

**Minutes of the School Facilities Commission
State Library Conference Room
516 S. Greeley Highway
Cheyenne, Wyoming**

May 22, 2007

Chairman Gilpatrick called the meeting to order at 8:40 a.m.

Present: Commissioner Algier, Commissioner Carrier, Commissioner McBride and Chairman Gilpatrick.

Approval of Meeting Agenda

Chairman Gilpatrick removed agenda Item 5B – Laramie 2 – Land Purchase Request, Action Items 5C and 5D became information items only, and an Executive Session was added after Commissioner Comment's.

Commissioner Carrier made a motion to approve the meeting agenda as amended. Commissioner McBride seconded the motion. Motion passed unanimously.

Approval of Previous Meeting Minutes

Commissioner Carrier made a motion to approve the previous meeting minutes from the January, February and March meetings as presented. Commissioner McBride seconded the motion. Motion passed unanimously.

Director's Report

Mr. Ken Daraie reported that he and Mr. Carrier had the pleasure of joining the superintendents at the annual conference in Casper, which was a great opportunity to cover a range of issues.

Director Daraie informed the Commission that he had a meeting with Governor Freudenthal, who asked Rich Cathcart and himself to develop a policy regarding energy efficient green buildings and demonstrate that the state does care and our buildings are energy efficient. Director Daraie continued that there will be a little more emphasis on energy efficiency and has engaged in some dialogue with the Business Council. He further explained that the SFC is not ready to pay for that last step of LEED recertification on every building, but that we would like to adopt as many of the features and policies that can be justified.

Director Daraie commented on the visits he and other staff members have made to Districts over the last several weeks. Director Daraie commented on a one-room school in Albany County at the base of Laramie Peak which has been closed for the past 12-15 years. He continued that eight to ten people from the Department of Education and SFC sat around a table trying to find alternative solutions and possibilities for a family of two children and one on the way, who have chosen to live in a ranch at the base of Laramie Peak almost 50 miles from the next nearest school, and the District is considering

opening up that school with a teacher and providing services. He stated it was quite remarkable and couldn't imagine something like this happening anywhere else in the country.

Director Daraie called on Ms. Nancy Thomson to present specific project issues

Ms. Nancy Thomson discussed the design build legislation and the possibility of a two-day seminar to provide information of the legislative changes. Ms. Thomson stated she would advise all of the seminar dates when set. Ms. Thomson also reminded everyone about accessing the SFC website for a list of projects bidding in the near future for K-12 construction.

Director Daraie indicated that he visited with fellow engineers at the American Council of Engineering Companies at the bi-annual conference in Cheyenne. Director Daraie shared an interesting statistic in a fact sheet that Ms. Thomson passed out at the conference; which showed that in the past two biennium's over \$60 million dollars was spent on architects and engineering firms in the industry. He commented that this was a staggering sum of money.

Director Daraie also reported on the first two Interest Based Strategy (IBS) sessions that were held.

Lastly, Director Daraie reported that legislation passed at the last session, Senate File 14 allowed for \$200,000 to be used for leased spaces. He continued that by July 1 the SFC is committed to form some type of policy to deal with Senate File 14.

Current Business

Leased Facility Forms Approval

Mr. Ken Burnett informed the Commission of the standard procedure used for the Leased Facility Forms. He further stated that the meeting packet contained forms for Fremont County School District No. 1 and Carbon School District No. 2 which needed approval.

Mr. Burnett informed the Commission the forms were routine and the Districts provided the SFC with information on an annual basis relative to leased spaces which is used within the major maintenance formula.

Commissioner Algier made a motion to approve the Leased Facility Forms for Fremont County School District No. 1 and Carbon County School District No. 2. Commissioner Carrier seconded the motion. Motion passed unanimously.

Commissioner Algier made a suggestion to the Commission that the Director be allowed to administratively take care of the forms in house, and that the Commission would not need to see the forms.

Commissioner Alger made a motion to grant authority to the SFC Director for approval of Leased Facility Forms. Commissioner Carrier seconded the motion. Motion passed unanimously.

IBS Session 1 and Session 2

Mr. Ken Daraie informed the Commission about the recent sessions held in Jackson and Cheyenne and provided details of each session. Director Daraie also reviewed the final design for Maintenance and Capital Construction that were contained in the meeting packet.

Director Daraie stated there are still some issues like guidelines, design and basket of goods. However, the SFC and Districts can now sit across the table and have a conversation utilizing the IBS process. He applauded the efforts that have come forward.

Commissioner Carrier stated value engineering should be driven by need and not by dollars and asked if this would come from a recommendation of the Project Manager.

Director Daraie advised he perceived the mechanics of value engineering would flow through the Project Manager. Director Daraie also stated the dynamics are changing within Districts, not just in value engineering, but all aspects of the projects and we need expertise at various points.

Commissioner Algier stated that what she witnessed at the IBS Session was just amazing, the trust and honesty was just amazing to see and experience.

Commissioner Gilpatrick stated he was impressed with the cooperation. He continued that all are on the right road and are smart if we collaborate to figure out a solution for everybody.

Streamlining of Payment Process

Ms. Teresa Kunkel indicated that the streamlining of the payment process was initiated from the IBS training/session in Jackson. She continued that an action item was created to set up a subcommittee of Business Managers from nine (9) Districts to streamline the payment and reporting process.

Ms. Kunkel informed the Commission she has met with Michael O'Donnell to look at the statues and start that process and also met with the Auditor's office to see what they would allow the SFC to do. She continued that internally, the SFC would like to automate as much as possible.

Commissioner McBride volunteered Mr. Fred Hansen and his staff to be on this Financial Task Force Committee to represent the Wyoming Department of Education.

Mr. Dennis Bay stated one thing that would really help his District would be for the SFC to provide a pay application balance statement.

Ms. Kunkel responded that Maximus would provide this in the future. However, in the meantime she would send out spreadsheets electronically showing the balances.

At 9:20 a.m., a 20-minute recess was taken. The regular meeting reconvened at 9:35 a.m.

Chairman Gilpatrick informed the Commission and audience that the Wyoming Business Council would give their presentation on Energy Efficiency at 1:00 p.m. at the SFC Offices and all were welcomed.

Wyoming Association of General Contractors (WCA)

Mr. Charlie Ware, Wyoming Association of General Contractors, disseminated a prepared statement which he read out loud.

He stated that the WCA staff attended the meeting in Loveland, Colorado on April 26, 2007. There were approximately 60 contractors at the meeting and WCA's main focus was to provide an understanding of Wyoming's 5% preference policy.

Mr. Ware offered two recommendations to decrease the frustration in school construction. First, set up a two to five year calendar of what schools will be built and when – like WYDOT's State Transportation Improvement Plan (STIP). Second, allow only three types of school plans to be used throughout the state. This will allow for easier bidding, more uniform costs per square foot, and set parameters on architects in state and out-of-state.

Director Daraie responded to the prepared statement by saying that Mr. Ware made some very good points, although there were some cultural issues to overcome. He continued that people have a sense that we have to get construction done today because it could all go away tomorrow and the SFC needs help in understanding what our capacity is to deploy dollars throughout the State in a given year or a biennium, prior to the budget session. He continued that as a state we need to make some commitments; to be dependable, predictable and someone that people can count on.

Mr. Ware commented he was asked that question a few years back and he contacted some of the bigger contractors in Wyoming to ask how much more work they could take on in a year. He advised the Commission that the consensus was \$250 million, collectively within the state. Mr. Ware believed this number would probably be less today considering the extra public work going on in the state, especially in Campbell County.

Wyoming Associated Builders

Mr. Josh Carnahan, Executive Director of Wyoming Associated Builders and member contractors addressed the Commission with comments and concerns. Mr. Carnahan indicated he had information about bonding capacity and received feedback from members that the \$300 million approved for the next two years was within the realm of possibility for the members.

Conversation was held regarding the members bonding capacity and concerns with the Resident Preference.

Mr. Carnahan asked the Commission why they felt the School Facilities Commission needed to actively recruit out-of-state contractors. Mr. Carnahan wanted to show the SFC that his association had the capacity to do the school work, but they also wanted to show that they have the competitiveness in the market and that it is in everyone's best interest to work together in these projects and keep the lines of communication open.

Director Daraie responded that when one does not have all the information, one tends to make assumptions. Director Daraie stated it was inaccurate to say that there was an active recruitment of out-of-state contractors by the SFC. He continued that the SFC cared deeply about the state's welfare, about our procurement, and all of us that pay taxes support the system we call home.

Director Daraie stated there were some practical/logistical issues the state had to overcome. He continued there had been situations where we find ourselves at risk and compromised and we have to deal with those risks.

Director Daraie commented he felt the contractors within the State of Wyoming would always have a "leg up", and it will always be more difficult for out-of-state contractors to compete here. He continued that the system isn't perfect and the SFC is striving to do things properly in planning and he asked for patience from the contractors.

Mr. Mike O'Donnell stated the preference law actually strengthened the Wyoming Contractor's Association.

Chairman Gilpatrick suggested that the SFC form a committee that would get everyone involved and discuss what is needed and agree with a standard form of delivery methods.

Future Commission Meeting Schedule

Discussion was held regarding the next Commission meeting and it was determined the next meeting would be June 18 & 19 in Casper at the Verda James Elementary School. The Commission was also informed of the upcoming IBS Session 3 scheduled for June 20 – 22 at the Parkway Plaza Hotel in Casper.

An SFC retreat is slated for July 16 - 17, 2007. Arrangements will be announced at a later date.

Public Comment

Mr. Kirk Schmidt thanked Director Daraie for putting together the IBS process and made the comment that it is so much more productive to come up with a solution collaboratively rather than going to court, because nobody likes it when the court tells you what to do.

Commissioner Comments

Commissioner McBride said he applauded all the efforts for the IBS meetings to open up the lines of communication. He continued that all have to stay focused on students' welfare and student achievement and developing the best and brightest.

Commissioner Carrier reiterated that the communication and openness he felt going on only benefits the state and really encouraged it because it makes all the difference.

Commissioner Algier stated she really enjoyed getting the input from the contractors as it was an aspect she felt she had been missing.

Chairman Gilpatrick said he agreed with all his fellow Commissioners. We are all smart people and can come up with ideas to make everyone happy.

Executive Session

Commissioner McBride made a motion to adjourn the regular meeting and convene into Executive Session on personnel issues. Commissioner Carrier seconded the motion. Motion passed unanimously.

At 11:45 a.m. the Commission concluded the Executive Session.