



**New Construction and Impact Fee Workshop Minutes
Wednesday, December 12, 2007 – 9:00 a.m.
School Board Meeting Room
Stuart, FL 34994**

Members Present

Laurie Gaylord-Chair
Nancy Kline-Vice-Chair
Dr. David Anderson
Susan Hershey
Lorie Shekailo
Dr. Sara A. Wilcox, Superintendent
Doug Griffin, School Board Attorney

Members Absent

Staff Present

Ruth Pietruszewski, Cathleen Brennan, Rodger Osborne, Julie Sessa, Darla Miloszewski, J. Lisle Bozeman, Garrett Grabowski, Ed Parker, Marshall Skinner, Wilma Schuler, Berry Hickox, J. Lisle Bozeman, Hank Salzer

Public

Brian Powers, Kevin Powers, Scott Watson, Tim Black, Bill Summers, Kathleen Breland, Nancy Oliver, Mike Olenick, Jim Sherman, Gene Schmidt, Debbie Wilkinson, Yvette London, Jackie Jackson, James Nicholas, Richard Town, Stephen Sines, Jim Auld, Jim Peace, Praveen Ommi, Deanna Newman, Nikki van Vonno, Kirk Sorenson

Press PBPPost – Rachel Simonsen Stuart News- Kelly Tyko

MCEA – No representation **AFSCME** – No representation

Call to order by the Chairman and Pledge of Allegiance to the Flag of the United States.

1. Discussion on New School Construction (COPY ATTACHED)

(Notebook on Shelf in Superintendent's Office)

Julie Sessa, MCSD Director of Facilities and Planning, introduced MCSD Facilities staff, PBS&J's Construction Consulting Group, Harvard Jolly Architects, and the Morganti Group.

Doug Griffin, School Board Attorney, explained the use of RS Means, an evaluation tool used to determine if the price is right. Doug reported that Dianne Falls, MCSD Paralegal, contacted school districts with GMPs within the last six months to do cost comparisons. He explained that the process is difficult, because school districts do not use the same criteria for what costs are included in their GMPs.

Praveen Ommi, PBS&J Construction Consultant, reviewed the cost analysis of Elementary A prepared by PBS&J, a Miami-based construction consulting firm. He used a PowerPoint presentation to show cost comparison charts. Mr. Ommi explained that each school site offers a different set of conditions. He conveyed that no two sites are really the same. Different parameters set by the building site can be responsible for a discrepancy in comparison costs when comparing two exact buildings. PBS&J Consultants concluded that the GMP cost of \$185.00 per gross square foot was reasonable. The firm determined that the increase in costs of the reuse from 2004 to 2007 was consistent with the increase in construction costs in the South Florida market.

Dr. David Anderson commented that when comparing schools with other districts, it is not known if the comparison building is hardened to be a shelter or has computers included in the pricing.

Laurie Gaylord recessed the workshop at 10:15 a.m. to take a short break. The workshop was reconvened at 10:20 a.m. by Laurie Gaylord.

Board members and facilities staff discussed CM fees, soft costs, and student station cost impactors.

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1. Discussion on New School Construction (Con't)

Doug Griffin reviewed existing policies and protocols. Board members discussed School Board rule 7100 on the size of schools, 750 student stations for elementary schools, 1200 student stations for middle schools, and 1800 student stations for high schools. Board members came to a consensus that they did not want to change the current rule.

Board members and Doug discussed the existing guidelines and proposed policy that grants a preference to local contractors. The preference puts millions of tax dollars into the local economy every year; however, the preference has an indefinable impact on competition and price because contractors from around the state are unlikely to commit the extensive effort required to bid when they know they are at a competitive disadvantage. Board members reached consensus they wanted to continue the local contractor preference.

Board members and Doug discussed the existing protocol and proposed school board rule that grants a preference to contractors with Post Secondary Adult Vocational Programs (PSAV). This standard furthers the Board's educational mission, but has an impact on competition. Board members agreed, by consensus, they wanted to continue the PSAV preference.

Doug Griffin and Board members discussed existing guidelines that limit Construction Manager at Risk (CMR) fees for overhead and profit to no more than 5% of the GMP. They discussed a proposed rule establishing an absolute cap.

Julie Sessa explained the bidding process. Mike Olenick described the Morganti Group's 3-bid policy and the value of the team approach. Doug Griffin and Board members discussed the district's bidding guidelines and existing policy. Board members reached consensus to keep competitive bidding as a guideline.

Julie Sessa explained that facility lists were required by the Florida Department of Education. Yvette London, Harvard Jolly architect, explained that the facility lists tell them the lay out of each school by design code for each room.

2. Open to the Public

- Tim Black shared a Sarasota Tribune newspaper article (COPY ATTACHED) with Board members.
- Scott Watson voiced his opinion on the comparison costs of Elementary A and J. D. Parker Elementary school and the South Florida escalation costs. (COPY ATTACHED)
- Nancy Oliver reminded Board members that the impact fees will affect who and how many people live in Martin County.
- Bill Summers, Palm City resident, thanked the School Board for the excellent performance. He asked them to ignore the developers, the developer mouth pieces, and the developer sympathizers, when they throw rocks and criticize this wonderful school system.
- Kevin Powers, Indiantown developer, gave Board members the developer's perspective. He stated Martin County had a great educational system.
- Kathleen Breland, Centex Homes's representative, questioned whether Elementary A was designed for 900 students or 750. She suggested that the Board take a strong stance on a minimum number of bids for projects.

Laurie Gaylord recessed the workshop at 12:10 p.m. to take a lunch break. The workshop was reconvened at 1:17 p.m. by Laurie Gaylord.

3. Discussion on Impact Fees

Deanna Newman, Public Pathways demographer, facilitated a PowerPoint presentation on enrollment projections. She included students in district-owned buildings and voluntary PreK. Charter schools, home-bound, McKay scholarships, and those students not occupying district space were not included. She explained that she used the Cohort methodology and birth trends data provided by the state. Other forecasting components used were the Certificates of Occupancies to predict housing trends and Planned Developments for housing projections. The County provided population projections. She discussed the in-migration changes and made projections. Deanna presented a 10- year forecast.

James Nicholas, PhD, a retired University of Florida professor, explained the difference between the improvement methodology and the consumption methodology used to calculate impact fees. Because of declining enrollment and the slumping housing market, Board members asked Dr. Nicholas to reconsider the impact fees. Professor Nicholas recalculated the impact fees using the consumption methodology, which lowered the amount of the impact fees he had calculated in August using the improvement methodology. Professor Nicholas explained proportionate fair share mitigation and the impact of students on the system.

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Laurie Gaylord announced that she had members of the public requesting to address the Board.

Open to the Public

- Richard Towne discussed Professor Nicholas's report. He explained how logic is used with data. He recommended staying with Dr. Nicholas's previous methodology.
- Bill Summers advised Board members to be sure the impact fees were adequate to maintain the school system.

Laurie Gaylord recessed the workshop at 3:02 p.m. to take a short break. The workshop was reconvened at 3:15 p.m. by Laurie Gaylord.

- Jeff Dougherty remarked that education is much more than the building. He reminded everyone that the costs generated from Class Size Reduction were not from growth, but from voter referendum.
- Kirk Sorenson advised that using the consumption methodology to determine impact fees was more consistent than using the improvement methodology. He personally preferred using the consumption methodology.
- Brian Powers talked about the 2 mill funds that the district receives each year. He reported that the County proposed to keep the impact fees flat.
- Kevin Powers requested that the Board not raise the impact fees, since the action would add to the price of homes in Martin County.
- Carol Bowen, Director of Government Affairs for Florida East Coast Chapter of Associated Builders and Contractors, Inc., commented that impact fees come in under a tax for home buyers.

4. Open to the Board

Nancy Kline

Exclaimed that it was a marathon day. She thanked the Facilities Department for their diligence and hard work. She encouraged Julie Sessa to contact the Florida Department of Education to have them correct the errors they have made on their online records. (COPY ATTACHED)

Lorie Shekailo

Attended FSBA training, December 4th to 7th. She expressed her amazement at the technology available to schools. She and Sue Hershey learned new computer skills at the computer and audio enhancement training. She vocalized that she had a great time at the ESE children's Christmas party.

Sue Hershey

Discussed Dr. Daggett and his principles. She mentioned that Laurie Gaylord was awarded for outstanding achievement for the Education Foundation.

Dr. David Anderson

Attended the FSBA conference. He was pleased to see that the vendors gave back to the system. He noticed the other schools on the way over and back to the conference. He felt that there was no comparison on the construction or architecture of the buildings.

Dr. Sara A. Wilcox

Stated that it was all about doing what is right and what is right for the students and their education. She gave her opinion that government needed to spend tax dollars conservatively. She explained how Martin County School District provides accurate data, which can distort district comparisons if other district don't include all of the same construction costs.

Laurie Gaylord

She reiterated how comparisons amongst school districts are usually not using apples to apples and felt the decision on impact fees was a tough one. She portrayed that having the workshop showed how much the Board members wanted to do the right thing.

There being no further business to bring before the Board, the meeting was adjourned at 4:05 p.m.

CHAIR (Laurie Gaylord)

SECRETARY (Sara A. Wilcox, Ph.D.)