School Facilities Fund.
16. **Vail Unified (K-5):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 012N to open in FY 12 and an additional school to open in FY 16.
17. **Vail Unified (6-8): Approve** project 010N (6-8 school for 650 students) to open in FY 11. Monies cannot be awarded for this facility until sufficient funds are available in the New School Facilities Fund.
18. **Vail Unified (9-12): Deny** the district's request for a new school to open in FY 11. **Conceptually approve** a new school to open in FY 13.

Gary Marks seconded. Motion approved on a 6-0 voice vote.

b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders

Frank Davidson asked John Arnold if he had any comments to make with regard to this agenda item.

Mr. Arnold responded that the Cartwright Elementary District was approved for a middle school project several years ago and that they have been developing this project for 4-5 years. After a current ADM review, the district qualifies for this space and is over capacity in their middle school space today. However, due to a recent decline in students, they no longer qualify

for the size of the school that has been designed. The original approval was for space for 926 students, but current projections show a need for only 640 students. After meeting with the district and weighing their options, consideration was given to reconfiguration of the school from a 7-8 to a 6-7-8. While the district didn't show a current need for K-6 space, they do show a need for K-6 space next year. In fact, there is enough of a need for K-6 space to fill the excess space in this project. Therefore, there will be 7-8 space and K-6 space in this school. The district will retain a K-6, 7-8 configuration. This pushes back the need to award K-6 space several years and allows the SFB to take advantage of the design and construction development that has already been done, as well as the school site that can house a school of this size, and delay the need of another school several years. It also allows the district to get this space in a timely manner. Converting from 7-8 to 6-7-8 allows the district to qualify for funding for fencing of the school.

Tom Rushin moved that the Board approve the following staff recommendation:

1. Approve **Cartwright Elementary District's** request to proceed with [CM@Risk](#) Project 070483000-9999-003N as a 6-8 middle school, upon staff receipt of necessary documents, and that the Board approve additional funding for inflation in the amount of \$2,986,052, and additional funding for specific site requirements in the amount of \$122,246.

David Ortega 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. Step I & II: Justification of Need for Land and Request to Accept a Donation of a Specific Site

Gary Marks moved that the Board approve the following:

1. **Coolidge Unified District's** request to proceed with Step III on 19.348 acres for a K-8 school site, project number 110221000-9999-023L.

David Ortega seconded. Motion passed on a 6-0 voice vote.

- b. Step III: Additional Information Reviewed and Final Approval

Frank Davidson asked John Arnold for his comments on this agenda item.

Mr. Arnold responded with a brief review of Dysart's request for the Las Brisas site.

Patricia Gober asked if there were plans for noise attenuation and how safety issues will be addressed.

Mr. Arnold answered that there are statutory requirements that have to be designed into the school and referred to Scott Thompson of the Dysart Unified District.

Scott Thompson responded that all Dysart schools are properly designed as required by the Air Force to prevent outside noise from disrupting students.

Dr. Gober asked about safety during flyovers and if they are coordinated.

Mr. Thompson responded that this school is not at any more risk than any other school given the district's proximity to the base. He added that the base understands the extent to which the district has tried to find an alternative site, however unsuccessful. This site was not the district's first choice, but there are no other options.

Tom Rushin clarified that this site is in the noise corridor, not in the accident potential zone. Mr. Thompson agreed.

Frank Davidson reviewed the recommendation and asked for a motion.

Gary Marks moved that the Board approve the following:

1. **Dysart Unified District's** request to use 14.5 acres of district-owned land on which to construct a new school, project number 070289000-9999-042L.

Penny Allee Taylor seconded. Motion approved on a 5-1 voice vote with Patricia Gober opposed.

VIII. Consideration and Possible Vote of Emergency Deficiency Correction Requests

John Arnold deferred explanation of this agenda item to Dean Gray, Deputy Director of Facilities. Mr. Gray explained the Williams Unified District is requesting emergency funding for a forensic study of the structural integrity of the school roofs that are leaking and beyond repair. The district is also requesting funding for an ADA ramp to meet current accessibility requirements.

Mr. Davidson asked if the nature of this request is due to a structural issue as opposed to a roofing membrane failure.

Mr. Gray responded that the structural integrity of the roof needs to be evaluated by a structural engineer and that the roof has been repaired numerous times and yet it is still leaking. He added that the roof has deteriorated to the point of appearing concave, thus the need for a forensic study of the integrity.

Patricia Gober asked for the age of the school.

Mr. Gray answered that the school was built in 1957.

Frank Davidson asked about the district's resources and their ability to fund this project.

Mr. Gray answered that the district has used most of their building renewal funds, except for a few hundred dollars, and does not have the resources to fund this project.

David Ortega asked if there is the potential for this project to reach the estimated remediation cost of \$884,000 as stated in the architect's letter dated December 19, 2007, on page 2.

Mr. Gray answered that this emergency request is for an initial forensic study with the result being a recommendation and design cost estimate, which will be brought back to the Board.

Mr. Arnold added that the answer to Mr. Ortega's question is that we do not know what the cost could be, but that it is certainly feasible to reach \$884,000.

Mr. Ortega continued that the results of the forensic study will lead to a second phase of project design and cost estimates including construction bid documents and that these will be presented to the Board.

Dr. Gober pointed out that the issue before the Board is the legitimacy of this request to qualify as an emergency. She also commented that the Board has neither approved nor disapproved of an emergency request based on the cost.

Mr. Arnold confirmed the comment made by Dr. Gober adding that, on the surface, this request meets every requirement of an emergency, especially with the potential of heavy snowfall to cause a disaster. The forensic study may confirm this, at which point the project will be brought back to the Board with a recommendation to either close the project or approve additional funding for remediation.

Dr. Gober reiterated that this request for a forensic study confirms the concern of potential disaster thus constituting an emergency; whereas, if this were simply a maintenance or renewal issue, it would not.

Gary Marks moved that the Board approve Williams Unified District's request for emergency funding in the amount of \$48,950 for professional investigative studies. Tom Rushin seconded. Motion passed on a 6-0 voice vote.

IX. Policy Review

a. Revised Policy Review Schedule

John Arnold explained that staff's intent was to bring a new policy to the Board each month for review, but with the holidays and the extent to which the New Construction Policy was revised, staff adjusted the Policy Review Schedule accordingly. Policies relating to emergency projects will be prepared for February.

b. Policy Approval – V. SFB New Construction

Frank Davidson explained that this policy was brought to the Board for review in December and that the proposed changes were made available for public comment. Staff has received some comments.

John Arnold thanked those that provided comments on the changes being made to the policy and noted that there were some minor changes made as a result of those comments. He pointed out that these are policies, not statutes or rules and that they can be changed by a vote of the Board. He also mentioned that one of the policies requires annual review of each policy.

Gary Marks asked if there were any comments of particular significance to have swayed any of the proposed changes.

Mr. Arnold answered that all the comments received were significant, clarifying that there were no major changes made as a result of the comments.

Mr. Davidson opened up the floor to public comment from Cathy Rex, Architect with Educational Facilities Consulting.

Ms. Rex thanked the Board for being allowed to comment on the proposed policy changes. Most of her written comments were with regard to procedure and consistency; how the language in one part of the policy is consistent with the language in another part of the policy. She asked how the current new construction-funding situation will affect this policy.

Mr. Davidson commented that the group Ms. Rex put together to review the proposed changes to the policy was instrumental in this review process.

Mr. Arnold replied that the SFB is subject to the law and its policies have to be within the law. Adopted policies assumes the fiscal resources to implement the policy. Mr. Arnold noted that the Board reviewed how adopted policies would be impacted by the budget shortfall at the December meeting.

Penny Allee Taylor moved that the Board approve the staff recommended changes to policy V. SFB New Construction. Gary Marks seconded. Motion passes on a 6-0 vote.

XI. Future Agenda Items

There were no requests for future agenda items.

XII. Public Comment

None.

XII. Adjournment

There being no further business, Frank Davidson adjourned the meeting at approximately 11:35 A.M.

Approved by the School Facilities Board on February 7, 2008

Frank Davidson  
Chair