

SCHOOL FACILITIES BOARD
February 2, 2006
Phoenix, Arizona

The School Facilities Board held a board meeting at the Isaac School District Board Room in Phoenix. The meeting began at approximately 10:05 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Chovich, Cynthia	Judy Richardson
Conley, Patrice	Riley Frei, Littleton District
Davidson, Frank	
Gober, Patricia	
Keenan, Brooks, Vice Chair	
McGee, Kate, Chair	
Ortega, David	
<u>Members Absent</u>	
Granillo, Peter	
Taylor, Penny	
Phil Williams, Superintendent's Representative (non-voting)	
<u>Staff Present</u>	
John Arnold, Acting Executive Director	
Carol Civiello, Interim Deputy Director of Facilities	
Kristen Landry, Public Information Officer	
Amber Peterson, School Finance Specialist	
Debra Sterling, Attorney General's Office	

- I. Call to Order
Board Chair, Kate McGee, called the meeting to order at approximately 10:05 A.M.
- II. Roll Call
There were seven Board Members present at this meeting.
- III. Approval of Minutes of January 5, 2006 Board Meeting
David Ortega moved that the Board approve the January 5, 2006 minutes. Patricia Gober seconded. Motion passed on a 5-0-2 voice vote with Brooks Keenan and Pat Conley abstaining.

- IV. Consent Agenda
- a. Consideration and possible vote of 3 Year Building Renewal Plans
 - b. Consideration and possible vote of 5 Year Building Renewal Plans
 - c. Consideration and possible vote of Preventive Maintenance Plans

Frank Davidson moved that the Board approve the items as listed in the Consent Agenda. Cynthia Chovich seconded. Motion passed on a 7-0 voice vote.

- V. Director's Report
- a. Audit Update

John Arnold provided the status on the audit:

- Vanir: On Friday, January 13, SFB staff participated in a mediation in an attempt to settle both the SFB claim against Vanir and the Vanir claim against the SFB. No resolution was reached.
- Flagstaff Design & Construction: This has been resolved and there is no further business.

Pat Conley asked what came of the January 23 hearing with GVE. Mr. Arnold said that hearing has been postponed until April 24.

Kate McGee asked what the next step with Vanir would be. Mr. Arnold said there would be a hearing in March.

- b. Legislative Update

John Arnold provided a summary of the current bills and budget recommendations that could impact the SFB.

Pat Conley asked if SB 1271, requiring a 4:1 student to computer ratio, would be funded. Mr. Arnold said the funding had not been addressed in the bill.

Ms. Conley asked about the status of Tim Hogan's Building Renewal lawsuit. Debra Sterling noted that this item was not on the agenda, but an update would be provided for next month's meeting.

David Ortega noted that SB 2678, making kindergarten students count as a full ADM, would have a greater impact than JLBC's budget recommendation for Full Day Kindergarten. Mr. Arnold agreed and said the bill assumes the same as the Executive's recommendation.

Kate McGee asked about SB 1174 that was discussed at the Senate Education Committee Hearing. Mr. Arnold explained that that bill would allow K-8 districts to teach 9th Grade without the State Board of Education's approval. It would also suspend the need to ask the SFB to reconfigure. He did not think it was likely to proceed.

Ms. McGee asked what districts were affected by military heliports referenced in HB 2640. Mr. Arnold indicated that he did not know where these heliports were located.

In regards to SB 1175, districts constructing and managing new school construction, Ms. McGee asked if charter schools were included. Mr. Arnold believed only districts were included in the bill.

Ms. McGee informed the board that she had been invited by Senator Gray to provide comments on SB 1245 requiring events to be 'unforeseen' to qualify as an emergency.

Judy Richardson addressed the Board and indicated there were some concerns with the draft of the bill. She explained that when the bill was amended, the legislature took away the ability of the Board of Supervisors to provide money for emergencies. She added that a district could only receive funds for emergencies from the Board of Supervisors, if the SFB denied the funding due to lack of funds. Pat Conley asked if districts could still access 15-907 funds. Ms. Richardson said they could not unless there was a denial due to lack of funds.

Brooks Keenan asked for a clarification on rules for adjacent ways dollars.

David Ortega said he believed this could cause a delay in response time. He also questioned the term "unforeseen".

Frank Davidson said he supports the efforts of the SFB to work on this bill.

Referring to the proposed letter to Senator Gray, Ms. Conley said she was uncomfortable with the SFB taking any position on any bill. Kate McGee said in the past legislative initiatives have been attributed to the SFB, that the Board has nothing to do with. She suggested that John Arnold to work with the AG's Office to offer suggestions. David Ortega added that he was uncomfortable asking the staff to work with the legislature. John Arnold explained staff's role in working with the legislature. He explained that staff is often asked review drafted language

Brooks Keenan agreed with Mr. Arnold and added that the policy is for the legislature to decide, although the SFB is often the first to know if something is not working.

Patricia Gober said the SFB implements policy and provides clarification. She said the Board should be aware, and not involved.

Kate McGee noted that it was the desire of the majority that the Board not proceed any further. She added that if John Arnold is asked for information, he may go forth.

Ms. McGee suggested the criteria for emergency projects that had previously been drafted be looked at.

c. Modification of Inflation Adjustments Policy

John Arnold explained that last year the Board adopted a policy regarding inflation adjustments. When the Board adopted this policy, it was widely believed that alternative bidding methods limited competition resulting in higher construction costs than traditional methods. In the current bidding market this may no longer be true. He suggested that the Board modify the requirement for a district to employ a traditional design-bid-build procurement system.

The modification would allow projects that were originally awarded during a construction cycle that began two years prior to the current construction cycle to employ any procurement methodology allowed by the law with some requirements. Staff proposes that this policy be effective for projects that are bid or receive a guaranteed maximum price after the final adoption of the policy. This item was for information only and will be brought back next month with a recommendation.

Pat Conley asked if the projects affected could just be cancelled. Mr. Arnold explained that the cancellation policy states a project can only be cancelled if the district does not qualify for more space. Ms. Conley asked when enrollment is reviewed. Mr. Arnold said staff reviews every project before it is constructed.

David Ortega noted that alternative delivery methods increase competition among subcontractors.

Brooks Keenan endorsed the pros and cons provided by staff on this issue.

Cynthia Chovich said she supported the modification, especially concerning small projects.

Kate McGee asked if these projects had been delayed because of land issues. Mr. Arnold indicated that some of the districts had land issues, but not all of them.

d. Full Day Kindergarten Capital Grants

Cynthia Chovich moved that the Board approve the district's Full Day Kindergarten Expenditure Plans as outlined in agenda item Vd. Patricia Gober seconded.

Ms. Chovich asked why some districts were taking so long to turn in their plans. John Arnold explained that for most, the amount was not significant enough to warrant priority attention.

Motion passed on a 7-0 voice vote.

e. Full Day Kindergarten Capital Grants

Kate McGee recused herself from this item as she is a Governing Board Member of the Washington School District. Patricia Gober moved that the Board approve the Washington Elementary District's Full Day Kindergarten

Expenditure Plans as outlined in agenda item Ve. David Ortega seconded. Motion passed on a 6-0-1 voice vote with Kate McGee recusing herself.

VI. New School Construction

a. Reconfiguration of Space

Patricia Gober moved that the Board staff to re-configure the indoor pool (12,384 SF) at Ruth Fisher Elementary School from K-8 space to high school space in the SFB building database. Pat Conley seconded. Motion passed on a 7-0 voice vote.

b. Consideration and possible vote of FY 2006 Capital Plan New Construction Requests

Patricia Gober moved that the Board approve the following:

1. Casa Grande Union (9-12): That the Board approve the staff recommendation to approve project 001N (9-12 for 1,500) to open in FY 09.
2. Florence Unified (K-8): That the Board approve the staff recommendation to approve project 008N (K-8 for 1,100) to open in FY 09, and to deny the district's request for project 009N to open in FY 09. Staff also recommends conceptual approval for four K-8 schools for 1,100 each to open in FY 10 through FY 13.
3. Florence Unified (9-12): That the Board approve the staff recommendation to approve project 005N (9-12 for 1,500) to open in FY 08. Staff also recommends conceptual approval for a 9-12 school for 1,500 to open in FY 14.
4. Liberty Elementary (K-8): That the Board approve the staff recommendation to deny the district's request for three K-8 schools to open by FY 09. Staff recommends conceptual approval for three K-8 schools for 800 each to open in FY 10 through FY 13.
5. Littlefield Unified (K-8): That the Board approve the staff recommendation to deny the district's request for project 003N (additional K-8 space for 120) to open in FY 09. Staff recommends conceptual approval for project 003N to open in FY 10, and for project 004N (K-8 school for 250) to open in FY 12.
6. Littlefield Unified (9-12): District did not request current funding approval, only conceptual approval. Staff recommends conceptual approval for project 005N (buildout of core high school to accommodate remaining 130 students) to open in FY 10.
7. Littleton Elementary (K-8): That the Board approve the staff recommendation to approve project 008N (K-8 for 972) to open in FY 09. Staff also recommends conceptual approval for a K-8 school for 972 to open in FY 11.

8. Marana Unified (K-6): That the Board approve the staff recommendation to approve project 002N (K-6 for 650) to open in FY 07, and approve a K-6 for 650 to open in FY 08. Staff also recommends conceptual approval for two K-6 schools for 650 each to open one each in FY 09 and FY 11.
9. Marana Unified (7-8): That the Board approve the staff recommendation to deny project the district's request for a 7-8 school for 1,000 to open in FY 08. Staff recommends conceptual approval for a 7-8 school for 1,000 to open in FY 10.
10. Marana Unified (9-12): That the Board approve the staff recommendation to deny the district's request for a 9-12 school for 2,000 to open in FY 09. Staff recommends conceptual approval for a 9-12 school for 2,000 to open in FY 10.
11. Maricopa Unified (K-6): That the Board approve the staff recommendation to approve project 009N (K-6 for 850) to open in FY 07, and to approve project 010N (K-6 for 850) to open in FY 08. Staff also recommends conceptual approval for two K-6 schools for 850 each to open one each in FY 10 and FY 11.
12. Maricopa Unified (10-12): That the Board approve the staff recommendation to approve project 013N (additional 10-12 space for 200) to open in FY 08. Staff also recommends conceptual approval for a 10-12 school for 800 to open in FY 10.
13. Palo Verde Elementary (K-8): That the Board approve the staff recommendation to approve project 002N (K-8 for 800) to open in FY 09, and to deny the district's request for two additional K-8 schools to open in FY 09. Staff also recommends conceptual approval for two K-8 schools for 800 each to open one each in FY 11 and FY 14.
14. Roosevelt Elementary (K-8): That the Board approve the staff recommendation to deny project 004N (K-8 for 800) to open in FY 09. Staff recommends conceptual approval for 004N to open in FY 10.
15. Saddle Mountain Unified (K-8): That the Board approve the staff recommendation to approve project 003N (K-8 for 750) to open in FY 08, to approve project 005N (K-8 for 900) to open in FY 09, to deny the district's request for project 008N to open in FY 08, and to deny the district's request for project 009N to open in FY 09. Staff also recommends conceptual approval for six K-8 schools for 750 each to open in FY 10 through FY 14.
16. Saddle Mountain Unified (9-12): That the Board approve the staff recommendation to approve project 002N (9-12 for 1,000) to open in FY 09. Staff also recommends conceptual approval for two 9-12 schools for 1,000 each to open one each in FY 12 and FY 13.

17. Somerton Elementary (K-5): That the Board approve the staff recommendation to deny the district's request for the buildout of its core K-5 school, and an additional K-5 school to open in FY 08. Staff recommends conceptual approval for the core school's buildout to accommodate the remaining 200 students to open in FY 10. Staff also recommends conceptual approval for a K-5 for 600 to open in FY 12.
18. Somerton Elementary (6-8): That the Board approve the staff recommendation to deny a core 6-8 school to open in FY 08. Staff recommends conceptual approval for a 6-8 school for 500 to open in FY 11.
19. Stanfield Elementary (K-8): That the Board approve the staff recommendation to deny the district's request for two K-8 schools to open by FY 09. Staff recommends conceptual approval for one K-8 school for 700 to open in FY 14.
20. Union Elementary (K-8): That the Board approve the staff recommendation to approve project 005N (K-8 for 800) to open in FY 08, and to deny the district's request for an additional K-8 school to open in FY 09. Staff also recommends conceptual approval for a K-8 school for 800 to open in FY 10.
21. Yuma Elementary (K-5): District did not request current funding approval, only conceptual approval. Staff recommends conceptual approval for project 002N (K-5 for 600) to open in FY 13.
22. Yuma Elementary (6-8): That the Board approve the staff recommendation to approve the buildout of a core middle school to accommodate 250 additional students to open in FY 07. Staff also recommends conceptual approval for a 6-8 school for 700 students to open FY 10.

Pat Conley seconded.

Patricia Gober asked about the methodology used to base projections for conceptual approvals. Amber Peterson explained that the new approvals are plugged into the formula. She then analyzes it to see when it generates a need for more space.

Pat Conley asked how many more core schools were still out there. Ms. Peterson said she would have that information for next month's meeting.

Ms. Conley asked why Saddle Mountain Unified qualified for high school space when the law states a unified district without a high school does not qualify for one from the SFB. Mr. Arnold explained that Saddle Mountain does already have a high school.

Ms. Gober asked when the website would be updated so that districts could plug in their information and see when they qualify for new space. Mr. Arnold

said that staff is currently working on a number of technology issues, but that project is on the list.

Riley Frey of the Littleton Elementary District spoke on behalf of his district. He voiced his concern that ADE's numbers do not match the district's ADM numbers.

Motion passed on a 7-0 voice vote.

b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders including projects from:

David Ortega moved that the board approve Saddle Mountain Unified's request to proceed with [CM@Risk](#) Project 070390000-9999-001N in the amount of \$8,114,478, which includes district funding in the amount of \$481,269, additional SFB funding for inflation in the amount of \$2,000,000, and additional SFB funding for site conditions in the amount of \$1,039,057. Cynthia Chovich seconded.

Pat Conley said the SFB should not be paying for Saddle Mountain's consultant's fees. Kate McGee questioned the A/E Fees.

Roxanne Morris of the Saddle Mountain District explained that the fees were based on the GMP. Ms. McGee asked if the district had local funds available to pay for the consultant fees. Ms. Morris explained that the consultant fees are for the contractor services. She explained that her high school was built with bond money and so she cannot bond yet.

David Ortega explained that the architect is not getting money from items like the septic system, and so there would not be any motivation for the architect to increase the price. He asked when the district plans to start construction. Ms. Morris said they would like to start in the next few weeks.

Pat Conley said she would vote against this item because of the additional cost of having a [CM@Risk](#) consultant. She said this should be paid for by the district.

Patricia Gober asked if the Board was setting a precedent by approving these costs. Mr. Arnold explained that this would fall under the previous agenda item of modification to the inflation adjustment policy and this is an exception to the existing policy. Ms. McGee asked if staff believed the SFB should pay for the consultant fee. Mr. Arnold said that the fee is a standard component of [CM@Risk](#) and if this procurement method is allowed, then so are the fees associated with it.

Patricia Gober said she was uncomfortable approving this item before the comment period for the inflation adjustment policy. Mr. Arnold said that he agrees with Ms. Gober's concerns, but he could not reconcile going out to bid which would have delayed the project by 3 to 6 months.

David Ortega said this item was in line with the Board's policy to make exceptions to the policies.

Ms. McGee asked when the GMP expires. Ms. Morris said the subcontractors would only hold their prices for another 15 days.

Brooks Keenan said he was comfortable with staff's explanations. He added that in [CM@Risk](#) there are two contracts. One with the architect and one with the CM. The architect designs the project within budget. He asked if it is over budget, should the architect receive an extra fee.

Ms. McGee said she would like to see more information on architect fees.

Motion passed on a 6-1 voice vote with Pat Conley against.

Brooks Keenan moved that the Board approve Vail Unified's request to proceed with [CM@Risk](#) Project 100220000-9999-006N in the amount of \$6,310,905. David Ortega seconded.

Pat Conley noted that this item is also a [CM@Risk](#), is within budget, and has no CM fees attached.

Motion passed on a 7-0 voice vote.

c. Consideration of Other New Construction Issues

Cynthia Chovich moved that the Board approve staff's recommendation to approve the Buckeye Union School District additional minimum adequacy funding in the amount of \$791,800 for project number 070501000-9999-002N. Frank Davidson seconded. Motion passed on a 7-0 voice vote.

Pat Conley moved that the Board approve the Humboldt unified School District additional minimum adequacy funding in the amount of \$178,867 for Project 130222000-9999-001N. David Ortega seconded. Motion passed on a 7-0 voice vote.

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

a. Steps I and/or II

Frank Davidson moved that the Board approve the following:

1. Coolidge Unified School District's request to accept a donation of 28.58 acres for an elementary school site and move to Step III for necessary testing.

2. Dysart Unified School District's request to accept a donation of 16.06 acres for an elementary school site and move to Step III for necessary testing.

3. Glendale Elementary School District's request to purchase 20 acres for an elementary school site and move to Step III for necessary testing.

4. Maricopa Unified School District's request to accept a donation of 12 acres for an elementary school site and move to Step III for necessary testing.
5. Red Rock Elementary School District's request to accept a donation of 16 acres for an elementary school site and move to Step III for necessary testing.
6. Riverside Elementary School District's request to purchase 12.51 acres for an elementary school site and move to Step III for necessary testing.
7. Saddle Mountain Unified School District's request to accept a donation of 40 acres for a high school site and move to Step III for necessary testing.
8. Sahuarita Unified School District's request to lease 45 acres of State Trust Land for a high school site and move to Step III for necessary testing.
9. Sahuarita Unified School District's request to lease 25 acres of State Trust Land for an elementary school site and move to Step III for necessary testing.
10. Somerton Elementary School District's request to purchase 5 acres for an elementary school site and move to Step III for necessary testing. John Arnold explained that this request is an exception to the policy for land acquisition. The policy states land should be acquired only two years beyond the current funding window for K-6 sites). Staff currently projects that Somerton will qualify for a school by 2012. Staff recommends making an exception to this policy for the following reasons: The request is a partial donation, partial purchase within a small development; There is no other land available; and The district has an underlying agreement with the city. The district's request is still within the statutory limit, though it is an example of how the board may occasionally need to make an exception the SFB policy.

Brooks Keenan seconded. Motion passed on a 7-0 voice vote.

b. Steps I and/or II

Frank Davidson recused himself from this item as he is Superintendent of the Casa Grande Elementary District. Cynthia Chovich moved that the Board approve Casa Grande Elementary School District's request to accept a donation of 12 acres for an elementary school site and move to Step III for necessary testing. Brooks Keenan seconded. Motion passed on a 6-0-1 voice vote with Frank Davidson recusing himself.

c. Step III

Frank Davidson moved that the Board approve the following:

1. Higley Unified School District's request to accept a donation of 11.25 acres and purchase an additional 11.25 acres for an elementary site (project number 070260000-9999-012L)
2. Maricopa Unified School District's request to accept a donation of 23.53 acres for a middle school site (project number 110220000-9999-014L)

Pat Conley seconded. Motion passed on a 7-0 voice vote.

IX. Consideration of Reduction of Square Footage

Pat Conley moved that the Board approve the following:

1. That the Board authorize staff to reflect the reduction of 2,792 square footage in the SFB building database for Florence High School in Florence Unified District, contingent upon the Board's approval of additional space as recommended in a separate agenda item.
2. That the Board deny Marana Unified District's request to exclude the square footages used for LEAP and community out-reach.
3. That the Board authorize staff to exclude the District Maintenance Storage area (3,960 SF) at Ruth Fisher Elementary School in the SFB building database for Saddle Mountain Unified District, contingent upon the Board's approval of additional space as recommended in a separate agenda item.

Frank Davidson seconded. Motion passed on a 7-0 voice vote.

X. Finance Report

A finance report was not provided

XI. Chairman's Report

a. Meeting Structure and Study Session

The board discussed having meetings in the afternoon in order to hold study sessions. It was determined that meetings would run from 10am until 2pm in order to accommodate the additional session.

b. Communications Initiatives

Kate McGee discussed the previous and upcoming communications regarding the SFB.

XII. Future Agenda Items

Pat Conley requested the status of the Building Renewal lawsuit and information on how 15-907 funds may be used. She also requested clarification on the use of ADM numbers by ADE and the SFB.

Kate McGee requested a list of outstanding core schools.

XII. Public Comment

None.

Adjournment

There being no further business, Kate McGee, adjourned the meeting at approximately 12:15 P.M.

Approved by the School Facilities Board on _____, 2006

Kate McGee, Chair