

BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE

December 12, 2017
Teleconference
MEETING MINUTES

Committee Members Present

Heidi Teshner, Chair
Mark Langberg
Dale Smythe
Robert “Bob” Tucker
Doug Crevensten
Don Hiley

Staff

Tim Mearig
Wayne Marquis
Larry Morris
Lori Weed

Additional Participants

Craig Fredeen, Cold Climate
Engineering
Brittany Hartmann, Legislative
Staff

CALL TO ORDER and ROLL CALL at 1:35 p.m.

Heidi Teshner, chair, called the meeting to order at 1:35 p.m. Roll call of members present; Sen. MacKinnon, Rep. Kito, and Bill Murdock are excused, Bob Tucker is absent. Quorum of 5 members.

REVIEW and APPROVAL of AGENDA

Agenda reviewed and approved by unanimous consent.

REVIEW and APPROVAL of MINUTES

Minutes reviewed and approved as submitted by unanimous consent.

PUBLIC COMMENT

No public comment.

DEPARTMENT BRIEFING

Tim introduced the department briefing papers, noting the standard information as well as a CIP specific briefing paper, and a “rater’s briefing” by Larry Morris. FY19 had the lowest year of CIP applications received, except for the year the legislature restricted municipal districts from submitting applications. Major maintenance total project request costs continued to trend slightly down; school construction had a small uptick. Publications are being refreshed. New *Project Delivery Method Handbook* issued in August. The *Preventive Maintenance Handbook* slipped from a scheduled update in 2017 to 2018. The conceptual *School Design and Construction Standards Handbook* is replaced in part by the committee’s current efforts. Also looking to update the *DEED Cost Format* and *Life Cycle Cost Analysis Handbook*.

Bob Tucker joined the teleconference. Quorum of 6 members.

Tim presented the CIP briefing paper, which touches on various issues that arose during the rating cycle. For evaluative scoring, the department is working on a matrix to more fully utilize the code deficiency, protection of structure, life safety scoring and the department would like to re-look at the emergency category to ensure it is serving its purpose well. The rater’s briefing will touch on these more fully. In formula-driven scoring, the department is bringing back for consideration an expanded requirement for a condition survey, with a few example scenarios

where best practice would call for a condition survey to define and support the project. This year the department had to make a determination on whether a condition survey's "age" is in relation to the application or to the project. Tim noted one project with procurement issues was determined to be ineligible; the district has requested reconsideration of that determination. The department has begun to compile potential application changes to be addressed in the spring.

Tim offered that a new rater always lends a valuable perspective on how the written guidelines fit in with experience and practicable knowledge. He shared that Larry's paper has a lot of interesting discussion topics, including changes to life/safety scoring and a former committee favorite on district maintenance. Topics will be reviewed at the committee's spring meeting.

FY19 reconsideration lists will be produced soon, three projects requested reconsideration of department decisions on eligibility and budget; no requests for point changes. A compilation of district-submitted six-year plans is in the packet to give an idea of districts' long-range planning and accruing capital costs. Last two items in this section are school capital funding reports: CIP grant request and funding history from FY09 to FY19 and inception-to-date REAA fund.

Heidi asked if the committee wanted to make a motion to approve the initial lists to the State Board of Education. Don asked how the soon-to-be-released reconsideration list would impact this motion. Tim responded that statute says committee will recommend to the board, this would set that in motion; more an approval of the process under which the lists were created. Bob suggested making the motion on the initial lists, then revisiting it in March.

Bob moved that the Bond Reimbursement and Grant Review Committee recommend the State Board of Education & Early Development adopt the department's FY2018 Capital Improvement Program list of projects eligible for funding under the School Construction Grant Fund and the Major Maintenance Grant Fund, as presented. Seconded by Mark. No objections, motion passed by unanimous consent.

Moving to the subcommittee reports on construction standards, Tim recommended subcommittees highlight the salient elements: recommendations, support statements for recommendations, responses to public comment, etc.

SUBCOMMITTEE REPORT - Commissioning Construction Standards

Mark reviewed subcommittee efforts that occurred over the summer. He noted that the criteria developed in each of the five areas, mechanical, fuel oil, electrical, controls, and building envelope, were left fairly broad because commissioning is project-specific. Tim reminded the committee that the first recommendation in the report limits applying the requirement for commissioning to larger renovations or construction projects. Mark concurred that smaller projects don't warrant a full-blown commissioning process, but may benefit from "commissioning lite". The second recommendation speaks to the level of qualifications of a commissioning agent, recommending a third-party, certified person be the overseer of commissioning activities. The final recommendation identifies the minimum recommended systems and criteria; it provides a reference document for districts that may lack knowledge or expertise when drafting or reviewing construction specifications. General concurrence by committee that commissioning is beneficial, regardless of project size or agent certification.

Tim noted the current recommended implementation is that the subcommittee will continue to define when and what projects require commissioning; a subset of best-practice and how a district can do commissioning on its own, can find a way into a guideline that does not have binding criteria on whether a district gets funding or not. Doug asked whether one person can commission all five systems or whether it would require five people with specialization to accomplish. Mark responded that one person can oversee the commissioning but it typically takes a team of people, especially on a major project.

SUBCOMMITTEE REPORT - Design Ratio Construction Standards

Dale shared the overall goal was for design ratios that could reduce first costs and operating costs. Subcommittee realized early the complexity of trying to determine specific ratios within the given timeframe and skill set. Subcommittee undertook two efforts to assist in defining ratios: collecting design data from recently built school projects and creating an energy model to compare two different building forms. First recommendation is to adopt the Alaska BEES climate zones, as opposed to a nationwide standard, to allow greater definition in applying any construction standards. For recommendations two through five, the subcommittee was able to pull data on recent school projects but was only able to model the building footprint to total area ratio. Essential to selecting ratio data was ease of district, department, and designers to identify, review, and compare data to the to-be-developed ratio ranges to see if a design element was “out of whack”. Design ratios have good potential to reduce costs, but it needs more study to provide specific brackets. Dale believe it would be helpful to gather operational data from schools in the recent school data set.

Bob agreed there is room for improvement in design ratios, but asked what the committee can do to assist the legislature in its upcoming deliberations. Why would the committee breakdown regions if there isn't the other data to support the need. Dale responded that adopting the Alaska BEES is recognizing an established climate zone breakdown and is helpful as a tool to compare facilities. The other recommendations allow monitoring of Alaska school design to ensure designs follow good northern design strategies and building compactness. Tim offered that the recommendations are the committee supporting to the legislature that these four measures, and future brackets within each, are appropriate criteria for cost-effective school construction that state-funded projects have to meet for funding. Lori pointed out that the design ratio implementation strategies specify funds needed for modeling to allow further definition of the ratios; the subcommittee did not have sufficient resources to develop proposed ratio ranges.

SUBCOMMITTEE REPORT - Model Alaskan School Construction Standards

Doug stated that the subcommittee looked at various sets of standards that could define model Alaskan schools. Recommendations one and two are for refinement of the existing DEED Cost Model tool and establishing a process for vetting updates. Recommendation three is for the department to further develop system standards, which may integrate back to the Cost Model. The final recommendation is to identify school elements that do not further the core educational mission, to bookend limits of state aid. Potential option that community pays more for those elements that have more community benefit. Tim identified the related topic paper included with the report; ideally the committee as a whole would review it prior to adoption of the report.

BREAK

STANDARDS FOR COST-EFFECTIVE CONSTRUCTION: REPORT TO THE LEGISLATURE

Tim outlined possible approaches for the committee to move ahead with finalizing the report. Dale sought clarification on desired response to the report or next steps. Tim stated that the committee itself has statutory authority to develop criteria, standards, and processes relating to school construction funded with state-aid. This report is letting the legislature know of the committee's proposed criteria, which are based on the subcommittee recommendations. Lori indicated where the report summarizes actions requested by the committee for other entities, like the department and the legislature. Dale observed this is also a notification or request for funding of future committee efforts.

Mark moved that the committee adopt the commissioning subcommittee recommendations as presented, seconded by Dale. Tim summarized the scope of the recommendations; main focus on new and major renovations, but may broaden to specific types of smaller projects. Likely regulation language will be developed. Mark noted that there is a placeholder for discussion in the building envelope commissioning standard. Committee decided to leave it as an open item for review during development of regulation. Approved as presented by unanimous consent.

Dale moved that the committee adopt the design ratio subcommittee recommendations as presented, seconded by Mark. Doug supported continuing to look into these recommendations; noting potential for great return. Approved as presented by unanimous consent.

Doug moved that the committee adopt the model school subcommittee recommendations as presented, seconded by Bob. Tim reviewed the recommendations, noting it would make the cost model an official costing tool that would set a maximum project cost. Tim expressed that he didn't think the exclusion topic paper was a final product, but it is the best available. Doug responded that it provides examples for discussion and the legislature can provide feedback or request action by the committee or the department. He personally disagrees with recommendation four, but thinks it should remain in the report as a potential cost-saving measure. In response to Dale's question, Don clarified that soft costs are identified in the cost model but are based on percentages of the construction cost. Tim followed up that those percentages are based on the CIP application approved by the committee. Approved as presented by unanimous consent.

Tim stated that the subcommittee responses to public comments are included in the report and are presented as coming from the committee. There are also comments that didn't fall under any one committee; responses to those were prepared by the department for committee review.

Dale moved that the committee approve the responses to public comment, set out on pages 86 and 87, seconded by Doug. Discussion followed on individual comments and responses. Approved as presented by unanimous consent.

Heidi stated that the department would finalize the report for committee review on December 19.

BR&GR WORK TOPICS REVIEW

Tim identified the standard committee items or publication schedule and application review. There are two documents, one for the upcoming year and one a master list. Recommended moving this agenda item to the next meeting. Heidi tabled the item.

FUTURE MEETING DATE

Heidi asked whether the last week of March or the first week of April would be preferred for an in-person one or two day meeting in Juneau. Don noted his absence the last week of March. Tim asked whether members would be available April 3-4. Members confirmed.

Next committee teleconference is December 19, 2017 to review the final report.

CLOSING COMMENTS

Dale offered that it has been a pleasure to be involved in the process.

Doug was impressed by the support and knowledge from the state. Impressed by all the work each subcommittee has done.

Mark echoed Doug's comments, appreciating department support in organizing work. This has been the most intense committee work effort he's been involved with, but it has been fruitful.

Bob stated that he will likely be retiring from the Borough on May 1, and queried whether that affects his eligibility for the position. Lori clarified that the position requires urban or rural facilities management, he would remain eligible. The appointment to the seat terms on February 28, 2019, with an option for reappointment. Bob expressed kudos to all who participated in this large committee undertaking, he hopes the legislature reads and considers the report.

Heidi thanked the committee members and department staff for their work and stated she is looking forward to the final product.

MEETING ADJOURNED

The committee adjourned at 4:14 p.m.