



OHIO FACILITIES CONSTRUCTION COMMISSION

Ohio Facilities Construction Commission
April 24, 2014
William McKinley Room
2:30 PM

MINUTES

Chairman Keen called the meeting to order at 2:35 PM.

Roll Call

Members present: Chairman Timothy Keen, Vice Chair Robert Blair and Mr. Gary Mohr.

Adoption of the January 24, 2014 Minutes

Director Mohr moved to approve the January 24, 2014 minutes.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Auditor of State Audit – David Chovan

David Chovan provided an update on the Auditor of State audit to the Commission. In February, the Auditor of State issued a letter outlining the results of the FY13 Audit of the Ohio Facilities Construction Commission. This audit is conducted annually. This past year's audit focused on payables, project expenses, gap schedules, outside bank accounts and compliance with certain state laws and regulations. There were no findings cited in the report, but three comments were noted to improve internal controls or operational efficiencies. The first item is gap package schedules. A few of our districts that we reported have inaccuracies with future payments. This was based on some incomplete data and the timing of data entry into our IT systems. Reconciliation processes were implemented with OAKS to improve accuracy and ensure fewer, if any, errors in future reporting. The second item was confidential personal information and OFCC has two systems that contain Federal Tax ID numbers for vendors. In the prior year audit, OFCC was notified that it was not in full compliance with certain notification provisions of the law. This was communicated to OFCC in March 2013 from the FY12 audit. By the end of June 2013, OFCC was in full compliance of all the provisions of this law. This was recognized as such by the Auditor's Office by the close of that fiscal year. The third and final comment was on the destruction of public records. The Commission has adopted records retention schedules for all of its records, but former policy did not address the process of disposal. This was communicated in the same way in the prior year's audit by the Auditor of State to us in March 2013. The policy was updated and now includes the destruction of records. The Auditor of State staff has since acknowledged that OFCC is in full compliance with this audit comment.

Bond Financing Authority Approval – David Chovan – Resolution 14-02 and Resolution 14-03

David Chovan presented bond financing authorities to the Commission members for approval. Authority to oversee cultural facilities projects was transferred from the Cultural Facilities Commission to the Facilities Construction Commission with the enactment of the current budget bill effective July 1, 2013. The cultural facilities bonds are lease appropriation bonds and are issued by the Treasurer of State. Under the Cultural Facilities Commission, each time that bonds were issued or re-financed a resolution was brought before that Commission for approval. These two resolutions that are before you will delegate the authority to the Executive Director of the OFCC to request that bonds be issued or re-financed by the Treasurer of State for any pending or future bond financing transactions. The executive director of the OFCC currently has this same authority for bond issuance for K-12 and also state agency projects.

Resolution 14-02 authorizes the executive director to request funds and trigger and issuance of bonds when the General Assembly makes the capital appropriations for cultural facility projects. It also authorizes the executive director to sign the supplemental leases and other certificates that are part of that financing agreement under the State's lease appropriation bond structure.

Vice Chair Blair moved to approve Resolution 14-02.

Director Mohr seconded the motion.

Approval: Vote 3-0.

Resolution 14-03 is very similar to the first resolution except it delegates the same authority to the executive director in connection with current and future re-financing opportunities as they arise. We were asked by bond counsel to separate these two actions. There is a pending refinancing that will be attempted here by the Treasurer of State in connection with Office of Budget and Management.

Resolution 14-03

Director Mohr moved to approve Resolution 14-03.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Settlement Agreement Approval – Jon Walden – Resolution 14-04

Jon Walden presented a settlement agreement with Schorr Architects and the Department of Youth Services on the Indian River Juvenile Correctional Facility. It was a multi-million dollar project with one issue related to the construction of the kitchen area where the freezer foundations were not properly insulated, which has caused the ground to heave and wall panels to buckle requiring a remediation effort. After review of the circumstances, it was determined that the primary responsibility for added cost to the project fell on the architect. The parties worked together and negotiated a settlement. The architect will provide approximately \$32,500 towards the remedial effort, which includes an in-kind contribution of \$25,000 for donated architectural and construction administrative services. The settlement provides Schorr Architects a limited release to the freezer foundation issue. All remaining issues would remain for the owners to consider.

Vice Chair Blair moved to approve Resolution 14-04.
Director Mohr seconded the motion.
Approval: Vote 3-0.

Executive Director's Report

Director Hickman reported that provided in the meeting materials were listings of design and construction contracts that had been executed since the January meeting for agency and higher education projects. They included profession design service agreements, construction manager agency, construction manager at risk contracts, design build contracts, single prime, multiple prime contracts and consultant agreements. The meeting materials also included contracts that had been executed for the K-12 program for professional design services, construction manager agency and construction manager at risk projects and trade contracts.

Director Mohr commented that since the last meeting, our agency has engaged with the Ohio Facilities Construction Commission on master planning work at our agency. We are very pleased with what has gone on at this point and the expected outcomes so that we will get what he considered being an objective assessment of our priorities, which has been missing in the past. Director Mohr appreciated the work of the OFCC staff. Director Hickman responded that it has been a very good project. Bill Ramsey, Chief of Planning and his staff have done a great job.

There was no public testimony.

The meeting was adjourned at 2:50 PM.



Timothy S. Keen, Commission Chair



These meeting minutes were prepared by
Carolyn L. McClure, Secretary to the Commission