

**BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE**

December 2, 2015

Talking Book Center, Anchorage, Alaska

**MEETING MINUTES**

**Committee Members Present**

Elizabeth Nudelman  
Doug Crevensten  
Mary Cary  
Mark Langberg  
Dean Henrick

**Staff**

Elwin Blackwell  
Kimberly Andrews  
Lori Weed

**Additional Participants**

Don Hiley (SERRC)  
Kevin Lyon (KPB/KPBSD)

**CALL TO ORDER and ROLL CALL at 12:38pm**

Elizabeth Nudelman, chair, called the meeting to order at 12:38pm. Noted attendance of members; Sen. MacKinnon, Rep. Vazquez, and Bob Tucker are excused. Quorum of 5 members.

**REVIEW and APPROVAL of AGENDA**

Agenda reviewed and approved.

**REVIEW and APPROVAL of MINUTES**

Mark asked on status of prototype report due to legislature. Elizabeth responded that topic would be included in the agenda under “DEED Wrap Up”. Mary also requested that “space guidelines” be included. Minutes were approved as submitted.

**PUBLIC COMMENT**

Don Hiley said that districts are struggling with preventive maintenance. District turnover, especially in superintendents, has created a thin knowledgebase. Maintenance is not strictly required so it may get trimmed as budgets shrink. He suggested that sharing services like training or itinerant maintenance personnel may be beneficial, particularly for smaller districts.

Kevin Lyon noted that deferred maintenance is stacking up in districts’ six-year plans. Statewide, the average building age is increasing and buildings are starting to age out. The closure of the debt program stopped his district’s plan for measured capital project planning. His administration wants to delay projects, asking if buildings can last five years until program resumes. He anticipates that the first year the program is back there will be a huge number and value of funding requests from districts.

Elizabeth agreed with comments made. Smaller districts coming together for mutual preventive maintenance assistance would be worth looking at. She would like to address the debt program in another agenda item.

**DEPARTMENT BRIEFING**

Kim summarized the department briefing beginning with a Preventive Maintenance update. The department has conducted site visits at Haines and Juneau, and currently has two visits

ongoing at Ketchikan and Annette Island. Aleutian Region, Pribilof, and Yupiit are not currently certified.

Dean asked how far back Aleutian Region and Pribilof have been not certified; noted that Iditarod has shown improvement and is now certified.

Kim responded that Pribilof is recent but Aleutian Region has not been certified for a while. Typically, non-certified districts are deficient on maintenance management reporting. Elizabeth followed up noting that the Aleutian Region has very low enrollment and limited resources to allocate. Kim suggested the department could organize training, so districts would better understand how to make the reports benefit them.

Kim reviewed the FY2017 initial priority lists and CIP application statistics. Elizabeth noted new factors of new application and state budget deficit may have affected the statistics. Responding to Mary, Kim noted the increase in ineligible projects this year is due in part to inadequate documentation.

Doug asked if the application was easier from a rater's standpoint. Kim and Elwin agreed that the separation of the project description from the code and life safety question provided more clarity and a better ability to determine severity of issues for the rater and, hopefully, the writer of the application. Kim mentioned that it would be worth looking into moving the cost estimate tables nearer to the project description.

Elizabeth opened the discussion up for public comment.

Don said that it took longer because it was new and agreed that he would prefer to have the budget following the scope question, as it feels logical to have it follow the cost estimate discussion. He noted that there were more reuse of scores than expected due to the state's budget situation. Responding to Elizabeth's question he agreed that there will likely be a drop off of applications due to frustration with the funding situation.

Mary commented that there is no understanding of what the real need for funding is; the statewide six-year plan is only districts that submit applications and there may be a much larger current need.

Kim reviewed the school construction list and noted that it is getting smaller. There are very few new construction projects, relative to the application process. Some are category F, which are typically site related; overall, space calculations are decreasing.

Kevin offered clarification that the Kenai district does not put in category F applications because they do not score well enough to get funding, but there is a huge liability and a need to complete those projects.

Kim reviewed the major maintenance list, commenting that the new projects entering the list towards the top is representative of their high need.

Committee discussed value and previous history of having tiered funding lists. Changing the program would require a statutory change by the legislature.

Kim noted major point shift in awarding increased life safety and code points than in the past; writers should focus on answering this question. Emergency points had to be very well-documented. The new formula-driven scoring for condition surveys worked well. She said that the matrices were a valuable tool to refer to for consistent rating.

Elwin added that scoring this year recognized that most projects don't meet the new five-point minimum to qualify for an emergency score.

Mary asked questions on the differences that would be made by removing certain application questions that are periphery to determining a project's need. Elizabeth pointed out the need to have different scoring factors to provide variations in the scores.

## **BREAK**

### **DEPARTMENT BRIEFING (Continued)**

Elizabeth reviewed the statewide six-year plan, which is based on plans submitted with a district's application. It does not include every district but it provides a basis of discussion for what resources are needed to keep school facilities in repair.

Elizabeth reviewed the SB 237 debt report, pointing out that each debt program has been accounted separately, so the report covers only the most recent time the program was enacted. Kim noted that the only changes to the report are the inclusion of Kodiak projects, which were voter approved in the fall of 2014, and the projects from two districts that applied and were denied due to the sunset of the program.

Committee discussed the debt program's statutory and funding histories and potential scenarios.

### **FY2018 APPLICATION**

Elwin introduced the proposed FY2018 CIP application, noting that the changes made are primarily technical updates.

Discussion on value of removing references to "Debt Retirement" from the application. Determined that there is still a potential need for a debt application. Last sentence in the instructions for question 1a will be bolded for emphasis.

Motion made to approve the FY2018 CIP application and accompanying material, including the bolding of the sentence on page 83 of the packet. Passed unanimously.

### **PUBLIC COMMENT**

Elizabeth asked for comments and emphasized that comments can be e-mailed as well. Elizabeth listened to Don's comments on the awkwardness of the design question and stated that the department will review it for the FY2019 application.

## **DEED WRAP UP**

Elizabeth said that the new regulation (4 AAC 31.087) that identifies term limits for committee members was requested by the State Board. Discussion followed on how the transition and terms will affect the committee.

Elizabeth reminded the committee that Carl John has resigned; the department will send him a letter from the commissioner and a plaque thanking him for his service.

Mark inquired if there were any applicants for his replacement. Elizabeth responded that it was recently posted to the online public notice site and would be included in DEED's weekly electronic newsletter.

Elizabeth noted that no e-mails were received regarding the space guideline questions brought up at the previous meeting. Item is still open for discussion.

Elizabeth provided an update that the prototype report had been completed by Nvision and Dejong-Richter and presented to Legislative Budget and Audit on November 17. The report found, in part, that prototype designs were best applied at the district level. A roundtable conference call could be set up to discuss the report once the committee has a chance for review.

Elizabeth announced that Tim Mearig will return as the Facilities Manager on December 16. He was originally in the position when the preventive maintenance program was first implemented and comes with good experience.

## **CLOSING COMMENTS**

Doug, Dean, and Mark all expressed pleasure that the revised application was mostly successful for both the people preparing the applications and the reviewers. Dean asked if there would be a meeting before next December. Elizabeth stated that she will ask Tim to e-mail the committee an update after about 60 days in.

Mary expressed concern for the status of schools and wonders how to go about strategically allocating resources to maintain them. She expressed interest in having a presentation based on the department site visits to the districts in order to see what is happening throughout the state.

Elizabeth thanked the committee members for all their help through the application process.

## **MEETING ADJOURNED**

The committee adjourned at 4:43pm.