

Ohio School Facilities Commission
July 13, 2017 Meeting
William McKinley Room, Statehouse
1:30 PM

MINUTES

Chairman Keen called the meeting to order at 1:29 PM.

Roll Call

Members present: Chairman Keen, Vice Chair Blair, Mr. Paolo DeMaria and Tim Villari for Senator Manning.

Adoption of the April 27, 2017 Meeting Minutes

Mr. DeMaria moved to approve the April 27, 2017 meeting minutes.
Chairman Keen seconded the motion.
Approval: Vote 3-0.

Fiscal Year 2018 Projects Approval – Melanie Drerup

Historically at the first Commission meeting of the fiscal year, we present new projects based on what the Commission can afford given approved appropriations and cash, as well as forecasts for future funding. We now bring projects to the Commission quarterly when funds are available to do so. The first three Fiscal Year 18 Projects were approved in April bringing today's projects total to eight. A lot of analysis is involved based on not just what we have this year, but what we will have in future years. Each project will spend money into the future not only in Fiscal Year 2018, but into years beyond that as well. The funding of these 5 districts along with districts currently underway depends on future appropriations. These projects will be with us well beyond the current biennium.

Each of these district projects was developed using a comprehensive planning process which includes a 10-year enrollment projection, a building condition assessment of each of the districts classroom facilities, an enhanced environmental assessment, review of the educational adequacy and review for LEED (Leadership in Energy and Environmental Design). All projects have been approved by the school district boards. Upon Commission and Controlling Board approval the districts will enter into a project agreement as all 5 districts have obtained their local share and maintenance funding to be able to move ahead with their project.

Overall, there are 5 projects totaling \$268.5M with an average state share of 53%. The FY18 projects include 13 school buildings; of those all but 6 are new. 13 buildings will be taken out of service; plans call for 12 to be demolished and 1 to be abandoned. Buildings being replaced are at 2/3rds guideline with exceptions noted. Average district budget is \$53.7 million

CFAP Lapsed – Resolution 17-12

Melanie Drerup presented five school districts with a lapse of one-year certification for participation in the Classroom Facilities Assistance Program for Commission approval. These districts were successful at the May 2017 election.

School District	County	State Share	Local Share	Total Budget
Carlisle LSD	Warren	\$28,681,702	\$13,497,272	\$42,178,974
Greenon LSD	Clark	\$14,643,442	\$29,730,625	\$44,374,067
New Bremen LSD	Auglaize	\$5,676,185	\$6,663,347	\$12,339,532
Southwest Licking LSD	Licking	\$52,292,825	\$63,913,453	\$116,206,278
Warren LSD	Washington	\$38,470,294	\$14,960,670	\$53,430,964

Chairman Keen moved to approve Resolution 17-12.

Mr. DeMaria seconded the motion.

Approval: Vote 3-0.

CFAP Renewal – Resolution 17-13

Melanie Drerup presented Classroom Facilities Assistance Program renewal projects for three schools and one Exceptional Needs Program renewal project for Commission approval. Pursuant to ORC section 3318.054, the Commission is charged with establishing the new scope, estimated basic project cost and estimated school district portion of a local share for a lapsed project if the school district desires to seek a new conditional approval of its project. Each of these districts has requested a new conditional approval and the master facility plans have been developed by Commission staff and the local school district. The project scope and estimated costs established will be valid for thirteen months.

School District	County	State Share	Local Share	Total Budget
Northeastern LSD	Clark	\$40,389,146	\$60,583,719	\$100,972,865
Southwest LSD – Seg. 1	Hamilton	\$26,671,099	\$56,676,086	\$83,347,185
Wynford LSD	Crawford	\$10,622,620	\$10,206,047	\$20,828,667

Mr. DeMaria moved to approve Resolution 17-13.

Vice Chair Blair seconded the motion.

Approval: Vote 3-0.

Exceptional Needs Program Renewal– Resolution 17-14

Melanie Drerup presented one school district for participation in the Exceptional Needs Program (ENP) for Commission approval. This program is for districts that are outside of the CFAP eligibility, but may have a particular building need either due to enrollment needs or particular issues with their building under the assessment that requires immediate action. The program allows them to come forward on the list so that we can work on that specific project. They follow the same rules as CFAP as far as eligibility, enrollment projections, budgeting and the same 13-month window once they are awarded funding eligibility once they raise their local shares.

School District (County)	State Share	Local Share	Total Budget
Indian Creek LSD (Jefferson)	\$10,191,457	\$15,287,185	\$25,478,642

Mr. DeMaria moved to approve Resolution 17-14.
 Vice Chair Blair seconded the motion.
 Approval: Vote 3-0.

Corrective Action Program Application Approval – David Chovan – Resolution 17-15

David Chovan presented a Corrective Action Program Application for the below listed school districts for Commission approval. This program was created by law in 2012. It addresses defective or omitted work in a completed project. The State/local split is based on the original project agreement.

School District (County)	Recommended Scope	Project Amount
Northern LSD (Perry)	Funding to remove the existing aluminum panel roofing system down to the deck and replace the roofing system.	\$2,430,600.00
Washington Court House CSD (Fayette)	Funding to resolve the defective installation of doors.	\$90,000.00

Mr. DeMaria moved to approve Resolution 17-15.
 Vice Chair Blair seconded the motion.
 Approval: Vote 3-0.

Master Facilities Plan Amendment Approval – Steve Roka – Resolution 17-16

Steve Roka 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
Clay LSD (Scioto) Amendment 4	Reconciliation of the project fund for closeout.	\$259,200 State Share
		\$60,800 Local Share
		\$320,000 TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Fairfield Union LSD (Fairfield) Amendment 3	Reconciliation of the project fund for closeout.	\$108,009 State Share
		\$42,003 Local Share
		\$150,012 TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Twin Valley Community LSD (Preble) Seg. 1 – Amendment 1	Project scope increase to include replacement of all roofing.	\$92,864 State Share \$82,351 Local Share
		\$175,215 TOTAL

Mr. DeMaria moved to approve Resolution 17-16.
 Vice Chair Blair seconded the motion.
 Approval: Vote 3-0.

ELPP Master Facilities Plan and Project Agreement Approval – Steve Roka – Resolution 17-17

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

Master Facilities Plan:

School District (County)	Project Scope	Project Budget
Berea CSD (Cuyahoga)	<ul style="list-style-type: none"> • Build one new ES & HS • Renovate one ES & MS • Renovate/Add 1 MS • Abate/Demo 1 MS & HS • Abandon 3 ES • No Action on 1 ES 	\$16,274,074 State Share 131,672,052 Local Share
		\$147,946,126 TOTAL

Project Agreement:

School District (County)	Discrete Portion Project Scope	Discrete Portion Project Budget
Berea CSD (Cuyahoga)	<ul style="list-style-type: none"> • Build 1 new ES & HS • Partial Renovations 1 ES & MS • Partial Renovations/Add 1 MS • Abate/Demo 1 MS & HS • Abandon 2 ES 	\$125,512,748 TOTAL

Chairman Keen requested holding Resolution 17-17 for additional information. Chairman Keen said a special meeting could be called before the October 26, 2017 meeting if needed.

Vice Chair Blair moved to hold Resolution 17-17.
 Mr. DeMaria seconded the motion.
 Approval: Vote 3-0.

Settlement Agreement Approval – Jon Walden - Resolution 17-18

Jon Walden presented a settlement agreement with BBL Ohio, Inc. on the Waverly CSD for Commission approval. BBL Ohio, Inc. served as the Construction Manager. After completion, the District experienced several issues related to the roof, masonry and expansive soil that caused movement in the slab in some of the buildings. The Commission and District conducted two investigations resulting in a decision to remediate the roofs and masonry on all four buildings as well as replacing the slab in certain areas. The District and Commission initiated suit against BBL, the Architect, several contractors, and certain sureties and insurance providers related to defective design and construction. Specifically, to BBL, the Commission and District alleged failure of the ductile iron supply line which BBL recommended being installed without polyethylene encasement in known corrosive soils, resulting in a replacement cost in an excess of \$1,300,000.00. In addition, the Commission and the District alleged failures related to observation of the defective workmanship related to the roof, masonry and heaving slab. After negotiation, the District and Commission reached a settlement with BBL, in which BBL will pay the District and Commission the sum of \$750,000.00. This agreement only releases the claims between the District and BBL. All other claims against the other contractors, or other parties named in the lawsuit are expressly reserved and are not released. Upon payment, the District and Commission shall dismiss with prejudice only BBL from the case.

Mr. DeMaria moved to approve Resolution 17-18.
Vice Chair Blair seconded the motion.
Approval: Vote 3-0.

Settlement Agreement Approval – Jon Walden - Resolution 17-19

Jon Walden presented a settlement agreement and limited release with Staggs Roofing, Inc. on the Waverly City School District for Commission approval. Staggs Roofing, Inc. performed roof installation on the ES1, ES2, the middle school and the high school buildings. After completion, the District experienced several issues on the Project and an investigation revealed multiple issues requiring remediation of the roofs. The District and Commission initiated suit against Staggs, the architect, construction manager, several contractors in addition to Staggs, and certain sureties and insurance providers related to defective design and construction. Specifically, the Commission and District alleged Staggs failed to construct the Project in compliance with Contract Documents. After negotiation, the District and Commission reached a settlement with Staggs' insurer, Westfield Insurance Company (Westfield), in which it will pay the District and Commission the sum of \$75,000.00 for consequential damages related to the workmanship issues of Staggs. Staggs is no longer a viable business entity. The agreement also contains a complete release of claims by the Commission against Staggs in relation to the poor workmanship of Staggs. This agreement only releases the claims between the District and Staggs. All other claims against the other contractors, or other parties named in the lawsuit are expressly reserved and are not released. Upon payment, the District and Commission shall dismiss with prejudice only Staggs from the case.

Mr. DeMaria moved to approve Resolution 17-19.
Chairman Keen seconded the motion.
Approval: Vote 3-0.

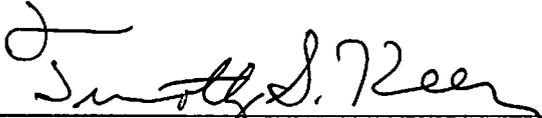
Executive Director's Report

Director Williamson reported since the last meeting there were 5 school groundbreakings and 7 projects were closed out. There were 3 projects that were initiated under the School Performance Contracting program (HB264). Director Williamson also reported on contracts executed since the last meeting: 19 agreements, 26 amendments, 11 locally funded initiatives for a total of \$168.4M.

Director Williamson concluded his report with an update of the status of the 659 school districts to be served. We have currently served 385 districts with 274 districts remaining to be served. Within those numbers we currently have 73 districts we are working with in respect to opportunities for construction; 89 projects in design; 70 projects in construction; 40 lapsed districts; 91 deferred districts and 5 districts that are pending for their local share.

There was no public testimony.

The meeting was adjourned at 2:19 PM.



Timothy S. Keen, Commission Chair



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