

SCHOOL FACILITIES BOARD  
January 8, 2009  
Vail, Arizona

The School Facilities Board held a Board meeting at Empire High School in Vail, Arizona. The meeting began at approximately 10:13 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Chair, Dr. Frank Davidson	Sandy Wilkins, Saddle Mountain USD
Vice-Chair, Brooks Keenan	David Holguin, Indian-Oasis USD
David Ortega (via telephone)	Cathy Rex, So. AZ School Facilities Grp.
Penny Allee Taylor (via telephone)	Dana Hawman, Florence USD
Tom Rushin	Bob Pappalardo, Florence USD
John Corcoran (via telephone)	Nicole Steele, Florence USD
	Bob Young, Dysart USD
<u>Members Absent</u>	Vern Wolfley, Dysart USD
Gary Marks	Basil Callimanis, Catalina Foothills USD
Dr. Patricia Gober	Pablo Armas, Yuma UHSD
Vicki Salazar (non-voting member)	John Carruth, Vail USD
	Robin Berry, Palo Verde ESD
<u>Vacant Board Positions</u>	Al Flores, Vail USD
Private Business Owner Representative	Marcus Jones, Tucson USD
	Milan Eaton, Trans. West
<u>Staff Present</u>	Audra Walshire, TWNS
John Arnold, Executive Director	Phil Swaim, Swaim Associates Ltd.
Dean Gray, Deputy Director	
Kerry Campbell, Public Information Officer	
Jim Chang, Demographer	
Debra Sterling, Attorney General's Office	

- I. Call to Order  
Dr. Frank Davidson called the meeting to order at approximately 10:13 A.M.
  
- II. Roll Call  
There were six Board Members present at this meeting, with Penny Allee Taylor, John Corcoran, and David Ortega participating via telephone.  
  
John Carruth, Assistant Superintendent for Vail Unified, welcomed the Board and thanked them for their actions that assist school districts with school construction.
  
- III. Consideration and possible vote of Minutes of December 4, 2008 and December 17, 2008.  
Tom Rushin moved for approval of the Minutes. Penny Allee Taylor seconded. The motion passed with a 6-0 voice vote.
  
- IV. Consent Agenda
  - a. Consideration of Preventative Maintenance Plans

Brooks Keenan moved that the Board ratify the plans listed in agenda item IV.a. David Ortega seconded. The motion passed with a 6-0 voice vote.

V. Director's Report

a. Farewell to Vice-Chair Brooks Keenan

John Arnold expressed his appreciation for the work that Brooks Keenan has done as a member of the Board. He gave a brief history of Mr. Keenan's involvement with the SFB. Brooks Keenan expressed his pleasure for having served on the Board and his hopes for the future of the SFB. Dr. Frank Davidson echoed Mr. Arnold's comments and presented Mr. Keenan with a plaque in recognition of his 10 years of service on the Board.

b. Legislative/Budget Outlook

John Arnold reminded the Board that the Legislature convenes next week and that staff will start to provide monthly updates on bill activity and budget issues. We have already starting conferring with the new Chairman of the Senate Education Committee, who is open to working with us on proposed legislation. The State of the State address is scheduled for January 13th and the Governor's Confirmation Hearing is to be held on January 15<sup>th</sup>.

c. Energy Grant Update

John Arnold gave a brief update on the Energy Grants including the following:

Development Grants:

Number of awarded projects: 11  
Award Date: April 3, 2008  
Deadline to sign contracts: August 3, 2008  
Number of projects in contract: 9  
Number of projects complete: 1  
Number of projects cancelled: 1

Implementation Grants:

Number of awarded projects: 30  
Award Date: May 1, 2008  
Deadline to sign contracts: September 1, 2008  
Number of projects in contract: 16  
Number of projects complete: 14

The School Facilities Board awarded 41 projects to 27 districts around the State. Of those 41 projects, 25 are in contract and 15 are complete. The Development Grant for Queen Creek Unified has been cancelled, as the district did not sign a contact or ask for an extension within the deadline.

Mr. Arnold explained that we are seeing some savings with the Implementation Grants, where costs are coming in less than what we had anticipated. Once all of these projects are complete, we plan to redistribute the monies that have been saved to additional projects. However, there is a possibility that the savings may be swept by the Legislature to help balance the budget. We will keep the Board updated on how this progresses.

d. Litigation Update

Mr. Arnold reported that we have received a ruling on the Building Renewal Lawsuit that included returning the case to active calendar, setting an evidentiary hearing for February 23, 2009 to determine whether the plaintiff has exhausted all available sources of funding through the State, holding the defendant's motion for dismissal, and granting plaintiff's request to add Tempe Union as a party to the present action. Regarding the Tempe Union case, Debra Sterling has asked that we postpone this update to next month's Board meeting.

e. Initiating litigation relating to Building Renewal Grants and Emergency Deficiency Corrections projects

John Arnold reminded the Board of their action last month to adopt Terms and Conditions for Building Renewal Grants and Emergency Deficiency Corrections projects. One of the Terms that the district is agreeing to relates to recovery of damages and allows the SFB to pursue the recovery of damages for deficiencies correction that resulted from alleged construction defects or design defects that the SFB believes caused or contributed to a failure of a school building to conform to the building adequacy requirements. During the December Board meeting, the Board asked for clarification as to who may initiate a lawsuit for the recovery of damages.

Debra Sterling explained that statute requires the Board to vote for approval for SFB staff to pursue any litigation. Mr. Arnold added that his preference would be for the Board to retain this authority, as opposed to granting authority to the Executive Director. This would allow the Board to be involved in the litigation decision-making process.

Brooks Keenan asked if the Board would consider litigation on a case-by-case basis or would there be a blanket authorization to proceed with litigation in all such cases.

Mr. Arnold responded that his preference would be for case-by-case consideration.

David Ortega asked if SFB staff could provide in the write-up for each Building Renewal Grant or Emergency Deficiency Corrections project a recommendation as to whether or not litigation should be pursued.

Mr. Arnold responded that this was a good idea and that staff could provide such recommendations.

VIII. Consideration and possible vote of Capital Plan New Construction Requests

John Arnold confirmed that the Board was working from the correct agenda, noting that Queen Creek Unified had requested withdrawal from this agenda item. Mr. Arnold pointed out the following:

- Page 2 shows a table of Changes to Previously-Approved Projects
- Page 3 shows projects that are being awarded but cannot be built due to the moratorium and the impact this will have on capacity over the next three years.

- Being the first of its kind, in the Chandler Unified analysis, please note that the award has been separated into full-day kindergarten space and the remainder of the space. These are listed separately because the Legislature appropriated FY09 monies for design fees only on the full-day kindergarten awards.

Brooks Keenan moved that the Board approve staff recommendations as listed below:

1. **Chandler Unified (K-6): Approve** 023N for 958 students to open in FY 11. Only design monies for the FDK portion are available in FY 09. Funding for the project's remainder will not be available until sufficient funds are available in the New School Facilities Fund.
2. **Deer Valley Unified (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 015N for 850 students to open in FY 15, and two new schools to open in FY 16 and FY 17.
3. **Deer Valley Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 021N for 2,000 students to open in FY 18.
4. **Dysart Unified (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 029N for 1,100 students to open in FY 15, and 030N for 1,100 students to open in FY 17.
5. **Dysart Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 034N for 1,800 students to open in FY 15.
6. **Higley Unified (K-8): Deny** the district's request for a K-8 school to open in FY 10. **Conceptually approve** 008N for 1,200 students to open in FY 13, and 010N for 1,200 students to open in FY 16.
7. **Higley Unified (9-12):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
8. **Morristown Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 001N for 250 students to open in FY 15, and 002N for 750 students to open in FY 17.
9. **Nadaburg Unified (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 004N for 750 students to open in FY 16, and 006N for 750 students to open in FY 17.
10. **Nadaburg Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** a geographic exception high school for 1,400 students to open in FY 14.
11. **Wickenburg Unified (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 004N for 800 students each to open in FY 17.

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

IX. Consideration and possible vote of Reduction of Square Footage Requests

John Arnold explained that Chandler Unified has reconfigured some K-6 space to 9-12 space, which will cause the district to fall below the minimum square footage guidelines within three years as demonstrated in the Capital Plan analysis provided in the previous agenda item. Staff recommendation is for denial of this request.

Mr. Arnold explained that Peoria Unified has demolished a portable building at Pioneer Elementary School. This reduction of space, according to staff projections, is not expected to cause the district to fall below minimum square footage requirements within three years. Staff recommendation is for the ratification of the staff projections.

Brooks Keenan moved for denial of Chandler Unified's request. Tom Rushin seconded. The motion passed with a 6-0 voice vote.

Tom Rushin moved for ratification of staff projections for Peoria Unified. Brooks Keenan seconded. The motion passed with a 6-0 voice vote.

X. Consideration and possible vote of Building Renewal Grant Requests

John Arnold pointed out that a summary of the Building Renewal Grant awards to-date has been provided and including the requests for January, the total awarded is approaching \$7 million. He also suggested the Board vote on Saddle Mountain Unified's request separately.

Dean Gray began by prefacing that the law requires districts to have been performing preventative maintenance on the buildings for which Building Renewal Grant funding is being requested. SFB staff has found that all of the applicable school districts were performing preventative maintenance. Also, if a district requesting Building Renewal Grant funding has a balance in their Building Renewal 690 fund that has not been encumbered for primary projects, the SFB is requiring the districts to apply those funds to the project requests herein.

Brooks Keenan noted that some of the write-ups mention bids being taken, while others refer to cost estimates and asked if the SFB has a policy regarding competitive pricing for this kind of work.

Mr. Arnold responded that the SFB does not have a specific policy, but that we address each situation individually to determine the best course of action. In the case of Antelope Union, the district already had a contractor on-site. The district governing board declared the procurement as emergency procurement and got a cost estimate to make the correction from the contractor on-site. For the Wilson Elementary project, the district took quotes from the Mohave and TCPN co-op contracts, which came in at very competitive amounts. For the majority of these project requests, the SFB will require going out to bid, but some cases do warrant alternative delivery methods.

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

1. Board approval to award **Antelope Union** Building Renewal Grant funding in the amount of \$154,281 for reworking of the electrical system at Antelope Union High School. This cost includes an amount of \$21,000 for SFB contingency, which will only be used with SFB staff approval. The district has declared \$73,493 Building Renewal fund balance which they are contributing to the project.
2. Board approval to award **Palo Verde Elementary** Building Renewal Grant funding in the amount of \$1,000 for the clean-up of the well. The district has declared a zero balance of Building Renewal funds.
3. Board approval to award **Palo Verde Elementary** Building Renewal Grant funding in the amount of \$27,825 for grinder pump station improvements. The district has declared a zero balance of Building Renewal funds.
4. Board approval to award **Pearce Elementary** Building Renewal Grant funding in the amount of \$3,021 for the replacement of an existing gas pack air conditioning unit. This cost includes an amount of \$342 for SFB contingency, which will only be used with SFB staff approval. The district has declared \$742 Building Renewal fund balance which they are contributing to the project.
5. Board approval to award **Williams Unified** Building Renewal Grant funding in the amount of \$165,145 for repair of the roof of Williams Elementary School. This estimate includes \$15,000 for SFB contingency, which will only be used with SFB staff approval.
6. Board approval to award **Williams Unified** Building Renewal Grant funding in the amount of \$1,782,126 for structural repairs to Williams High School. This estimate includes \$170,000 for SFB contingency, which will only be used with SFB staff approval. The district has declared \$19,734 Building Renewal fund balance which they are contributing to the project.
7. Board approval to award **Wilson Elementary** Building Renewal Grant funding in the amount of \$445,100 for K-3 and 4-8 buildings roof replacement. This cost includes an amount of \$40,000 for SFB contingency, which will only be used with SFB staff approval. The district has declared \$2,900 Building Renewal fund balance which they are contributing to the project.
8. Board approval to award **Yuma Union** Building Renewal Grant funding in the amount of \$1,270,139 for the replacement of the existing chilled water piping and rooftop air handler unit. This is an engineering estimate that includes 10% for contingency that will only be used with SFB staff approval. The district has declared \$0 Building Renewal fund balance.

David Ortega seconded. The motion passed with a 6-0 voice vote.

Mr. Arnold explained the two Saddle Mountain Unified requests. Dr. Davidson opened the floor to Saddle Mountain Unified representative, Sandy Wilkins, who explained the sequence of events that has brought the district to this point and the district's position in requesting these funds from the SFB.

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

9. Board approval to award **Saddle Mountain Unified** Building Renewal Grant funding in the amount of \$1,338,822 for the completion of the WWTP for Tonopah Valley High School and Ruth Fisher Elementary School.

Penny Allee Taylor seconded. The motion passed with a 6-0 voice vote.

The Board did not take any action on the following request.

10. Board denial of funding to **Saddle Mountain Unified** in the amount of \$75,385 for the reimbursement of the repair of the well at Ruth Fisher Elementary School.

- XI. Consideration and possible vote of Emergency Deficiency Corrections Requests  
John Arnold referred the Board to the summary of the Emergency Deficiencies fund, noting the \$2.2 million balance. As mentioned earlier, the Building Renewal Grant fund requests require preventative maintenance to have been performed. This is not a requirement for Emergency Deficiency requests. Therefore, those Building Renewal Grant requests that cannot demonstrate that preventative maintenance has been performed are being brought to the Board as Emergency requests, if they meet the statutory definition of an Emergency.

Dean Gray provided an explanation of each project request listed below.

Brooks Keenan moved that the Board approve the following staff recommendations:

1. Board approval to award **Oracle Elementary** Emergency funding in the amount of \$143,481 for the recoating and replacement of several roofs as bid by the district.
2. Board approval to award **Yuma Union** Emergency funding in the amount of \$15,265 for the replacement of one 400-gallon water heater heating module in the kitchen of San Luis High School.

Tom Rushin seconded. The motion passed with a 6-0 voice vote.

- XII. Public Comment  
There was no public comment.

- XIII. Adjournment  
There being no further business, Dr. Frank Davidson adjourned the meeting at approximately 11:30 A.M.

Approved by the School Facilities Board on 2/5/09, 2009

Frank Davidson  
Chair