

SCHOOL FACILITIES BOARD
May 12, 2010
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Archives Building in Phoenix, Arizona. The meeting began at approximately 10:06 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Dr. Frank Davidson, Chair	Gary Mangum, Thatcher USD
Tom Rushin, Vice-Chair	Mark Mills, Johnson Controls, Inc.
Penny Allee Taylor	Pat Blair, Mobile ESD
Vern Crow	Delores Brown, Mobile ESD
Dr. Bill Johnson	Ed Rucker, Climatec Energy Services
	Tony Suazo, GV Enterprises
<u>Members Absent</u>	Michael Medeiros, Marana USD
Eric Hafner	Bob Thomas, Marana USD
Dr. Patricia Gober	Jim Westberg, Commerce Energy Office
Gary Marks	Blaine Miller, Commerce Energy Office
Vicki Salazar (non-voting member)	Cathy Rex, So. AZ School Facilities Grp
	Leonard Byrd, APS Energy Services
<u>Vacant Board Position</u>	Judy Richardson, Stone & Youngberg
Teacher Representative	Andrea Chalmers, APS
	Jeff Gadd, Isaac ESD
<u>Staff Present</u>	
Dean Gray, Executive Director	
Kerry Campbell, Public Information Officer	
Debra Sterling, Attorney General's Office	
Phil Williams, Deputy Director	
Amber Peterson, School Finance Specialist	
Jim Chang, Demographer	
Ron Passarelli, Special Projects	
Gerry Breuer, School Facilities Liaison	
David Kennon, Assessment Specialist	

- I. Call to Order
Dr. Frank Davidson called the meeting to order at approximately 10:06 A.M.
- II. Roll Call
There were five voting Board Members present at this meeting.
- III. Consideration and possible vote to accept, reject or modify the Minutes of April 7, 2010
Penny Allee Taylor made a motion for Board approval of the Minutes of April 7, 2010. Tom Rushin seconded. The motion passed with a 5-0 voice vote.
- IV. Director's Report
 - a. Legislative/Budget Update
Dean Gray introduced staff member Ron Passarelli to provide the Legislative/Budget Update. Mr. Passarelli reviewed the status of each of the bills as listed in the Board packet. Since the update was printed for the Board packet, SB1185 was signed by the Governor on May 3, 2010, which enacted

the Senate Engrossed Version. SB1187, HB2385 and HB2725 were signed by the Governor on May 11, 2010.

Dr. Bill Johnson asked if staff knew why SB1184 failed while SB1185 passed. Mr. Passarelli responded that he was unaware of the reason, but would follow-up with Senate staff to get the answer to Dr. Johnson's question.

b. Public Service Orientation Training

Dean Gray explained the requirement of ARS §38-592 that all Board Members complete Public Service Orientation Training within six months of their appointment to the Board. Staff has located the completion certificates for Dr. Frank Davidson, Tom Rushin and Dr. Patricia Gober. All other Board Members need to either complete the online training or provide a copy of their certificate of completion if they have already completed the training. If they have not completed the training, please do so by July 1, 2010 and provide Kerry Campbell with a copy of the completion certificate.

Penny Allee Taylor asked if you had to take the training again if you have already taken it once. Mr. Gray explained that Board Members are only required to take the training once, adding that we would just need a copy of the completion certificate.

V. Consideration and possible vote to accept, reject or modify the Requests for Reduction of Square Footage

The recommendation for Maricopa Unified was removed from the agenda per the district's request.

Vern Crow made a motion for Board approval of the following staff recommendations:

1. Board approval of **Lake Havasu Unified's** reconfiguration to K-6, 7-8, 9-12.
2. Board approval of **Mesa Unified's** reduction of square footage resulting from the disposition of East Valley Academy.
3. Board approval of **Mohave Valley Elementary's** reduction of square footage resulting from the demolition of Building 1016 at Mohave Valley Elementary School.

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

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

Dr. Davidson explained that the FY 2010 Capital Plan request for Yuma Elementary will need to be tabled for a future Board meeting because Tom Rushin has expressed his desire to recuse himself from voting on staff's recommendation due to his involvement with the district in the past. Once Mr. Rushin recuses, we no longer have a quorum.

Dean Gray added that the Capital Plan request for Yuma Elementary will have to be presented to the Board at the June meeting to finish out the FY 2010 Capital Plan Cycle.

Dr. Davidson made a motion for Board approval to table the Yuma Elementary Capital Plan request for a future meeting. Vern Crow seconded. The motion passed with a 5-0 voice vote.

Dr. Bill Johnson made a motion for Board approval of staff recommendations as listed below:

1. **Buckeye Elementary (K-8): Cancel** previously-approved 011N, and **conceptually approve** to open in FY 16. **Deny** other requests for conceptual approval.
2. **Buckeye Union (9-12): Cancel** previously-approved 004N, and **conceptually approve** to open in FY 18. **Deny** other request for conceptual approval.
3. **Mobile Elementary (K-8): Deny** conceptual approval for a new K-8 school.
4. **Palominas Elementary (K-8): Cancel** previously-approved 001N.
5. **Thatcher Unified (6-8): Cancel** previously-approved 001N, and **conceptually approve** to open in FY 13.
6. **Toltec Elementary (K-8): Cancel** previously-approved 001N, and **conceptually approve** to open in FY 16.

Vern Crow seconded. The motion passed with a 5-0 voice vote.

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

Mr. Gray reviewed the balance of the Building Renewal Grant fund, explaining that the SFB received the fourth and final installment of the FY 2010 appropriation. However, of the \$750,000 appropriation, \$417,900 was transferred to the SFB, while \$332,100 was swept as part of the FY 2010 budget fix. We continue working to close projects and make recognized savings and unspent monies available for new projects.

Mr. Gray provided a brief review of the Building Renewal Grant request as presented in the Board packet.

Vern Crow asked if the quote for the Yuma Elementary project of \$155,054 included contingency. Mr. Gray answered that the quote of \$155,054 does not include contingency and explained that typically contingency is added to quotes provided by contractors and that SFB staff diligently tracks the use and expenditures of contingency monies.

Vern Crow made a motion for Board approval of the following staff recommendation:

1. Board approval that **Yuma Elementary** be awarded \$165,054 in Building Renewal Grant funds for the replacement of the two (2) cooling towers at Castle Dome Elementary School. This includes \$10,000 in contingency funds that will only be used with SFB staff approval.

Dr. Bill Johnson seconded. The motion passed with a 5-0 voice vote.

VIII. Consideration and possible vote to accept, reject or modify Emergency Deficiencies Correction Requests

Mr. Gray updated the Board on the balance of the Emergency Deficiencies Correction fund and explained that the cost of the two projects being presented today would use up most of the remaining \$24,905 in the fund.

Mr. Gray provided a brief review of the Emergency Deficiencies Correction requests as presented in the Board packet and explained that the cost would be \$9,400 for the removal of the poles, plus \$2,000 for contingency, for a total of \$11,400 for each project.

Dr. Johnson asked if the reason the Trust will not cover the cost of the removal of the poles is because they have yet to fail. Mr. Gray confirmed Dr. Johnson's reasoning, explaining that the Trust's bylaws do not allow for coverage of these costs.

Tom Rushin made a motion for Board approval of the following staff recommendations:

1. Board approval that **Santa Cruz Valley Union** be awarded \$11,400 in Emergency Deficiencies Correction funding for the removal of the remaining seven poles at the playfield. This includes a \$2,000 contingency that will only be used with SFB staff approval.
2. Board approval that **Superior Unified** be awarded \$11,400 in Emergency Deficiencies Correction funding for the removal of the remaining seven poles at the playfield. This includes a \$2,000 contingency that will only be used with SFB staff approval.

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

IX. ARRA Energy Grant Awards

a. Consideration and possible vote to accept, reject or modify potential additional Solar Energy Grant Awards

Dean Gray explained that Board approval of this agenda item is in preparation to proceed with the awarding of the remaining \$648,000 in grant funds and any additional grant monies we may receive from the Department of Commerce Energy Office.

Vern Crow made a motion for Board approval of the following staff recommendation:

1. Board ratification that, subject to the availability of funding from the ARRA stimulus funds directed to the SFB through the Department of Commerce Energy Office and the approval of the NEPA environmental survey, the 8 districts listed (**Ash Creek Elementary, Sonoita Elementary, Topock Elementary, Bonita Elementary, Salome Elementary, Elfrida Elementary, Mobile Elementary and McNary**

Elementary) are awarded solar energy grants involving the installation of photovoltaic systems of up to 30KWdc.

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

b. Consideration and possible vote to accept, reject or modify final award of Energy Efficiency Grants

Dean Gray explained that Fountain Hills Unified is to be tabled for a future Board meeting due to an unresolved issue with their Investment Grade Audit (IGA).

Referring to the spreadsheet provided to the Board, Tanque Verde Unified's project (highlighted in yellow) will be brought to the Board for cancellation next month. With today's final funding awards, \$3,359,967 is being committed. Compared to the initial ESCO estimates, this is \$47,045 less than anticipated. While some IGA's are coming in a little higher than the initial estimates, some are coming in lower, and at this time the running total is below the overall recommended award.

Penny Allee Taylor made a motion for Board approval of the following staff recommendations:

1. Crane Elementary – 140413000-9999-001EFF

10 Schools
Project Scope: Lighting upgrade, HVAC upgrade

Total Project Costs:	\$1,918,459	IGA Total Project Costs	\$1,958,508
Recommended Award:	\$575,538	ARRA Requested:	\$587,524
District funds:	\$1,342,921	District funds:	\$1,370,984
Estimated Savings:	\$234,769	Estimated Savings:	\$260,805
		Payback	7.5 years

2. Gilbert Unified – 070241000-9999-001EFF

5 Schools
Project Scope: Lighting upgrade, Lighting control, HVAC upgrade & control, Variable frequency drives

Total Project Costs:	\$737,723	IGA Total Project Costs	\$945,386
Recommended Award:	\$221,317	ARRA Requested:	\$283,616
District Funds:	\$516,406	District Funds:	\$661,770
Estimated Savings:	\$82,518	Estimated Savings:	\$84,127
		Payback	11.2 years

3. Isaac Elementary – 070405000-9999-001EFF

17 Schools and District Office
Project Scope: Lighting upgrade, HVAC upgrade & control, Computer power management

Total Project Costs:	\$3,359,648	IGA Total Project Costs	\$3,386,757
Recommended Award:	\$1,000,000	ARRA Requested:	\$1,000,000
District Funds:	\$2,359,648	District Funds:	\$2,386,757
Estimated Savings:	\$333,831	Estimated Savings:	\$330,717
		Payback	10.2 years

4. Marana Unified – 100206000-9999-001EFF

Mountain View High School

Project Scope: Lighting upgrade, Lighting control, HVAC upgrade & control, Demand control ventilation, Motor/Pump replacement, Water heater replacement, Boiler replacement, Plate & Frame Heat Exchanger, Variable frequency drives

Total Project Costs:	\$2,318,457	IGA Total Project Costs	\$2,260,933
Recommended Award:	\$695,537	ARRA Requested:	\$678,280
District Funds:	\$1,622,920	District Funds:	\$1,582,653
Estimated Savings:	\$184,090	Estimated Savings:	\$147,050
		Payback	15.4 years

5. Mesa Unified – 070204000-9999-001EFF

(6 schools)

(downsized to 4 schools)

Project Scope: HVAC control

Total Project Costs:	\$869,412	IGA Total Project Costs	\$389,104
Recommended Award:	\$260,824	ARRA Requested:	\$116,731
District Funds:	\$608,588	District Funds:	\$272,373
Estimated Savings:	\$258,487	Estimated Savings:	\$73,909
		Payback	5.3 years

6. Roosevelt Elementary - 070466000-9999-001EFF

19 Schools

Project Scope: Lighting upgrade, Lighting control, HVAC upgrade, HVAC control

Total Project Costs:	\$2,179,323	IGA Total Project Costs	\$2,312,722
Recommended Award:	\$653,797	ARRA Requested:	\$693,816
District Funds:	\$1,525,526	District Funds:	\$1,618,906
Estimated Savings:	\$275,500	Estimated Savings:	\$304,307
		Payback	7.6 years

Dr. Bill Johnson seconded. The motion passed with a 5-0 voice vote.

X. Preventative Maintenance Inspection Reports

a. Consideration and possible vote to accept, reject or modify Preventative Maintenance Inspection Reports

Vern Crow made a motion for Board approval of the Preventative Maintenance Inspection Reports for **Heber-Overgaard Unified and Riverside Elementary** as recommended by staff. Tom Rushin seconded. The motion passed with a voice vote of 5-0.

Dean Gray commented that districts are increasingly relying on SFB staff expertise and follow-up with regard to Preventative Maintenance Inspections as well as the 5-Year Assessments.

b. Consideration and possible vote to accept, reject or modify the random selection for a Preventative Maintenance Inspection

Penny Allee Taylor made a motion for Board approval of the random selection of **Glendale Elementary and Pine Strawberry Elementary** for a Preventative Maintenance Inspection as recommended by staff. Vern Crow seconded. The motion passed with a voice vote of 5-0.

XI. Future Agenda Items

No request for Future Agenda Items was received.

XII. Public Comment

No request for Public Comment was received.

Dean Gray informed the Board that the June 2, 2010 Board meeting may be rescheduled for later in the month, possibly the 16th, 23rd or 30th.

XIII. Adjournment

There being no further business, Dr. Frank Davidson adjourned the meeting at 10:30 A.M.

Approved by the School Facilities Board on August 11, 2010
Frank Davidson
Chair