

SCHOOL FACILITIES BOARD
November 6, 2003
Flagstaff, Arizona

The School Facilities Board held a board meeting at the Coconino High School, 2801 North Izabel; Flagstaff, Arizona. The meeting began at approximately 11:30 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Conley, Patrice	Judy Richardson
Keenan, Brooks	Kent Davis-Deer Valley USD
McGee, Kate	Mary Radcliffe-Isaac Elementary
Van Sittert, Logan, Chair	
Vaughan, G. Keith	
<u>Members Absent</u>	
Granillo, Peter	
Wicks, Michael	
Wright, John	
Salazar, Vicki	
<u>Staff Present</u>	
William Bell, Executive Director	
Tim Brand, Facilities Deputy Director	
Candy Cooley, Deputy Director of MIS	
John Arnold, Deputy Director of Finance	
Judith Darknall, Assistant Attorney General	
Deborah Dominguez, Executive Assistant	
Dave Young, Land Specialist	
Kristen Landry, Public Information Officer	

Welcome

Logan Van Sittert welcomed the School Facilities Board.

I. Call to Order

The Board Chair, Logan Van Sittert, called the meeting to order at approximately 11:30a.m.

II. Roll Call

There were five Board Members present at this meeting.

III. Approval of Minutes of October 23, 2003 Meeting

Keith Vaughan moved that the Board approve the Minutes for October 23, 2003. Kate McGee seconded. Pat Conley requested clarification in agenda item Vb. Vernon Elementary. Motion passed on a 5-0 voice vote.

The following items are listed in the order in which they appear on the agenda, not necessarily in the order in which they were discussed. Several items were reviewed out of order as they related to other items on the agenda.

IV. Director's Report

a. Phase out of district add alternates

Bill Bell discussed this issue regarding district add alternates. Staff sent a letter to the districts stating that the SFB could no longer front the money for district funded projects. Mr. Bell stated that district funded projects can be added to the SFB contract if they do not extend the time frame, which raises the cost of the PM firm, and if the district is willing to submit the money to the SFB in advance. Kate McGee asked if districts could upgrade at their own expense. Mr. Bell stated that yes, districts could upgrade, but they would need to submit payment in advance. Ms. McGee asked if this applied to districts managing their own projects. Mr. Bell stated that districts could add as much as they like, as long as they are procuring the project.

b. Deficiency Correction Update

This was an informational item only. The following issues were discussed.

- October 15, 2003 Status of Work and Performance
- PM Performance
- Cost Analysis
- Projected Schedule of Work

Bill Bell asked Tim Brand to explain "substantial completion". Tim Brand stated that a project is substantially complete when the district can take beneficial occupation of the project. He said a project is substantially complete once the punch list is completed, typically 95% of project completion. Kate McGee asked if the 95% represents the percent of construction or funding. Mr. Brand stated that it represents construction, but that does relate to funding.

Kate McGee asked if the overages listed were because of replacement schools. Mr. Brand stated that the majority of these are replacement projects and HVAC projects that increased to a larger deficiency.

c. Proposed Policy on Project Balance Funds for New Construction

John Arnold discussed this item. During the last legislative session, the Legislature adopted HB 2091. This bill changes ARS 15-2041 subsection I regarding the use of surplus new construction funds. All the projects approved during the 2003 new construction cycle are subject to this new statute. The proposed policy was presented at the September board meeting for comment. Based on the comments received, the following changes were made: expenditure is defined as legally obligated by contract or purchase order, the Executive Director may approve design fees for proposed additional work, and if district funds are spent during the original project, any balance monies will be released to the district as reimbursement for those expenditures.

Pat Conley asked if this affects the way districts close out their year. John Arnold said he did not believe it would. Keith Vaughan asked what would

happen if the school finishes the project and decides they want to fix something else, could they use their contingency monies. John Arnold stated that they could use contingency money on any capital item in the one-year period. Pat Conley asked what was considered "completed". Mr. Arnold stated it would be the date of substantial completion.

Brooks Keenan moved to approve the policy for the use of project balance funds. Pat Conley seconded. Motion passed on a 5-0 voice vote.

d. Building Renewal Subcommittee

Candy Cooley discussed this item. Members of the Board have requested an in-depth review of the Building Renewal methodology, formula, and the entire matter of maintenance and repair costs. Staff recommended the Board consider two board members, two staff members, one outside member, two school members, and one industry member to make up this committee.

Keith Vaughan asked if staff contacted the governor's office on this committee. Bill Bell said no, the Governor's Office has not yet been contacted.

Pat Conley suggested adding a taxpayer representative, school business manager and a school superintendent to the committee.

Judy Richardson from Stone and Youngberg said that she supports it and most of her district clients also support it.

Brooks Keenan said he was surprised at the fast timeline. Candy Cooley informed the board that most of the data is in house, but the timeline might be extended depending on any other pieces of data that would be required.

Logan Van Sittert stated that he does not support a move to form the committee because the problem is very big and complex. He said the SFB is not the group to initiate this as any decisions come from the Governor's Office and the legislature. He added that it is not the work of the board to lobby the legislature, but special interest groups. Keith Vaughan stated that he will vote no as well because he doesn't believe the SFB should be involved unless the Governor's Office asked the board to do so.

Pat Conley said she sees this as our own self-examination. Kate McGee does not believe this is lobbying, but developing data to provide to the legislature, the Governor, or special interest groups.

Kate McGee moved that the board establish a technical committee to provide a technical report, review the formula, maintenance and repair costs associated with Building Renewal, and provide updates to the board and a final recommendation. Pat Conley seconded.

Brooks Keenan is in favor of collecting data, but asked if there was a difference between the districts with more money and the districts with less. He asked Candy Cooley what is the most objective data? Candy Cooley confirmed that districts that received more money would spend more money.

She added that examining it by cost per square foot or age of buildings would be one route to equalizing the data.

Motion passed 3-2 with Logan Van Sittert and Keith Vaughan against.

V. Assessment Deficiencies

- a. Consideration of Assessment Deficiency Projects review, bids, bid packages, and expansion of scope, including change orders

Brooks Keenan moved that the Board approve the staff recommendation to approve additional funding in the amount of \$245,000 for Phoenix Elementary Project #070401122-1001-003 bringing it to a new project total of \$316,160 with the understanding that staff is seeking other options. Keith Vaughan seconded.

Motion passed on a 5-0 voice vote.

- b. Consideration of Ratification of CM @ Risk Contracts, GMP applied and Purchase Orders Issued

Keith Vaughan moved that the Board ratify the CM @ Risk contracts for the School Facilities Board and the districts and vendors listed under agenda item V.c. Brooks Keenan seconded. Motion passed on a 5-0 voice vote.

- c. Consideration of Ratification of Contracts for Deficiency Corrections Projects

Keith Vaughan moved that the Board ratify the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.d. Brooks Keenan seconded. Motion passed on a 5-0 voice vote.

- d. Consideration of Ratification of Change Orders for Deficiency Corrections Projects

Brooks Keenan moved that the Board ratify the change orders for the districts and vendors listed under agenda item V.e. Keith Vaughan seconded. Motion passed on a 5-0 voice vote.

- e. Consideration of Other Deficiency Correction Issues

There were no districts listed under this agenda item.

VI. Preventive Maintenance

- a. Consideration of Preventive Maintenance Plans

Keith Vaughan moved that the board approve the School District's Preventive Maintenance Plans as presented in agenda item VIa. Brooks Keenan seconded. Motion passed on a 5-0 voice vote.

- b. Consideration of other Preventive Maintenance Issues

Judith Darknall explained that the Building Renewal statute, subsection J, states that districts can use money for Preventive Maintenance. Currently, new Building Renewal money has not been funded, but there are balances from prior years. It was asked if the districts can use their balances for Preventive Maintenance, but the statute is unclear. Bill Bell requested a

formal opinion from the Attorney General's Office. The AG's Office expects to have an opinion in the next few weeks.

VII. New School Construction

a. Consideration of 2003 Capital Plan New Construction Requests

Keith Vaughan moved that the Board approve the staff recommendation as follows:

1. That the Board approve the staff recommendation to *approve* two build-out projects (each for 361 students) for Chandler Unified District to open in FY 06, for a total project cost of \$6,636,407.
2. That the Board approve the staff recommendation to *revise* the already-approved core 7-8 middle school for 850 students (project 070280000-9999-006N) for Chandler Unified District to a full 1,200-student school to open in FY 06. The additional square feet would have a funding amount of \$6,980,698 (the original funding amount for this project was \$5,716,718, so the new total project cost would be \$12,697,416).
3. That the Board approve the staff recommendation to *approve* a 9-12 high school for 2,500 students for Chandler Unified District to open in FY 07, for a total project cost of \$39,012,500.

Kate McGee asked if there was a formal demographics report to back up the ADM projections. Candy Cooley stated that there is, but it is not typically presented to the board. She added that it is available for review. Ms. McGee said that she is interested in how close the SFB is coming to these projections? Ms. Cooley said the forecast to actual numbers are reviewed closer to construction.

Pat Conley seconded. Motion passed on a 5-0 voice vote.

b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders, and Expansion/Change of Scope and Increased Project Cost

Brooks Keenan moved that the board approve the staff recommendations as follows:

1. That the board approve Dysart Unified School District's request to go to bid on a School Facilities Board project in the amount of \$9,175,320 for a K-8 elementary school, project number 070289000-9999-008N.
2. That the board approve Litchfield Elementary School District's request to go to bid on a School Facilities Board project in the amount of \$5,748,511 for a 6-8 middle school, project number 070479000-9999-003N.

Keith Vaughan seconded. Motion passed on a 5-0 voice vote.

c. Expansion/Change of Scope and Increased Project Cost

1. Brooks Keenan moved that the Board approve the staff recommendation for the advance of construction funding in the amount of \$135,357.94 for a 9-12 Core High school for Tanque Verde Unified District, project number 100213000-9999-201N with the funds to be provided after staff receives an accounting of all New School Facilities Funds associated with this project.

Brooks Keenan asked what pre-construction funds consist of. Tim Brand explained the [CM@Risk](#) process and said that this is similar to a design and estimating cost before they can come to a GMP.

Pat Conley stated she was concerned with the development of construction documents prior to having a site. Candy Cooley stated the district is given money up front to design and begin the process. How they chose to instruct their architect is their decision.

Kate McGee asked if staff foresees any more bills. Candy Cooley said these are the last two invoices.

Kate McGee seconded. Motion passed on a 4-1 voice vote with Pat Conley against.

2. Keith Vaughan moved that the Board approve the staff recommendation for additional funding in the amount of \$91,750 for K-8 Elementary school for Vernon Elementary District, project number 010309000-9999-201N.

Attorney Judith Darknall stated the SFB is obligated to pay the cost.

Brooks Keenan seconded. Motion passed on 5-0 voice vote.

d. Consideration of Other New Construction Issues
JCCR Report

Bill Bell explained that staff is required to submit new construction information to JCCR. Candy Cooley presented the executive summary to the board.

Logan Van Sittert asked how much the budget for the fiscal year would be. Candy Cooley stated that staff is still reviewing it. She added that there were about as many plans as last year. Pat Conley asked if staff is going off the Capital Plan approved last year. Ms. Cooley stated as a basis, yes, but there are some exceptions. Keith Vaughan asked if all districts have to submit. Ms. Cooley stated that no, only districts that are requesting a new school must submit. Brooks Keenan said he would like the SFB to see these plans prior to going to the legislature.

VIII. Consideration of Request for Land or Real Property Purchase, Lease, or Donation, including requests from:

a. Steps I and/or II

Logan Van Sittert moved that the Board accept the staff recommendations as follows:

1. To approve Chandler Unified School District's request to purchase land for a 7-8 middle school site (project number 070280000-9999-011L) and move to Step III.
2. To approve Coconino County Accommodation School District's request to purchase land for a 9-12 high school site in Flagstaff, Arizona (project number 030199000-9999-001L) and move to Step III.
3. To approve Fowler Elementary School District's request for a donated K-5 elementary school site (project number 070445000-9999-007L) and move to Step III.
4. To approve Liberty Elementary School District's request for a donated K-8 elementary school site (project number 070425000-9999-006L) and move to Step III.
5. To reconsider Maricopa County Regional School District's request for a 7-12 high school site (project number 070199000-9999-003L) and move to Step III. Pat Conley said that she felt this was too large a parcel for an accommodation school

Brooks Keenan seconded. Motion passed on a 5-0 voice vote.

b. Step III

Coolidge Unified

Brooks Keenan moved that the Board approve Coolidge Unified School District's request to accept a donation of 13.0 acres for a K-8 site (Morning Sun Farms) (project number 070221000-9999-004L).

Logan Van Sittert seconded. Motion passed on a 4-0 voice vote with Keith Vaughan abstaining.

Deer Valley Unified

Brooks Keenan moved that the Board approve Staff recommendation to approve Deer Valley Unified School District's request to accept a donation of 15.0 acres for a K-8 site (Anthem #5) (project number 070297000-9999-009L). Keith Vaughan asked the Deer Valley district if the transfer of the donation factor was correct. Kent Davis of DVUSD confirmed that the district has changed it's agreement with Del Webb.

Logan Van Sittert seconded. Motion passed on a 5-0 voice vote.

Fowler Elementary

Brooks Keenan moved that the Board approve Staff recommendation to approve Fowler Elementary School District's request to accept a partial donation of 9.08 acres and purchase 4.0 acres for a K-5 elementary school site (project number 070445000-9999-202L).

Logan Van Sittert seconded. Motion passed on a 5-0 voice vote.

Union Elementary

Brooks Keenan moved that the Board approve Staff recommendation to approve Union Elementary School District's request for ½ purchase and ½ donation of a 14.685 acre site for a K-8 elementary school (project number 070462000-9999-004L).

Logan Van Sittert seconded. Motion passed on a 5-0 voice vote.

c. Consideration of Other Land Related Issues

Isaac Elementary

Brooks Keenan moved that the Board accept Staff recommendation to approve funding in the amount of \$20,000 for costs that may be associated with the sale of property at 43rd Ave and Roosevelt by the Isaac Elementary School District. Kate McGee asked if it was common for the buyer or seller to pay these costs. Dave Young stated that typically the buyer pays these costs, however, staff is recommending this just in case additional costs arise.

Logan Van Sittert seconded. Motion passed on a 5-0 voice vote.

IX. Replenishment of Contingency Funds for Packages including:

Keith Vaughan moved that the Board approve the staff recommendation to approve the supplemental contingency funds for packages A, B, C, D, E, F, G, H, I, J, K, L, M, O, P and Q in the amount of \$7,751,374. Brooks Keenan seconded. Motion passed on a 5-0 voice vote.

X. Request for Reduction of Square Footage

Brooks Keenan moved that the Board approve the staff recommendation to: Approve Isaac Elementary District's request to exclude Building 1001 (2,496 SF) from Preschool House (CTDS 07040501S) and to deny Isaac Elementary District's request to transfer Buildings 1002 and 1003 (1,680 SF each) from Escuela Azteca (CTDS 070405110) to Isaac Preschool (CTDS 070405109), and change the grade configurations of the buildings from 6-8 to K-5.

Mary Radcliffe of the Isaac District explained to the board what the district was doing with the portables.

Keith Vaughan asked about portables moving from one level to the next. Candy Cooley stated that it is a problem when moving between grade levels and this would put the district in the window of needing additional square footage.

Kate McGee seconded. Motion passed on a 4-1 with Keith Vaughan against.

XI. Request for Waiver from Guidelines

There were no districts listed under this agenda item.

XII. Finance Report

This was an informational item only. Candy Cooley updated the Board on the status of the three funds (Building Renewal, New School Facilities, and

Deficiencies Correction). Kate McGee asked about the negative balance on the Deficiencies Correction fund. Because the Deputy Director of Finance was not at the meeting to answer this question, staff offered to answer Ms. McGee's question later.

XII. Future Agenda Items

List of reference of architectural firms.
Five Year Building Renewal Plan status
Cedar erosion control'
Phoenix Elementary's issue
Deficiency that created a Deficiency (roofing, HVAC)
Tanque Verde
Isaac
Financial report
BR committee

XIII. Public Comment

None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 1:40 P.M.

Approved by the School Facilities Board on _____, 2003

_____ Logan Van Sittert, Chair