

Ohio Facilities Construction Commission
January 24, 2019 Meeting
William McKinley Room, Statehouse
1:30 PM

MINUTES

Director Kimberly Murnieks called the meeting to order at 1:37 PM.

Director Murnieks welcomed everyone to the organizational meeting of the Ohio Facilities Construction Commission. Director Murnieks welcomed her fellow Commission member Mr. Matthew Damschroder, Director of Administrative Services, Director Murnieks also noted to Executive Director Williamson that she looked forward to working with him and his staff.

Roll Call

Members present: Director Kimberly Murnieks and Director Matthew Damschroder.

Election of the Chair and Vice Chair

At the first meeting of each calendar year, the Commission elects from amongst its voting members a Chair and a Vice Chair to serve until its next annual Organizational meeting. Director Murnieks asked for a nomination of the Chair. Director Damschroder moved that Director Murnieks serve as Chairwoman of the Commission. Director Murnieks seconded the motion. Director Murnieks closed the nominations and called for the vote for Director Murnieks as Chair of the Ohio Facilities Construction Commission.

Approval: Vote 2-0.

Director Murnieks called for the nomination of Vice Chair of the Commission. Director Murnieks nominated Director Damschroder as Vice Chair. Director Damschroder seconded. Director Murnieks closed the nominations and called for the vote for Director Damschroder as Vice Chair of the Ohio Facilities Construction Commission.

Approval: Vote 2-0.

Adoption of the October 25, 2018 Minutes

Vice Chair Damschroder moved to approve the October 25, 2018 minutes. Madam Chair Murnieks seconded the motion.

Approval: Vote 2-0.

ELPP Master Facilities Plans and Project Agreements
Presented by Steve Roka –Resolution 19-01

Steve Roka presented the ELPP Master Facilities Plan for the following school districts for Commission approval. The two districts are Oakwood CSD (Montgomery) and Tipp City EVSD (Miami). Both are new ELPP districts for OFCC. The planning process with districts is often a multi-year engagement culminating with District and Commission approval of a Master Facility Plan. The Master Plans being presented for your consideration today have been approved by the respective Boards of Education.

ELPP Districts are able to use local funds to address the most pressing facility needs by using a discrete portion of their Master Plan. When Districts become eligible for state funding, their approved expenditures are credited against their local share of the entire project. An ELPP project scope can range from a few renovations to a building replacement.

Master Facilities Plans:

School District (County)	Project Scope	Project Budget
Oakwood CSD (Montgomery)	Renovations to two ES to house Grades PK-6, 1-6. Renovations to the Jr./Sr. HS to house Grades 7-12, CT. Abandon Lange School. Includes a PA LFI in the amount of \$8,116,300.	\$15,506,975 State Share \$46,081,654 Local Share
		\$61,588,629 TOTAL
Tipp City EVSD (Miami)	Renovation/addition to L.T. Ball Intermediate to house Grades PK-6 and Tippecanoe HS to house Grades 7-12. Abate/Demolish: Broadway ES, Nevin Coppock ES, Tippecanoe MS and the Tipp City Enrichment Program Building. Includes a PA LFI of \$89,080.	\$14,441,974 State Share \$26,909,889 Local Share
		\$41,351,863 TOTAL

Project Agreements:

School District (County)	Discrete Portion Project Scope	Discrete Portion Project Budget
Oakwood CSD (Montgomery)	Partial renovations to two ES (1 to house Grades PK-6 and 1 to house Grades 1-6). Partial renovations to the Jr./Sr. HS to house Grades 7-12 and Career Tech includes a partial PA LFI of \$330,142. Abandon Lange School.	\$16,360,238 TOTAL
Tipp City EVSD (Miami)	Renovation/addition of 87,714 sf to L.T. Ball Intermediate to house Grades PK-6. Abate/demolish Broadway ES, Nevin Coppock and the Tipp City Enrichment Program Building.	\$28,835,956 TOTAL

Madam Chair Murnieks moved to approve Resolution 19-01.
 Vice Chair Damschroder seconded the motion.
 Approval: Vote 2-0.

Master Facilities Plan Amendments Approval
Presented by Steve Roka – Resolution 19-02

Steve Roka presented amendments to the Master Facilities Plan for three school districts for Commission approval. Elyria CSD (Lorain) and Warren LSD (Washington) seeks to deduct the Storm Shelter allowance that was added in a prior amendment. The 1st amendment of the Elyria CSD (Lorain) Master Facility Plan added the storm shelter allowances and included adjustments to building capacities. The 1st amendment of the Warren LSD (Washington) Master Facility Plan added the storm shelter allowances and included grade configuration changes.

Mr. Roka recognized the Whitehall CSD (Franklin) Superintendent Brian Hamler and Treasurer Steve McAfee as being present today. The proposed amendment for the Whitehall CSD (Franklin) accommodates enrollment growth which has exceeded the original enrollment projection. OFCC has worked with Whitehall CSD (Franklin) to revise the original project scope. The amendment proposes a scope increase by adding 4 classrooms to the 3 elementary schools to accommodate 300 additional ES students and adding 28,771 SF to Whitehall MS to accommodate 206 additional MS students.

The proposed Whitehall CSD (Franklin) amendment considers bid day savings and interest earned to significantly offset the cost of the additional SF necessary to accommodate the enrollment growth.

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Elyria CSD (Lorain) Amendment 2	Deduct allowance for Storm Shelters.	(\$758,796) State Share
		(\$373,735) Local Share
		(\$1,132,531) TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Warren LSD (Washington) Amendment 2	Deduct allowance for Storm Shelters.	(\$703,220) State Share
		(\$ 273,474) Local Share
		(\$976,694) TOTAL

School District (County)	Recommended Modifications to the Master Facilities Plan	Recommended Modifications to the Project Budget
Whitehall CSD (Franklin) Amendment 1	Budget adjustment due to increased enrollment resulting in additions for 3 new ES to house Grades PK-5 and 1 new MS to house Grades 6-8.	\$2,763,501 State Share \$1,766,828 Local Share \$4,530,329 TOTAL

Vice Chair Damschroder asked in terms of the Whitehall CSD (Franklin) portion of the resolution what is the impact on our budget for the increased state share for the Commission? What will be the practical implications of that or anything else that gets bumped off the list down the road? Mr. Roka referred to Melanie Drerup for a response. Ms. Drerup responded indicating the state share of this amendment is \$2.7M, and we have accounted for that in the budgeting work that the COO is working on. Vice Chair Damschroder asked if this is absorbed without an impact to the Commission? Shawn Smith, COO answered it has been accounted for in our current projections to this point, so as far as how it would affect other districts depends upon who comes to the table at what point, and what we have accounted for at this point.

Vice Chair Damschroder moved to approve Resolution 19-02.
Madam Chair Murnieks seconded the motion.

Approval: Vote 2-0.

**Master Facilities Plan Amendments Removing Storm Shelters and Delegating Authority for Storm Shelters Only Amendments to the Executive Director Approval
Presented by Steve Roka – Resolution 19-03**

Steve Roka presented the Storm Shelters Removal Amendments for Commission approval. In 2017, the Board of Building Standards adopted rules that changed the Ohio Building Code to require hardening specific space within schools to be able to withstand 250 mph winds. The area of the hardened space is based on the size of the facility.

After the requirement was added to the building code, the OFCC modified the cost guidelines to include an allowance for Storm Shelters in all Master Facility Plans. The cost guidelines were supplemented to cover the increased design and construction cost associated with reinforcing structural systems to withstand the increased wind loads.

Subsequently in 2018, the legislature, in HB 21, created a short-term moratorium against implementation of the storm shelter requirements. As a result of this moratorium, the Commission asked school districts whether they desired to keep the allowance as part of the project or remove it. Most districts decided to remove it. This moratorium on the requirement expires in September 2019.

The proposed resolution seeks authority to amend the master plans for those districts that requested removal of the storm shelter allowance after its school board decided to move forward without the requirement.

The proposed resolution also would delegate authority to the Executive Director to approve any future storm shelter only amendments. The Commission previously delegated authority to address specific storm shelter only approvals to the Executive Director. This action would allow the Executive Director to approve these narrow amendments without seeking individual Commission approval and report the action to the Commission.

Vice Chair Damschroder asked if we have a guestimate of how many school districts are likely to seek this change? Mr. Roka responded that there are 8 districts for you today, there are 2 districts in this cohort who decided to keep that aspect of their project, so what the future holds we do not know. When the moratorium goes away it is going to be a requirement regardless.

Vice Chair Damschroder moved to approve Resolution 19-03.

Madam Chair Murnieks seconded the motion.

Approval: Vote 2-0.

Sports Facility Project Guidelines Approval
Presented by Jeff Westhoven – Resolution 19-04

Jeff Westhoven presented the Sports Facility Project Guidelines for Commission approval. OFCC has authority for sports facilities through its 2013 merger with the Ohio Cultural Facilities Commission. The merger transferred responsibilities, rules, and obligations to OFCC, including authority for cultural facilities (museums, theaters, historical sites) and sports facilities (stadiums, arenas). Those projects are in the capital bill and they have a specific name attached to them either in the name of the project or the local sponsor. Our role at the Commission is to work with those grantees to verify the project complies with law and bond requirements. It has been staff practice to bring guidelines for Commission approval, and also any template agreements that are used for obtaining approvals. Cultural facilities guidelines were previously approved by the Commission. There have been more than 300 cultural projects approved, and now there are two appropriations for sports facilities. The underlying law for cultural and sports projects is similar, but different enough to warrant separate guidelines and agreements for sports projects. The differences are:

Cultural facility projects	Sports facility projects
Purpose	
Present culture	Present sporting events
Local matching requirement	
At least 50% of state funds	At least 85% of construction cost
Property Title	
Ohio nonprofit or governmental agency must be the owner or long-term leaseholder	Ohio or a governmental agency must own or have sufficient property interests in the facility

Financial Analysis

Review of the project sponsor's financial performance

Review of project sponsor's financial and development plan

If the Commission approves, the sports project organization would submit an application and staff would use these guidelines to verify compliance. Staff makes a recommendation for approval and submits to Controlling Board for release of capital; if approved by the Controlling Board, it goes to the Executive Director for signature.

Vice Chair Damschroder asked whether there was stakeholder engagement in the development of the guidelines, specifically whether the two projects that have capital appropriations gave feedback on the guidelines or if this is something that would surprise the stakeholders who have current appropriations? Mr. Westhoven responded we have met with one of the entities on the guidelines, and our current cultural facilities guidelines and templates are available for review. We work with the entities to ensure they understand the requirements. The things that are reflected here are largely those that are in the underlying law and they have not changed with the transfer to the Commission.

Vice Chair Damschroder moved to approve Resolution 19-04.
Madam Chair Murnieks seconded the motion.

Approval: Vote 2-0.

Sports Facility Project Agreement Template Approval Presented by Jeff Westhoven – Resolution 19-05

Mr. Westhoven indicated that the grant agreement essentially memorializes that the grantees have met all the requirements in the application. This would include project scope, budget and local match. This is a reimbursement agreement: grant recipient completes construction work, then seeks reimbursement from OFCC. The agreement contains a clawback provision; in the event of a default in the agreement before the term of the bonds expires within 10 years, the state would receive back a prorated share of the grant. Those are the main elements; the rest is consistent with the guidelines we spoke of previously.

Madam Chair Murnieks noted that the Resolution delegates the authority to the Executive Director to make non-substantive changes to the project agreements or to the template. Madam Chair Murnieks asked if Mr. Westhoven could describe what might be a non-substantive change? Mr. Westhoven responded that one example might be in the reimbursement and the prorated share changes over time if the project is redefined. If a project is originally \$100M with \$15M state share, then project is defined as a larger amount, we could amend that to be a smaller prorated share of the larger portion. This would be a non-substantive change that perhaps would alter the agreement as an amendment, but not the underlying law.

Vice Chair Damschroder moved to approve Resolution 19-05.
Madam Chair Murnieks seconded the motion.

Approval: Vote 2-0.

Settlement Agreement Approval
Presented by Jon Walden – Resolution 19-06

Jon Walden presented a settlement agreement concerning a Department of Rehabilitation and Correction Energy Project that OFCC administered. Mr. Walden first explained that staff brings settlement agreements to the Commission when the other party seeks a release from the Commission or State. This settlement is with Energy Systems Group (commonly known as ESG) on the Lebanon and Warren Correctional energy project. Part of the proposed energy savings by ESG included the replacement of boilers with a different water treatment system. This system ultimately proved insufficient and required removal. Subsequently the new boilers experienced unexpected and premature failures. The Commission and DRC after evaluation asserted that ESG bore some responsibility for those premature boiler failures. ESG disputed that responsibility. After several meetings, in lieu of litigation, the parties reached a compromise with ESG agreeing to provide two new boilers and an additional \$5,000 contribution in return for being released for the claim related to this issue. This limited release only relates to this claim but the rest of the agreement and/or their savings guarantee remains in place. The proposed settlement was addressed with both Commission staff, including Senior Counsel Matt Westerman, and DRC and its counsel to effectuate this resolution.

Vice Chair Damschroder moved to approve Resolution 19-06.
Madam Chair Murnieks seconded the motion.

Approval: Vote 2-0.

Executive Director Report

David Williamson reported since the last meeting there were 2 school district dedications, 2 cultural facility dedications and 1 agency grand opening. 8 school district project agreements were closed out. The Commission did not have any School Performance Contracting program for HB264. There was an Executive Director Delegation of Authority for non-substantive minor changes for Master Facility Plan Amendments for the following districts: Clark-Shawnee LSD (Clark), Fremont CSD (Sandusky) and Winton Woods (Hamilton) for removal of storm shelter allowances totaling (\$5.1M). Coventry LSD (Summit): \$0 for Cottage Grove ES to add allowance to abate/demolish and Ervine MS to decrease allowance to abate/demolish. Lorain CSD (Lorain): (\$969,035) to remove abate/demolish allowance for Fairhome ES, Irving ES and add abate/demolish allowance for Charleston EC. Lebanon CSD (Warren): (\$131,085) to remove abate/demolish allowance for Francis Dunlavy ES. Ross LSD (Butler): corrective action to replace VRF HVAC systems at Elda ES and Ross MS.

Contracts executed since the October 2018 meeting for agency, higher education and cultural grants projects total approximately \$76.7M and K-12 program projects executed contracts total approximately \$128.9M. To date 1,594 facilities have been constructed or renovated between the K-12 program, state agencies, colleges/universities and cultural facilities. There are 190 projects currently in construction with a total dollar value of \$2.25B.

The Director concluded his report by updating the Commission on:

OFCC Staffing: Staff level at 96%, Budget Limited, Additional Focus – Retention, Recognition, Staff Personal & Professional Development

Management Actions/Activities: Day to Day Priorities, OFCC Strategic Plan/Strategy Map 2018, Management Task Actions Timeline

Process Improvement Initiatives: Succession Planning, Process Management & Improvement, Metrics, Long-Term Program Planning & Performance Excellence Program

State Agency & Public Outreach: “Building with OFCC” Presentation, Agency Construction Officials Planning Group and Public Affairs/Workshops/Webinars & Conferences

Public Testimony

Ms. Jennifer L. Adams, Superintendent from the Pleasant LSD (Marion) presented for public testimony to request that the Commission consider expanding ELPP eligibility to allow more opportunity for districts ready to fund projects which are not yet eligible for state assistance.

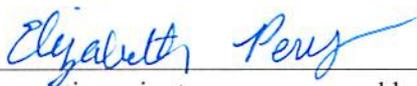
Superintendent Adams provided background about her district’s circumstances and how meaningful it will be to the community to update the facilities. Superintendent Adams indicated that Pleasant’s community had struggled to pass levy issues in the past and with the recent passage it is important for the district to demonstrate results to the community, as the district has old facilities with many current needs. Superintendent Adams also indicated that Commission staff have communicated well with the district. Superintendent Adams understood that there is a great demand in the State for the Commission program and understands that there are rules that need evaluated but asked the Commission to consider expanding ELPP eligibility so that Pleasant and other districts can use their dollars to benefit the district and hoped that the Commission would consider additional meetings to consider this matter.

Madam Chair Murnieks thanked Superintendent Adams for her testimony. Madam Chair Murnieks then requested that the Executive Director at the next Commission meeting provide updated information regarding the Expedited Local Partnership Program, noting that this is a program that understandably is very beneficial to local school districts and we want to ensure that we are maximizing this education program. Madam Chair Murnieks further congratulated Superintendent Adams on passing the District’s Levy indicating that it’s a great thing for the community and the Commission is very supportive of the District’s efforts. Madam Chair Murnieks then requested that the Commission staff schedule monthly meetings moving forward, similar to the previous schedule of the former Ohio School Facilities Commission.

The meeting was adjourned at 2:21 PM.



Kimberly Murnieks, Commission Chair



These meeting minutes were prepared by
Elizabeth Perry, Secretary to the Commission (Interim)

Testimony Request Slip

Commission Meeting Date 1/24/19

Please return the completed form and ten (copies) of your testimony and materials to the Commission Secretary prior to the start of the meeting.

Name: Jennifer L. Adams

Title/Organization Representing: Superintendent of Pleasant Local Schools

Address: 1107 Owens Road W.

Marion, OH 43302

Phone: (740) 262-1093 E-mail: Jennifer.adams@pleasantstaff.org

Topic to be addressed in testimony:

• Decision to pull the resolution allowing school districts to enter into the ELPP

• Negative Implications this decision has on local school districts

Check if handouts or materials are provided