

SCHOOL FACILITIES BOARD  
July 11, 2012  
Phoenix, Arizona

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

<u>Members Present</u>	<u>Guests Present</u>
Tom Rushin, Interim Chair	Dolores Brown, Mobile ESD
Dr. Jeff Smith	Patricia Blair, Mobile ESD
Gary Marks	Robert Blair, Mobile ESD
Vern Crow– via telephone	Patricia Ewanski, APS Solutions for Business
Dr. Bill Johnson	
	<u>Staff Present</u>
<u>Members Absent</u>	Dean Gray, Executive Director
Eric Hafner	Phil Williams, Deputy Director
Jennifer Stielow	Kerry Campbell, Public Information Officer
Stacey Morley	Debra Sterling, Attorney General’s Office
	Ron Passarelli, Legislative Liaison
<u>Vacant Board Positions</u>	Amber Peterson, School Finance Specialist
Demographer Representative	Angela Cade, Fiscal Services Manager
Teacher Representative	Dan Demland, Architect

- I. Call to Order  
Interim Chairman Tom Rushin called the meeting to order at approximately 10:10 A.M.
  
- II. Roll Call  
There were four (4) voting Board Members participating in person and one (1) voting Board Member participating via telephone.
  
- III. Consideration and possible vote to accept, reject or modify the Minutes of June 6, 2012  
Gary Marks made a motion for Board approval of the Minutes of June 6, 2012. Vern Crow seconded. The motion passed with a voice vote of 5-0.
  
- IV. Consent Agenda
  - a. Consideration of Preventative Maintenance Plans  
Gary Marks made a motion for Board approval of the Preventative Maintenance Plan as presented in the Board packet. Dr. Bill Johnson seconded. The motion passed with a voice vote of 5-0.
  
  - b. Consideration of 3-Year Building Renewal Plans  
Dr. Bill Johnson made a motion for Board approval of the 3-Year Building Renewal Plans as presented in the Board packet. Dr. Jeff Smith seconded. The motion passed with a voice vote of 5-0.
  
  - c. Consideration of 3-Year Building Renewal Plans  
Due to loss of the quorum should Dr. Jeff Smith recuse himself during Board consideration of the Balsz Elementary 3-Year Building Renewal Plan, this agenda item was tabled for consideration on a future agenda.

V. Director's Report

Consideration and possible vote to accept, reject or modify an update to the Building Renewal Grant Terms and Conditions

Dean Gray gave a brief explanation of the change made to the Building Renewal Grant Terms and Conditions specifically prohibiting the use of Building Renewal Grant funds on any project in a building, or part of a building, that is being leased to another entity, including a charter school that is sponsored by a school district pursuant to section 15-183.

Mr. Marks asked if the change in statute can be applied retroactively. Debra Sterling responded that the new language simply reinforces that which is already in statute. The Building Renewal Grant funds may only be used to correct a deficiency of the minimum guidelines. District space being leased to another entity does not fall under the minimum guidelines; therefore, Building Renewal Grant funds may not be used on leased space.

Gary Marks asked if a district is awarded Building Renewal Grant funding and then leases the space to another entity, if the new language could be applied retroactively. Ms. Sterling responded that she would have to do some research and would bring information to the Board at a future meeting.

Gary Marks made a motion for Board approval of the update to the Building Renewal Grant Terms and Conditions as recommended by staff. Dr. Jeff Smith seconded. The motion passed with a voice vote of 5-0.

VI. New Construction Requests

Consideration and possible vote to accept, reject or modify the cancellation of New Construction project and un-retiring of buildings

Dean Gray provided a brief explanation of the staff recommendation as presented in the Board packet for Mobile Elementary.

Dr. Bill Johnson asked if the buildings now comply with the minimum guidelines. Dean Gray affirmed that the buildings are compliant.

Mr. Gray added that the district disagrees with the formula-driven building capacity. The SFB recognizes capacity for 259 students and will work with the district to analyze the use of space.

Gary Marks asked how the number of students for a new school is arrived at. Mr. Gray explained that the SFB originally awarded a new school with a capacity for 525 students based on projections. When a planned large development was stopped, the award was adjusted down to 93 students. The ADM is currently 28. Repairs have been made to correct the deficiencies in the retired building. The new construction moratorium has been in effect for four years. If new construction funding were available today, staff would look at the projections for the next eight years. It is possible that the award for 93 students could be reduced even further. It is not to the district's advantage to carry the project forward since it was awarded in 2007 and the new construction cost index has not changed since 2008. If the district needed a new school next year, it would be to the district's advantage to rely on the award for the year 2013, rather than

the award from 2007 because of the difference in the formula amount they would receive.

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

Board approval to reverse the previous decision to retire the existing buildings at **Mobile Elementary**, and Board approval to cancel project 002N.

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

VII. Building Renewal Grant Requests

a. Consideration and possible vote to ratify the Executive Director's awards of Building Renewal Grant funds as authorized by Building Renewal Grant Policy §IX.C. (up to \$30,000 for professional evaluation)

Dean Gray reviewed the balance of the Building Renewal Grant fund. If today's recommendations are approved by the Board, the available balance is \$9,923,311. Staff continues working to close projects and make recognized savings and unspent monies available for new projects.

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

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

1. Board ratification that **Casa Grande Union** be awarded Building Renewal Grant funding in the amount of \$9,700 for the investigation, design and construction documents for the tuck pointing and exterior painting of Casa Grande Union High School.
2. Board ratification that **Casa Grande Union** be awarded Building Renewal Grant funding in the amount of 7,940 to hire a mechanical/electrical engineer(s) to conduct an investigation and prepare construction bid documents for the replacement of one 50-ton and two 30-ton air conditioner units with gas heating at Desert Winds High School.
3. Board ratification that **Santa Cruz Valley Unified** be awarded Building Renewal Grant funding in the amount of \$26,100. This includes \$13,800 for architectural fees and \$12,300 for an environmental consultant for the investigation and design to repair the exterior and interior of the Library building at Rio Rico High School.
4. Board ratification that **Santa Cruz Valley Unified** be awarded Building Renewal Grant funding in the amount of \$19,500 for the investigation and design to repair the roofs and parapets on four buildings (1002, 1003, 1005, and 1006) at San Cayetano Elementary. This includes \$7,800 for architectural fees and \$11,700 for an environmental consultant. Staff will present the construction estimate to the Board when the design is complete.

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

- b. Consideration and possible vote to ratify the Executive Director's awards of Building Renewal Grant funds as authorized by the Board motion approved on June 6, 2012, Director's Report, Agenda Item V.c. (up to \$50,000 for project award)

Dean Gray provided a brief explanation of the request as presented in the Board packet. This project was on the agenda for June 27, 2012, but that meeting was cancelled due to lack of a quorum.

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

Board ratification that **Salome Elementary** be awarded \$6,500 in Building Renewal Grant funding for the replacement of the HVAC unit on the kindergarten classroom at Salome Elementary. This includes \$1,973 in contingency funds that will be only used with SFB staff approval.

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

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

Dean Gray provided a brief explanation of the requests as presented in the Board packet.

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

1. Board approval of the staff recommendation that **Glendale Elementary** be awarded \$30,211 in Building Renewal Grant funding for the replacement of 15 doors (9 doors at Landmark Elementary and 6 doors at Challenger Elementary).
2. Board approval of the staff recommendation that **Kirkland Elementary** be awarded a not to exceed amount of \$40,000 in Building Renewal Grant funding to replace the existing septic system for the administration/kindergarten building.
3. Board approval of the staff recommendation that **Mohave Valley Elementary** be awarded \$7,354 in Building Renewal Grant funding for the replacement of the 120 gallon water heaters in the boy's and girl's locker rooms at Mohave Valley Junior High. This includes \$1,000 in contingency funds that will only be used with SFB staff approval.
4. Board approval of the staff recommendation that **Oracle Elementary** be awarded \$5,000 in Building Renewal Grant funding for the materials only to recoat the flat roofing areas of building 1001 at Mountain Vista Elementary School.
5. Board approval of the staff recommendation that **Patagonia Union** be awarded an additional \$155,760 in Building Renewal Grant funding for the reroofing of the MPR/Administration building at Patagonia High School. This brings the project total to \$165,760 and includes \$10,000 in contingency that will only be used with SFB staff approval.

6. Board approval of the staff recommendation that **Phoenix Elementary** be awarded \$20,247 in Building Renewal Grant funding for the replacement of the 600 amp motor control center at Herrera Elementary School. This includes \$1,840 in contingency funds that will only be used with SFB staff approval. The district will match the Building Renewal Grant funds (\$18,407) with local funds for a total of \$36,814 in project cost.
7. Board approval of the staff recommendation that **Santa Cruz Valley Unified** be awarded Building Renewal Grant funding in the amount of \$9,400 for the investigation and construction bid documents to re-seal the exterior of all buildings at Rio Rico High School.
8. Board approval of the staff recommendation that **Tombstone Unified** be awarded \$9,900 for the architectural design, investigation and bid documents at Huachuca City School. Staff also requests an additional \$10,000 to procure an asbestos consultant to determine if the roof(s) contain asbestos. This will bring the total request to \$19,900.
9. Board approval of the staff recommendation that **Tombstone Unified** be awarded \$10,000 for the architectural design, investigation and bid documents at the Walter J. Meyer School. Staff also requests an additional \$10,000 to procure an asbestos consultant to determine if the roof(s) contain asbestos. This will bring the total request to \$20,000.

Dr. Jeff Smith seconded. The motion passed with a voice vote of 5-0.

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

Dean Gray provided a brief explanation of the requests as presented in the Board packet.

Dr. Bill Johnson asked if Apache Elementary has had an investment grade audit performed to estimate the payback for a possible performance contract to replace the windows. Mr. Gray explained that the district is approximately 1,700 square feet. There are probably no lenders willing to finance such a small project.

Dr. Johnson asked if Mesa Unified gave an explanation as to why they did not contact the SFB about their projects prior to issuing purchase orders and how recent were the ceiling collapse and sewer line failures. Mr. Gray responded that many districts dismiss coming to the SFB because they do not think the Board has any available funding. The Mesa Unified projects are already under construction. They have to be completed before school starts.

Debra Sterling asked to speak privately with the Executive Director. Ms. Sterling and Mr. Gray left the room and returned a moment later.

Dean Gray asked to table the Glendale Elementary project for consideration on a future agenda.

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

1. Board approval of staff recommendation that **Apache Elementary's** request for Building Renewal Grant funding for the replacement of existing single pane windows at Apache Elementary School be **denied** because the existing windows appear to meet the minimum school facility guidelines.
2. Board approval of staff recommendation that **Gilbert Unified's** request for \$405,560 in Building Renewal Grant funding for the replacement of existing HVAC equipment at Gilbert High School be **denied** because the existing units appear to meet the minimum school facility guidelines.
3. Board approval of the staff recommendation that **Mesa Unified's** request for \$41,406 in Building Renewal Grant funding for the replacement of a failed main sewer line at Highland Elementary be **denied**. Staff did not have an opportunity to present a recommended solution and an estimated project cost to the Board for approval. This decision is consistent with the policy not to reimburse a school district for expenditures for investigations or corrections completed prior to the submittal of the application to the SFB unless the SFB had pre-authorized the school district to proceed.
4. Board approval of the staff recommendation that **Mesa Unified's** request for \$154,463 in Building Renewal Grant funding for the replacement of the Mesa High School gym ceiling be **denied**. SFB staff did not have an opportunity to present a recommended solution and an estimated project cost to the Board for approval. This decision is consistent with the policy not to reimburse a school district for expenditures for investigations or corrections completed prior to the submittal of the application to the SFB unless the SFB had pre-authorized the school district to proceed.
5. Board approval of the staff recommendation that **Mesa Unified's** request for \$177,221 in Building Renewal Grant funding for the replacement of the kitchen sewer lines and grease interceptor at Taylor Junior High be **denied**. SFB staff did not have an opportunity to present a recommended solution and an estimated project cost to the Board for approval. This decision is consistent with the policy not to reimburse a school district for expenditures for investigations or corrections completed prior to the submittal of the application to the SFB unless the SFB had pre-authorized the school district to proceed.
6. Board approval of the staff recommendation that **Mesa Unified's** request for \$14,453 in Building Renewal Grant funding for the replacement of a sewer line at Whitman Elementary be **denied**. SFB staff did not have an opportunity to present a recommended solution and an estimated project cost to the Board for approval. This decision is consistent with the policy not to reimburse a school district for expenditures for investigations or corrections completed prior to the submittal of the application to the SFB unless the SFB had pre-authorized the school district to proceed.

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

VIII. 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 \$17,894. Staff continues working to close projects and make recognized savings and unspent monies available for new projects.

Mr. Gray provided a brief explanation of Gilbert Unified's request as presented in the Board packet.

Dr. Johnson asked if Gilbert Unified gave an explanation as to why they did not contact the SFB about their project prior to issuing a purchase order. Mr. Gray replied that perhaps, with all the moving parts involved at the district, requesting funding from the SFB was an afterthought.

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

Board approval of the staff recommendation that **Gilbert Unified's** request for \$112,954 from the Emergency Deficiencies Correction fund for the replacement of a 185-ton chiller at Greenfield Junior High School be **denied**. SFB staff did not have an opportunity to present a recommended solution and an estimated project cost to the Board for approval. This decision is consistent with the policy not to reimburse a school district for expenditures for investigations or corrections completed prior to the submittal of the application to the SFB unless the SFB had pre-authorized the school district to proceed.

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

IX. Future Agenda Items

Dr. Bill Johnson asked if abstention could be an alternative to recusal from the Board so that a quorum may be maintained. Debra Sterling said she would review the Open Meeting Law and report back to the Board.

Dean Gray explained that there are a large number of Building Renewal Grant requests in various stages of preparation for the Board. We will probably need to hold another meeting in July. To help with scheduling, staff asked that Board Members provide their availability.

X. Public Comment

No requests for public comment were received.

XI. Adjournment

There being no further business, Tom Rushin adjourned the meeting at 11:07 A.M.

Approved by the School Facilities Board on August 8, 2012

  
Interim Chair