

SCHOOL FACILITIES BOARD  
June 29, 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 10:08 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Dr. Frank Davidson, Chair	Casey O'Brien, Payson USD
Tom Rushin, Vice-Chair	Todd Poer, Payson USD
Gary Marks	Eric Peterson, Laveen ESD
Jennifer Stielow	Dave Endres, Arizona Masonry Guild
Dr. Bill Johnson	Lisa Prichard, Arizona Masonry Guild
Shelly Wright	Todd Nessler, Arizona Masonry Guild
Vern Crow	Michael Vaughn, Hutchinson Shackey Erley
Stacey Morley (non-voting member)	David Hunt, David Hunt Architecture
	Judy Richardson, Stone & Youngberg
<u>Members Absent</u>	Rich Rundhaug, Willcox USD
Eric Hafner	Andrea Chalmers, APS
	Jim Westberg, Governor's Ofc. of Energy
<u>Vacant Board Positions</u>	Blaine Miller, Governor's Ofc. of Energy
<u>Demographer Representative</u>	Zach Tostenson, Boy Scouts of America
	Dr. TD Tostenson, Citizen
<u>Staff Present</u>	Bob Young, Dysart USD
Dean Gray, Executive Director	Dick Carr, Arcadis
Kerry Campbell, Public Information Officer	
Debra Sterling, Attorney General's Office	
Phil Williams, Deputy Director-Finance	
Amber Peterson, School Finance Specialist	
Yujun Mei, Demographer	
Dan Demland, Architect	
Angela Cade, Fiscal Services Manager	
David Kennon, Assessment Specialist	

- I. Call to Order  
Chairman Dr. Frank Davidson called the meeting to order at approximately 10:00 A.M.
- II. Roll Call  
There were seven (7) voting Board Members present and one (1) non-voting Board Member present.
- III. Consideration and possible vote to accept, reject or modify the Minutes and Executive Session Minutes of April 20, 2011 and the Minutes of May 4, 2011  
Vern Crow made a motion for Board approval of the Minutes and Executive Session Minutes of April 20, 2011 and the Minutes of May 4, 2011. Gary Marks seconded. The motion passed with a voice vote of 7-0.
- IV. Consent Agenda  
Consideration of FY11 3-Year Building Renewal Plans

Tom Rushin made a motion for Board approval of the Building Renewal Plans as presented. Vern Crow seconded. The motion passed with a voice vote of 7-0.

V. Director's Report

a. Welcome and Introduction of New Board Member

Dr. Frank Davidson welcomed our newly appointed Board Member Jennifer Stielow. Ms. Stielow gave a brief description of her history with the Arizona Tax Association and expressed her enthusiasm for working with the SFB.

b. FY 2011 New Construction Report

Dean Gray explained that this report is a summary of the FY 2011 Capital Plan cycle and that the report is submitted to the Legislature on June 15. It is being presented to the Board today as an informational item only.

c. Presentation by the Arizona Masonry Guild

Dean Gray introduced Lisa Prichard, Executive Director of the Arizona Masonry Guild. Ms. Prichard spoke about the Guild and the Arizona Masonry Contractors Association.

d. Board Meeting July 13, 2011

Dean Gray explained that the Board Meeting scheduled for July 13, 2011 will probably be cancelled. Staff will confirm with Board Members if there is a need for the meeting.

VI. New School Construction

a. Consideration and possible vote to accept, reject or modify the New Construction Projects Review, Bids, and Bid Packages

Dean Gray explained that the Legislature has restricted new construction funding to the formula amount, with the exception of those projects that meet the requirements of Laws 2010, Chapter 332, Section 35 that allows for an increase to the current day formula, and funding for site conditions. Mr. Gray provided a brief explanation of the funding as presented in the Board Packet for Sunnyside Unified and Vail Unified.

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

1. Board approval of **Sunnyside Unified's** request to proceed with CM@Risk project 100212000-9999-004N, contingent upon staff receipt of necessary documents.
2. Board approval of **Vail Unified's** request to proceed with CM@Risk project 100220000-9999-015N, contingent upon staff receipt of necessary documents, and that the Board award additional funding for site conditions in the amount of \$1,226,937.

Gary Marks seconded. The motion passed with a voice vote of 6-1, with Shelly Wright voting against the motion.

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

b. Consideration and possible vote to accept, reject or modify the New Construction Projects Review, Bids, and Bid Packages

Mr. Gray provided a brief explanation of the funding as presented in the Board Packet for Laveen Elementary.

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

Board approval of **Laveen Elementary's** request to proceed with design-bid-build project 070459000-9999-006N, contingent upon staff receipt of necessary documents.

Gary Marks seconded. The motion passed with a voice vote of 6-0.

Dr. Johnson rejoined the Board at this time.

VII. Reduction of Square Footage Requests

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

Shelly Wright made a motion for Board approval of the request by Coolidge Unified to reconfigure North Preschool to district administrative space as presented in the Board Packet. Tom Rushin seconded. The motion passed with a voice vote of 7-0.

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

VIII. Land Request

a. Consideration and possible vote to accept, reject or modify the Step III Request for the Purchase of Land or Real Property

Dean Gray gave a brief explanation of Laveen Elementary's request.

Vern Crow made a motion for Board approval of the following staff recommendation as presented in the Board Packet:

Board approval of Step III of Laveen Elementary's land acquisition request, project number 070459000-9999-012NCB, and authorization to proceed with the purchase of 3.667 acres of land from the City of Phoenix at a cost of \$201,685.

Shelly Wright and Gary Marks seconded. The motion passed with a voice vote of 6-0.

Dr. Johnson rejoined the Board at this time.

b. Consideration and possible vote to accept, reject or modify an update regarding *Sahuarita Unified School District v. Arizona School Facilities Board*

Jennifer Stielow explained that she was not familiar with the issue before the Board. Mr. Gray replied that this should be discussed in Executive Session.

Tom Rushin made a motion for the Board to convene in Executive Session. Gary Marks seconded. The motion passed with a voice vote of 7-0.

*The Board convened in Executive Session starting at 10:35 A.M.*

*The Board reconvened the Board Meeting at approximately 10:43 A.M.*

Dr. Johnson made a motion for Board approval of the settlement offer with Sahuarita Unified in the amount of \$50,000. Gary Marks seconded. The motion passed with a voice vote of 7-0.

IX. Emergency Deficiencies Correction Requests  
Consideration and possible vote to accept, reject or modify the requests for  
Emergency Deficiencies Correction funds

Dean Gray reviewed the balance of the Emergency Deficiencies Correction fund and explained that funding for the projects recommended by staff today is contingent upon the transfer of funds from the New School Facilities fund to the Emergency Deficiencies Correction fund. If today's recommendations are approved by the Board, the available balance is \$198,317. 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.

Shelly Wright asked about contingency funding for the Williams Unified roof replacement project. Dean Gray referred to the district staff that were present at the meeting, who explained that the cost estimate provided by the contractor already on-site includes contingency funding for unknown conditions. Mr. Gray further explained that staff typically includes a generous contingency in the recommendations to avoid having to delay projects in the event that unknown conditions cause an increase in the project cost.

Dr. Bill Johnson asked about the transfer of funds from the New School Facilities fund to the Emergency Deficiencies Correction fund and if it was bond monies. Mr. Gray explained that when projects such as Laveen Elementary's new construction project were initially awarded, the district received 5% monies to begin design out of the General Fund appropriation for New School Facilities. Now that the project is being funded with bond monies, the 5% General Fund monies are being reimbursed with bond funds, which frees up some New Schools Facilities funding to be transferred to the Emergency Deficiencies Correction fund.

Dr. Johnson asked if there are any other resources for additional Emergency Deficiencies Correction funding once the remaining balance is depleted. Mr. Gray responded that staff is diligently working to closeout previously awarded projects so that unspent funds may be returned to the fund and used to award additional projects. Dr. Johnson commented that in the near future the Board could receive requests similar to the ones presented today and not have enough funding for them. Mr. Gray affirmed Dr. Johnson's comment.

Jennifer Stielow asked how long Williams Unified knew of the condition of the roof at the elementary/middle school and if the district had gone to the voters for a bond to fund these repairs. Mr. Gray answered that the district was not aware of the extent of the roof condition until about two months ago when a forensic analysis was initiated. To answer the second part of Ms. Stielow's question, Mr. Gray added that statute does not require the district to seek bond funding nor

require the SFB to inquire on the district's ability to seek other funding when we receive a request for Emergency Deficiencies Correction funding.

Casey O'Brien and Todd Poer of Payson Unified were present to answer any questions the Board may have with regard to the district's funding request.

Gary Marks made a motion for Board approval of the following staff recommendations:

1. Board approval that **Bisbee Unified** be awarded \$8,558 in Emergency Deficiencies Correction funding for the reroofing of the district maintenance building at Bisbee High School. This award is contingent upon the availability of Emergency Deficiencies Correction funding.
2. Board approval that **Payson Unified** be awarded \$750,000 in Emergency Deficiencies Correction funding for the replacement of the roof structure of the gymnasium at Payson High School. This amount includes \$84,000 for contingency which may only be used with SFB staff approval. This award is contingent upon the availability of Emergency Deficiencies Correction funding.
3. Board approval that **Williams Unified** be awarded \$523,905 in Emergency Deficiencies Correction funding for the replacement of the gymnasium ceiling at Williams High School. This award is contingent upon the availability of Emergency Deficiencies Correction funding.
4. Board approval that **Williams Unified** be awarded \$1,489,306 in Emergency Deficiencies Correction funding for the removal of the existing roofs, roof repairs, reroofing, reinforcement of the roof structure and repairs due to the required access demolition of interior finishes at the Williams Elementary/Middle School. This award is contingent upon the availability of Emergency Deficiencies Correction funding.
5. Board approval that **Wilson Elementary** be awarded \$465,938 in Emergency Deficiencies Correction funding for the repair of the Wilson Primary School breezeway soffits. Because of the potential for unforeseen issues, staff requests this estimate be increased by \$24,162 in construction contingency bringing the total contingency to \$50,000, as well as an increase in the number of architectural site visits to a total of twelve (12) from four (4) for an additional cost of \$5,760. This will bring the total project cost to \$480,938. This award is contingent upon the availability of Emergency Deficiencies Correction funding.

Tom Rushin and Vern Crow seconded. The motion passed with a voice vote of 7-0.

X. Building Renewal Grant Requests

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

Dean Gray reviewed the balance of the Building Renewal Grant fund and explained that funding for the projects recommended by staff today is contingent upon the transfer of the entire fiscal year appropriation into the

fund. If today's recommendations are approved by the Board, the available balance is \$809,500. 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.

Jennifer Stielow asked about the difference between Emergency Deficiencies Correction funding and Building Renewal Grant funding and how the Bisbee Unified maintenance shop roof replacement project would qualify for Emergency funding, while the Palominas Elementary septic system project seems to be more of an emergency, but is being recommended for Building Renewal Grant funding. Mr. Gray explained that the Emergency Deficiencies Correction statute allows the Board to address any school property. The Building Renewal Grant statute allows the Board to address only those issues that would cause the district to fall below the minimum guidelines. While the loss of the Bisbee Unified maintenance shop would not necessarily cause the district to fall below the minimum guidelines, loss of the building would have an effect on the district, which is the reason it was recommended for Emergency funding. When staff receives a district request for Emergency or Building Renewal Grant funding, we examine which type of funding best suits the request and which fund has an adequate balance to award the project. The Board's goal is to use every dollar in the most effective way possible and staff does the best job we can to ensure this goal is met.

Shelly Wright asked about the warranty for the Wilson Elementary fluid cooler replacement. Dean Gray referred to David Kennon, SFB Assessment Specialist. Mr. Kennon responded that the warranty covers the motor for 5 years and the pan for 10 years. Mr. Gray added that a standard 2 year warranty provided by the contractor will cover the labor and quality of workmanship.

Dr. Bill Johnson commented on the fiscal status of the State in general and the various funds the SFB administers and expressed his appreciation for the willingness of districts to think outside the box. He is encouraged by those that are providing the labor with district personnel to make certain repairs, and by those willing to match funds. He also thanked the staff for their diligence in examining each request and exploring all the options to make sure every penny is used effectively.

Dr. Davidson commented that when the bids come in lower than the project awarded funding, the excess monies are returned to the fund and awarded to additional future projects. Mr. Gray affirmed Dr. Davidson's comment, adding that staff pushes the contractors and districts as hard as we can to closeout the projects and return any unspent monies to the fund.

Dr. Davidson added that the Board remains committed to being available on short notice should a request for funding become an urgent matter.

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

1. Board approval that **Tempe Union**'s request for Building Renewal Grant funding be given number one priority based on the availability of matching funds pursuant to A.R.S. § 15-2032 (B).
2. Board approval that **Tempe Union** be awarded \$596,250 (50% of the total \$1,192,500 request, the district has committed the remaining 50%) and \$50,000 for contingency which may only be used with SFB staff approval, for a total of \$646,250 in Building Renewal Grant funding for the seventeen projects listed in the attachment. This award is contingent upon the availability of Building Renewal Grant funding.
3. Board approval that **Bisbee Unified** be awarded \$151,284 in Building Renewal Grant funding for the replacement of the roofs at Bisbee High School Wing 4, Little Gym and the material to recoat Wings 1, 2 & 3. This award is contingent upon the availability of Building Renewal Grant funding.
4. Board approval that **Chino Valley Unified** be awarded \$42,000 in Building Renewal Grant funding for the painting of the exterior split-face block at Chino Valley High School. This amount includes \$4,795 in contingency funds that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.
5. Board approval that **Coolidge Unified** be awarded \$300,000 in Building Renewal Grant funding for the replacement of 38 HVAC units at West Elementary School. This amount includes \$23,000 in contingency funds that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.
6. Board approval that **Palominas Elementary** be awarded \$653,200 in Building Renewal Grant funding for the repair of the existing campus septic system(s). This includes a \$108,900 contingency that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.
7. Board approval that **St. David Unified** be awarded \$80,000 in Building Renewal Grant funding for the replacement of the roof on the main building hallway and Building D. This includes \$15,604 in contingency that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.
8. Board approval that **Sunnyside Unified** be awarded \$15,000 in Building Renewal Grant funding for the refurbishment of the cooling tower at Drexel Elementary School. This includes \$1,093 in contingency funds that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.
9. Board approval that **Wilson Elementary** be awarded \$75,000 in Building Renewal Grant funding for the replacement of the fluid cooler at Wilson Primary School. This request also includes \$5,717 in contingency funds that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.

Gary Marks seconded. The motion passed with a voice vote of 7-0.

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

Mr. Gray provided a brief explanation of the request as presented in the Board packet.

Dr. Johnson made a motion for Board approval of the following staff recommendation:

Board approval that **Kingman Unified** be awarded \$40,000 in Building Renewal Grant funds for the repair of the roof structure at Kingman Middle School. Included in the funding request is the architect's estimate of \$33,350 for design and repair, \$1,160 for the shoring costs and \$5,490 in contingency that will only be used with SFB staff approval. This award is contingent upon the availability of Building Renewal Grant funds.

Tom Rushin seconded. The motion passed with a voice vote of 7-0.

Vern Crow recused himself from the Board at this time.

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

Mr. Gray provided a brief explanation of the request as presented in the Board packet.

Gary Marks made a motion for Board approval of the following staff recommendation:

Board approval that **Hillside Elementary** be awarded an additional NTE \$30,000 in Building Renewal Grant funding for the remediation of suspected mold in the classroom building. This award is contingent upon the availability of Building Renewal Grant funding.

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

Vern Crow rejoined the Board at this time.

XI. ARRA Energy Grant Awards

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

Dean Gray provided a brief review of the Energy Efficiency Grant final award of funding for four projects as presented in the Board Packet.

Shelly Wright made a motion for Board approval of the final award of funding for the four projects. Vern Crow seconded. The motion passed with a voice vote of 7-0.

XII. Future Agenda Items

No future agenda items were requested.

XIII. Public Comment

No requests for public comment were received.

XIV. Adjournment

There being no further business, Dr. Davidson adjourned the meeting at 11:27 A.M.

Approved by the School Facilities Board on October 5, 2011

Frank Davidson  
Chair