

Citizens' Facilities Advisory Committee

Meeting Summary - - DRAFT

**Tuesday, November 28, 2006
Salem Middle School, 4:00 PM – 7:00 PM**

Highlights

1. Committee Call to Order & Opening Remarks
2. School Construction Process
3. Tour of Salem Middle School

Committee Call to Order & Opening Remarks

Billie Redmond, co-chair of the Citizens' Facilities Advisory Committee called the meeting to order at 4:10 PM.

Ms. Redmond directed the committee's attention to comments received through the CFAC web site (www.wakegov.com/cfac). Fred Aikens, CFAC member, inquired about the response to those submitting web comments. Nicole Kreiser, Wake County Budget and Management Services Analyst, and CFAC staff member, reviewed with the committee how comments on the web page are processed. Ms. Redmond asked the committee to think about other ways to engage the community.

Jimmy Smith, CFAC member, commended the committee co-chairs on handling various requests for information. The committee co-chairs indicated they were cognizant that they represent the entire committee, which is diverse, and has a variety of opinions. The committee confirmed that inquiries of the committee should continue to be addressed by the co-chairs.

John Mabe, co-chair of the Citizens' Facilities Advisory Committee then solicited feedback on the draft October 24 meeting summary. Mr. Jimmy Smith asked for the meeting summary to clarify that the school district comparisons report authored by DeJong Inc. would be presented in draft form to the committee at its January 22, 2007 meeting. Mr. Smith also asked that the meeting summary be changed to reflect that as of October 24, 2006 Johnston County had declined to participate in the school district comparisons study. The committee members discussed Johnston County's status and how specific information was needed from Johnston County Public Schools to be able to do an "apples to apples" study with the other districts. Mr. Mabe indicated that he would follow up with the Johnston County Public School's attorney regarding their participation in the study.

Mr. Mabe reminded committee members that the next CFAC meeting was scheduled for Monday, December 18, 2006 at 4:00 PM. The meeting will be held at Daniels Middle School. The agenda would cover public private partnerships, municipal partnerships, and real estate services. He also encouraged committee members to attend the

Triangle Community Coalition meeting on December 11 where private public partnerships would be discussed.

Ms. Redmond informed committee members that the January 23 CFAC meeting needed to be rescheduled to January 22 due to a conflict with the Board of Education's board meeting. She also proposed to the committee an additional meeting for January 30, 2007 to further discuss the school district comparisons report and for the committee to plan its work for the next six months. Ms. Redmond indicated that a possible approach for future meetings would be to organize by topic instead of general question and answers based on what information is gleaned from the school district comparisons study.

Sepi Asefnia, CFAC member, stated that it was very important to have dialogue and to discuss and analyze the information received in the school district comparisons report.

Mr. Mabe also discussed with the committee the idea of a public hearing where the public could discuss with the committee their ideas or having particular groups present information to the committee. The committee came to a consensus and decided that the meeting on January 30, 2007 would be to further discuss the report amongst committee members. The committee indicated they would like the January CFAC meetings to be held in a conference room setting.

Mr. Mabe asked committee members to hold February 13th and February 17th for CFAC meeting dates, with the intent that one of those dates would be the CFAC public hearing.

School Construction Process

Mike Burriss, WCPSS Assistant Superintendent for Facilities, then presented to the committee information about the WCPSS School Construction Process. Mr. Burriss' presentation was divided into three sections: a summary of building programs, the organization of the facilities department, and school construction oversight.

Mr. Burriss presented to the committee a summary of school construction programs since 1985 to 2006, covering Phase I, Phase II, Phase IIIA, Phase IIIB, State Bond, Phase IIIB+, Plan 2000, Plan 2004, and CIP 2006.

The committee inquired about Plan 2004, and the dollar amount of projects deferred because of inflation in other Plan 2004 projects. Mr. Burriss replied that approximately \$70 million dollars was deferred and allocated to other Plan 2004 projects to cover cost escalations. Rob Weaver, CFAC member, inquired whether WCPSS was finding that inflation is leveling off. Mr. Burriss replied that right now they are seeing reports that inflation is increasing one-half percent to one percent a month. He stated that CIP 2006 built a five percent inflation factor into the program, as well as an overall two percent program contingency for inflation. Mr. Burriss cited some of the sources they look at for inflation, such as Engineering News Record, RS Means, Turner Building Corporation Index, and Marshall and Swift. Mr. Aikens asked at what time would one know if inflation would cause projects to be deferred in CIP 2006. Mr. Burriss replied that half

way through CIP 2006 they would have a better idea of how inflation is affecting the overall program.

Mr. Burriss explained that building programs also include dollars for program management, and that for CIP 2006 this is budgeted at three and one-half percent. Mr. Mabe asked for additional information about program management. Mr. Burriss explained that program management consists of the salaries and benefits of personnel involved in the school building program, or the bond cost of delivering bond funded projects. It is the staff, contracted services, and other costs for outfitting and constructing schools. Mr. Aikens stated that the public needs education about program management costs. Mr. Burriss indicated that WCPSS pulls the program management line out separately instead of building it into specific projects for additional transparency.

The committee also inquired about the ninth grade centers included in CIP 2006. Mr. Burriss replied that ninth grade centers are planned for Garner High, Wake Forest-Rolesville High, Wakefield High, Millbrook High, and a location yet to be determined. The committee also inquired about the land purchase budget; Mr. Burriss clarified that it included dollars for land acquisition for some schools in CIP 2006 as well as 13 sites where construction will be funded out of future building programs.

The committee then inquired about the off-site improvements budget included in CIP 2006 and where relief could come from. Mr. Burriss replied that individual municipalities and the Department of Transportation rules and regulations impact off-site improvement costs. Ms. Asefina asked where funds come from to cover off-site improvements. Mr. Burriss replied that the County provides funding for such items as part of WCPSS building programs.

Mr. Burriss then segued into discussing how WCPSS organizes its facilities department. At the beginning of his presentation, Mr. Burriss discussed how WCPSS changed from a majority of its work being conducted by program management firms to having in-house staff. In the 1980s, WCPSS school construction staff consisted of three FTEs with the majority of work conducted by the program management firm Heery International. In 1996, in-house staff for construction management was hired, and additional program management assistance from Heery International was used. Today, WCPSS school construction staff is completely in-house for both construction management and facility planning. This transition was to avoid the mark-up found in consultant fees, especially if in-house staff could complete the job.

Mr. Burriss then presented information about the recent reorganization of the WCPSS facilities department. He said that he looked at the organizations of LA Unified School District, Orange County FL, Palm Beach City FL, Jefferson County (Louisville) Kentucky, Charlotte Mecklenburg, and Greenville City Schools, South Carolina. The WCPSS facilities department is responsible for facility planning and design, construction management, real estate services, and environmental health and safety. Mr. Burriss stated he views the work of the department as a production line process with long range planning, an established product, where refinements are made to the product and to the delivery of the product. This product is the delivery of new schools and renovation of existing schools within WCPSS.

At WCPSS, the senior director for facility planning and the senior director for construction management report directly to Mr. Burriss, and oversee four project teams that consist of planners, project managers, and processing technicians. Project directors are the leaders of the teams. Each project team has three to four new schools and four to five major renovations for CIP 2006, in addition to remaining work in Plan 2000 and Plan 2004. The committee inquired whether this organization is working; Mr. Burriss replied that this is a new organization but he is optimistic that it will work even though the building program has gotten larger.

Mr. Burriss provided the committee two handouts, a project manager checklist and a facility manager checklist. He explained to the committee that these are the various tasks that are accomplished by each position. Facility planners are responsible for the delivery of the building program and project managers serve as the owners representatives.

The committee discussed turnover amongst facilities staff, due to the nature of the market and retirement. Mr. Burriss discussed his recruiting methods to address filling vacancies.

Mr. Burriss also addressed other areas within the facilities department that support the project teams. These include real estate services, information analysis and web site, commissioning and quality control, environmental health and safety, program controls and contracting.

WCPSS has separated out the budgeting and accounting function of the facilities department; budgeting and accounting personnel report to a senior fiscal administrator who reports directly to Mark Winters, WCPSS Chief Finance Officer. The facilities staff was the first department to make a position of senior fiscal administrator, which was created in November 2001.

Finally, Mr. Burriss presented information to the committee about the oversight of the school construction process. WCPSS has had several reviews regarding their internal processes including those from MGT Inc., Fails Management Inc., and most recently Summerford Accountancy. Mr. Burriss reported that the results and comments from the Summerford Accountancy forensic audit were very positive.

Mr. Burriss also explained that oversight of construction management also includes how well the department performs the construction management function. In 2002, WCPSS contracted with Fails Management Inc. for an operations assessment. This assessment looked at Strategy Development and Organization Design, Program Planning, Program Execution, Program Performance, and Technology and Information Management. The department scored average, competent, and functioning on the majority of items, and above average on architect feedback benchmarks and program capital budgeting forecasting under program planning, and furniture, fixture and equipment under program execution. Mr. Burriss did say that the department scored below average in contractor feedback relationships under program execution. He said that his department took two messages away from this: WCPSS does hear that they are often difficult to work with

because they want to make sure payments and paperwork are properly processed and that it takes a while for firms to get used to how WCPSS conducts business. WCPSS also uses contracts that very much protect the owner in the delivery of the school. They admit they are a hard owner for firms that fall behind and impose penalties for projects that fall behind. Mr. Burriss stated that firms that are on time or ahead of schedule don't encounter these difficulties.

Mr. Burriss directed committee members to the executive summary for other changes implemented as a result of the Fails Management report.

Mr. Burriss demonstrated to the committee the facilities department's new web site, www.facilities.beckwithbay.com and stated that his department's goal is to improve the facilities information available to Wake County citizens and parents.

Tour of Salem Middle School

Salem Middle Schools principal, Allen Ellzey, discussed some of the pros and cons of the design of Salem Middle School, which opened in August 2003. Mr. Burriss discussed how the Salem Middle School prototype changed in its fourth use from its original use as Wakefield Middle School, which opened in 1999. He said feedback from this prototype is being used to formulate the new middle school model planned for middle schools in CIP 2006. Mr. Burriss also provided an overview of the site and the off-site improvement (traffic light) placed at Jenks road.

Plan 2000 funds covered the cost of the school, which had a final budget of \$17,038,937. The 20th day enrollment of Salem Middle School was 1,050 students. The planned capacity is 903. Chuck Dulaney, WCPSS Assistant Superintendent for Growth and Planning discussed how the conversion of Salem Middle School to a year-round calendar would reduce the amount of students on campus at a given time to 900, even though the school's enrollment will be 1200.

The committee then went on a tour of Salem Middle School.

Adjournment

The meeting concluded at 7:00 PM. The next Facilities Advisory Committee will be December 18, 2006 at Daniels Middle School in Raleigh.