

SCHOOL FACILITIES BOARD
December 2, 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 10:07 A.M.

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| <u>Members Present</u> | <u>Guests Present</u> |
| Chair, Dr. Frank Davidson | Cathy Rex, Southern AZ School Facilities Grp |
| Penny Allee Taylor | Tom Duncan, Commercial System Tech. |
| Tom Rushin | Jon Cazee, Commerical System Tech. |
| David Ortega | Judy Richardson, Stone & Youngberg |
| Gary Marks | Rich Pena, A & P Construction |
| | Rob Longhoff, McCarthy Building Co. |
| <u>Members Absent</u> | Andrea Chalmers, APS |
| Dr. Patricia Gober | |
| Vicki Salazar (non-voting member) | <u>Staff Present</u> |
| | Dean Gray, Interim Executive Director |
| | Kerry Campbell, Public Information Officer |
| <u>Vacant Board Positions</u> | Debra Sterling, Attorney General's Office |
| Private Business Owner Representative | Gerry Breuer, School Facilities Liaison |
| Engineer Representative | Amber Peterson, School Finance Specialist |
| Teacher Representative | Jim Chang, Demographer |

- I. Call to Order
Dr. Frank Davidson called the meeting to order at approximately 10:07 A.M.
- II. Roll Call
There were a total of five voting Board Members present at this meeting.
- III. Consideration and possible vote to accept, reject or modify the Minutes of November 4, 2009
Penny Allee Taylor moved for approval of the Minutes. Gary Marks seconded. The motion passed with a 5-0 voice vote.
- IV. Consent Agenda
Consideration of Preventative Maintenance Plans
Tom Rushin moved that the Board ratify the plans listed in agenda item IV. David Ortega seconded. The motion passed with a 5-0 voice vote.
- V. Director's Report
 - a. John Arnold Farewell
 - b. Legislative/Budget Update
Dean Gray explained that four bills were introduced, acted upon in both Chambers and signed into law by Governor Brewer on Monday, November 23, 2009. They are:

SB1001: Reference Title: general appropriations; 2009-2010
Synopsis: repeals appropriations made in the 3rd Special Session, making FY10 reductions and appropriations in certain agencies and for

public schools. The total cuts to funding for public schools amounts to \$144,000,000 less for soft capital needs. The bill also cut approximately \$155,000,000 from the FY10 budget for the Department of Economic Security.

HB2002: Reference Title: K-12; budget reconciliation

Synopsis: makes statutory and session laws changes related to K-12 education and the implementation of the FY10 budget. This bill specifies the intent of the Legislature to effect the reductions in the soft capital allocation appropriated to school districts. A Fact Sheet for HB2002 was attached with more information.

HB2003: Reference Title: general revenues; 2009-2010

Synopsis: makes statutory and session laws changes relating to state revenues to implement the FY10 state budget. The revenue streams included in this bill do not affect public education in general or the SFB in particular.

SB1004: Reference Title: anti-deficiency statutes; property; amendments

Synopsis: an emergency measure correcting an oversight in a bill passed during the 2009 3rd Special Session so that now the deficiency judgment exemption for a trust property used as a single one-family or two-family dwelling does not apply to a speculative construction project. This bill has no direct effect on public K-12 education in general or the SFB in particular.

c. FY 2009 Annual Report - DRAFT

Dean Gray thanked staff for its hard work on the information that compiles the Annual Report. Gary Marks asked if the report will be put on the SFB website. Mr. Gray replied that once approved by the Board, the report will be posted on the website.

Gary Marks made a motion that the Board approve the FY 2009 Annual Report as recommended by staff. Penny Allee Taylor seconded. The motion passed with a 5-0 voice vote.

d. January 2010 Board Meeting

David Ortega made a motion that the Board approve staff's recommendation that the January Board Meeting be held on January 13, 2010 due to the holiday season. Penny Allee Taylor seconded. The motion passed with a 5-0 voice vote.

VI. New Construction Requests

a. Consideration and possible vote to accept, reject or modify FY 2010 Capital Plan New Construction Requests

- Casa Grande Elementary

Gary Marks made a motion that the Board table agenda item VI.a. Tom Rushin seconded. The motion passed with a 5-0 voice vote.

b. Consideration and possible vote to accept, reject or modify FY 2010 Capital Plan New Construction Requests

Dean Gray noted that most of the changes are due to the elimination of full-day kindergarten as well as the downturn in the economy.

David Ortega moved for Board approval of staff recommendations as listed below:

1. **Chandler Unified (K-6): Change status** of previously-approved 023N to **ON HOLD**, projected to open in FY 17.
2. **Florence Unified (K-8): Deny** the district's request for 013N (additional K-8 space at an existing school) to open in FY 13. **Conceptually approve** 013N and four additional schools.
3. **Florence Unified (9-12): Deny** the district's request for 017N (9-12 school for 2,000 students) to open in FY 12. **Conceptually approve** 017N to open in FY 15.
4. **Gadsden Elementary (K-6): Deny** the district's request for 008N (buildout of core K-6 school) to open in FY 12. **Conceptually approve** 008N to open in FY 15.
5. **Prescott Unified (K-5): Change status** of previously-approved 002N to **ON HOLD**, projected to open in FY 18.
6. **Somerton Elementary (K-5): Change status** of previously-approved 003N to **ON HOLD**, not projected to open within the current analysis timeframe. **Deny** conceptual approval for a new school.
7. **Stanfield Elementary (K-8): Conceptually approve** 004N (K-8 for 700) to open in FY 15.
8. **Yuma Union (9-12): Deny** the district's request for a new school to open in FY 13. **Deny** conceptual approval for a new school.

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

VII. Consideration and possible vote to accept, reject or modify the Requests for Building Renewal Grant Funds

Dean Gray reviewed the balance of funding in the Building Renewal Grant fund. The remaining balance if all proposed requests are approved this month will be \$49,810. Penny Allee Taylor asked what timeframe the remaining balance applies to. Mr. Gray indicated that this balance would be the remaining balance until the end of FY 2010, on June 30, 2010.

Mr. Gray provided an explanation of each of the requests as presented in the board packet.

Gary Marks moved for Board approval of staff recommendations as listed below:

1. Board approval of additional Building Renewal Grant funding for **Elfrida Elementary** in the amount \$20,000 for contingency. This will bring the total funding for the HVAC project to \$220,000. The contingency funding will only be used with SFB staff approval.
2. Board approval of Building Renewal Grant funding for **Madison Elementary** in the amount \$25,000 for the repair and upgrade of the existing EMS at Madison Heights Elementary School. This amount includes \$8,500 for contingency that will only be used with SFB staff approval.
3. Board approval of additional Building Renewal Grant funding for **Palo Verde Elementary** in the amount \$45,000 for the installation of a new pressure tank for the domestic water system. This amount includes \$4,900 in contingency funding and will bring the total funding for the well and water storage/pressure tank project to \$180,000. The contingency funding will only be used with SFB staff approval
4. Board approval of additional Building Renewal Grant funding for **Williams Unified** in the amount of \$3,900 for the added cost to complete the ADA ramp project at Williams High School. This will bring the total awarded Building Renewal Grant funding for this project to \$130,564.
5. Board approval of Building Renewal Grant funding for **Wilson Elementary** in the amount \$18,000 for the repair of the cooling tower. This amount includes \$3,404 for contingency that will only be used with SFB staff approval.

Tom Rushin seconded. The motion passed with a 5-0 voice vote.

VIII. Litigation Update

*Sahuarita Unified School District v. Arizona School Facilities Board
LC2008-000362-001 DT*

Tom Rushin moved that the Board convene to Executive Session. Gary Marks seconded. The motion passed with a 5-0 voice vote.

The Board convened to Executive Session at approximately 10:26 A.M.

The Board reconvened at approximately 10:50 A.M.

Gary Marks moved that the Board authorize Board Counsel to act on the Board's behalf in this matter in accordance with instructions given during the Executive Session. David Ortega seconded. The motion passed with a 5-0 voice vote.

IX. Future Agenda Items

There were no requests for future agenda items.

Dean Gray requested the opportunity to offer clarification of his earlier statements regarding the Building Renewal Grant fund. Mr. Gray explained that the Legislature allocated \$3 million in Building Renewal Grant funds to the SFB. However, this amount is distributed in quarterly payments of \$750,000 each. To date, the SFB has received \$1.5 million of the \$3 million allocation. If the next allocation is disbursed as scheduled in January, the balance of the fund will

increase by \$750,000. However, based on past history and current economic conditions, the remaining \$1.5 million has a good chance of being swept and the remaining disbursements may not be forthcoming.

Dr. Davidson remarked that since John Arnold has been unavailable to attend the Board meetings to be present for his farewell, he wishes to acknowledge Mr. Arnold's exemplary service to the School Facilities Board and the people of the State of Arizona. Staff will present Mr. Arnold with his honorary plaque at his earliest convenience.

III. Public Comment

There was no public comment.

XIII. Adjournment

There being no further business, Dr. Frank Davidson adjourned the meeting at 10:55 A.M.

Approved by the School Facilities Board on January 20, 2010

Frank Davidson

Chair