

**Ohio School Facilities Commission
October 24, 2013 Meeting
William McKinley Room, Statehouse
1:30 PM**

MINUTES

Chairman Keen called the meeting to order at 1:33 PM.

Roll Call

Members present: Chairman Keen, Vice Chair Blair, Steven Alexander for Representative Johnson, John Tyler for Representative Ramos, Rebecca Cochran for Senator Manning and Cindy Peters for Senator Sawyer.

Adoption of the July 11, 2013 Meeting Minutes

Chairman Keen moved to approve the July 11, 2013 meeting minutes.

Vice Chair Blair seconded the motion.

Approval: Vote 2-0.

Accelerated Urban School District Update and Approval – Melanie Drerup

Resolution 13-36

Melanie Drerup presented an Urban School District update for Cincinnati CSD for Commission approval. The Commission approved a Master Facilities Plan for Cincinnati City Schools in 2002 for \$915 million divided into 4 segments for 66 buildings to house 42,165 students. The Commission amended the Master Facilities Plan in 2012 for 32,687 students. The previously approved Segment 3b provided \$206.2 M for 11 buildings. The proposed first amendment:

- Deletes one building (Quebec Elementary)
- Decreases the allowance for the abatement and demolition of schools (deletes allowance for 11 buildings, decrease 2 buildings, increase 2 buildings)
- Decreases the allowance for swing space (Delete Quebec ES)
- Decreases the allowance for site access safety allowance (Delete Quebec ES)
- Decreases the allowance for site development allowance (Delete Quebec ES)
- Increases the budget for 5 buildings and decreases the budget for 3 buildings due to market conditions
- Increases the budget for 3 buildings due to site development allowances being moved from Segment 1 to Segment 3b to facilitate closeout of Segment 1 (Pleasant Hill E/MS, Roberts E/MS, Woodward HS)

Cincinnati's segment 3b budget is decreased by \$6.2 M for an updated budget of \$200 million.

Director Blair asked if this would complete the Cincinnati Public Schools program. Melanie Drerup responded that this would complete Cincinnati Public Schools program. Director Blair asked where in the process were the other urban districts. Director Hickman responded that construction has been completed at Cincinnati, Dayton, Toledo and Youngstown. The only remaining construction is at Columbus, Akron and Cleveland. Chairman Keen asked if Akron was well along. Director Hickman responded that Akron will probably complete three more buildings. Akron was funded through an income tax as opposed to bond issues. They are working with the City of Akron in order to raise or transfer the money that is required for them to complete their program.

Vice Chair Blair moved to approve Resolution 13-36.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

Fiscal Year 2014 Projects Approval - Melanie Drerup

Ms. Drerup presented the Fiscal Year 2014 projects for the Commission’s conditional approval.

CFAP Lapsed Approval – Resolution 13-37

Ms. Drerup presented a Master Facilities Plan and a Segment Facility Plan for two school districts for the Classroom Facilities Assistance Program for Commission approval.

School District	County	State Share	Local Share	Total Budget
Greenville CSD – Seg. 1	Drake	\$19,498,128	\$25,846,356	\$45,344,484
West Liberty-Salem LSD	Champaign	\$19,522,454	\$9,187,037	\$28,709,491

Vice Chair Blair moved to approve Resolution 13-37.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

CFAP ELPP Off-Cycle Funding Approval – Resolution 13-38

Ms. Drerup presented a Master Facilities Plan and a Segment Facility Plan for one school district for the Classroom Facilities Assistance Program for Commission approval. This is the first time an approval was sought for an off-cycle Expedited Local Partnership Program. In accordance with recently passed ORC 3318.364, the Commission may provide financial assistance to an ELPP district before the school is otherwise eligible for funding as long as the district is funding ready. To be funding ready, an ELPP district must have earned credit sufficient to fund the local share of a project segment or balance of the district wide master facilities plan and have secured the maintenance fund requirement. This district has met this standard and is recommended for approval to supplement those districts funded in July when an insufficient number of districts were prepared to move forward.

School District	County	State Share	Local Share	Total Budget
Talawanda CSD – Seg. 1	Butler	\$13,394,167	\$42,414,861	\$55,809,028

Chairman Keen asked if this was the first time that we have actually taken advantage of this authority to proceed in the off-cycle. Director Hickman responded that was correct. We went through the enrollment funding cycle in July and were faced with circumstances where a number of districts we thought would proceed with projects did not. Chairman Keen added that this law change recently enacted by the General Assembly is a prudent planning tool for the Commission to have in its repertoire. Chairman Keen was pleased to be at the Commission meeting to take this first action, to the extent that we are able, and that we will continue to do this as we move ahead in future years. Director Blair added that it was nice to see Talawanda School District at the meeting. Director Blair thanked the school district for their. Mike Davis, Treasurer from Talawanda, appreciated the support and expressed how much the district and the community appreciated the program.

Vice Chair Blair moved to approve Resolution 13-38.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

Master Facilities Plan Amendments Approval – Presented by Bill Ramsey

Resolution 13-39

Bill Ramsey presented Amendments to the Master Facility Plans for two school districts for Commission approval.

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Ross LSD (Butler) Amendment 1	The project budget is insufficient for the design and construction work required to meet design and building code standards due to replacement of the waste water treatment plant, interior classroom doors & hardware and media center roof issues.	\$246,475 State Share \$267,014 Local Share \$513,489 TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Springfield LSD (Summit) Amendment 2	The project budget is insufficient for the design and construction work required to build one new middle/high school to meet design and building code standards due to vibration issues on the 2nd floor classroom areas. The Project Team has utilized tuned mass dampers to reduce the floor vibration. This additional scope has increased the length of the overall project schedule. The Commission may seek recovery from responsible parties if viable claims exist.	\$241,917 State Share \$725,752 Local Share \$967,669 TOTAL

Vice Chair Blair moved to approve Resolution 13-39.
 Chairman Keen seconded the motion.
 Approval: Vote 2-0.

ELPP Master Facilities Plan Agreement and Project Agreement Approval
Presented by Bill Ramsey – Resolution 13-40

Bill Ramsey presented a Master Facilities Plan Agreement and a Project Agreement for the discrete portion project scope Perkins LSD for Commission approval.

School District (County)	Project Scope	Project Budget	
Cleveland Heights- University Heights LSD (Cuyahoga)	<ul style="list-style-type: none"> Partial demolition/renovations/additions to Canterbury, Oxford and Roxboro elementary school facilities to house Grades PK thru 5 Partial demolition/renovation to Lauree P. Gearity Elementary School to house Grades PK thru 5 Build new elementary school to house grades PK thru 5 Partial demolition/renovations/addition to Roxboro Middle School to house grades 6 thru 8 Partial demolition/renovations to Monticello Middle School to house Grades 6 thru 8 Partial demolition/addition/renovations to Cleveland Heights High School to house Grades 9 thru 12 and Career Tech Allowance to abate and demolish Boulevard Elementary School Coventry ES, Noble ES, Frank L. Wiley MS and the Taylor Building are shown as "abandon" on Master Plan. These facilities are to be retained by the district for uses other than PK thru 12 educational instruction 	\$25,057,460	State Share
		\$141,992,276	Local Share
		\$167,049,736	TOTAL

School District (County)	Discrete Portion Project Scope	Discrete Portion Project Budget
Cleveland Heights- University Heights LSD (Cuyahoga)	<ul style="list-style-type: none"> Partial demolition/renovations to Monticello Middle School to house Grades 6 thru 8 Partial demolition, complete building addition of 26,197 sf and building renovations to Roxboro Middle School to house Grades 6 thru 8 Partial demolition, complete building addition of 164,785 sf and building renovations to Cleveland Heights High School to house grades 9 thru 12 and Career Tech 	\$106,175,653 TOTAL

Vice Chair Blair moved to approve Resolution 13-40.
 Chairman Keen seconded the motion.
 Approval: Vote 2-0.

ELPP Master Facilities Plan Amendments and Project Agreement Amendments Approval
Presented by Bill Ramsey – Resolution 13-41

Bill Ramsey presented a Master Facilities Plan and Project Agreement amendment for the discrete portion project scope for Commission approval.

Master Facilities Plan Amendment:

School District (County)	Change in Master Plan Scope	Increase to the Project Budget	
Bloom Carroll LSD (Fairfield)	The project budget is increased due to the 2013 OSDM cost update and an increase in enrollment. The high school scope has changed from renovation/addition to house Grades 9 thru 12 to partial demolition/renovation/addition to the high school and connection to the newly constructed ELPP elementary/middle school to house grades 6 thru 12. The grade configuration of the new elementary has changed from K thru 4 to K thru 5.	\$1,840,722	State Share
		\$8,385,511	Local Share
		\$10,226,233	TOTAL

Amendment for the discrete portion of the Master Facilities Plan:

School District	Amendment Type	Discrete Scope Change	Total Amendment Cost Change	Total Revised Project Budget
Bloom Carroll LSD (Fairfield)	1 ST	Partial demolition/renovation/addition to the high school and connection to the newly constructed ELPP elementary/middle school to house Grades 6 thru 12. Build new elementary school to house Grades K thru 5. Demolition of Bloom ES, Carroll ES and Bloom-Carroll MS.	\$45,850,415	\$62,570,141

Chairman Keen asked how frequently the ELPP master plans are subject to amendment. Mr. Ramsey responded they are subject to amendment every time they come up with a new segment, so the ELPP can be either the entire program or a single building or a portion thereof.

Vice Chair Blair moved to approve Resolution 13-41.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

Priority Order of Assistance Policy Approval – David Chovan – Resolution 13-42

David Chovan presented the Priority Order of Assistance Policy for Commission approval. This resolution updates the Priority Order of Funding list to reflect activity since approval of the prior list in October of 2012. The list provides for an orderly prioritization of funding awards within and between OSFC programs. The amended list removes 12 districts that received funding offers over the past year. This is less than the 19 total offers made because a number of the offers in July were to districts not yet on the priority list. Nine districts that received a funding offer during the prior year, but could not raise their local share have been added to the priority lapsed list. Five districts that were offered funding and started the first segment were added to the segmented district priority list. Twenty-nine districts were added to whom we reached out for the first time for a funding offer in this last funding cycle.

Chairman Keen moved to approve Resolution 13-42.

Vice Chair Blair seconded the motion.

Approval: Vote 2-0.

School Security Grant Update – Jeff Westhoven

At our last meeting the Commission had approved guidelines to create the Administrative Grant Program. In the Budget Bill, \$12 million was reallocated in Capital for the purposes of improving school security. In the time between our last meeting and now we have been preparing a web application so we could do online applications. We have done outreach to a lot of the schools with the cooperation and use of the Department of Education's Ohio Education Directory System database. We pre-populated the web application with the contact information of the superintendents, treasurers and all the buildings so when a school district applied for the grant this information was already there. On October 9th we held a webinar. We had over 370 attendees. The largest webinar we have had in terms of attendance. During that webinar we announced that we were going to launch the program that day. That same day 2,000 emails were sent to the district's treasurers and superintendents and that includes all public school districts in the database plus over 400 community schools total. Within the first thirty minutes, we received our first application. Within the first hour, we received 76 applications. By the first day we had almost 200 applications, so districts have found it easy to apply for the program.

This is a two step process. The school would apply for the grant by providing information whether their project is communications or security. We would approve the grant and then they would have until September 2014 to do the improvements that they need for their building. They would then submit for reimbursement and we would process the reimbursement. The reimbursement process has not begun yet. Reimbursement is subject to approval of Controlling Board with release of the capital funds. We went to the Controlling Board on October 21st for release of Capital and the item was deferred. We will be working with the Controlling Board members to make sure they are comfortable with the request and provide answers to any questions they would have. If Controlling Board would approve that, we would start the reimbursement process.

Early figures show that about half the applications have been on the communications side and about half have been entrance grants. For the communications, the schools choose which type of communication systems they would like. Over 90% have chosen the MARCS system, less than 10% have chosen other brands, which is fine that is a local choice. Today we have had our 1,000th grant application and that represents 201 districts and almost 900 schools. Mr. Westhoven shared with each of the legislators which school districts had applied from their districts.

Director Blair said this is a fantastic program. If in fact we can get clear communications out immediately on these fairly inexpensive radios directly to the local police and move response times down. He was impressed with the number of participants applying for the grants. Kudos for getting this done.

Settlement Agreement Approval – Matt Westerman – Resolution 13-43

Matt Westerman presented a settlement agreement with Steed Hammond & Paul Leading Design on the Mt. Healthy City School District project for Commission approval. This request involves the new construction of the Mt. Healthy City School District K-12 building. Steed Hammond &

Paul Leading Design served as the Architect of Record on the Project. Following completion of construction the building began to experience problems with the HVAC. It was determined that the 650 ton chiller that was installed did not run efficiently at low load capacity. SHP determined that the best resolution would be to replace the 650 ton chiller with a 450 ton chiller. The parties have reached a settlement whereby SHP would perform the redesign associated with the replacement of the chiller as well as issuing a payment in the amount of \$400,000 to the co-owners to help offset the costs of replacing the chiller. Mr. Westerman commended SHP for being totally involved in the process and being willing to work towards a resolution.

Vice Chair Blair moved to approve Resolution 13-43.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

Settlement Agreement Approval – Matt Westerman – Resolution 13-44

Matt Westerman presented a settlement agreement with Schmid Mechanical, Inc. and Loopmaster, Inc. on the Sandy Valley School District project for Commission approval. This request involves the construction of the new high school in the Sandy Valley School District. Schmid Mechanical served as the HVAC contractor, while Loopmaster was a separate prime that served as the well field contractor. Prior to completion of the construction, the geothermal system for heating and cooling began to experience problems as the result of foreign debris in the system. The co-owners asserted that Loopmaster and Schmid were responsible for the presence of the debris. In order to resolve the HVAC issues, Schmid and Loopmaster spent additional time on the project. Schmid submitted a claim for the extra time in excess of \$300,000. After the Article 8 and a subsequent mediation did not produce a resolution, Schmid initiated litigation against the OSFC in the Court of Claims. The OSFC filed a counterclaim against Schmid and filed a third party complaint against Loopmaster. Schmid later amended its complaint to include a claim for lost profits of \$1.8 million. The parties had an additional mediation where a settlement was agreed to by all the parties and their insurance companies whereby Schmid would receive payments from multiple parties as well as release of contract funds equaling \$320,000 and the co-owners would receive \$40,000 for the counterclaim.

Vice Chair Blair moved to approve Resolution 13-44. Chairman Keen

Chairman Keen seconded the motion.

Approval: Vote 2-0.

Authority to File Suit Approval – Matt Westerman – Resolution 13-45

Matt Westerman presented an authority to file suit with DNK Architects, Inc., Thomas and Marker Construction and Pezzo Construction, Inc. for defective work on the Dayton Public School District project for Commission approval. The contractors were the general trades prime contractor and the masonry prime contractor, respectively on the construction of the Wogaman elementary school project (PK-8). Following initial completion of the project the building began to experience water infiltration issues. A consultant was retained and destructive testing occurred. The findings revealed significant design related issues by the architect as well as significant workmanship issues by the masonry, the general trades contractor, and Kerkan

Roofing, the roofing subcontractor to Thomas and Marker. Several efforts were made to address the issue with the contractors, the subcontractor and the architect but the parties have ultimately denied responsibility by continuing to assert that the significant water infiltration was the result of condensation from the heating and cooling system. The remedial work has commenced including replacing the roof at a cost of approximately \$3 million. The Commission seeks authority to file suit to initiate the recovery process.

Vice Chair Blair moved to approve Resolution 13-45.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

Executive Director's Report

Director Hickman presented the groundbreaking and dedication report. OFCC staff attended a total of 2 groundbreaking ceremonies (Beaver LSD and Lancaster CSD) and 10 dedication ceremonies for 9 school districts (Northwestern LSD, Three Rivers LSD, Hopewell-Loudon LSD, Akron CSD, Elgin LSD, Newark CSD, Toronto CSD, Whitehall CSD and Austintown LSD). He also reported on the close out report for the third quarter of 2013 for 3 districts: Joseph LSD, Painesville City LSD and Wauseon EVSD.

Director Hickman then asked Jeff Westhoven to report on approved HB264 projects since the last meeting. Mr. Westhoven reported on 17 projects that had gone through the process, had been reviewed by the Energy Services team and submitted to Director Hickman for approval. Of the 17 HB 264s, there were 8 schools that had guaranteed savings currently being provided by the energy service companies.

HB 264		
School District	Total Project Cost	Payback Period
Belpre CSD	\$ 722,865	13.05 years
Campbell CSD*	\$ 768,607	10.80 years
Coshocton CSD*	\$ 892,088	14.97 years
Delaware CC*	\$ 2,498,988	14.52 years
Marion CSD	\$ 683,961	10.10 years
Middletown CSD	\$ 1,161,507	12.42 years
New Richmond EVSD	\$ 1,686,036	13.10 years
Nordonia Hills CSD*	\$ 900,422	14.99 years
North Canton CSD	\$ 3,156,050	14.99 years
Northern LSD*	\$ 2,512,719	14.91 years
Paint Valley LSD*	\$ 862,980	11.06 years
Perrysburg EVSD*	\$ 4,962,552	14.41 years

Reynoldsburg CSD	\$ 821,831	12.56 years
Ridgewood LSD	1,330,709	10.75 years
Tiffin CSD*	\$ 814,220	11.75 years
Trimble LSD	\$ 340,426	14.77 years
Trotwood-Madison CSD	\$ 2,588,872	13.94 years
Total	\$ 26,704,833	

*Guaranteed Savings

Director Hickman provided a summary report on design, construction or other contracts approved, awarded or amended by the Ohio Facilities Construction Commission:

School District Projects:

- 8 design agreements for \$21,608,432.43, 8 design co-funded amendments for \$184,386.13 and 8 LFI design agreements for \$1,858,015.67 totaling \$23,650,834.23
- 9 CMA amendments co-funded for (\$728,022); 1 LFI CMA agreement for \$21,015 totaling (\$707,007)
- 3 Owner Agent Agreement for 3 school districts totaling \$1,681,548.77
- 1 Owner Agent Amendment for 1 school district changing the project executive for \$0
- 2 Owner Agent LFI Agreements totaling \$87,384.10
- 6 CMR agreements; 8 CMR amendment co-funded totaling \$69,827,938.59
- 1 DB agreement for remediation totaling \$243,850
- 3 DB co-funded amendments totaling \$14,975,281
- 3 Specialty agreement amendments; for hazardous materials totaling \$629,928
- 116 Trade Contracts for 34 school districts totaling \$197,807,870.68; 11 to 2nd low; 18 QSCB's; and 1PLA

The Commission provided authority for us to execute project budget amendments that do not require an increase in the master plan costs. In the intervening time, we have executed a master plan amendment for Euclid City School District where we have actually decreased the master facility plan by \$828,306 by removing allowances for abatement and demo for 4 elementary schools.

There was no public testimony.

The meeting was adjourned at 2:30 PM.


 Timothy S. Keen, Commission Chair


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