

SCHOOL FACILITIES BOARD
December 7, 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 10:00 A.M.

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| <u>Members Present via telephone</u> | <u>Guests Present</u> |
| Dr. Frank Davidson, Chair | Patricia Ewanski, APS Solutions for Business |
| Tom Rushin, Vice-Chair | Cathy Rex, So. AZ School Facilities Group |
| Gary Marks | Rick Carr, Arcadis |
| Jennifer Stielow | Ben Bucholz, Higley USD |
| Dr. Bill Johnson | Whitney Hibbard, Higley USD |
| Vern Crow | Alice Asunsolo, So. AZ School Facilities Grp |
| | RGM, Jim Brown Roofing |
| <u>Members Absent</u> | |
| Eric Hafner | <u>Staff Present</u> |
| Stacey Morley (non-voting member) | Dean Gray, Executive Director |
| | Phil Williams, Deputy Director |
| <u>Vacant Board Positions</u> | Kerry Campbell, Public Information Officer |
| Demographer Representative | Debra Sterling, Attorney General's Office |
| Teacher Representative | Amber Peterson, School Finance Specialist |
| | Angela Cade, Fiscal Services Manager |
| <u>Guests Present via telephone</u> | Ron Passarelli, School Facilities Liaison |
| Garry McDowell, Holbrook USD | Dan Demland, Architect |
| | Yujun Mei, Demographer |

- I. Call to Order
Chairman Dr. Frank Davidson called the meeting to order at approximately 10:00 A.M.

- II. Roll Call
There were five (5) voting Board Members participating via telephone to start the meeting. Vern Crow joined the meeting via telephone after agenda item III.

- III. Consideration and possible vote to accept, reject or modify the Minutes and Executive Session Minutes of November 2, 2011
Jennifer Stielow made a motion for Board approval of the Minutes and Executive Session Minutes of November 2, 2011. Tom Rushin seconded. The motion passed with a voice vote of 5-0.

Vern Crow joined the meeting at this time.

- IV. Consent Agenda
 - a. Consideration of Preventative Maintenance Plans
 - b. Consideration of 3-Year Building Renewal Plans
Gary Marks made a motion for Board approval of the Preventative Maintenance Plans and 3-Year Building Renewal Plans as listed in the Board packet with the exception of Laveen Elementary. Jennifer Stielow seconded. The motion passed with a voice vote of 6-0.

Dr. Bill Johnson recused himself at this time.

Vern Crow made a motion for Board approval of the 3-Year Building Renewal Plan submitted by Laveen Elementary. Gary Marks seconded. The motion passed with a voice vote of 5-0.

Dr. Johnson rejoined the Board at this time.

Dean Gray requested the Board take the agenda out of order. With Garry McDowell from Holbrook Unified on the phone, Dean asked to take agenda item VII. Emergency Deficiencies Correction at this time. Dr. Frank Davidson concurred.

VII. 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. If today's recommendations are approved by the Board, the available balance is \$101,727. Staff continues working to close projects and make recognized savings and unspent monies available for new projects. Mr. Gray provided a brief explanation of Holbrook Unified's request as presented in the Board packet.

Jennifer Stielow questioned the likelihood that all 31 gas heating systems would go bad at the same time and asked for some background on what transpired.

Mr. Garry McDowell of Holbrook Unified explained that the district was performing routine maintenance / inspections and discovered a package unit malfunctioning. Maintenance staff disassembled the unit to find a cracked heat exchanger. To prepare for winter, maintenance staff inspected and disassembled a total of 35 similar units (make / model) throughout three schools and found 31 to have cracked heat exchangers. These units were red tagged and are not safe for use.

Dean Gray added that carbon monoxide could be released into the classrooms as a result of cracked heat exchangers.

Dr. Davidson asked if it were possible that they cracked over a period of time, but their failure happened to be discovered during the inspection.

Mr. Gray affirmed Dr. Davidson's question, adding that these units are 30-31 years old and are well beyond their useful lives.

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

Board approval that **Holbrook Unified** be awarded Emergency Deficiencies Correction funding in the amount of "Not to Exceed" \$100,000 for the replacement of the heating systems on 3 schools.

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

Dean Gray brought to the Board's attention that the motion should be clarified as the project is not to replace all heating systems at three schools, but rather to replace select package units at three schools.

Tom Rushin amended the motion. Vern Crow seconded. The amended motion passed with a voice vote of 6-0.

V. Director's Report

a. January Board Meeting

Dean Gray explained that the January Board meeting has been moved to January 11, 2012 to accommodate the holiday season and hopefully make things easier for Board Members and staff during this busy time of year.

b. Adoption of Policy Changes

No public comment was received.

Dr. Bill Johnson made a motion for approval of the recommended policy changes as presented by staff. Jennifer Stielow seconded. The motion passed with a voice vote of 6-0.

c. Policy Review

Dean Gray gave a brief overview of the changes to policies IV. Land Acquisition and X. Tribal Government Policy that are being recommended by staff. These change recommendations will be posted on the SFB website for public comment and will be brought back to the Board, along with the comments received from the public, at the next regularly scheduled meeting.

Jennifer Stielow asked what is meant by "conceptually approved" as added to Section A. Step 1. Dean Gray explained that there is an eight year window for the award of new schools. For grades K-6, the construction window is 2 years. For grades 7-12, the construction window is 3 years. Beyond the construction window, awards are given on a "conceptual" basis to allow for planning and acquisition of land.

Jennifer Stielow asked how much land is out there, that has not been built on due to the delay of an award. Mr. Gray responded that those numbers are not known at this time. Some districts acquire land unknown to the SFB.

Ms. Stielow clarified that she was referring specifically to SFB purchased land. Mr. Gray answered that this information is tracked by staff and offered to provide it to the Board at the next meeting.

Dr. Frank Davidson asked about the language added to the "Establishing Fair Market Value" section on page 3 and suggested language also be added regarding the Board's policy in the event the seller does not accept the valuation chosen or determined by the Review Appraiser.

Dr. Davidson added that on page 5 under the "Establishing Fair Market Value of a Donated Property" section, we should consider defining "expired" as beyond the life of the appraisal as established by the appraiser.

Ms. Stielow asked why there is a distinction made between urban districts and rural districts in the language at the top of page 5. Mr. Gray responded that he was not aware of a need to distinguish between the two and suggested he confer with counsel to resolve the question.

VI. 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. If today's recommendations are approved by the Board, the available balance is \$186,765. Staff continues working to close projects and make recognized savings and unspent monies available for new projects. This accounts for over \$147,000 in recovered funds since the last Board meeting. 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 **Bisbee Unified** be awarded an additional \$1,210 in Building Renewal Grant funds for the partial roof structure replacement as part of the replacement of the roofs at the Bisbee High School Wing 4, Little Gym, project 020202000-9999-001BRG. This will bring the project total to \$152,494.

Jennifer Stielow seconded. The motion passed with a voice vote of 6-0.

VIII. ARRA Energy Grant Awards

a. Consideration and possible vote to accept, reject or modify cancellation of Energy Efficiency Grants

Dean Gray provided a brief explanation of Sahuarita Unified's request to cancel their Energy Efficiency Grant projects.

Vern Crow made a motion for Board approval of Sahuarita Unified's request to cancel Energy Efficiency Grant projects 100230000-9999-001EFF, 100230000-9999-002EFF and 100230000-9999-003EFF. Tom Rushin seconded. The motion passed with a voice vote of 6-0.

b. Consideration and possible vote to accept, reject or modify updates on Solar and Energy Efficiency Grants

Dean Gray provided a brief update on the ARRA Solar Grants as presented in the Board packet. To date we will have installed over 1.5 megawatts of solar throughout the State, which will generate an estimated cost savings of approximately \$419,000 per year.

Tom Rushin commented that using ARRA funding to put solar on the smaller school districts was an excellent decision. The solar installations will have a significant impact on the utility bills of a small school district. Gary Marks concurred with Tom Rushin's comment.

Mr. Gray continued with a brief explanation of the ARRA Energy Efficiency Grants as presented in the Board packet. The payback for the ARRA portion

of these projects is estimated at approximately 4 years, while the payback for the entire cost of the projects is estimated at just over 9 years.

IX. Future Agenda Items

Jennifer Stielow requested information on the inventory of vacant land purchased by the SFB.

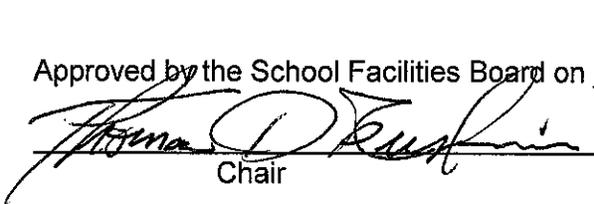
X. Public Comment

No requests for public comment were received.

XI. Adjournment

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

Approved by the School Facilities Board on January 14, 2012


Chair