

SCHOOL FACILITIES BOARD
February 2, 2011
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Capitol Building in Phoenix, Arizona. The meeting began at approximately 10:02 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Tom Rushin, Vice-Chair	Anthony Rivera, Dept of Commerce
Gary Marks (via telephone)	Patricia Ewanski, APS
Penny Allee Taylor	Judy Richardson, Stone & Youngberg
Dr. Bill Johnson	
Vern Crow	
Eric Hafner	
<u>Members Absent</u>	
Dr. Frank Davidson, Chair	
Stacey Morley (non-voting member)	
<u>Vacant Board Positions</u>	
Teacher Representative	
Demographer Representative	
<u>Staff Present</u>	
Dean Gray, Executive Director	
Kerry Campbell, Public Information Officer	
Debra Sterling, Attorney General's Office	
Phil Williams, Deputy Director-Finance	
Amber Peterson, School Finance Specialist	
Yujun Mei, Demographer	
Ron Passarelli, School Facilities Liaison	
Pat Cruse, ARRA Project Coordinator	

- I. Call to Order
Vice-Chairman Tom Rushin called the meeting to order at approximately 10:02 A.M.

- II. Roll Call
There were six (6) voting Board Members present for this meeting, including one (1) member participating via telephone.

- III. Consideration and possible vote to accept, reject or modify Minutes of January 12, 2011
Vern Crow made a motion for Board approval of the Minutes as presented by staff. Dr. Bill Johnson seconded. The motion passed with a 6-0 voice vote.

- IV. Consent Agenda
 - a. Consideration of FY11 3-Year Building Renewal Plans
Dr. Johnson made a motion for ratification of the plans submitted by the districts listed in agenda item IV.a. Gary Marks seconded. The motion passed with a 6-0 voice vote.

Gary Marks recused himself from the Board at this time.

b. Consideration of FY11 3-Year Building Renewal Plans

Vern Crow made a motion for ratification of the plans submitted by Humboldt Unified. Eric Hafner seconded. The motion passed with a 5-0 voice vote.

Mr. Marks rejoined the Board at this time.

V. Director's Report

a. Staff Introductions

Dean Gray asked Phil Williams to introduce the new staff members. Mr. Williams reviewed staff experience and expertise and introduced Yujun Mei and Pat Cruse. Unable to attend the meeting, Carissa Kephart and Estella Robinson will be introduced in person at a later date. Three of these four new employees were hired to help the SFB comply with stringent Davis Bacon requirements related to the ARRA projects.

b. Legislative Update

Dean Gray asked Ron Passarelli to provide the update. Mr. Passarelli highlighted the bills being tracked by SFB staff this legislative session.

c. Roofing and Water Intrusion Presentation

This agenda item was moved to the end of the Board meeting.

VI. New Construction Requests

a. Consideration and possible vote to accept, reject or modify the FY 2011 Capital Plan requests for New Construction

Dean Gray provided a brief explanation of staff recommendations, and explained that staff grouped districts together by region to better facilitate the analyses.

Dr. Johnson made a motion to approve the following staff recommendations for districts in Central and West Maricopa County:

1. **Agua Fria Union (9-12): Conceptually approve** 003N (9-12 additional space for 500 students) to open in FY 16.
2. **Avondale Elementary (K-8): Conceptually approve** 001N (K-8 for 850 students) to open in FY 16.
3. **Buckeye Elementary (K-8): Conceptually approve** 011N (K-8 for 800 students) to open in FY 19.
4. **Buckeye Union (9-12): Deny conceptual approval** for 004N (9-12 for 1,286 students) to open in FY 18.
5. **Fowler Elementary (K-5):** Leave previously-approved K-5 school (008N) **ON HOLD**, projected to open beyond FY 19.
6. **Fowler Elementary (6-8):** Leave previously-approved 6-8 school (011N) **ON HOLD**, projected to open beyond FY 19.

7. **Liberty Elementary (K-8): Conceptually approve** 004N and 005N (K-8 for 800 students each) to open in FY 17 and FY 18, respectively.
8. **Litchfield Elementary (K-5):** Leave previously-approved K-5 school (009N) **ON HOLD**, projected to open in FY 15. No conceptual approval.
9. **Palo Verde Elementary (K-8): Deny** conceptual approval for 002N (K-8 school for 800 students) to open in FY 16.
10. **Riverside Elementary (K-8):** Leave previously-approved K-8 school (003N) **ON HOLD**, projected to open beyond FY 19. No conceptual approval.
11. **Union Elementary (K-8): Conceptually approve** 007N (K-8 for 800 students) to open in FY 19.

Vern Crow seconded. The motion passed with a voice vote of 6-0.

Dr. Bill Johnson recused himself from the Board at this time.

- b. Consideration and possible vote to accept, reject or modify the FY 2011 Capital Plan requests for New Construction

Dean Gray provided a brief explanation of staff recommendations.

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

Laveen Elementary (K-8): Conceptually approve 009N, 010N, and 011N to open in FY 15, FY 17, and FY 19, respectively.

Eric Hafner seconded. The motion passed with a voice vote of 5-0.

Dr. Johnson returned to the Board at this time.

- c. Consideration and possible vote to accept, reject or modify the FY 2011 Capital Plan requests for New Construction

Dean Gray provided a brief explanation of staff recommendations.

Eric Hafner made a motion to approve the following staff recommendations for districts in Northwest Maricopa County:

1. **Dysart Unified (K-8): Deny** conceptual approval for 029N (K-8 school for 1,100 students) to open in FY 18.
2. **Morristown Elementary (K-8): Deny** conceptual approval for 001N (additional space for 250 students) and 002N (K-8 school for 750 students) to open in FY 18.
3. **Nadaburg Unified (K-8): Deny** conceptual approval for 003N (K-8 school for 600 students) to open in FY 16.

4. **Nadaburg Unified (9-12): Conceptually approve** 007N (geographic exception high school for 1,400 students) to open in FY 19.

Vern Crow seconded. The motion passed with a voice vote of 6-0.

- d. Consideration and possible vote to accept, reject or modify request for minimum guideline waiver

Dean Gray explained that the Administrative Code allows for districts to request a waiver of the minimum guideline requirements. Sahuarita Unified has requested a waiver of R7-6-250 requiring a baseball/softball backstop at the new Walden Grove High School (100230000-9999-007NCB). This high school site is adjacent to a county park equipped with playfields including a baseball/softball backstop. The district is leasing the park and will have full access to the playfields.

Vern Crow made a motion for Board approval of the waiver request. Gary Marks seconded. The motion passed with a 6-0 voice vote.

VII. This item was removed before the official posting of the agenda.

VIII. Building Renewal Grant Requests

Consideration and possible vote to accept, reject or modify the requests for Building Renewal Grant funds

Dean Gray reviewed the balance of the Building Renewal Grant fund. If today's recommendations are approved by the Board, the available balance is \$19,753. Staff continues working to close projects and make recognized savings and unspent monies available for new projects. Mr. Gray provided a brief explanation of each request as presented in the Board packet.

Dr. Bill Johnson asked about the balance of Building Renewal Grant funds and if staff knew approximately how much and when additional funds may be made available? Mr. Gray answered that staff is pursuing supplemental funding, but at this time it is unknown how much or when it may be made available.

Vern Crow asked about the possibility of change orders submitted by contractors already under contract and the effect this would have on the remaining balance of Building Renewal Grant funds. Mr. Gray responded that the contracts for work on Building Renewal Grant projects are pretty solid and rarely do we see change orders. Staff reserves contingency funding for unknown conditions and returns recognized savings and unspent contingency monies to the fund for award to new projects.

Dr. Johnson asked if there is the possibility that district requests will be denied due to lack of funding. Mr. Gray responded that he could not speculate at this point, adding that the SFB will do what is necessary to meet district needs.

Dr. Johnson asked if any of the Building Renewal Grant requests for the replacement of aging or failed mechanical systems could be financed by the district through performance contracting rather than paid for with SFB grant funding. Mr. Gray responded that Dr. Johnson makes an interesting point, adding that the SFB is required by statute to address all district applications for

Building Renewal Grant funding that meet the criteria, regardless of a district's ability to finance the project. There are numerous districts that are utilizing performance contracting to replace mechanical systems that the SFB is not aware of.

Dr. Johnson added that the number of Building Renewal Grant applications would probably be greater were some districts not utilizing performance contracting.

Penny Allee Taylor asked how the SFB will proceed with the approval of Building Renewal Grant requests as the funding is exhausted. Mr. Gray responded that statute requires the Board to prioritize the project requests. If funding is completely exhausted, staff may ask the Board to prioritize and approve projects for future funding or as funding becomes available.

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

1. Board approval that **Antelope Union** be awarded \$15,624 in Building Renewal Grant funding for the replacement of the fire alarm panel at Antelope Union High School. Staff also recommends that the remaining Building Renewal balance of \$2,718 be used as the contingency.
2. Board approval that **Sierra Vista Unified** be awarded \$45,000 in Building Renewal Grant funding for the replacement of the intercom system at Carmichael Elementary. This includes \$33,577 for the replacement intercom system, \$7,892 for the add alternate for trenching and a \$3,532 contingency. The added funds for the alternate and contingency will be used only with SFB staff approval.
3. Board approval that **Sierra Vista Unified** be awarded \$72,000 in Building Renewal Grant funding for the replacement of the intercom system at Joyce Clark Middle School. This includes \$51,312 for the replacement intercom system, \$14,918 for the add alternate for trenching and a \$5,771 contingency. The added funds for the alternate and contingency will only be used with SFB staff approval.
4. Board approval that **Sierra Vista Unified** be awarded \$45,000 in Building Renewal Grant funding for the replacement of the intercom system at Town and Country Elementary. This includes \$33,320 for the replacement intercom system, \$7,655 for the add alternate for trenching and a \$4,025 contingency. The added funds for the alternate and contingency will only be used with SFB staff approval.
5. Board approval that **Sunnyside Unified** be awarded \$4,250 in Building Renewal Grant funding for the design specifications of new roofing systems at Craycroft Elementary.
6. Board approval that **Tempe Union** be awarded \$50,000 in Building Renewal Grant funding for the replacement of the leaking underground chilled waterline at Marcos de Niza High School. This includes a \$12,440 contingency that will only be used with SFB staff approval.

7. Board approval that **Topock Elementary** be awarded \$20,000 for the installation of three new package heat pumps in lieu of replacing the failed system with a similar system. Although the like-replacement cost is slightly lower, the day-to-day upkeep is more expensive and complex. This request includes a \$3,739 contingency that will only be used with SFB staff approval.
8. Board approval that **Willcox Unified** be awarded 'Not to Exceed' \$15,000 in Building Renewal Grant funding for the replacement of one evaporative/gas heating unit for Room 23 at Willcox Elementary.
9. Board approval that **Yuma Elementary** be awarded \$150,000 in Building Renewal Grant funding for the replacement and upgrade of the electrical service at James B. Rolle Elementary. This includes a \$20,200 contingency that will only be used with SFB staff approval.

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

IX. ARRA Energy Grant Awards

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

Director Gray provided a brief review of staff recommendation for Mohave Valley Elementary.

Ms. Allee Taylor asked if the SFB is reporting back to the federal government on the outstanding benefit the ARRA dollars are providing to school districts via these energy efficiency projects. Mr. Gray responded that there are a number of reports that staff are required to file that show the impact of the ARRA funding on school districts in Arizona.

Eric Hafner asked if the success of these projects could be communicated to other districts and the public by posting the projected savings information on the SFB website. Mr. Gray affirmed Mr. Hafner's suggestion, adding that the information is forthcoming.

Ms. Allee Taylor asked if staff presented the ARRA savings data to the Legislature. Mr. Gray responded that no presentations have been made to-date, but that Legislators are aware that the ARRA funding is being leveraged through the use of performance contracting and the statute that allows school districts the option of financing.

Ms. Allee Taylor asked who will be presenting to the Appropriations Committee on the SFB budget. Mr. Gray answered that he would be presenting. The SFB budget presentation was scheduled, but then cancelled due to time overrun of the committee meeting. It will soon be rescheduled.

Dr. Bill Johnson asked if the required 3 years of audit reporting would provide the actual savings. Mr. Gray confirmed that the 3 years of measurement and verification reporting will provide the actual energy savings recognized by the district.

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

Application

Investment Grade Audit

Mohave Valley Elementary – 080416000-9999-001EFF

4 schools & District Office

Project Scope: HVAC Upgrade & Control, Demand Control Ventilation, Lighting Upgrade & Control

Total Project Costs:	\$829,644	IGA Total Project Costs	\$871,409
Recommended Award:	\$248,893	ARRA Requested:	\$261,423
District Funds:	\$580,751	District Funds:	\$609,986
Estimated Savings per year:	\$93,502	Guaranteed Savings per year:	\$96,280
		Payback:	9.0 years
		Contingency:	\$7,843
		Commissioning:	\$2,025

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

- X. Future Agenda Items
No future agenda items were requested.
- XI. Public Comment
No requests for public comment were received.
- XII. Adjournment
There being no further business, Tom Rushin adjourned the meeting at 11:05 A.M.

Dean Gray gave a presentation on Roofing and Water Intrusion.

Approved by the School Facilities Board on April 6, 2011

Frank Davidson
Chair