

SCHOOL FACILITIES BOARD
March 5, 2014
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Archives Building in Phoenix, Arizona. The meeting began at approximately 10:11 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Jennifer Stielow, Chair	Tim O'Malley, The O'Malley Group
Tom Rushin, Vice-Chair	Richard Oros, Tolleson UHSD
Traci Sawyer-Sinkbeil	Chris Tosh, APS
Vern Crow	Michael Williams, OSPB
Bryan Peltzer	Ben Henderson, JLBC
Edward Boot	
Dr. Jeff Smith	<u>Staff Present</u>
	Dean Gray, Executive Director
<u>Members Absent</u>	Kerry Campbell, Public Information Officer
Ward Simpson	Debra Sterling, Attorney General's Office
Dru Barisich	Dan Demland, Architect
Stacey Morley	Yujun Mei, Demographer
	Amber Peterson, School Finance Specialist
	David Kennon, Assessment Specialist
	Gerry Breuer, School Facilities Liaison

- I. Call to Order
Chairman Jennifer Stielow called the meeting to order at approximately 10:11 A.M.

- II. Roll Call
There were seven (7) voting Board Members present.

- III. Consideration and possible vote to accept, reject or modify the Minutes of February 5, 2014
Tom Rushin made a motion for approval of the Minutes of February 5, 2014. Vern Crow seconded. The motion passed with a voice vote of 6-0. Edward Boot abstained.

- IV. Consent Agenda
Consideration of Preventative Maintenance Plans
Vern Crow made a motion for ratification of the plans submitted by Laveen Elementary. Traci Sawyer-Sinkbeil seconded. The motion passed with a voice vote of 7-0.

- V. Director's Report
 - a. Legislative Update
Dean Gray deferred to Kerry Campbell to provide the update. Ms. Campbell reminded the Board of last month's offer to provide the legislative update in either a spreadsheet or summary format. The consensus of the Board was the summary format as provided in the Board packet. She then explained

that SB1062 was vetoed by Governor Brewer and offered to answer any questions.

Dr. Jeff Smith asked for clarification of SB1100. Mr. Gray answered that staff has some concerns with the provisions of this bill including the sale or lease of school sites that were used as collateral for bond sales and how buildings are retired.

b. Budget Update

Dean Gray provided a brief explanation of the Executive Budget Recommendation as it pertains to the SFB.

c. Policy Review – I. Board Governance Procedures

Dean Gray provided a brief explanation of the proposed changes to the Board Governance Procedures policy. The policies will be posted on the SFB website for public comment and will be brought back to the Board at the next meeting for action.

Dr. Jeff Smith asked about striking the language in section D regarding unexcused absences from the Board. Kerry Campbell explained that the stricken language is repeated elsewhere in the policy. Mr. Gray added that there are a number of instances of duplication in the policy. Debra Sterling added that the removal of a Board Member due to unexcused absences is also in statute.

Mr. Gray directed the Board's attention to the second paragraph in section D and the authorization of the Executive Director to call special Board meetings.

Dr. Smith asked if there has ever been removal of a Board member due to unexcused absences. Mr. Gray replied that there was one Board member removed. The former demographer was removed because she moved out of the country.

d. Positive Feedback from Picacho Elementary

Dean Gray provided a brief explanation of the email received from Picacho Elementary.

e. Communication to school districts regarding available funding for Building Renewal Grants and New School Facilities

Dean Gray explained that during Senate Confirmation Hearings and on previous occasions, legislators have commented that not all school districts participate in the SFB programs and that some may not know we have any money available. He added that staff travels to districts throughout the State, and often helps them identify Building Renewal Grant projects and complete the application process. The Minutes of each Board meeting, which details the available balance of Building Renewal Grant and Emergency Deficiencies Correction funding, are available on the SFB website. In an attempt to alleviate the misconceptions, staff will be developing a monthly newsletter that will be emailed to school districts and posted on the SFB website.

Jennifer Stielow asked if staff has disseminated information to county superintendents. Mr. Gray answered that staff generally communicates with

districts but will add county superintendents to the distribution list for the newsletters.

VI. New Construction Requests

Consideration and possible vote to accept, reject or modify the FY 2014 Capital Plan New Construction Requests

Dean Gray deferred to Amber Peterson who provided a brief explanation of the staff recommendation as presented in the Board packet.

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

Colorado City Unified (K-12): Conceptually approve a K-12 school for 149 students to open in FY 18.

Dr. Jeff Smith seconded. The motion passed with a voice vote of 7-0.

Dean Gray informed the Board that statute requires capital plans requesting new space be reviewed by the Board by March 1. With the late addition of Colorado City Unified's capital plan and staff's recommendation for conceptual approval, the request is being presented after the March 1 deadline, rather than calling a special Board meeting.

VII. Reduction of Square Footage Requests

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

Dean Gray deferred to Amber Peterson who gave a brief description of Willcox Unified's request for reduction of square footage.

Traci Sawyer-Sinkbeil asked if the district could potentially have need for the building in the future. Ms. Peterson explained that the district sold the building as it was not serving their needs.

Vern Crow made a motion for Board approval of the staff recommendation to remove Building 1010 at Willcox Elementary School from the inventory as requested by **Willcox Unified**.

Dr. Jeff Smith seconded. The motion passed with a voice vote of 7-0.

VIII. Building Renewal Grant Requests

a. 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 reviewed the balance of the Building Renewal Grant fund. If today's recommendations are approved by the Board the remaining balance would be \$6,759,048. Staff continues working to close projects and make recognized savings and unspent monies available for new projects. He then provided a brief explanation of the projects as presented in the Board packet.

Dr. Jeff Smith asked if staff considers the cause of a failure in making the determination to repair versus replace equipment as in the case of Casa

Grande Elementary's request to fix a leak in an underground water line. Mr. Gray explained that staff does consider the cause; the decision to repair versus replace is dependent on various factors. If, in this case, the water line started leaking again in six months, staff would further investigate and consider replacement of the entire line to permanently stop recurring leaks.

Traci Sawyer-Sinkbeil asked if contingency funding was included in the award for Willcox Unified. Mr. Gray explained that not every project requires contingency funding; some are straight-forward with an exact cost.

Traci Sawyer-Sinkbeil made a motion for Board approval of the following staff recommendations:

1. Board approval of the staff recommendation that **Blue Ridge Unified** be awarded \$2,000 in Building Renewal Grant funding for the replacement of the heat exchanger on Building 1007 at Blue Ridge Elementary School (project number 090232101-1007-003BRG). This includes \$376 in contingency that will only be used with SFB staff approval.
2. Board approval of the staff recommendation that **Casa Grande Elementary** be awarded \$3,250 in Building Renewal Grant funding for the repair of the domestic water line that services the gymnasium Building 1004 at Cholla Elementary School (project number 110404107-1004-012BRG). This includes \$243 in contingency that will only be used with SFB staff approval.
3. Board approval of the staff recommendation that **McNary Elementary** be awarded \$3,500 in Building Renewal Grant funding for repair of the heat pump that supports Building 1007 at McNary Elementary School (project number 010323101-1007-001BRG). This includes \$588 in contingency that will only be used with SFB staff approval.
4. Board approval of the staff recommendation that **Willcox Unified** be awarded \$16,288 in Building Renewal Grant funding to replace the gas water heater in Building 1004 at Willcox Middle School (project number 020213102-1004-005BRG).

Vern Crow 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 (supplemental awards)

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

Bryan Peltzer asked about the structural issues mentioned in the Red Tree Consulting report for Gadsden Elementary's request. Mr. Gray explained that the consultant is going to check on what appeared to be a structural issue. Cracking from the corners of two air conditioners has repeatedly appeared. This will be further investigated as the project progresses.

Edward Boot asked about the warranty offered with Option A for the Gadsden Elementary request. Mr. Gray answered that the manufacturer's warranty is 50 years.

Due to recusals, the Board addressed each request separately. Vern Crow and Bryan Peltzer recused themselves for the Gadsden Elementary request at this time.

Jennifer Stielow asked about the 50 year warranty on Option A for the Gadsden Elementary request and how long the company has been in business. Mr. Gray explained that the manufacturer comes highly recommended. The coating in Option A would allow for less maintenance on the roof.

Ms. Stielow asked if the coating was elastomeric. Mr. Gray replied that the coating is GACOFLEX elastomeric.

Mr. Boot asked about the quorum and how many votes are needed to approve the award. Debra Sterling clarified that a majority of the five voting Board members is required to approve the award.

Mr. Boot asked if the district can choose one of the other options. Mr. Gray explained that the Board could choose to award the district one of the other options. In addition, the district may choose to upgrade to one of the other options, for which they would be responsible for the cost difference.

Mr. Boot asked if the district could choose a more costly option and pay the difference. Mr. Gray replied that a district could do that; but in this case, the district most likely does not have the funding to do that.

Traci Sawyer-Sinkbeil asked about the contingency amount for the Gadsden Elementary request. Kerry Campbell explained that the initial award for the project included \$1,900 for contingency and the supplemental award presented to the Board today includes \$40,000 for a total of \$41,900 for contingency.

Tom Rushin expressed his support of the staff recommendation for funding of Option A due to his successful experience with the product and advised the Board to not be off-put by the 50 year warranty.

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

Board approval of the staff recommendation that **Gadsden Elementary** be awarded an additional \$453,850 in Building Renewal Grant funding for the repair of the existing built-up roof at Arizona Desert Elementary School (project number 140432105-1001-001BRG). This includes \$40,000 in contingency that will only be used with SFB staff approval and brings the project total to \$458,850.

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

Vern Crow and Bryan Peltzer rejoined the Board at this time.

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

Board approval of the staff recommendation that **Douglas Unified** be awarded an additional \$230,474 in Building Renewal Grant funding for the repair of the domestic water system at Douglas High School Building 1016. This includes \$21,000 in contingency that will only be used with SFB staff approval and brings the project total to \$240,074.

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

Traci Sawyer-Sinkbeil recused herself from the Board at this time.

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

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

Edward Boot commented that since he joined the Board, this is the first request that is to replace equipment on an SFB-funded school. It was built in 2001-2002 and is about 12 years old. We are now starting to see failures in SFB-funded buildings. He asked if 12 years would be considered a normal life for package units such as these. Mr. Gray explained that during the Deficiencies Correction Program equipment was replaced if it was reasonable to assume it may fail in three years and we are seeing those failures today.

Edward Boot made a motion for approval of the following staff recommendations:

1. Board approval of the staff recommendation that **Tolleson Elementary** be awarded \$60,000 in Building Renewal Grant funding for the replacement of three heat pump units in Building 1005 serving the classroom/cafeteria at Arizona Desert Elementary School. This includes \$9,935 in contingency that will only be used with SFB staff approval.
2. Board approval of the staff recommendation that **Tolleson Elementary** be awarded \$57,000 in Building Renewal Grant funding for the replacement of three heat pump units in Building 1001 at Sheely Farms Elementary School. This includes \$7,484 in contingency that will only be used with SFB staff approval.

Bryan Peltzer seconded. The motion passed with a voice vote of 6-0.

Traci Sawyer-Sinkbeil rejoined the Board at this time.

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

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

Vern Crow asked if the new boiler for St. David Unified will have “direct discharge” or if the water will be sent through the old boiler. Mr. Gray answered that the old boiler is being removed.

Mr. Crow asked if the boiler that is still working is being removed. Mr. Gray deferred to David Kennon to answer the question. Mr. Kennon replied that both old boilers will be removed and the water will be circulated so that hot water is at the faucet in the gym and the kitchen. The engineer designed the replacement to handle the capacity of both boilers.

Mr. Crow asked if the new equipment will be running on a recirculation pump. Mr. Kennon affirmed Mr. Crow’s question. Mr. Crow expressed his concerns with the low tank capacity and the load on the recirculation pump. Mr. Kennon explained that loss of heat through the pipes would cause the recirculation pump to cycle on and off repeatedly. In this case, the engineer has inspected the existing pipes for heat loss and compensated for that in the design specifications and calculations.

Mr. Crow asked for the engineering specifications and calculations for projects such as this to be provided in the Board packet. Mr. Gray explained that in some cases we do not include documents in the Board packet simply because of their size, but that staff would provide a public copy at the Board meeting.

Traci Sawyer-Sinkbeil made a motion for Board approval of the following staff recommendations:

1. Board approval of the staff recommendation that **Bullhead City Elementary** be awarded \$464,848 in Building Renewal Grant funding to replace the fluid cooler, boiler and service piping at Desert Valley Elementary School. This includes \$46,509 in contingency that will only be used with SFB staff approval.
2. Board approval of the staff recommendation that **St. David Unified** be awarded \$11,740 in Building Renewal Grant funding for the replacement of the kitchen boiler in Building 1004 at St. David High School. This includes \$1,000 in contingency that will only be used with SFB staff approval.

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

Vern Crow and Bryan Peltzer recused themselves from the Board at this time.

- e. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests (construction awards)
Dean Gray provided a brief explanation of the request as presented in the Board packet.

Dr. Jeff Smith asked if the boiler was installed during the initial construction in 1995 or in the 2008 addition. Mr. Gray answered that the original boiler from 1995 is being replaced.

Edward Boot made a motion for Board approval of the following staff recommendation:

Board approval of the staff recommendation that **Scottsdale Unified** be awarded \$158,877 in Building Renewal Grant funding for engineering and replacement of the existing boiler at Desert Mountain High School. This includes \$20,700 in contingency that will only be used with SFB staff approval.

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

Vern Crow and Bryan Peltzer rejoined the Board at this time.

f. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests (design awards)

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

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

Board approval of the staff recommendation that **Queen Creek Unified** be awarded \$9,450 in Building Renewal Grant funding for design of the repair/replacement of the roof on Building 1001 at Desert Mountain Elementary School.

Dr. Jeff Smith seconded. The motion passed with a voice vote of 7-0.

Vern Crow and Bryan Peltzer recused themselves from the Board at this time.

g. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests (design awards)

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

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

Board approval of the staff recommendation that **Tolleson Union** be awarded \$2,313 in Building Renewal Grant funding for the development of a performance specification for resealing the exterior walls of Sierra Linda High School. The district will be contributing \$25,000 to the total cost of the project.

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

Vern Crow and Bryan Peltzer rejoined the Board at this time.

IX. Emergency Deficiencies Correction Requests

Consideration and possible vote to ratify the Executive Director's awards of Emergency Deficiencies Correction funding as authorized by SFB Policy VI. Emergency Projects, subsection B. Executive Authority (not to exceed \$50,000) for project award

Dean Gray reviewed the balance of the Emergency Deficiencies Correction fund. If today's recommendations are approved by the Board the remaining balance would be \$554,652. Staff continues working to close projects and make recognized savings and unspent monies available for new projects. He then provided a brief explanation of the project as presented in the Board packet.

Jennifer Stielow commented that the fire alarm has been down since 2010 and asked if that was the last time the building was occupied. Mr. Gray affirmed Ms. Stielow's question, then corrected himself. The building has been vacant since 2010; it is unknown how long the fire alarm has been inoperable.

Traci Sawyer-Sinkbeil made a motion for Board approval of the following staff recommendation:

Board ratification that **Blue Ridge Unified** be awarded \$6,564 in Emergency Deficiencies Correction funding for replacement of the smoke detectors and pull stations at Blue Ridge Intermediate School (project number 090232103-1001-001EP). This amount includes \$250 in contingency that will only be used with SFB staff approval.

Dr. Jeff Smith seconded. The motion passed with a voice vote of 7-0.

X. Future Agenda Items

No future agenda items were requested.

XI. Public Comment

No public comment was requested.

XII. Adjournment

There being no further business, Jennifer Stielow adjourned the meeting at approximately 11:22 A.M.

Approved by the School Facilities Board on April 2, 2014

Jennifer Stielow
Chair