

SCHOOL FACILITIES BOARD
June 29, 2004
Phoenix, Arizona

The School Facilities Board held a board meeting at the School Facilities Board Offices in Phoenix. The meeting began at approximately 3:00 P.M.

<u>Members Present</u>	<u>Guests Present</u>
Conley, Patrice (by phone)	Becky Hill, Governor's Office
Davidson, Frank (by phone)	Jeff Van Handel, Coolidge USD
Granillo, Pete (by phone)	
Keenan, Brooks (by phone)	
McGee, Kate	
Van Sittert, Logan, Chair	
Vaughan, G. Keith (by phone)	
Wright, John, Vice-Chair (by phone)	
<u>Members Absent</u>	
Vicki Salazar, Superintendent's Representative (non-voting)	
<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	
Terrie Zenoff, Assistant Attorney General	
Deborah Dominguez, Executive Assistant	
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 3:05 P.M.

II. Roll Call

There were eight Board Members present at this meeting.

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.

III. Director's Report

a. Cox Update

Director Bell explained that the Cox contract had been restructured and the training aspect was capped. He stated that this was a \$2.5 million savings. The Cox project will continue until June 2005 and there will be no additional changes to the contract.

b. Tanque Verde

Director Bell explained that the Arizona School Risk Retention Trust and the Tanque Verde School District developed a settlement to pay the State back for the land purchased for the high school. The plan is based on \$2.5 million discounted at a 5.5% rate which would provide a payment of \$2,290,191.74. John Wright moved that the board accept the staff recommendation to accept the settlement offer of \$2,290,191.74 from the Arizona School Risk Retention Trust. Pat Conley seconded. Motion passed on an 8-0 voice vote.

IV. Assessment Deficiencies

a. Consideration of Ratification of Contracts for Deficiency Corrections Projects

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

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

Frank Davidson moved that the Board ratify the change orders for the districts and vendors listed under agenda item IV.b. Kate McGee seconded. Motion passed on an 8-0 voice vote.

V. New School Construction

a. Consideration of 2004 Capital Plan New Construction Requests

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

1. That the Board approve the staff recommendation to deny the Saddle Mountain Unified District's request for two K-8 schools to open in FY 07.
2. That the Board approve the staff recommendation to deny the Saddle Mountain Unified District's request to replace Building C of Ruth Fisher Elementary School.

Frank Davidson 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

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

1. That the Board approve the additional funding needed for contingency to the Patagonia Union High School District project number 120520000-9999-001N

Peter Granillo seconded. Motion passed on an 8-0 voice vote.

c. Consideration of Other New Construction Issues
Coolidge USD's Request for Reduction in Square Footage

Candy Cooley explained that staff was asked to analyze CUSD's request to reduce square footage in accordance with ARS15-341 paragraph G which is an immediate reduction in square footage. Staff has analyzed whether the District's request has met the 3-year-window specified in the statute and believes that the district has met this criteria.

Logan Van Sittert added that there is a timing issue in that if the Board approves the district's request, they will be able to sell bonds which they could not do at a later date. Jeff Van Handel, of the Coolidge district, stated that the district wants to secure the funding to get the project fully ready to go. He stated that the governing board plans to award the COPs on June 30, which would give the district the funding to complete their project.

Frank Davidson verified that the staff recommendation is based on the statute, which does not provide the ability to deny the request if a district can show evidence that retiring this space will not cause them to fall below the adequacy standards within three years. Candy Cooley confirmed that this is correct. Mr. Davidson added that while the district believes they may fall below the standards within three years, staff's projections are much more conservative.

Pat Conley stated that she is concerned with the timing factor; that the district is requesting to reduce square footage for buildings that were fully functioning during the entire fiscal year. John Wright stated that the district did submit their request several weeks ago. He verified that the district asked to remove these buildings from the books based on changes they plan to make in the future.

Brooks Keenan confirmed that staff doesn't project the district to be eligible for new school space until FY 08.

John Wright moved that the board approve the request of the Coolidge Unified Schools District to make changes to its square footage as outlined in agenda item V.c. Peter Granillo seconded.

Logan Van Sittert asked Jeff Van Handel to explain what exactly the district is doing. Mr. Van Handel explained that there are a number of old classrooms on the high school campus and they are reconstructing the space on that same campus. He added that it would cost less to build new buildings than to bring the old ones up to standards. The district is doing the same thing to the elementary school. He stated that the North School will eventually house alternative programs and district space and there will be construction in the northern part of the district. This will all be done at district expense.

Frank Davidson stated that he reads ARS 15-341 G to say that if the district does not fall below the standards within three years, they do not need SFB

approval.

Kate McGee stated that if you remove square footage it accelerates new construction. Director Bell stated that they will qualify sooner, but they do not fall below the guidelines.

John Wright asked why there was so much scrutiny with this particular District when this has been done before with other districts. Kate McGee stated that her reasoning is because the board has done so much with this district in demolishing, replacing and leasing space. She added that the district is struggling with a difficult configuration of buildings and geographical factors. But the SFB cannot address the master plan configurations, as we may be exceeding our authorization.

Brooks Keenan stated that there are some issues that should be reviewed for the future including comparing maintaining vs. new construction because these are different funding sources.

Pat Conley suggested that this be brought to the attention of the legislature.

Motion failed on a 1-5-2 roll call vote with John Wright for, Frank Davidson abstaining, and Keith Vaughan removing himself from the vote.

2004 Construction Plan

John Wright moved that the Board approve the 2004 New Construction Plan which includes conceptual new construction projects for FY 2007 through FY 2011. Keith Vaughan seconded. Motion passed 7-0-1 with Frank Davidson abstaining.

- XII. Future Agenda Items
Building Renewal Five-Year-Plan
Retirement of Buildings

- XIII. Public Comment
None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 4:10 P.M.

Approved by the School Facilities Board on _____, 2004

Logan Van Sittert, Chair