

SCHOOL FACILITIES BOARD
April 1, 2009
Phoenix, Arizona

The School Facilities Board held a Board meeting at the Arizona State Capitol Building in Phoenix, Arizona. The meeting began at approximately 10:08 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Chair, Dr. Frank Davidson	Jay C. St. John, Sahuarita Unified
Gary Marks	Marsha Crockett, DLR Group
David Ortega	Judy Richardson, Stone & Youngberg
Tom Rushin	Cathy Rex, So. AZ School Facilities Grp.
Penny Allee Taylor	
Yousef Awwad (non-voting member)	
<u>Members Absent</u>	
Dr. Patricia Gober	
John Corcoran	
<u>Vacant Board Positions</u>	
Private Business Owner Representative	
Engineer Representative	
<u>Staff Present</u>	
John Arnold, Executive Director	
Kerry Campbell, Public Information Officer	
Jim Chang, Demographer	
Gerry Breuer, School Facilities Liaison	
Debra Sterling, Attorney General's Office	

- I. Call to Order
Dr. Frank Davidson called the meeting to order at approximately 10:08 A.M.

- II. Roll Call
There were six Board Members present at this meeting. Five (5) voting members, and one (1) non-voting member.

- III. Consideration and possible vote of Minutes of March 5, 2009
Gary Marks moved for approval of the Minutes. Tom Rushin seconded. The motion passed with a 5-0 voice vote.

- IV. Consent Agenda
 - a. Consideration of Preventative Maintenance Plans
 - b. Consideration of Building Renewal Plans

David Ortega moved that the Board ratify the plans listed in agenda items IV.a. and IV.b. Penny Allee Taylor seconded. The motion passed with a 5-0 voice vote.

Dr. Frank Davidson recused himself from the Board while Gary Marks stepped in to administer the next agenda item.

c. Consideration of Building Renewal Plans

Penny Allee Taylor moved that the Board ratify the plan (Casa Grande Elementary) listed in agenda item IV.c. Tom Rushin seconded. The motion passed with a 4-0 voice vote.

Dr. Davidson returned as Chairman of the Board while Gary Marks recused himself for the next agenda item.

d. Consideration of Building Renewal Plans

Penny Allee Taylor moved that the Board ratify the plan (Humboldt Unified) listed in agenda item IV.d. Tom Rushin seconded. The motion passed with a 4-0 voice vote.

Gary Marks resumed his position on the Board at this time.

V. Director's Report

a. Legislative/Budget Update

John Arnold directed the Board's attention to the Legislative Update provided in the Board Packet, which showed no significant changes since last month, and explained that there is no Budget update at this time. We are anticipating a budget proposal from the Governor's Office soon. There was a budget proposal from the minority released a few days ago which staff is reviewing. We hope to have a more detailed Budget Update for the Board at next month's meeting.

VI. New School Construction

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

John Arnold took questions from the Board. David Ortega asked for clarification of projects that are being placed "On Hold". Mr. Arnold directed the Board to page four of agenda item VI.a. in their Board Packets, "Changes to Previously Approved Projects". This list shows changes that have been made to projects for those districts being presented today. "On Hold" means the Board had previously approved a project in prior years and with updated ADM projections, staff finds the district no longer qualifies for the project within the three year window. Even if there wasn't a moratorium and a district requested proceeding with this type of project, staff would recommend denying a request to proceed because the district no longer qualified for the project based on current ADM projections. In most cases, staff sends a letter to the district recommending the district seek a cancellation of the project. Staff's position is that we will not cancel a project unless requested by the district. Unless cancelled by the district, a project will remain on the books though not be eligible for funds until re-qualifying through additional ADM growth. Gary Marks asked what the advantages or disadvantages are of cancelling a project. Mr. Arnold explained that one advantage is the elimination of the cost per square foot for the project that was established

when it was originally approval by the Board. Once a project is awarded, it retains that cost per square foot (formula amount) forever. If the project is cancelled and then the district re-qualifies, they will get the benefit of inflation. Staff does not see the benefit of keeping a project on the books, but districts may see this as a demonstration of need.

David Ortega moved that the Board approve staff recommendations as listed below:

1. **Ajo Unified (K-12): Deny** the district's request for additional K-12 space to open in FY 12.
2. **Altar Valley Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a K-8 school to open FY 16.
3. **Chino Valley Unified (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** a K-8 school for 650 students (001N) to open in FY 16.
4. **Congress Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a K-8 school to open FY 17.
5. **Continental Elementary (K-8): Deny** the district's request for additional K-8 space to open in FY 10. **Conceptually approve** a K-8 school for 500 students (002N) to open in FY 16.
6. **Littlefield Unified (K-8): Deny** the district's request for additional K-8 space to open in FY 12. **Conceptually approve** additional space for 120 students (003N) to open in FY 13.
7. **Marana Unified (K-6):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for two K-6 schools.
8. **Queen Creek Unified (9-12): Cancel** 009N for 1,153 students and **conceptually-approve** 009N to open in FY 14.
9. **Sahuarita Unified (K-8): Deny** the district's request for a K-8 school to open in FY 12. **Conceptually approve** 3 K-8 schools.
10. **Sahuarita Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** a 9-12 school for 863 students to open in FY 17.
11. **Santa Cruz Valley Unified (K-5):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a K-5 school.
12. **Santa Cruz Valley Unified (9-12): Deny** the district's request for a 9-12 school to open in FY 11. No conceptual approval.

13. **Seligman Unified (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a K-8 school.
14. **Sunnyside Unified (K-5):** District did not request new construction. Change K-5 school (003N) from FY 14 to FY16.
15. **Sunnyside Unified (9-12):** Change status of previously-approved 9-12 school (004N) to ON HOLD, projected to open FY 15.
16. **Tanque Verde Unified (7-12):** **Deny** the district's request for 7-8 space to open in FY 10.
17. **Vail Unified (K-5):** **Approve** 012N for 600 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. **Change Conceptual approval** of 014N from FY 15 to FY 16.
18. **Vail Unified (9-12):** **Deny** district's request for 9-12 school to open in FY 12. **Conceptually approve** a 9-12 school for 1,200 students (015N) to open in FY 13.

Gary Marks seconded. The motion passed with a voice vote of 5-0.

b. Consideration and possible vote of New Construction Projects Review

John Arnold explained that the Board awarded a middle school for Vail Unified in January 2008. This school has been in design and was scheduled to begin construction late last summer when the moratorium was put into effect. In anticipation of a district proceeding with a project during the moratorium, the Board developed a policy statement that would allow a district to be reimbursed for local expenditures on an SFB approved project if funding becomes available before the project reaches substantial completion and the following conditions are met:

1. The Executive Director confirms there are no monies available from the new school facilities fund to construct the project when the district signs the construction contract.
2. The district follows all of the requirements in the SFB New Construction Policy (SFB Policy V).
3. The Board confirms the eligibility of the district for the award and the funding level of the project prior to the district signing the construction contract.

Mr. Arnold confirmed that there are no monies available from the new school facilities fund to construct the project and the district has followed all of the requirements in SFB Policy V. For this project, the district signed the construction contract last September, before the policy statement was enacted by the Board; therefore, the district requests waiving this last requirement due to the unique circumstances and timing under the moratorium.

Vail Unified has requested the Board confirm their eligibility for the awarded middle school and that they have satisfied all the requirements of the policy statement, and authorize reimbursement of \$8,628,151, which includes \$309,392 for inflation and \$352,147 for site conditions, if the new construction moratorium is lifted and funding becomes available before the substantial completion of project 1002000-9999-010N.

Gary Marks asked about the possibility of reimbursement. Mr. Arnold responded that the district is actively seeking legislative action to receive SFB reimbursement for this project, but most everyone agrees that it is highly unlikely the moratorium will be lifted and funding provided to the new school facilities fund before this project reaches substantial completion. The district is requesting this Board action in the event their legislative actions are successful.

David Ortega asked if the moratorium applied to architectural and engineering fees. Mr. Arnold responded that the moratorium did apply to architectural and engineering fees, with the exception of projects specifically related to the expansion of schools for full-day kindergarten.

Gary Marks moved that the Board confirm Vail Unified's eligibility for the awarded middle school and that they have satisfied all the requirements of the policy statement, and authorize reimbursement of \$8,628,151, which includes \$309,392 for inflation and \$352,147 for site conditions, if the new construction moratorium is lifted and funding becomes available before the substantial completion of project 1002000-9999-010N. Tom Rushin seconded. The motion passed with a voice vote of 5-0.

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

John Arnold explained that Littlefield Unified is requesting a grade reconfiguration from a K-8 to a K-5, 6-8. With this new configuration, ADM projections indicate the district will exceed 6-8 capacity immediately and require the SFB to award additional 6-8 space this year. Staff recommends denial of the district's request because the reconfiguration would cause the district to fall below the minimum square footage guidelines within the three year window. San Carlos Unified has reconfigured from K-5, 6-8, 9-12 to K-6, 7-8, 9-12. Staff projections indicate this reconfiguration will not cause the district to fall below the minimum square footage guidelines within the three year window.

Penny Allee Taylor moved that the Board approve staff recommendations as listed below:

1. Board denial of **Littlefield Unified's** reconfiguration of Beaver Dam Elementary School from K-8 to K-5, 6-8.
2. Board ratification of staff's projection for **San Carlos Unified** which indicates that the district's reconfiguration from K-5, 6-8, 9-12 to K-6, 7-8, 9-12 is not projected to cause the district to fall below minimum square footage guidelines within three years.

Gary Marks seconded. The motion passed with a 5-0 voice vote.

Gary Marks recused himself from the Board for the next agenda item.

VIII. Emergency Deficiency Corrections Requests

a. Consideration and possible vote of Emergency Deficiency Corrections Requests

John Arnold explained that Humboldt Unified is requesting Emergency funding to replace the boiler system at Mountain View Elementary. Staff considered both the repair and replacement options to correct this problem and recommends replacement due to the age of the boiler. Staff recommends Board approval of Emergency funding for Humboldt Unified for the replacement of the boiler system in the amount of \$77,665, which includes tax, bonds and \$7,000 for SFB contingency, which will only be used with SFB staff approval.

Tom Rushin moved that the Board approve the staff recommendation. David Ortega seconded. The motion passed with a 4-0 voice vote.

Gary Marks resumed his position on the Board at this time.

b. Consideration and possible vote of Emergency Deficiency Corrections Requests

John Arnold explained that Somerton Elementary is requesting Emergency funding for the replacement of the water storage system for potable and fire water. They are experiencing on-going pump and valve issues and the system is long overdue for replacement. The SFB Executive Director has authorized the award of \$4,725 for project management services for the procurement of an engineer to design the replacement water system. These funds were allocated out of the \$35,000 the Board has authorized the Executive Director to use for professional investigation services for an Emergency request prior to Board approval.

Gary Marks moved that the Board approve Emergency funding for Somerton Elementary in the amount of \$4,725 for project management services for the procurement of an engineer to design the replacement water system at Orange Grove Elementary School. David Ortega seconded. The motion passed with a 5-0 voice vote.

IX. Consideration and possible vote of Building Renewal Grant Funds

John Arnold explained that Fountain Hills Unified's request is for additional funding for the on-going truss repair project. The consulting engineers have found that the extent of the third phase of this project is beyond the scope originally estimated and requires an additional \$95,929 to complete the project. Williams Unified has requested additional funding for their ADA ramp project because the low bid came in higher than the estimate and requires an additional \$12,302.02 to award the contract. The Building Renewal Grant fund has a balance of approximately \$350,000 at this time.

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

1. Award additional Building Renewal Grant funding in the amount of \$95,929 for **Fountain Hills Unified** to complete the truss repair project.

2. Award additional Building Renewal Grant funding in the amount of \$12,302.02 for **Williams Unified** to issue a contract for the construction of an inclined platform lift for ADA accessibility at Williams High School.

Penny Allee Taylor seconded. The motion passed with a 5-0 voice vote.

X. Future Agenda Items

Penny Allee Taylor asked for an update on the balance of the Building Renewal Grant fund and the Emergency Deficiency Corrections fund. Mr. Arnold responded that after today's actions the Building Renewal Grant fund has a balance of approximately \$240,000. Those dollars were appropriated for FY 09 and are non-lapsing; they will carry over for FY 10. Prior to today's meeting, the Emergency fund had a balance of approximately \$840,000. Today's Board action has reduced that amount by \$78,000, leaving a balance of approximately \$762,000. Staff is currently reviewing several Emergency requests for qualification and to confirm cost estimates. The total of these projects is expected to exceed the current balance of the Emergency fund, which means that in May or June, the Board may have to declare an Emergency project without any funding. This would be a new experience for the Board. However, we continue to get reimbursement from districts on old deficiency corrections projects, which adds monies to the Emergency fund.

Dr. Davidson clarified that if the Board finds that a district request for Emergency funding meets the qualifications but there is no funding available, the district would then be permitted to petition the county to implement a tax to cover the cost of the project.

Ms. Allee Taylor asked how much funding is required to maintain the Board. Mr. Arnold responded that staff will provide this information in the Budget Update next month.

Gary Marks asked for an update on the Energy Grant Program.

Dr. Davidson asked for discussion on the need to have a regular Board Meeting in May versus a telephonic meeting. Mr. Arnold responded that this may depend on how the agenda for the next meeting develops.

XI. Public Comment

There was no public comment.

XII. Adjournment

There being no further business, Dr. Frank Davidson adjourned the meeting at approximately 10:40 A.M.

Approved by the School Facilities Board on May 6, 2009
Frank Davidson
Chair