

**SCHOOL FACILITIES BOARD**  
**April 1, 2004**  
**Phoenix, Arizona**

The School Facilities Board held a board meeting at the Longview Elementary School. The meeting began at approximately 10:00 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Conley, Patrice	Spencer Smith, Attorney for TVUSD
Davidson, Frank	Robert Kerrick, Attorney for Customs by Design
Granillo, Pete	Dr. Cathy Stafford, Avondale ESD
Keenan, Brooks	Ms. Marcie Celaya, Avondale ESD
McGee, Kate	
Van Sittert, Logan, Chair	
Vaughan, G. Keith	
Wright, John, Vice-Chair	
Vicki Salazar, Superintendent's Representative (non-voting)	
<u>Members Absent</u>	
None	
<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	
Kristen Landry, Public Information Officer	
Charlotte Hosseini, Special Projects	

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 10:00 A.M.
- II. Roll Call  
There were nine Board Members present at this meeting, including Vicki Salazar of ADE, a non-voting member.

III. Approval of Minutes of March 4, 2004 Meeting

John Wright moved that the Board approve the Regular and Executive Session Minutes for March 4, 2004. Keith Vaughan seconded. Motion passed on a 6-0-2 voice vote, with Kate McGee and Peter Granillo abstaining.

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. Deficiency Corrections & Audit Update

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

- March 19, 2004 Status of Work and Performance
- PM Performance
- Substantial Completion
- Close-outs

Pat Conley asked why there was so little progress in Package I. Tim Brand explained that Package I includes Douglas USD, which is a large project. He added that the SFB will not see a lot of progress in this package until June.

Charlotte Hosseini informed the board that Jefferson Wells is continuing to work on the first draft report of the audit and it is expected to be in the week of April 12. She added that there are two teams; one is auditing the Project Management Firms and the other is auditing the fixed price contracts.

b. Flex Tech Litigation

Judith Darknall provided an update on the Flex Tech litigation.

Frank Davidson asked if the State wins, will the board recover any costs? Ms. Darknall stated that is something the Attorney General's office is looking into.

c. Osborn ESD Emergency Funding

Judith Darknall informed the Board that the district withdrew their petition for emergency funding.

d. 5 Year Building Renewal Plan Instructions

Tim Brand explained the Draft 5-Year Building Renewal Plan, which is a series of projects identified by the school considered to be part of a major maintenance program. He added that staff is soliciting feedback from the districts and will present the draft instructions at the upcoming AASBO conference.

John Wright stated that this is a good plan, but it will be frustrating to the districts because Building Renewal is not funded. Frank Davidson agreed with Mr. Wright and asked if the worksheets will have the renewal funding generated by each building or do districts have the latitude to shift that? Tim Brand said the SFB will not provide the money generated by the formula by building and added that one building is not indicative of funding.

Kate McGee stated that the board has come a long way in developing the data and thinks the plan will work.

Pat Conley stated that the initial plan should be to look at the life cycle of the equipment. She added that there is a difference of \$77 million between the AFR balance and the SFB balance and that needs to be reconciled. She suggested looking at the cost of the first year only because the costs change weekly. She stated she was not comfortable with the plan as it is drafted.

Mr. Brand stated that it is staff's intent to get feedback from district's and the Board and not approve the plan today. He added that districts will use today's cost so that prices are standard across the board.

Pat Conley asked if staff would provide unit prices. Mr. Brand stated that there are standardized costs and staff will help the districts with this.

Keith Vaughan stated that this is a five-year-plan and the most work will come in the first year. He added that modifications can be made later.

e. Legislative Update

This was an informational item only. John Arnold updated the Board on the status of proposed bills that would affect the SFB and Students FIRST.

f. Ratification of Cox Contract

This item was removed from the agenda at the request of the Executive Director.

V. Assessment Deficiencies

a. Consideration of Ratification of Contracts for Deficiency Corrections Projects

Brooks Keenan moved that the Board ratify the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.a. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

b. Consideration of Ratification of Change Orders for Deficiency Corrections Projects

Keith Vaughan moved that the Board ratify the change orders for the districts and vendors listed under agenda item V.b. Brooks Keenan seconded. Motion passed on a 7-0-1 voice vote with Pat Conley abstaining.

c. Consideration of Other Deficiency Correction Issues

Bowie Unified

Keith Vaughan moved that the Board approve the Bowie Unified School District Emergency Deficiency Project and provide the funding in the amount of \$33,000. Frank Davidson seconded. Motion passed on an 8-0 voice vote.

VI. Preventive Maintenance

Brooks Keenan moved that the Board approve the School Districts' Preventive Maintenance Plans as presented. Keith Vaughan seconded. Motion passed on a 7-0-1 voice vote with Frank Davidson abstaining.

VII. New School Construction

a. Consideration of 2004 Capital Plan New Construction Requests

Brooks Keenan moved that the Board approve the staff recommendation to deny the Casa Grande Elementary District's request for a core K-5 elementary to open in FY 06 for 750 students. Kate McGee seconded. Motion passed on a 7-0-1 voice vote with Frank Davidson abstaining.

Brooks Keenan moved that the Board approve the staff recommendation as follows:

1. That the Board approve the staff recommendation to fund the Gilbert Unified District's request for a K-6 elementary school for 952 students to open in FY 06, with a total project cost of \$8,750,498.
2. That the Board approve the staff recommendation to deny the Gilbert Unified District's request for a buildout of a previously approved core 7-8 middle school to open in FY 06 and a request for a 9-12 high school for 2,600 students to open in FY 07.

John Wright seconded. Motion passed on a 6-0-2 voice vote with Keith Vaughan and Kate McGee abstaining.

Brooks Keenan moved that the Board approve the staff recommendation as follows:

1. That the Board approve the staff recommendation to deny the Apache Junction Unified District's request K-5 elementary to open in FY 06 for 650 students.
2. That the Board approve the staff recommendation to fund the Avondale Elementary District's request for additional space at two schools to open in FY 06 and the conversion of the core 7-8 middle school for 850 students to a K-8 elementary school for 850 students to open in FY 06, with a total project cost of \$3,426,927.
3. That the Board approve the staff recommendation to fund the Buckeye Elementary District's request the buildout of a core K-8 elementary to open in FY 07, with a total project cost of \$2,676,976.
4. That the Board approve the staff recommendation to deny the Buckeye Union High School District's request for a 9-12 high school for 1,500 students to open in FY 07.
5. That the Board approve the staff recommendation to deny the Colorado City Unified District's request for additional K-5 space to open in FY 05 for 130 students and additional 6-8 space to open in FY 06.
6. That the Board approve the staff recommendation to fund the Crane Elementary District's request for additional 7-8 middle school space for 250 students to open in FY 07, with a total project cost of \$2,695,250.

7. That the Board approve the staff recommendation to fund the Florence Unified District's request for a K-8 elementary school for 1,100 students to open in FY 07, with a total project cost of \$10,516,691.
8. That the Board approve the staff recommendation to deny the Higley Unified District's request for a K-8 elementary school for 1,200 students to open in FY 07 and a core 9-12 high school for 1,200 students to open in FY 07.
9. That the Board approve the staff recommendation to fund the J. O. Combs Elementary District's request for a K-5 elementary school for 750 students to open in FY 06, with a total project cost of \$6,893,775.
10. That the Board approve the staff recommendation to deny the J. O. Combs Elementary District's request for a buildout of a core 6-8 middle school to open in FY 07.
11. That the Board approve the staff recommendation to deny the Kirkland Elementary District's request for a K-8 elementary school for 150 students.
12. That the Board approve the staff recommendation to deny the Laveen Elementary District's request for a core K-6 elementary school for 1,000 students to open in FY 07.
13. That the Board approve the staff recommendation to fund the Laveen Elementary District's request for a 7-8 middle school for 400 students to open in FY 07, with a total project cost of \$4,312,400.
14. That the Board approve the staff recommendation to deny the Liberty Elementary District's request for a three elementary schools for 800 students to open in FY 06 and FY 07.
15. That the Board approve the staff recommendation to fund the Palominas Elementary District's request for a additional K-8 space for 250 students to open in FY 07, with a total project cost of \$2,509,815.

Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

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

John Wright moved that the Board approve the staff recommendation as follows:

1. That the Board approve Coconino County Accommodation District's request to go to bid on a School Facilities Board project in the amount of \$2,106,983 for a 9-12 high school, project number 030199000-9999-202N.

2. That the Board approve Litchfield Elementary District's request to go to bid on a School Facilities Board project in the amount of \$3,225,370 for the buildout of a 6-8 middle school, project number 070479000-9999-005N.

Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

c. Consideration of Other New Construction Issues

John Wright moved that the Board approve the staff recommendation as follows:

1. That the Board approve the inflation funding increase for Coconino County Accommodation District's two projects at an additional funding amount of \$88,775 each.
2. That the Board approve the inflation increase to the Higley Unified District for project number 070260000-9999-002N at an additional funding amount of \$450,577.

Frank Davidson seconded. Motion passed on an 8-0 voice vote.

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

a. Consideration of Other Land Related Issues  
Avondale Elementary

Frank Davidson moved that the Board approve the staff recommendation to approve the request of Avondale Elementary to sell the approximately 13.46 acre parcel. The Executive Director will notify the district of the School Facilities Board approval after receiving notification of the district Governing Board's action to initiate the sale of this parcel.

Dr. Cathy Stafford and Ms. Marcie Celaya spoke on behalf of the Avondale District.

John Wright seconded. Motion passed on an 8-0 voice vote.

b. Tanque Verde Unified

Mr. Spencer Smith, attorney for the Tanque Verde Unified District spoke on behalf of the District in relation to the condemnation suit.

Mr. Robert Kerrick, attorney for Custom by Design spoke on behalf of his client, the other party to the lawsuit.

Brooks Keenan moved that the Board go into executive session to seek legal advice. Pat Conley seconded. Motion passed on an 8-0 voice vote. This session was not open to the public.

Executive Session was held from approximately 11:00 A.M. to 11:15 A.M.

John Wright moved that the Board instruct the Executive Director to notify the Tanque Verde School District that Custom By Design's proposal, as outlined in Mr. Smith's letter dated 3/12/2004, is not acceptable to the Board. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.

John Wright stated that the School Facilities Board impacts the residential real estate market, but real estate is not the business the SFB is in. He added that financing a private entity is not an appropriate way to be spending state funds.

VIII. Finance Report

This was an informational item only. John Arnold updated the Board on the status of the three funds (Building Renewal, New School Facilities, and Deficiencies Correction), emergency fund balance, and Lease-to-Own.

XII. Future Agenda Items

None

XIII. Public Comment

None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 12:05 P.M.

Approved by the School Facilities Board on \_\_\_\_\_, 2004

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Logan Van Sittert, Chair