

**Minutes of the School Facilities Commission
University of Wyoming Outreach Building
Casper, Wyoming**

March 18, 2008

Chairman Gilpatrick called the meeting to order at 10:25 a.m.

Present: Commissioner Algier, Commissioner Goodson, Commissioner Carrier, Commissioner McBride, Chairman Gilpatrick and Director Daraie.

Approval of Meeting Agenda

Commissioner McBride made a motion to approve the meeting agenda. Commissioner Algier seconded the motion. Motion passed unanimously.

Approval of Previous Meeting Minutes

Commissioner Goodson made a motion to approve the previous meeting minutes from the January 15, 2008 meeting as presented. Commissioner Carrier seconded the motion. Motion passed unanimously.

Current Business

Sweetwater 1 Request (Rock Springs) – Infrastructure Funds

Mr. Lance Johnson provided the Commission with the background information regarding the site for new schools and discussed the first phase which is a K-4 school that is currently in the design process.

Mr. Johnson informed the Commission that Sweetwater County School District No. 1 requests approximately \$237,465 from the off-site infrastructure funds to complete phase one, which would cover half of Summit Street.

Mr. Johnson stated that on the west of Summit Street there is a city water canal that runs the entire length of Summit Street, which would prevent any development or access to the property. He further indicated there would not be an opportunity for recapture from the development of this street, as the use of the street would be limited to the occupants of the phase one K-4 elementary school and the phase two 5-6 elementary school.

Director Daraie stated the policies associated with roads and off-site infrastructure are part of the capital construction projects and that the other half of the street is the responsibility of builders and recapture agreements would be established, as needed.

Director Daraie informed the Commission of the \$6.9 million dollars appropriated to the SFC and the additional \$3 million dollars given this past session. Director Daraie stated the SFC will pay for the entire road, one half of the road from the capital construction budget and the other half from the infrastructure budget.

Mr. Michael O'Donnell stated this was the first request for infrastructure funds and believed it was appropriate. He added that the only limitation for the Commission, when utilizing infrastructure funds, was the determination of the capacity for the school and the use of recapture agreements for any over capacity situations. The Commission was informed that they did not have to view this as an infrastructure request because there was no adjoining landowner who would benefit from this road.

Commissioner McBride made a motion to approve the request from Sweetwater County School District Number One to use \$237,465 (estimated) in infrastructure funds for the new K-4 Elementary School in Rock Springs. Commissioner Goodson seconded. Motion passed unanimously.

Sheridan 2 Request (Sheridan) – Infrastructure Funds

Ms. Julie Carroll stated she was requesting \$250,000 from the infrastructure funds for the new Woodland Park Elementary School. She reported that the Wyoming Department of Transportation (WDOT) required turning lanes to be installed and the road widened for both accesses to the school, but that they could not contribute additional funds for the requirement.

Ms. Carroll commented on the other entities that have contributed towards the project and how permits could not be secured until the District was able to commit funding for this part of the requirement.

Discussion was held on annexation of the land and the other contributors.

Director Daraie stated this project was for access to the state highway and there was cost sharing with every one involved. He further stated the request was for \$250,000, which was 10% of the overall budget and how the statutes refer to “fair share”.

Mr. O'Donnell asked the Commission to be mindful of the Supreme Court's greatest criticism of the SFC in the recent Campbell decision, which was funds were not appropriated rapidly enough.

Commissioner Carrier asked if this relieved the SFC of the recapture issue because of the contributions made by everybody involved.

Mr. O'Donnell stated that if the Commission determines this was paying your fair share, which is the capacity attributable to schools, then there would be no need for recapture.

Commissioner McBride made a motion to approve up to the cost of \$250,000 for the intersection only for Sheridan County School District No. 2 request for infrastructure funds. Commissioner Goodson seconded the motion. Motion passed unanimously.

Chairman Gilpatrick requested a map be presented with each infrastructure request. Commissioner Jim McBride requested the map contain the immediate and surrounding areas to be used as a visual when making decisions on such requests.

Fremont 25 – Agreement with City of Riverton

Mr. O'Donnell provided the background information to the Commission regarding the agreement the SFC reached with the City of Riverton.

Mr. O'Donnell stated the Lincoln Middle School was built just outside of the city limits and there were significant issues with the City of Riverton and the SFC on whether the land would be annexed into the city, and how it would be annexed. The resolution to the issue was embodied in the agreement contained in the meeting packet.

Discussion was held on the details surrounding the issues and the final agreement.

Director Daraie stated the issue was where the District had designed a plan that would extend the road for the sole use of the building. The city requested this extension to go to the property line.

The District questioned why they should pay to extend the road for the city's use. The final agreement was that SFC would pay for the entire road one-half of the way and the city would pay for any extension. No recapture agreement would be needed.

Commissioner Goodson made a motion to approve the attached agreement between the City of Riverton and Fremont County School District No. 25. Commissioner Carrier seconded the motion.

Motion passed with Commissioner Algier, Commissioner Carrier, Commissioner Goodson and Commissioner McBride voting in favor of the motion. Chairman Gilpatrick abstained from voting. Commissioners Ferris and Marsh were absent and excused from voting.

Rules & Policies

Mrs. Donna Murray reported to the Commission that the current SFC rules & regulations were outdated since SFC policies and procedures have evolved and changed significantly during that past year. The information is valuable, but needs to be updated to conform to current practices and policies of the SFC. Mrs. Murray spoke with the Secretary of State's office and was informed that SFC could draft a complete set of new rules if the current rules had changed significantly.

Mrs. Murray asked the Commission to review the rules and offer comments. Director Daraie asked Mrs. Murray how much of this change was driven by changes in statutes. She replied that there had been several changes and the Commission had been given much flexibility on how they could move forward with the funds that were appropriated. SFC had developed a new prioritization process, developed new tools for assessments and the rules were SFC's basic structure.

Ms. Murray stated that Chapter's 3 & 4 were revised to address the facility planning process and the new guideline charts and graphs that Director Daraie had created. The chapters would also address items not covered by square footage charts. There may be additional modifications to this chapter once the Districts and Project Managers input is

received. At the next meeting, SFC will ask the Commission to begin the rule-making process.

Mr. O'Donnell stated the revised rules are designed to cover areas required by statute. Circumstances change rapidly and rules literally take 6 months to change.

Policy on Mechanical Space Relative to Guideline Square Footage (1st Reading)

Ms. Nancy Thomson provided the Commission with background information regarding the concerns with the SFC guideline square footage and how it related to mechanical space and whether this square footage should or should not be included in the guidelines when designing a facility.

Ms. Thomson indicated the Commission had asked the staff to look for industry standards and use these standards when creating the policy. Ms. Thomson advised the Commission that the mechanical space fell within the two example definitions contained in the packet and it was consistent with the way the SFC had been operating.

Commissioner Algier and Commissioner Goodson both agreed with the use of the accepted standard of codes.

Discussion was held on the cost effectiveness of mechanical equipment.

Policy on FF&E (1st Reading)

Ms. Thomson provided information regarding the FF&E policy and where the percentages came from. Ms. Thomson indicated that a big portion of the policy required the school districts work collaboratively with the SFC to take an assessment of what was actually reusable and what was not.

Commissioner Carrier questioned if the SFC staff felt the Districts were conducting the inventory and assessment adequately and if the SFC had a recapture on it.

Ms. Thomson stated that currently it was based on the good faith effort of the Districts making the assessment of what is actually needed to provide functionality of the space.

Discussion was held regarding the available funds within the state, the block grant and how these funds were spent and the determination of reusable equipment.

Policy on Land Acquisition – 1st Reading

Ms. Murray indicated the policy would be used to determine the need for land acquisition and the due diligence investigation regarding the acquisition.

Director Daraie urged Districts to be involved with communities' early in the process regarding acquisitions and to keep abreast of development within their communities.

Director Daraie stated all phases of land acquisitions should be kept confidential and neither the District nor the SFC should divulge information on proposed land acquisitions

until such time as all due diligence had been completed and the SFC had negotiated the land purchase price.

Director Daraie stated that when the SFC receives a request for land acquisition that together with the District the SFC would survey the community and generally try and identify two options. He further indicated the District would decide what is in the best interest of the project as purchasing land was not always driven by growing population, but facilitating the construction of schools.

Commissioner McBride commented that when large residential developments are being planned, the SFC and/or Districts should be involved to determine where a school might reside. He further commented on speaking with developers as they may designate a space or donate a space for a school.

Director Daraie agreed and stated the community in Jackson had done this.

The Commission indicated that comments regarding the policies presented be directed, in writing, to Mrs. Murray.

At 12:34 p.m., a lunch recess was taken. The regular meeting reconvened at 1:30 p.m.

Legislative Session Review

Mr. O'Donnell reviewed the relevant statutory changes enacted during the last legislative session. With regard to the Major Maintenance statutes, the legislature expanded the ability of the Districts to use major maintenance funds for other purposes under certain circumstances. The Commission may now allow the expenditure of major maintenance funds for other things as it deems appropriate. Mr. O'Donnell urged the Commission to go slowly on this and to do it by the adoption of the policy. He added that these funds can be blended into construction projects

In addition, Mr. O'Donnell noted that all the old archaic references of the statutes have been deleted. Mr. O'Donnell explained that section 114 of the statutes underwent significant changes. He reported that the Commission now has the authority to continue to approve contracts entered into by the Districts and/or hire their own professionals. The Commission also has the authority to directly enter into project agreements, and it may now directly purchase and acquire school sites for schools.

Mr. O'Donnell reported that the Facility Plan statute was also amended to give the ultimate responsibility and authority over a facility plan to the Commission, who will act in conjunction with the Districts. This change was in response to the IBS sessions over the past year.

Mr. O'Donnell reported that the administrative review process had been simplified to make clear that districts have the right to administrative review for any final decision of the SFC.

Mr. O'Donnell commented on the very significant changes regarding section 117 of the statutes. The distinction between major and minor capital projects has now been

eliminated and the Commission has the discretion to decide when the projects should have value engineering, etc. on a project by project basis. This statute reinforces the obligation of the SFC to adopt a remedy to solve the problem, which needs to be in the best financial and educational interest of the State. Lastly, the language instructs the Commission to establish a process to political subdivisions of the State to try to figure out some way of pulling it all together.

Mr. O'Donnell also stated that the emergency account has shifted from being a separate statutory account into just a line item in the budget. In addition, the statute regarding the status report to the legislature was updated significantly to conform to the Commission's current practices so that the Commission will relay data to the legislature that they can actually change

Finally, Mr. O'Donnell informed the Commission that the statues of the State's Fire Marshall had been modified. He indicated the Fire Marshall now had the additional discretion to jointly engage in plan review and assume the plan review authority on the State level on home rule communities. The statute also allowed the Fire Marshall to contract with additional necessary help. The language was inserted in the contemplation that if there was an increased burden, there is the ability to contract with SFC to obtain the necessary funds.

Commissioner McBride stated that because they have such a robust computer network in the Department of Education they will probably play a role in helping the communities and that communication would flow both directions.

Commission Meeting Schedule

The Commissioners advised the audience that the next meeting will be held in Casper on April 21, 2008.

Public Comments

Superintendent Martha Young provided background information to the Commission on the District's health and safety concern with their new Elementary school. Ms. Young stated the District was having a difficult time enforcing the bus drop-off zone from parents dropping off their children. She further indicated the street was a two-way street and parents were dropping students off on both sides and students were running in the path of other vehicles. Superintendent Young indicated that she had been trying to solve the problem and was seeking some support from the Commission in regards to a re-design of the bus drop-off loop.

Commissioner Carrier asked if there was room to develop an off-street parking area.

Mr. Todd Wilder stated that there was a football field that could be used and there was an access road near the playground area that could be used.

Commissioner Carrier suggested that we make this a safe situation and determine if there was neglect in the planning and alleviate the problem.

Commissioner Algier stated she believed this was clearly a designing issue.

Mr. O'Donnell urged some caution with a determination that this was an emergency needing immediate action. He stated there were a dozen schools within the state in similar situations.

Commissioner Carrier stated the bus loop should be brought up to standards and not to declare it an emergency.

Potential Project Budget Overruns

Director Daraie stated in the last biennium there was an inflation figure that was appropriated to the Commission and with the current budget list and cost; there was a concern if costs escalated due to inflation.

Director Daraie stated a letter was sent from the SFC to all Districts that stated budgets are, in fact, just budgets. Director Daraie added that through the IBS sessions last summer, the Commission had put aside \$20 million dollars for contingencies, emergencies and land purchases.

Director Daraie informed the Commission that the SFC developed a realistic budget, but asked what would happen if the budgets were exceeded significantly. Director Daraie suggested projects at the bottom of the list would be postponed or become more aggressive with the timing of the school construction. He stated the SFC is committed to the projects; but even though the budgets are ranked numerically, project number 50 may be ready to proceed before project number 3.

Director Daraie stated that we have a responsibility to be good stewards of public funds and to scrutinize decisions and adhere to reasonable budgets.

Commissioner Carrier stated it appeared that contractors were not taking the budgets seriously and are not being held accountable for designing within a budget. He continued that if it is impossible for the cost estimate to meet that budget after being thoroughly evaluated, then that was a different matter and would be addressed.

Commissioner Goodson asked Director Daraie if he felt empowered to make the decisions to tell everybody to stop the project. Commissioner Goodson further stated if a designer does not take the budget seriously, the SFC would find somebody who will.

Commissioner Goodson stated concrete steps need to be developed to address this so we are not facilitating the wrong kind of behavior. Commissioner Goodson advised the Director to let the Commission know what is needed in order to facilities this.

Director Daraie replied that he does feel empowered to let contractors know what is expected of them. Director Daraie informed the Commission that one issue is the projects caught in transition and were underfunded previously. Some of these construction projects are driven by population issues and are essentially designed. To stop and start over would delay the school for at least one year. Director Daraie continued that is why we are going forward with the processes in place eliminating such

issues, however, there are a group of schools and projects that we are struggling with, but we will manage.

Director Daraie stated that it is important to have a better quality school as economically as possible. He commented on value engineering was another topic of conversation that came up repeatedly during the appropriations because the constituents complained to their local representatives and it found its way to the Senate and the House. Director Daraie stated the constituents questioned if the state was receiving value for the amount of funds spent on value engineering. Director Daraie commented on the approach and said value engineering makes a difference in cases where it began early in the process for development and design. Director Daraie stated the SFC has made a commitment to finish the projects that have already begun.

Ms. Thomson stated she has asked the contractors to look at material selection, layout, and anything they can to try to get a project within budget. Ms. Thomson questioned whether it was okay to continue, knowing projects were under budget and giving false hope.

Commissioner & Director Comments

Commissioner McBride stated we need to give Mr. Beck credit for what he said about Districts in terms of new construction and major renovations and there have been abuses, but 95% of the time everything has been reused and utilized.

Chairman Gilpatrick stated that it was important to keep working together and pass information on and keep working on the processes. Chairman Gilpatrick thanked everyone for attending and for what they do for the students of Wyoming.

Adjournment

Commissioner McBride made a motion to adjourn the regular meeting at 3:22 p.m. Commissioner Algier seconded the motion. Motion passed unanimously. The Commission then went into Executive Session.