

# BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE

Thursday, March 19, 2020

2:00 p.m. – 4:03 p.m.

Teleconference

## APPROVED MEETING MINUTES

### Committee Members Present

Elwin Blackwell, Acting Chair  
Randy Williams  
Dale Smythe  
James Estes  
Don Hiley  
David Kingsland

### Staff

Tim Mearig  
Wayne Marquis  
Larry Morris  
Sharol Roys  
Lori Weed

### Additional Participants

None

**March 19, 2020**

### **CALL TO ORDER and ROLL CALL at 2:00 p.m.**

Acting Chair Elwin Blackwell called the meeting to order at 2:00 p.m. Roll call of members present; William Glumac, Heidi Teshner, and Senator Cathy Giessel excused.

### **CHAIR'S OPENING REMARKS**

Acting Chair Blackwell noted that he is sitting in for Chair Heidi Teshner, and he verified quorum to conduct business.

### **CIP APPLICATION, INSTRUCTIONS, AND GUIDELINES FOR RATERS**

Tim Mearig introduced this topic by stating that this is a two-item grouping of elements for possible changes to the upcoming CIP application. This is a continuation discussion from the December 2019 meeting.

### ***Sec. 9 – Preventive Maintenance Narratives Matrices***

Tim Mearig recapped the topic of the narratives districts are invited to write within the CIP application. The department brought a narrative matrix before the committee in December for review. Changes were made to the matrix based on comments from the committee, and it is being re-presented further review. The intent is that today's review would move the matrix forward for inclusion in the FY'22 CIP application.

Don Hiley shared his concerns that smaller districts are going to be at a disadvantage in this process because the requirements to get the points for these maintenance narratives have gotten evermore specific and cumbersome. For districts that have very small maintenance departments, this will be an undue burden on them.

James Estes commented that he believes there needs to be some parity between what is done in an application and the summary or feedback from the preventive maintenance audit. There should also be some weight given to districts that pass the preventive maintenance audit. Tim responded that the audits evaluate minimum requirements, and they aren't measuring any particular metric in those; whereas, the narrative process is trying to understand the effectiveness of the various programs by assigning a range of 1 to 5 points. James continued on to note that he

was following along Don's comments in that smaller districts could make a valiant effort to improve their processes but maybe the resource or expertise isn't there. Although these districts may have done well with the actual audit, he would hate for them to receive very little points.

Wayne Marquis added that during the CIP in the fall when they evaluate the applications, they look over the narratives for the preventive maintenance programs, and there are times that the comparison between the narrative and the reports that are produced don't quite match. Sometimes it looks good on paper in the narrative, but the results show otherwise.

Larry Morris added that in the past there was no formal way to score narratives, so this matrix is formalizing a method of scoring. This also gives districts a guide as to what they should be striving for in their maintenance and facility management. Don Hiley disagreed and stated that the process is pushing more and more paperwork onto small, under-resourced districts that really don't see much benefit from this process. These smaller districts are also at a disadvantage in that they don't have the expertise of engineers and architects at their immediate disposal. He believes the state is starting to set itself up for an equity lawsuit, because he is hearing from small districts' superintendents that they are getting tired of this. Tim Mearig reminded Don that this document is the committee's work product and it is its responsibility to set up an appropriate application process. It is the department's job to provide information, perspective, research, and ideas for the committee's consideration in its decision making.

Tim also noted that if this process is implemented, he believes it could provide some benefit and clarity; and, if it's not implemented, the department will continue to use past documentation and approved committee processes for this evaluation. This matrix is the general consensus of the department's raters that have been scoring for the last three years, in an attempt to provide some clarity to districts in a more transparent, objective manner. He also noted that this review is an opportunity for the committee to provide clear and specific feedback on the document so it can be amended and further refined to reflect what the committee believes is valid.

Acting Chair Blackwell provided some history for newer members of the committee by stating that several years ago there were complaints coming to the department that the Rater's Guide was not very well defined as to why certain projects received certain scores. That resulted in an effort to provide more clarity to the Rater's Guide as to how points are distributed, what the department is evaluating and assessing, and to explain how the department is determining points for any given project. He also noted that the department welcomes specific feedback on any parts of the matrices or point levels.

Dale Smythe stated that he would support a motion to adopt the proposed matrices for next year's raters. He also suggested soliciting feedback from the districts and the public on the options being considered. Lori Weed added that this does not need to be adopted today. This is a first look for the committee, as was requested, to review major changes to the application prior to approving a final in April. There is time to make changes to the draft before packet materials are due at the end of the month. The documents can be refined at the April meeting prior to adoption; an oral public comment period will be offered during that meeting as well.

Tim Mearig reviewed the options before the committee, and Don Hiley commented that he did not like the idea of the committee just putting something into the application and seeing how it

goes the next year. He suggested soliciting feedback during the well-attended maintenance conference in the fall. This way they could determine what the districts would feel would be helpful to their programs and helpful to maintaining their facilities. Acting Chair Blackwell shared his concerns about not getting stuck in a multi-year public comment and a continuation of pushing the topic out before they get a handle on it. From the department's standpoint, it sees a need to get more focused on what it thinks needs to happen in the maintenance programs in the state. He also noted that the paperwork helps to make a record trail that can be defended. He stated that this document will require continuous revision and updating as time goes on.

Dale Smythe **MOVED** to approve it for consideration to become part of the application after potential modifications are made from public comment, **SECONDED** by James Estes.

Further discussion ensued. Don Hiley stated that he feels they have been rushing headlong into making multiple changes to the CIP application in the last year or two. He believes it's hard for people to digest all of the changes, and he doesn't think there is a need for it right now. He believes there is a need for the department to evaluate what is really useful to the districts and what is only useful to the department. He would prefer to slow down a little bit and have some discussion with the districts to determine if the committee is going in the right direction.

When asked for clarification on the motion, Dale Smythe stated that he assumed they would solicit for public comment with the intent being that if smaller districts have valuable input, the committee could receive that in fairly short order and potentially modify the document before April. Don Hiley commented that it is less than a month out from the April meeting, and in the middle of national chaos right now. Schools will be closed for an undetermined length of time, and the chance for any meaningful public comment and thought on this is unlikely given the circumstances. Tim suggested perhaps the best way to clarify the motion would be that the greater community at large would have the opportunity to develop and submit any comments for consideration for incorporation in the FY22 CIP application at the April 14 and 15 meeting.

Randy Williams asked about the extent to which they can make changes to the Rater's Guide during the April meeting. Acting Chair Blackwell stated that there will be an opportunity to make edits to the document before final approval in April. Any suggestions should be sent to Tim Mearig for inclusion in the meeting packet if possible. If comments are offered after the packet is sent out to committee members in preparation for the meeting, every effort will be made to provide members with those comments to review prior to the meeting. Randy wondered if that would give them enough time to develop an alternative scoring scale that could be proposed as a part of this to address Don's concerns about smaller districts.

A roll call vote was taken with 5 in favor and 1 opposed. The motion **PASSED**.

### ***Emergency Scoring for Imminent Danger (Environmental)***

Tim Mearig posed the following question to committee members: Does the current CIP application adequately account for emergency and environmental-related threats within its scoring process such that school facilities that are in certain conditions can get appropriately placed on a priority list compared to others who don't have some of those situations?

Dale Smythe stated that this question comes at the heels of two projects that will seek funding through the CIP process. One project is Nunam Iqua that has thawing permafrost, and the other is the Napakiak project that relates to riverbank erosion. It has been identified that there appears to be a hole in the scoring for specific situations where the threat is obviously imminent but doesn't fall into the emergency category. He referred committee members to the page 11 of the packet where he researched imminent and found reference to the court determining that if someone lets something go because their coverage specifically deals with collapse, that's not responsible use of funding an effort. He added that this is an issue he is currently discussing with school districts, and they are trying to figure out ways to solve it. He also believes this will become more of an issue in the future as situations continue to change.

Don Hiley agrees with Dale and believes they need to broaden this from not only an emergency perspective, but also from a student perspective. He also noted that if they are looking at potential school replacement, that takes a long time, even in the best of circumstances, and it could be two to three years before those children are re-housed in a school.

Tim Mearig commented that this issue strikes him as being an excellent topic for a conference with a panel to get a variety of views and some development of data and options. There are a lot of factors to be considered and need for a broad perspective of influences and understandings. He referred committee members to the briefing paper for the information for consideration.

Acting Chair Blackwell stated that they will make this a continuing discussion for future meetings.

#### ***Premature System Failure in Matrix for Application***

Tim Mearig stated that he and Don Hiley worked collaboratively on the briefing paper found on page 13 of the packet, and he referred committee members to the options at the close of the paper and the recommendation he himself drafted for consideration.

Don Hiley reviewed for the committee that since this category has been refined over the last couple of years, much of it has been contingent on maintenance, the number of work orders, et cetera. His contention is that the category needs to reflect the issue of if a system has failed, it has failed no matter what the reason, regardless of reaching its life expectancy. He stated that the implication is that it failed because the district didn't take care of it but, however the failure happened, it's still a problem. He feels like using points to somehow punish districts for past behavior is not fair to the district trying to rectify a situation. He reminded the committee that an age on a renewal and replacement schedule is a statistical average and doesn't take into account factors such as the environmental. There are weather issues, climate issues, and a variety of other issues that can affect the life span of a given material or system. He stated that they need to have a category for what is actually wrong with the building and not trying to lay blame on a district that someone along the way didn't maintain something properly and it failed prematurely.

Don continued on to state that no matter how many lines are put into the matrix, it won't cover everything, as he has seen for himself. There are many issues that arise that don't fit neatly into the check boxes. He believes the matrix needs to be simplified into some more general areas with point ranges so that raters can evaluate issues, make a judgment, and assign some points that are in a reasonable range. He felt that the priorities are skewed, and referred to more points being available for inadequate insulation versus failed siding.

Don referenced the options at the end of the document and noted that one of the options is to account for this with emergency points, but the problem he sees with that is that emergency point categories are always some sort of building failure, and that's not always the case. It takes a pretty high threshold to shut down a building, but there are things that could be addressed in that building that really need to be addressed, and they are going to cost a lot more money if they are not addressed in a timely manner.

Acting Chair Blackwell polled committee members to see what their general preference was among the options listed.

Randy Williams was leaning toward option 1. After listening to Don's explanation, he believes that premature failure doesn't belong in the renewal and replacement category. He stated that R&R is, yes, a system is old, it hasn't failed, but it is at risk for failing, therefore points are awarded. If it has already failed, it doesn't belong in R&R. He also wasn't aware that emergency conditions would allow for premature failures to be included. If it is allowed, that would be the appropriate place for it, and each situation can be considered on its own merits independent of how old the component or system is.

Dale Smythe agreed and opted for recommendation 1. He added that another problem he has seen in this continuum is that there needs to be some way to hold contractors accountable in the event of systems failure, which he realizes is a separate issue from the Rater's Guide, but could be an issue that the committee could tackle.

James Estes and David Kingsland agreed that they would support option 1.

Don Hiley noted that in order to get points for an emergency condition, it has to be a very dire problem, but that is not what they are dealing with here because most projects won't rise to a level where the building needs to be shut down. He believes this is the problem with option 1.

Tim Mearig explained that option 1 is pretty stringent, and if implemented, there would need to be some specific language included in the instructions for raters so they wouldn't be able to discount a premature failure. He noted that option 2 has more of a middle ground and would allow for some of the independence that Don is asking for. Option 3 calls for the raters to rely on their own intelligent evaluations to do their scoring, but he noted that option 2 also allows for raters to use their independent judgment.

Committee members engaged in further discussion regarding potential system failures and real-life examples of issues, such as disintegrating cement board, and the discrepancies in how the issues are scored based on their age.

Randy Williams stated that when they discussed this issue before, he believed they suggested they could do an incremental age point correlation or at least look into that. He asked if that was considered as part of the development of these options. Tim Mearig said he believes that is what option 2 does. It doesn't specify how it gets scored, it allows it to be scored under extenuating circumstances. Upon further explanation of option 2, Randy stated that he now understands it, but the wording is a little convoluted.

Randy further asked if there was anything in the current guide prohibiting premature failures under the emergency conditions category or if it would be something that would have to be added. He noted that selecting both options 1 and 2 would allow raters to choose where to apply the particular situation. Tim stated that there is currently no allowance in the guide for providing points to systems that don't meet certain lives, but emergency conditions is already set up to accommodate anything that truly meets the emergency point category regardless of whether or not a component or system has reached an age. He stated that they could add a sentence in emergency such as "You can consider systems that have failed prior to their anticipated life span."

Randy Williams **MOVED** that the committee consider options 1 and 2 as the same course of action, **SECONDED** by Don Hiley.

During further discussion, Tim stated that the department will try to craft some language associated with each scoring category to make it clear that there is no restriction in emergency conditions for a premature failure and that would allow rater discretion for awarding life/safety points if a rater felt there were extenuating circumstances. The department will bring that language before the committee in April for further review.

Hearing no objection, the motion **PASSED**.

#### **COMMITTEE MEMBER COMMENTS**

Committee members shared their final comments. Highlights included:

- Don Hiley stated that he would like to see a review of the scoring matrix. It was put into action and has not received any further review after implementation.
- Dale Smythe thanked everyone for the good work and suggested they consider opportunities for informal meetings to have a pre-discussion regarding issues before they are required to take action at a full meeting.
- Randy Williams thanked everyone for all the discussion and input.

Acting Chair Blackwell thanked everyone for taking the time to participate in this work session.

#### **MEETING ADJOURNED**

Without a motion to adjourn, Acting Chair Blackwell adjourned the meeting at 4:03 p.m.