

**Ohio School Facilities Commission
April 25, 2013 Meeting
William McKinley Room, Statehouse
1:30 PM**

MINUTES

Chairman Keen called the meeting to order at 1:30 PM.

Roll Call

Members present: Chairman Keen, Vice Chair Blair, Mr. Eric Bode, Steven Alexander for Representative Johnson, Representative Ramos, Goran Babic for Senator Manning and Cindy Peters for Senator Sawyer.

Adoption of the January 24, 2013 Meeting Minutes

Mr. Bode moved to approve the January 24, 2013 meeting minutes.
Vice Chair Blair seconded the motion.
Approval: Vote 3-0.

1,000 Buildings Update – Rick Savors – Resolution 13-08

Chairman Keen shared that the 1,000 buildings update is really a moment of some note for OSFC. Over the course of the last month, we have come to the point where there are now 1,000 buildings that have been renovated, significantly repaired or built new with funds from the programs administered by OSFC. We have a presentation and discussion that Mr. Rick Savors will lead to give us information about this auspicious moment.

Rick Savors shared that in November 2000, a dedication ceremony took place at Huntington Local School District, a K-12 renovation/addition and it was the first building that was opened under the OSFC Program. We have now reached over 1,000 buildings that have been opened through our funded programs or buildings to which we have commitments through our ELPP Program. What is perhaps more important is that these buildings house over 570,00 students throughout Ohio in educationally ready facilities that are secure, that have the latest in technology; this is something the Commission staff is quite proud of. A slide show was presented of some of the 1,000 schools and will be posted on the OSFC website. There is also an editorial that Director Hickman will be sending to the various newspapers throughout Ohio and to national newspapers, sharing the fact that Ohio has built 1,000 buildings in less than 15 years.

Director Hickman added that there would be a celebration in our offices after the Commission meeting, and invited the members and interested parties to join our staff and former staff members in celebrating the occasion of 1,000 buildings. Then beginning tomorrow, we will start on our next 1,000. Vice Chair Blair congratulated the staff for what they had done and stated that they had definitely made a difference in education. Chairman Keen had the privilege of

working for the state legislature at the time that some of the first significant state assistance was provided for school construction. He had the privilege of working on the bill and remembering the bill moving through the legislature late in the Voinovich administration. He remembered working at the Office of Budget and Management on the plan that Governor Taft asked to be put together to have a long-term comprehensive funding plan for the construction of school facilities. Significant progress has been made since that time. It is amazing 1,000 buildings, 570,000 students and clearly a better learning environment is being provided for a large numbers of kids throughout the state and more work yet to be done, but as Director Hickman said “on to the next 1,000.” He too thanked the current and former staff for all their work to make this possible. To further show the Commission’s appreciation, Chairman Keen read Resolution 13-08 that recognized and commended the staff of the Ohio School Facilities Commission. Representative Ramos spoke in favor of Resolution 13-08 and extended his congratulations. He is proud to be a member of this Commission and wanted to applaud the good work that has been done and echoed the Director’s comments on looking to the next 1,000. This has been one of those things that we can look at, with pride, for the bi-partisan support in the legislature.

Chairman Keen moved to approve Resolution 13-08.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Design Manual Update Approval – Franklin Brown – Resolution 13-09

Franklin Brown presented changes to the Ohio School Design Manual (OSDM) for Commission approval. Mr. Brown described the OSDM approval and review process. He then outlined the proposed updates:

- Revisions to accommodate Blended Learning
- “High Performance Learning Environments”
- Added Teacher Preparation Areas
- Minor updates to Program of Requirements
- Limit high bay lighting to fluorescent T-5 HO
- Strengthened language regarding Air Barriers
- Require minimum of 2 layers of Roof Insulation
- Added foil-faced polyisocyanurate wall insulation
- Eliminated cellulosic fiber spray insulation
- Recommend use of condensing boilers in combination with fire-tube boilers
- Eliminated vented nailbase for shingle and metal roof systems.
- More flexibility in structural system selection
- Require variable speed control for kitchen hoods
- Chilled Beam and Variable Refrigerant Flow Systems were added but Variance still required
- Upgraded LAN cabling to Category 6
- Upgraded WLAN to require ubiquitous coverage to accommodate 1:1 student/computer ratio
- Require 911 calls to transmit both phone number and room location
- Require designer to analyze need for Emergency Responder Radio Antenna System

- Analyzed and adjusted costs for 10 required changes
- Applied an annual inflation factor of 2.47%

Mr. Bode thanked Mr. Brown for his presentation. Mr. Bode added that he appreciated Director Hickman, Melanie Drerup and others in bringing in the Department of Education to talk about Blended Learning. It is something that the Department of Education has talked a lot about and he sees a good connection with School Facilities on this issue. There has been a proactive stance by the staff to figure out what that means. It certainly follows, in the many years of trying to figure that out, what education is going to look like in the future as we are building buildings for the future. It is sometimes hard to engage the Department of Education and he appreciates all the efforts and looks forward to continued work and collaboration.

Mr. Bode asked Mr. Brown if he could point out anything within the Design Manual update involving taking advantage of new technology or anything else that would be good news with the update. Mr. Brown responded that within technology we have increased our connection to the internet and made it much more robust by increasing the capacity tenfold. We currently have 5 computers in a classroom, 25 students using 5 computers, and now we are looking at 1 computer for every student. It greatly increases the amount of traffic that has to flow back and forth to the internet. We have increased the capacity by ten-fold in order to do that. Oddly enough in increasing that capacity, we actually achieved a savings in the cost of those network links and so that is an example of where we have saved some money. Mr. Brown shared a few of the items that actually added to increasing the cost to the \$.18 a square foot. We changed the kitchen exhaust hood by controlling the motors only to exhaust things when they are actually being cooked. Frequently the cooks come in and they start the exhaust hood at 9:00 AM in the morning and then let it run until 11:30 AM and then start the cooking. During the start up time, the hood draws precious warm and humidified air out of the building. We have taken all of the incandescent lamps out of the schools in the design manual. Technology training did not cost us anything, but we are now requiring that the staff be re-trained at the end of 3 years. Due to staff changing frequently in schools, we are reaching out to our installers and contractors to do that. Those are some of the things that did not cost us any money, but have improved the schools.

Mr. Bode added that it sounds like a couple of those are in the classification of we spent a little money now to save the school money over time. Mr. Brown responded that is the case with the kitchen hood.

Mr. Bode asked one other follow-up question. There were some updates within the soft costs within the categories, did any of that relate to any of the items within Construction Reform. Mr. Brown responded that because we are in the infancy of utilizing these different construction approaches, we do not have hard data that we can use to predict how it will affect costs. I would say at this time next year, we will be responding to that in the Design Manual and, if this Blended Learning catches on, there is probably going to be a lot of work to do next year in the Design Manual. Vice Chair Blair asked if we learn from bad lessons of things not working out and that they do not work that we put prohibitions in the Design Manual not to use them. Mr. Brown responded absolutely. The removal of the nail-based ventilation system is a perfect example of that. We are currently having that on a number of districts and that has been removed from the Design Manual.

Chairman Keen moved to approve Resolution 13-09.

Mr. Bode seconded the motion.

Approval: Vote 3-0.

College Prep Project Agreement Template Approval – David Chovan

Resolution 13-10

David Chovan presented the College Prep Boarding School Project Agreement Template for Commission approval.

This Commission approved resolution 12-114 in October of 2012 that initially set the template to be used for future project agreements for the college prep boarding school program. In addition, at that same meeting the commission approved resolution 12-115 to authorize state funding of \$16.1M for the SEED School of Cincinnati to be the first school built under this program. SEED has advised us that they are attempting to work with the Legislature to make changes to the requirements for this program. Due to the tight timeline for this project, Mr. Chovan asked that the Executive Director be given authority to amend the project agreement template to be consistent with any changes made to the law. This would allow the Commission to enter into a project agreement before the next scheduled meeting.

Vice Chair Blair moved to approve Resolution 13-10.

Chairman Keen seconded the motion.

Approval: Vote 3-0.

Priority Order of Assistance Policy Approval – David Chovan

Resolution 13-11

David Chovan presented the Priority Order of Assistance Policy for Commission approval. This resolution would approve an update to the Priority Order of Assistance policy. It provides guidance for off-cycle funding awards to funding-ready districts with ELPP credit. Districts must also have met their maintenance fund requirement. Consistent with recently passed law, this allows the commission to allocate available construction dollars to districts that have worked in our expedited program and are now ready to build the remainder of their master plan.

Mr. Bode asked for further information on the 2% of the district's property valuation. Mr. Chovan responded it was 4% until a recent law change dropped it down to 2% and it references our minimum segment size, which is outlined in the segmenting policy.

Mr. Bode moved to approve Resolution 13-11.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Auditor of State Audit – David Chovan

In February the Auditor of State issued a letter outlining the results of its audit for FY12 of the Ohio School Facilities Commission. This audit is conducted annually and this past year's audit

focused on payables, project expenses, GAAP schedules, IT controls legal compliance, and other internal processes. There were no findings cited, but 3 comments were noted to improve internal controls or operational efficiencies. Nothing for OSFC will be included in AOS statewide report.

1. GAAP Package Schedules

- Two districts were reported with inaccurate future payments.
- This was based on timing issues of data entry into our IT system.
- We have implemented processes for improved reconciliation with OAKS to ensure accuracy.

2. Confidential Personal Information

- Although the commission has adopted rules, there is no formal policy in place or implementation of certain provisions of the law.
- OFCC has two systems that contain federal tax IDs for vendors.
- Policy is now drafted and will be presented at the OFCC meeting.
- Staff will ensure that the policy is fully implemented.

3. Destruction of Public Records

- Commission has adopted records retention schedules.
- Policy does not address the process of disposal.
- Staff is in the process of updating the policy and will present it to the Commission for approval.

Chairman Keen noted that the Executive Director sent a response letter to the Auditor of State's office after the receipt of the management letter comments by the Auditor, as is good practice and appreciated. It appears as though all of the items that the Auditor of State has raised have been, or are in, the process of being addressed through staff action.

Vice Chair Blair asked Director Hickman if scanning and digitizing might help with the records retention. Director Hickman responded that OSFC is aggressively pursuing the notion that you do not have to print every document as long as you have the wherewithal to store documents within the IT system and you have developed a framework within that system that permits you to easily access documents based on the way they are filed.

Mr. Bode thanked Mr. Chovan for the report and congratulated Mr. Chovan and the staff on no findings.

Accelerated Urban School District Update and Approval – Melanie Drerup

Resolution 13-12

Melanie Drerup presented the Urban School District Update for Cleveland MSD for Commission approval.

The proposed amendment:

- Modifies enrollment for 2 new buildings (Miles New PK-8 and New John Marshall HS)

- Increases the renovation scope for 1 building
- Increases the swing space allowance for 2 buildings (Louisa May Alcott ES and John Marshall HS)
- Increases the allowance for abatement and demolition of schools

The Cleveland Segment 5 budget is decreased by \$3,597,533 for an updated budget of \$197,720,335.

Mr. Bode moved to approve Resolution 13-12.
 Vice Chair Blair seconded the motion.
 Approval: Vote 3-0.

Fiscal Year 2013 Amended Projects Approval – Melanie Drerup – Resolution 13-13

Melanie Drerup presented three amended projects previously approved for the FY13 Classroom Facilities Assistance Program for Commission approval.

School District	County	State Share	Local Share	Total Budget
Greenon LSD – Seg. 1	Clark	\$13,310,250	\$19,965,374	\$33,275,624
Marlington LSD – Seg. 1	Stark	\$15,409,912	\$20,427,093	\$35,837,005
Patrick Henry LSD	Henry	\$10,296,330	\$ 4,625,888	\$14,922,218

Mr. Bode moved to approve Resolution 13-13.
 Vice Chair Blair seconded the motion.
 Approval: Vote 3-0.

ELPP Master Facilities Plan Agreement and Project Agreement Approval – Steve Lutz Resolution 13-14

Steve Lutz 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	
Perkins LSD (Erie)	<ul style="list-style-type: none"> • Build one (1) new 183,120 square foot Middle/High School to house Grades 7-12 plus career Tech • Build new 71,789 square foot Elementary School to house Grades PK-6 • Build new 71,655 square foot Elementary School to house Grades PK-6 • Abate/Demo Furry Elementary, Meadowlawn Elementary, Briar Middle and Perkins High Schools 	\$11,734,278	State Share
		\$66,494,243	Local Share
		\$78,228,521	TOTAL

School District (County)	Discrete Portion Project Scope	Discrete Portion Project Budget
Perkins LSD (Erie)	<ul style="list-style-type: none"> • Build one new Middle/High School to house Grades 7-12 plus Career Tech • Abate/Demo Perkins High School 	\$44,090,175 TOTAL

Mr. Bode commented that it was nice to see someone new interested in ELPP. Mr. Bode asked if they have money or will they be looking at going to ballot. Mr. Lutz responded they have not gone to the ballot yet. Mr. Bode commented that is exactly what the program is for.

Mr. Bode moved to approve Resolution 13-14.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

ELPP Master Facilities Plan Amendment and Project Agreement Amendment Approval
Steve Lutz – Resolution 13-15

Steve Lutz presented a Master Facilities Plan Amendment and a Project Agreement Amendment for the discrete portion project scope for Middletown CSD for Commission approval.

School District (County)	Change in Master Plan Scope	Increase to the Project Budget	
Middletown CSD (Butler)	The Middletown CSD Master Facilities Plan is being updated to the 2005 Master Plan Cost Set to allow for phased design, construction and demolition. Addition of a Site Access Safety Allowance for the new Elementary School #6. This master plan update is to align costs and reconcile expenditures in order to close out the ELPP project.	\$1,853,005	State Share
		\$5,273,937	Local Share
		\$7,126,942	TOTAL

School District	Amendment Type	Discrete Scope Change	Total Amendment Cost Change	Total Revised Project Budget
Middletown CSD (Butler)	2nd	Update new Elementary 4, 5 & 6 to the 2005 Cost Set and add a Site Access Safety Allowance for the new Elementary #6. Demolition & Abatement cost update to 2005 Cost Set for Creekview, Mayfield, Roosevelt, Taft, Wildwood Elementaries and Garfield Alternative School. Budget adjustments for new elementary schools 1 – 6, due to market conditions and alignment for ELPP Close Out.	\$5,723,343	\$76,777,197

Vice Chair Blair moved to approve Resolution 13-15.

Mr. Bode seconded the motion.

Approval: Vote 3-0.

Master Facility Plan Amendments Approval – Steve Lutz – Resolution 13-16

Steve Lutz presented Amendments to the Master Facility Plans for five school districts for Commission approval.

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Edgewood CSD (Butler) Amendment 1	<ul style="list-style-type: none"> Due to favorable bid savings, the new high school project budget is being decreased. An allowance to abate/demolish Bloomfield Elementary School has been added to the project. 	(\$2,378,734) State Share (\$2,475,825) Local Share (\$4,854,559) TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Greeneview LSD (Greene) Amendment 1	The project budget for the new elementary/middle school is increased for the slab moisture remediation.	\$60,286 State Share \$36,949 Local Share \$97,235 TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Huber Heights CSD (Montgomery) Amendment 2	<ul style="list-style-type: none"> Due to favorable bid savings, the project budget is being modified for a decrease in the amount of \$1,340,671. Due to an increase in enrollment, the Locally Funded Initiative square footage for five classrooms has been moved to co-funded square footage for an increase in the amount of \$1,340,671. 	\$0 State Share \$0 Local Share \$0 TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Jefferson Area LSD (Ashtabula) ENP Amendment 1 ENP 2004	<ul style="list-style-type: none"> Roof issues at the new Elementary School 1 & 2 are due to design and construction issues. Remediation plans in process. Commission has granted permission to commence litigation as of February 2012. Due primarily to unfavorable market conditions, the project budget must be increased for the design and construction work required. 	\$2,608,886 State Share \$1,227,706 Local Share \$3,836,592 TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Jefferson Area LSD (Ashtabula) Amendment 1 CFAP 2007	<ul style="list-style-type: none"> • Roof issues at the new Jr./Sr. High School are due to design and construction issues. Remediation plans in process. Commission has granted permission to commence litigation as of February 2012. • Due primarily to favorable market conditions, the project budget must be decreased for the design and construction work required. • ELPP credit increase of \$1,064,387. 	(\$448,737) State Share (\$221,020) Local Share (\$669,757) TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Vinton LSD (Vinton) Amendment 3	<ul style="list-style-type: none"> • The project budget is insufficient for the design and construction work required to build three new elementary schools, one new middle school and renovate & add to Vinton County High School to adequate design and building code standards due to HVAC Testing Air Balancing and control remedial work issues. • The Commission may seek recovery from responsible parties if viable claims exist. 	\$218,434 State Share \$23,377 Local Share \$241,811 TOTAL

Chairman Keen moved to approve Resolution 13-16.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

ELPP and VFAP ELPP Guidelines Approval – Steve Lutz – Resolution 13-17

Steve Lutz presented the Expedited Local Partnership Program (ELPP) and Vocational Facilities Assistance Program (VFAP ELPP) Guidelines for Commission approval. The proposed amendments include almost identical language to both policies which will add direction and set expectations related to the correction and funding of defective work on the expedited projects. The guidelines reinforce the Commission's position that work should only be paid for once and that ELPP projects are the responsibility of the school district. The modification of the guidelines also identify the funding options and procedures if the remedial work is to become part of a later CFAP project. The district has the option to reduce its ELPP credit, or they may elect to fund the remedial portion of the work as a locally funded initiative. The guidelines further gives direction that legal and other related cost which are related to cost recovery are not eligible for co-funding, but may be offset first from any funds recovered by the district.

Vice Chair Blair moved to approve Resolution 13-17.

Mr. Bode seconded the motion.

Approval: Vote 3-0.

Settlement Agreement Approval – Jon Walden – Resolution 13-18

Jon Walden presented a settlement agreement with Gutknecht Construction on the Whitehall City School District project for Commission approval. It is related to flooring issues that resulted subsequent to project completion in two schools within the District. Following investigation by all parties, the project team and the contractor and its sub-contractors mediated the dispute and reached an agreement whereby the contractor will replace the tile with the contractor providing the labor and the project providing the materials. There is a claim specific release tied to the settlement, which requires the Commission action.

Mr. Bode moved to approve Resolution 13-18.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Settlement Agreement Approval – Jon Walden – Resolution 13-19

Jon Walden presented a settlement agreement with Fanning/Howey Associates on the Adena Local School District project for Commission approval. This settlement concludes a long-standing effort to resolve design and construction issues for the building, with Fanning/Howey agreeing to pay the State and District \$4 million. As part of the settlement, OSFC and Adena have assigned their claims against the remaining named defendants in the pending litigation and agree to release certain claims against Fanning/Howey on the project. This settlement will allow OSFC and the District to focus on the remedial work that is currently underway utilizing the Design-Build delivery method for that work. Jon Walden thanked Jim Rook and the other Attorney Generals for their assistance for putting together this settlement agreement in assisting our office in getting the matter resolved.

Director Hickman added that this represents a settlement on a project that leaked from the very beginning of occupancy in 2002. This is a long-standing claim. The district has really been challenged to manage the leaks while we navigated through this recovery action. Director Hickman also added his thanks to the Attorney General's office, Jon Walden and our staff for the work they have put into bringing this matter a conclusion. We are really pleased that we are able to use design build, one of the new delivery methods, to go ahead with the remediation of the facility.

Vice Chair Blair asked if the whole roof will be pulled off and a new roof put on. Jon Walden responded that the remedial work will both put a new roof on the building and correct some other issues related to the flashing, the connections of the walls with the roof and to put on a new veneer to fix where the efface had failed.

Vice Chair Blair moved to approve Resolution 13-19.

Mr. Bode seconded the motion.

Approval: Vote 3-0.

Settlement Agreement Approval – Jon Walden – Resolution 13-20

Jon Walden presented a settlement agreement with Fanning/Howey Associates, Inc. on the Lima City School District project for Commission approval. This is related to design issues for the HVAC system at nine buildings within the District. The primary issue for the schools was maintaining appropriate temperatures. OSFC and the District engaged a consultant to evaluate the issues and the review determined the issues related to the sizing of the central plant equipment. That equipment was replaced and efforts were made with the architect, construction manager and other contractors. The primary damage to the district was increased utility costs. This resolution allows the District to address those costs. The settlement is brought to the Commission because of the release of certain claims by OSFC.

Vice Chair Blair asked if Fanning/Howey was in both the settlements and added that it was a little bit discerning. Jon Walden responded that Fanning/Howey has served as a project architect on a number of the buildings that you saw in the 1,000 school presentation. Much like many contractors and/or architects in our program, construction is a difficult matter and we do run into certain issues. One of our issues in being the stewards of the State's money is to try to make sure that when we have an issue all we ask is that the responsible parties will step up and come back and work with us to try to define a solution and to reach a resolution. It is unfortunate that today there are two for Fanning/Howey, but we have many other buildings that they have worked on that worked out well and we are appreciative of the efforts as long as they come back and work with us to find a solution.

Chairman Keen moved to approve Resolution 13-20.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Authority to File Suit Approval – Jon Walden – Resolution 13-21

Jon Walden presented an authority to file suit with Ferguson Construction Company and others for defective work on the St. Mary's City School District project for Commission approval. This project has efflorescence appearing on the exterior building veneer which is split-faced block. Efflorescence is what happens when moisture in the block migrates to the surface and in this case it is a calcium carbonate so it brings the salts that are within that to the surface which forms this white material that you see on the exterior of the building. This calcium carbonate attaches on the brick and it not only challenges the material itself, but is an unsightly condition across the entire building. Subsequent to the construction of the building this efflorescence was found. The project team undertook several investigations looking for ways to mitigate costs, including efforts to stain the material to see if that would work. Unfortunately none of those proved successful. The investigations done to date raise questions with respect to whether the split-faced block included the appropriate moisture repellent additive and we are trying to evaluate the cause. Remedial efforts are actually underway. It was bid and they are replacing the veneer across the entire building. That work was estimated at approximately \$1.8 million. This resolution seeks the authority to pursue litigation for recovery of the defective work from the responsible parties.

Eric Bode asked if this litigation is just against the general trade contractor or are you still looking at other parties. Jon Walden responded that right now the general trade contractor is the contractor that had the split-faced block as part of its contract. We have had response from the architect team and the construction manager team who are helping on the remedial project as a way to cover any portion of responsibility they might own, which is still in review.

Mr. Bode moved to approve Resolution 13-21.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Delegation of Authority Approval – Jon Walden – Resolution 13-22

Jon Walden presented a delegation of authority approval of project agreement amendments, which do not increase master plan costs, for Commission approval.

This delegation includes four primary areas in project amendments:

1. Where we have reductions in project scope/and or budget, but no increase in the actual previously approved master plan.
2. Where we have zero dollar changes in project scope or budget although it could include increase in project scope that does not require a budget increase.
3. Where we amend a discrete portion of ELPP project that still remains within the Master Facilities Plan.
4. Where we reconcile an ELPP project closeout that does not result in a project budget increase.

The premise behind the delegation is recognizing that we come to the Commission to approve a master facilities plan for a project and we take that master facilities plan to the Controlling Board for its approval. So all the actions described are working within that original approval that the Commission and the action that it took when it was brought to you for approval. This will allow the Commission staff and the Commission itself within the authority provided to it in part by the amendment to ORC 3318.31 to have the authority to act more expeditiously within the approval that was already provided. The Commission staff believes this provides the Commission a more efficient method of administering and approving project budget and scope amendments that do not increase the project costs to the State.

Mr. Bode shared his concern in approving Resolution 13-22 that included reductions of project/scope and/or budget as part of the delegation process. He understood that the Delegation of Authority would be helpful now that the meetings are held quarterly and that there could be an issue if something is delayed and had to wait 3 months until the next meeting. Mr. Bode asked just what is in ORC 3318 and have you looked at that and what are your thoughts in ensuring us that the Commission is within its authority to delegate.

Jon Walden responded as we go through the analysis for any of these matters that are listed in the resolution the same action that was taken before when we would bring things to the Commission, which would be done internally before we would take anything to the Executive Director for approval. That is consistent with what we do with the contracts that were previously delegated.

Our internal operations and review of matters would not change. It would have the same oversight and consistency. With respect to your main question of authority and approval, as far as our evaluation and there were many meetings on this topic to figure out what were the appropriate items to bring for consideration. One of the factors that gave me comfort as counsel was the amendment under H.B. 487 that amended the ORC 3318.31 and it changed the actual powers that were provided to the Executive Director. There is actually one interpretation of the statute that allows the Executive Director to exercise all powers that are provided to the Commission. We have not obviously taken that stance for everything the Commission does because then we would obviously raise questions about the Commission, but that gave me assurance from a legal perspective that supports us bringing the delegation of various items that you, the Commissioners, are comfortable with having the Executive Director and/or staff handle. Director Hickman added that enrollment issues really drive many of the reviews that precipitate this action to be taken. We had review of our processing practices by the State Auditor and it goes to the issue of some buildings that were constructed in 2003/2004 timeframe under our program that were subsequently closed by the school district because of enrollment decline that was precipitated by a rather poor economy in the state, that caused parents to move, and as a result we have added additional steps to our practice where even in design we are now doing enrollment checks just to ensure that we are not overbuilding. As we go through these enrollment checks we have a project agreement in place and in many cases we have a building under design that is priced out for the project budget, and we go through another enrollment check and find out that we have to take 100 kids out of a building. Recently we took 8 classrooms out of a building and when you take enrollment out and you take classrooms out, you take costs out of the project budget. We always pledge to the school district that we need to make decisions quickly and promptly and complete the re-design so that we can put the bids back on the street and still try to meet the requirements of the district which typically are to meet a project completion at the start of a school year, at a Christmas break or at a spring break. These circumstances really are driving in no small measure this request and the change that enables us to deal with these issues in a prompt fashion to modify the project budget, which typically means a reduction in the project budget, and keep the project moving without the necessity of coming back to the Commission in asking for a change. As we began to deal with these issues we also looked at it from a minimum standpoint and based on the discussion that we have already heard from Jon Walden we thought it was an appropriate path for us to take.

Chairman Keen asked Mr. Bode in looking at the resolution, is it item (a) reductions of project scope and/or budget that caught your attention. Mr. Bode responded that it was. Chairman Keen suggested that we pass this resolution and have Mr. Hickman report to us at the next meeting how many instances that this authority was used and we think about that and we proceed in that regard for some period of time and then to the extent that we feel like perhaps it is information that in such a light that we feel we should take other action. Chairman Keen asked Mr. Bode if he had any suggestions to potentially take another course of action. Eric Bode wondered if there were circumstances where time is pressing for us to make this decision now or could we move this to the next Commission meeting. Director Hickman responded that there is not an instant case that would create a delay on the district and our staff in moving forward. It is in large measure the instances that are historical things that we have dealt with in the recent past and so it just seemed to make sense from a legal review of the statute that it seemed to be within our

authority. It seemed to add efficiency and speed to resolving issues with districts in moving ahead and not delaying the process and that really became the basis of the request.

Chairman Keen added that based on the comments and Mr. Bode’s concerns that we hold on the action of this resolution and give further consideration between now and the next meeting and then make a determination at the next meeting as to what action should be taken. The request was therefore deferred.

Executive Director’s Report

Director Hickman presented the groundbreaking and dedication report. OSFC staff attended a total of 3 groundbreaking ceremonies (Botkins LSD, Northmont CSD and the final building at Switzerland of Ohio LSD) and 6 dedication ceremonies (Reynoldsburg CSD, Columbus CSD - 2 buildings, Findlay CSD -3 buildings, Vantage Career Center and Toledo CSD). He also reported on the close out report for the first quarter of 2013 for 6 districts: Ripley-Union-Lewis-Huntington LS, Alexander LS, Jennings LSD, Mohawk LSD and Wayne Trace LSD.

We had the opportunity earlier this month to welcome Jeff Westhoven to the OFCC and offer our thanks to Director Blair for helping us through his transition as he was formerly employed by DAS. Jeff has the responsibility for communication, legislation and educational outreach, and will pick up responsibility for our HB264 projects. Jeff began the Energy Program at DAS a number of years ago with the introduction of Performance Contracting. There are a number of other initiatives with grants and so forth that we expect to pick up under the Budget Bill and so all those things are being bundled and Jeff will do a great job in taking on this new work and ensuring that we have the appropriate processes in place to manage it appropriately. So Ramzi Najjar, who was formerly managing Energy Services, will begin working with us in the K-12 management projects in the northern part of the state.

Director Hickman then asked Ramzi Najjar to report on approved HB264 projects since the last meeting. Mr. Najjar reported on 7 projects that had gone through the process, had been reviewed by the Energy Services team and submitted to Director Hickman for approval. Of the 13 HB 264s, there were 4 that had guaranteed savings currently being provided by the energy service companies.

HB264		
School District	Cost	Payback Period
Cardington-Lincoln LSD	\$1,631,857	14.39 years
Deer Park CCSD	\$650,876	14.35 years
Lake LSD*	\$5,210,680	13.40 years
London City Schools*	\$1,168,177	9.40 years
Medina CSD*	\$419,467	9.31 years
Tri-Rivers Career Center	\$1,413,475	14.8 years

substantially changed between the as-introduced version and the House version. The as-introduced version authorized the Ohio School Facilities Commission to fund up to \$2,000 for one Marc's radio unit per school building and then up to \$5,000 for the purchase of a security door system. The House has amended the language to state the Ohio School Facilities Commission can fund school security expenditures for all public schools. When we were testifying before the Senate today, the Senate asked us some questions as to the viability of the language and we believe we will be working with the Senate to come up with a tightening of language to work on first responder communications and building access.

There was no public testimony.

The meeting was adjourned at 3:17 PM.



Robert Blair, Acting Commission Chair



These meeting minutes were prepared by
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