

Bond Reimbursement and Grant Review Committee Meeting
 April 16, 2007
 Auxiliary Board Room
 Juneau, Alaska

<u>Committee Members</u>	<u>Staff</u>	<u>Other Attendees</u>
Eddy Jeans, Chair Rep. Mike Hawker Sen. Lyman Hoffman Harley Hightower Carl John Robert Tucker Tom Richards Dee Hubbard (phone) Mark Langberg (phone)	Sam Kito III Don Carney Kim Andrews Gregg Parker Hilary Porter	John Weise (Sen. Hoffman) Pauly Swanson (Rep. Hawker) Randy Bonnell (Mat-Su) Rich Ritter (CBJ) PJ Ford (Delta/Greely) Don Hiley (SERRC) Dean Henrick (Ketchikan) Kent Scifres (Delta/Greely) Kathy Christy (NWABSD) Kathy Brown (SERRC)

8:10 am

Eddy Jeans, Chair, called the meeting to order and proceeded with Roll Call. Seven committee members were present, and Dee Hubbard joined via teleconference. A quorum was established and Eddy proceeded with the packet overview.

The committee reviewed the agenda. Eddy asked if there were any changes to be made, or questions about the agenda. Dee Hubbard asked when there would be time to discuss Carl's comments. Eddy explained that would happen at 9:30 am. Eddy asked if there were any objections to the agenda and moved to adopt the agenda, Robert Tucker seconded. The motion carried.

Everyone was welcomed back and Eddy introduced new EED staff including: Sam Kito III, Facilities Manager, Gregg Parker, Architect Assistant and Hilary Porter, Administrative Assistant. Eddy asked Sam to begin the staff briefing.

Staff Briefing

Sam began by explaining that the School Construction and Major Maintenance Lists were approved on March 28, 2007.

FY08 CIP Lists

Sam explained that the department had 211 projects submitted. Of those 211 projects, 169 were rated. Four of the 169 projects were found ineligible. There were 4 formal requests for reconsideration. Dee asked why 4 were found ineligible. Sam wasn't sure what the reason for each was, and turned to Don Carney and Kim Andrews to ask if they knew why. Don and Kim both replied they weren't sure, but they did remember that each one was ineligible for a different reason. Don agreed to research the information for Dee if that's something she would like to know.

Publication Update

Sam reviewed the updated cost model and said that he has run it several times and everything seems to work fine. He has a copy of the cost model and can email it to folks that would like to see it. Carl asked if we could add more detail in the line to help districts better understand the new cost model? Sam answered that he had received Carl's letter and was looking into using more detail. He said the goal would be to not underestimate, and he would like to see the benefit to this before changes have been made to the model.

Sam moved on to the Preventive Maintenance Update and asked Don Carney to give the committee an overview of that.

Preventative Maintenance Update

Don began by giving the committee an overview of the progress made this year and a look at the upcoming PM schedule. He explained that the department did get behind schedule this past year due to a shortage of staff; however they have been working very hard since hiring Sam and Gregg and are getting caught up to where they should be. Don explained the importance of utilizing collected data to help districts keep up with their preventative maintenance. Don mentioned some districts are in non-compliance, but as they learn to use the collected data, it should allow them to stay on track and keep up with their preventative maintenance. Dee asked why districts haven't been keeping up on their PM. Don used Pelican as an example and explained they simply don't have the personnel or knowledge to get their maintenance done, and they haven't been able to keep up with changes such as submitting and tracking work orders. Eddy interjected that it tends to be very small districts with small budgets that drives non-compliance, but they need to become compliant. Bob asked if the committee could get specifics on the 5 districts which were non-compliant. Don answered, yes; work orders are a big part of the non-compliance. Districts tend to be good on areas like training and custodial.

Staff Goals and Objectives

Sam continued the staff briefing by talking about staff goals and objectives for the upcoming year. Sam anticipates that the A/E Services Manual will be completed and ready for the BR&GR Committee at the December 2007. The next item discussed under goals and objectives was funding of outdoor facilities. Sam let the committee know that EED staff will be reviewing statutes and regulations in order to develop recommendations for the BR&GR Committee by the December 2007 meeting. Sam explained that guidelines for outdoor facilities such as tracks and fields are not very clear, whereas the guidelines concerning other type of facilities such as hockey rinks and saunas were quite clear. Bob asked if there were alternative ways for districts to get funding from other entities if the state cannot provide them. The committee had a discussion on how to determine if a facility was more for school use or community use and what kind of documentation would be required to prove this. Eddy answered by saying the problem was not having enough rules, and it's important to make sure the facility is for a school or educational need, not just a community need. The committee agreed with this, but asked what kind of documentation would be used or needed to prove what the facility was used for. Sam explained that this is why it's important for staff to

review the statutes and regulations and interpret them appropriately to make recommendations.

The next goal listed was the CIP application submittal. Sam briefly explained that EED has staff committed to working on a project called the Unity Grant, and he has started working on the possibility of creating an online CIP application. The advantage of going to this system is to make the form more universal, increase efficiency, and reduce the paper load that comes in to the department each year. Carl asked about the supplemental information that is required on the application and how that would be submitted because it can be gigabytes of information. Sam explained that maybe there could be check boxes a district could check to let EED know what they would be sending to us and they would have to mail EED the supplemental information.

Statute Issues

Sam recognized that the percentage of Construction Management by Consultant is not up to date with current needs. He said staff will be researching this and will prepare recommendations for the committee by the December 2007 meeting.

Regulation Issues

Sam said he would have staff review the regulations and make recommendations to the committee by the December 2007 meeting.

Publications

Sam explained that staff will be reviewing and proposing updates to the publications managed by the Facilities section and will provide updates to the committee on a regular basis.

Sam concluded the review of goals and objectives. Tom Richards asked if this list was in priority order. Sam believes it pretty much is, and that it was an order he would like to see things moved. Carl asked to bump up construction but he will wait for next year. Sam concluded the staff briefing and the committee took a 15 minute break.

15 Minute Break at 8:45 am

Reconvene at 9:00 am

Mark Langberg joined by phone.

FY09 CIP Application Review

Carl John with SERRC mailed a letter to the Facilities section on March 7, 2007 explaining 4 items of concern regarding the CIP application. He requested in his letter to be allowed to address these items at the BR&GR Committee meeting.

Carl stated the first issue he would like to discuss is category E, cost savings. This is a large issue. As utility costs continue to grow, he is concerned about districts ability to apply for all sources of energy for schools. Currently, category E is only available for school construction, which means utility issues to fall to the bottom of the list. This is an

area of facility use that continues to be a problem for some districts, and their ability to afford the rising costs. If we could establish a different category for districts to apply, where this issue is addressed, perhaps it would allow for more cost savings for districts willing to use alternative energy sources. Sam agreed he would like to look into this also, but it would require a statutory change and we would need to prove it was more maintenance related than construction related. Sam continued, saying maybe they could take a look at the scoring system used and possibly adjusting that somehow. Carl didn't think this was possible. Kim Andrews added that she had looked at the scoring criteria and believes it's possible to get a full 30 pts in this category if districts apply for a recovery of funds. If they fill out a really good application they can get 60 points right there. Bob asked if districts had ever tried this and been successful at gaining the funding they needed. Kim couldn't recall if that had ever happened. Bob added that it may be possible then but not likely if it hasn't happened yet. Carl then asked, of the applications that were received what percent were school construction and what percent was major maintenance. Neither, Sam, Don, or Kim had that information available at the meeting.

Eddy moved to save this conversation for the June/July meetings in combination with school construction because he wanted the legislators to be present for this discussion. Bob agreed and added that he would like to look at the changing the point system as opposed to making a statutory change. The committee agreed that energy savings should be on the major maintenance list rather than the school construction list. The committee agreed to address this issue again in the next meeting.

Temporary Facilities

Carl moved on to discuss the second item in his letter, defining what a temporary facility is. He proposed changing the definition of a temporary facility to mean facilities, typically providing a classroom or administrative space intended for use for a limited period and not having a foundation of permanent construction. He believes the current definition counts against districts when trying to determine unhoused students. He gave an example of Lower Yukon teacher housing facilities. He would like the department to recognize the shortfalls of the current terminology. Eddy proposed removing the word "or" from the current definition and changing it to "and." Sam raised a question regarding intent and how the department would verify intent for a temporary facility. Discussion began regarding the difference between a permanent facility and a temporary facility, concluding with the idea that permanent facilities would have permanent foundations. Thorne Bay was used as an example against this statement, however, in that they have a permanent facility that does not have a permanent foundation. Eddy concluded the discussion on temporary facilities by stating we would look at changing the wording from "or" to "and" to fix this problem.

Allowable Space Worksheet

Carl explained that it's possible for districts to manipulate the numbers in order to obtain additional space. Sam and Don both acknowledged this and said they were looking into that issue. Don added that the state doesn't just go by what the worksheet says, the numbers still have to be supported. If a space worksheet submittal looks unreasonable, they will review it. Carl said he was still concerned that districts could get a lot more

space out of that 0.5% they can play with. He said that can be a lot depending on the facility and district.

Cost Model

Carl said he would like to see some additional information go into it including additional unit costs for items such as: site area, utilities, playground, roofing systems, and make renovation projects more detailed for next year. Sam said he was willing to look at this, but some of the items Carl listed might not all be information the department would have. Sam would like districts to give a ballpark figure, some general guideline, so the department can have an idea of what the project is going to cost. Discussion was presented that some districts can't afford to have someone do this for them so the state should make it easy for everyone.

Eddy called a 10 minute break at 10:05 a.m.

Reconvene at 10:15 a.m.

CIP Application

Sam continued by going over and explaining the CIP Application. Everyone thought it looked pretty good, but raised questions about debt reimbursement and grant primary purpose categories. Carl asked if the department had ever turned down any debt retirement roofing requests. Sam and Don both responded saying they didn't think so, but would have to double check to be sure. Dee joined in and asked if roofs would have health and safety laws? After some discussion on this, Eddy determined this was something that needs to be sent to legislature of review because it would require a statute change. However, Eddy emphasized that if a facility needed a roof the department would figure out a way to get them one.

Tom Richards raised a question about questions 8 and 9 on the application, asking if buildings which have been demolished would count toward used space. Eddy responded explaining anything demolished does not count toward space.

Under question #16 on the application, Carl disagreed with having the condition survey and facility appraisal worth the same amount of points each. He doesn't think they should be weighted the same, and if one should be worth more points it should be the condition survey, not the appraisal. Sam explained that the facility appraisal is actually more important to him than a condition survey. He added that he finds both to be valuable, but he looks at the appraisal before the condition survey. Tom asked what the department gains from having districts complete all of this? Sam replied that it actually is more valuable to the district than the department to have this done, because it helps district's prioritize their projects. Bob explained that it is very expensive to have these surveys done, but they are very important. He suggested that maybe the department could be more subjective in points system rather than having it be all or nothing. Dee interjected, asking how much it costs to have a condition survey/facility appraisal done. Someone responded saying it costs about \$54,000.00. Eddy asked if the committee was okay with moving the ten points from verification of a districts fixed asset system, to a scoring criteria providing points for condition survey, and facility appraisal. Each

committee member answered yes with the exception of Carl John. It was decided to keep the point allocation system and keeping the condition survey and facility appraisal worth 5 points each.

Sam also added that, for question 16 on the application, there is an overview of additional points districts can apply for. This is a new item, and it was added to act as a checklist for districts. Carl raised an issue over this system saying that information changes as each year passes and becomes useless. Bob added, depending on how old the documents are the point system may be outdated. There should be a way districts are able to get points for the work they've already done. Harley also raised some concern over the consistency of the scoring. Sam addressed this issue and said he would look into improving the scoring method and consistency of it for the future.

Sam quickly explained number 17, Project Description/Scope of Work. Currently, there are 50 points available for this section, but it's possible to get more points than that. Sam moved on to the Cost Estimate table and someone suggested adding a line item for in-house construction. The committee went on to discuss construction costs and how they relate to the cost estimates. It was mentioned that construction costs have risen 30% over the last few years and planners are no longer able to keep up with the rising costs. Bob asked to have the department look at this issue and the committee agreed this was a good idea. Sam answered the department can look at some components that may have changed like components of design.

An addition was made to question 30 on the application to include a check box for facility appraisal. Dee suggested switching question 30 and 31 to make things flow a little better. The committee agreed that was okay. Discussion over the application was finished.

CIP Objective & Subjective Rating Forms

The next item discussed was the CIP objective scoring sheet. The first thing Sam pointed out was an expanded age range of buildings to include buildings up to 40 years old. The points were adjusted accordingly, and 10 points were added to overall scoring for this item. Eddy asked the committee if they were okay with this change and everyone agreed, yes. Further discussion was brought forth from an audience member, asking if this would apply to renovations. In theory, he said, a district could have a newly renovated building claiming it was 40 years old. The committee discussed this idea, agreeing that maybe they need to reconsider how the age of a building is calculated. Sam mentioned that the department could modify the facilities database to include renewal and replacement schedules and could take that information into consideration.

The next thing Sam pointed out had changed was the scoring for *unhoused students today*, and *unhoused students in seven years (5 year post-occupancy)*. Sam added an extra 50% to the overall capacity to read *250% of capacity*. He also changed the scoring for unhoused students over 100% capacity to include 1 point for each 3% of excess capacity for *unhoused students today*; and 1 point for each 5% of excess capacity for *unhoused students in seven years (5 year post-occupancy)*. He made these changes in

order to create more of an ability to distinguish differences in capacity for unhoused students in the applications. Eddy asked the committee if they were okay with the changes to #6 and #7 on the scoring sheet. Before they were approved, John Weise, who had stepped in for Rep. Hoffman pointed out one change to #3 on the scoring sheet asking that the ranges be corrected. Sam recognized the error and agreed that needs to be changed to 10 < 20 years, and 21 < 30 years. Currently, the number 21 was used twice in measuring the age of a facility and that is not correct for the scale we are using. Dee added that #9, Preventive Maintenance, on the scoring sheet should be looked at as well. The problem she saw was that number 3 under this category should be under a maintenance category more than it should be under a preventative maintenance category. The committee discussed this and decided the easiest thing to do would be to change the title of the scoring category to read, Maintenance Program instead of Preventive Maintenance. The objective scoring sheet was approved with changes by the committee. Sam continued, moving on to the subjective scoring sheet. There weren't any changes made to this sheet. Dee asked why #4 wasn't under the objective scoring. Don explained that there is a degree of inadequacy that needs to be measured. Districts need to show support for inadequacies and the appraisal will be a tool to help the department look at the adequacies and inadequacies and points will be given accordingly. The committee approved the changes made to the objective scoring sheet.

CIP Application

Sam added some clarifying language to the application and updated everything to the most current version of CEFPI. Under #26, Carl suggested adding language to say "maximum of 40 points are available for this question." The committee agreed to this addition. The committee also suggested switching the order of #30 and #31 and removing the word "preventive" from the language in #31.

Break for lunch 12:00 – 1:30

Meeting called back to order at 1:30 pm.

Sam continued with an overview of the appendices in the CIP Application, noting some additions. Specifically, Sam noted the correlation to grant and debt in sections D, E, and F of Appendix B. Carl asked if this would be the same application for grant and debt reimbursement, if the application was designed for both. Sam explained it was.

Under Appendix C, Sam noted his additions and clarifying edits such as identifying the maximum construction management percentage as 4% of the total project cost as defined in statute. Also, under the Equipment and Technology section, he amended the percentage to be 10% of construction cost to account for combining the equipment and technology budget items. Sam explained he would also be willing to amend the percentage for school equipment purchases; however he wanted to know if that was something the committee was wanting, or willing to do. He did update the percentage of District Administrative Overhead from 2% to 9%. Carl asked if the district was required to state which percent would be done with in-house construction. Sam explained it's not

of great assistance to have that information, but if a district exceeds 9% they would have to provide additional information to support the additional costs.

Raters Guidelines

Identification of points for subjective category. Changes include some clarification in the introduction by removal of debt project language that doesn't apply to project scoring. On pages 2, 3, 4, and 5 there are changes in the break out of points. Also, Sam noted that he would have to reorganize question #30 and #31 to correlate with the earlier changes in the order of those questions on the CIP application. He also explained putting the Adequacy of Documentation scoring at the end of the document because it should be the last item scored.

Open Floor for Questions and Comments

Carl wanted some clarification on question 21 of the application, defining a school attendance area. Don explained the "space" is what's wrapped around the attendance area. Mixed grades really affect the space question. One of the audience members asked how the attendance area is defined. Dee made a motion to approve the FY 2009 CIP Application and Bob seconded. Nobody opposed. The committee accepted the FY 2009 CIP Application and accompanying documents.

Work Plan Overview

Sam reviewed the work plan for the upcoming year. Publication Review (item 2) has no defined dates yet, and is being worked on as time permits. Database Review (item 3), staff is currently looking at options for combining the different databases used by the facilities section. We also plan to work in conjunction with the Unity Project at EED to design some sort of database recording system for the renewal and replacement of school facilities. Online CIP Application (item 4) is an idea for an online CIP application in an effort to reduce the mail and paperwork districts have to send to the department.

Open Discussion

There was a discussion regarding vocational schools. (*Career Tech* schools are the name the state is using). The question of whether or not the application impedes career tech schools or helps them was asked. Bob mentioned that it seems that career tech schools decrease a districts allowable space, and agreed that career tech schools can hurt other areas. Don explained that the state recognized this issue and has dealt with questions. It's an ongoing problem and will continue to be an issue because of space concerns and pressure to create this type of education program in Alaska. If a school is near, or at capacity, they will go over the maximum in order to accommodate career tech. The rest of the committee agreed that this can be a problem. Eddy explained that as we move forward with career tech schools they will be classified differently than normal schools. Sam voiced concern over not counting space in career tech schools. He said this could cause a flood of career tech school applications because they aren't being counted as "space." Bob moved on to say other space guideline issues remain such as electrical and mechanical space and storage space. Tom also asked about "dedicated space" such as space for computer labs, kitchens, and gyms. They count as regular classrooms, but they clearly are not regular classrooms because they are built to house a specific kind of

subject. Sam concluded the discussion over space guidelines and said there are many issues and maybe the committee needs to look at some kind of legislation to help the issue.

Eddy exited the meeting, leaving the Bob as the Chair.

Mark raised the issue of square footage for students and when it was last updated. Kim responded, saying it was raised in 2001. Dee followed up Mark's comment, saying she the square footage should be increased. Bob mentioned creating guidelines so storage space doesn't turn into classroom space. Carl said we should look at the use of gym space then too.

Bob asked if there was anything else. Harley commended Sam for a job well done for being new to the position, the rest of the committee agreed. Bob moved for adjournment, and Carl seconded.

Meeting adjourned.

Next meeting scheduled for July 31, 2007 at the Talking Book Library in Anchorage.