

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

Minutes

September 30, 2009

9:00 a.m.

I.

CALL TO ORDER

Governor's Designee Jonathan Deem, called the School Building Authority of West Virginia (SBA) meeting to order at 9:00 a.m. on September 30, 2009. The following members were present: Mr. Steve Burton, Vice President; Mr. Louis Spatafore; Mr. Robert Holroyd; Mrs. Burma Hatfield; Mr. Tom Lange; Mr. Robert Dunlevy; Mrs. Connie Perry; Mr. Nicholas Preservati and Dr. Mark A. Manchin, Executive Director. Dr. Steven Paine was not in attendance at this meeting. Also present were the following SBA staff members: Garry Stewart; Scott Raines; Mike Pickens; Mike Hall; David Sneed and Stella Gill.

II.

ACKNOWLEDGMENTS AND RECOGNITIONS

The following individuals attended the SBA meeting: Ms. Jessica Alsop, Jackson Kelly; Mr. David Ferguson, ZMM; Mr. Rod Watkins, ZMM; Mr. Mike O'Dell, Cabell County Schools; Mr. Ryan White, Jackson Kelly; Mr. John Green, WSAZ TV; Mr. Ted Shriver, Williamson Shriver Architects; Mr. John Galloway, Gibbons & Kwash; Mr. Kurt Dettinger, Lewis, Glasser, Casey & Rollins, PLLC and Mr. Bill Bragg, Goodwin & Goodwin.

At this time Mr. Deem called Mrs. Burma Hatfield forward to present her with a plaque in recognition and appreciation of her years of dedicated service to the SBA as well as the school children throughout the State of West Virginia.

III.

APPROVAL OF MINUTES

Upon motion by Mr. Steve Burton with second by Mr. Louis Spatafore, the Authority approved the minutes of the June 15, 2009 meeting.

IV.

EXECUTIVE DIRECTOR'S REPORTS

At this time Dr. Mark A. Manchin presented his Executive Director's Report in which he provided updates on the following issues:

Cabell County – Green School Designation

Dr. Manchin provided the Authority with an overview of the SBA's continued "Green School" initiative and stated that he and the SBA staff were recommending the new Cabell County Middle School to be designated as the 2009 Green School Project. He then introduced Mr. David Ferguson with ZMM Architects to provide further details regarding the plans for this school. Mr. Ferguson provided the Authority members with a presentation that illustrated the design approach they planned to incorporate in the school design in order for it to be deemed a LEED Silver Certified facility.

Upon motion by Mrs. Connie Perry with second by Mr. Steve Burton, the Authority approved Cabell County Middle School as the SBA's 2009 LEED Silver School.

School Access Safety Update

Dr. Mark A. Manchin provided the Authority with an update on the status of the School Access Safety Fund. The SBA staff passed out a report that provided details regarding the status of the second round of funding and the expenditure of these funds.

Consideration and Approval of a Parameters Resolution for SBA Bonds

Dr. Mark A. Manchin provided a brief overview of the Finance Committee's plan to go back to New York for the purpose of selling the remainder of the 2009 allocation of Qualified School Construction Bonds (QSCB), which were allocated to West Virginia as part of the American Recovery and Reinvestment Act (ARRA). The amount of QSCB Bonds the proposed Parameters Resolution authorized was in an amount not to exceed \$48,219,000. He then introduced Ms Jessica Alsop with Jackson Kelly to provide an overview of the Parameters Resolution being presented to the Authority for approval. This resolution will allow the SBA Finance Committee to move forward with their plans to sell QSCB Bonds. Ms. Jessica Alsop then provided a detailed overview of the Parameters Resolution. She stated that the main difference in this resolution from the one the Authority passed in the June Quarterly meeting was that this one included a 2% supplemental coupon not to exceed clause. She informed the Authority that in order to issue the QSCB Bonds, the members of the SBA must adopt a binding resolution. This Authorizing Resolution will:

- Give final approval of the bonds;
- Set maximum principal amount and tax credit parameters of the bonds;
- Set parameters for the bonds and sale thereof;
- Approve, ratify and confirm bond counsel, issuer's counsel, fiduciaries and underwriters;
- Approve form of bond documents;
- Authorize closing, incidental action, Certificate of Determinations procedure;
- Make related approvals and take related action; and
- Establish Projects to be financed by proceeds of the bonds.

Next, Dr. Manchin introduced Mr. Paul Creeden with Citi Group. Mr. Creeden provided the Authority an overview of the current market conditions and explained the effect that the current market would have on the proposed bond sale. Mr. Creeden informed the Authority that the Federal Tax Credit was continuing to drop and since the Bonds were tax credit bonds, it was highly unlikely that the Bonds would sell at par and would probably require a supplemental coupon for the sale. The Authority expressed their concerns regarding this and requested the Finance Committee monitor the tax credit closely.

Upon motion by Mr. Tom Lange, with second by Mr. Robert Holroyd, the Authority approved the Parameter Resolution as presented. A copy of this resolution is attached to these meeting minutes.

Gibbons & Kawash Audit Report for the Fiscal Year Ending June 30, 2009

The CPA firm of Gibbons & Kawash completed an independent audit of the SBA financial records for the fiscal year ending June 30, 2009. Dr. Mark A. Manchin introduced Mr. John Galloway to present a summary of the draft audit report to the Authority. Mr. Galloway presented the report with no adverse findings or reoccurring problems.

Upon motion by Mr. Steve Burton, with second by Mr. Robert Dunlevy, the Authority voted unanimously to accept the Audit Report as presented. A final report will be provided to the members of

the SBA and appropriate state entities.

V.

CONSENT AGENDA

Upon motion by Mr. Tom Lange, with a second by Mr. Nicholas Preservati, the Authority approved the following items from the consent agenda:

Cedar Lakes' CEFP Amendment

The Cedar Lakes Conference Center requested an amendment to their 2000 – 2010 CEFP that will provide for an addition of approximately 1,950 square feet to the Assembly Hall; update the exterior and exterior lighting, update internet access and technology and install a new restroom facility that is ADA compliant.

Gilmer County's CEFP Amendment

Gilmer County's Board of Education requested an amendment to their 2000 – 2010 CEFP that will allow Gilmer County to temporarily relocate the 5th and 6th graders from Sand Fork Elementary School and all Troy Elementary School students to Glenville Elementary School. Additionally, the pre-k thru 4th grade students at Sand Fork Elementary School will receive instruction in other classrooms at the Sand Fork School.

Monongalia County CEFP Amendment

Monongalia County's Board of Education requested an amendment to their 2000 – 2010 CEFP that will allow Monongalia County to build an addition onto both Brookhaven and Mason-Dixon Elementary Schools.

Mason County CEFP Amendment

Mason County's Board of Education requested an amendment to their 2000 – 2010 CEFP that will allow Mason County to complete improvements to the Point Pleasant High School Stadium Athletic Field. The scope of work for this project will include the earth work, conduit, new artificial turf field surface and polyurethane track surface. It will also include new stadium seating, a new press box, integral filming platform, new goal posts and new field, track and security lighting.

South Branch Career & Technical Center CEFP Amendment

The South Branch Career & Technical Center requested an amendment to their 2000 – 2010 CEFP that will provide for an air filtration system for the Welding Shop, Masonry Lab and Building Construction Shop.

Wyoming County CEFP Amendment

Wyoming County's Board of Education requested an amendment to their 2000 – 2010 CEFP that will provide for renovations and fire code deficiencies to be completed at the Wyoming county Career and Technical Center.

VI.

FINANCE REPORTS

Mr. Jonathan Deem recognized Mr. Garry Stewart to provide the SBA Finance Reports. At this time, Mr. Garry Stewart presented a recap of the various Finance Reports to the Authority for their information.

VII.

CONSTRUCTION COMMITTEE

Mr. Steve Burton presented the Construction Committee's recommendations from their meeting that took place just prior to the beginning of this meeting. The SBA took the following actions on those recommendations:

Kanawha County – Emergency Funds Request

Mr. Steve Burton stated that the Construction Committee had taken under consideration Kanawha County's request for \$2,000,000 in Emergency Funds with the local county board contributing an additional \$750,000 for the project. These funds would be used for a 5th grade addition at the Sissonville Middle School. This would be the first step to relocating the Bonham Elementary students. Mr. Burton stated that after a lengthy discussion, the Construction Committee recommended approval of this request and that this recommendation was contingent on the Kanawha County Board of Education and the State Board of Education taking action to approve the closure of Bonham Elementary. It was also stipulated that due to the reoccurring flooding at the Bonham site, Kanawha County would be required to permanently close Bonham Elementary as a school facility.

A discussion ensued regarding this recommendation. Mr. Jonathan Deem, being Chairman of the Authority, expressed his concerns regarding the issue of approving funds contingent upon the Kanawha County Board of Education and the State Board of Education taking official action. He stated that in light of the emergency nature of this issue, he intended to support this recommendation but state that he planned to keep a close watch on this situation. In addition, he recommended that in the future, the counties first take into consideration the concerns of the community and take official action before bring these kinds of request before the Authority for approval. Mr. Steve Burton also stated that he wanted to make it clear that the SBA does not now nor have they ever closed schools. That action can only be taken by the local County Board of Education and the State Board of Education.

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd, the Authority approved an Emergency Grant for Kanawha County in an amount not exceed \$2,000,000 for the purpose of constructing a 5th grade addition at the Sissonville Middle School. This approval is contingent on the Kanawha County Board of Education and the State Board of Education taking action to approve the closure of Bonham Elementary and it stipulates that due to the reoccurring flooding at the Bonham site, Kanawha County would be required to permanently close Bonham Elementary as a school facility

Berkeley County New Spring Mills Primary

Mr. Steve Burton provided a brief overview of the issue concerning the Berkeley County new Spring Mills Primary School. He informed the Authority that the Spring Mills Primary School was funded during the April 20, 2008 SBA meeting. This project was funded at the 2008 funding formula prior to the Authority's approval of additional funding for the Quality & Performance Standards and

prior to this project being designated to be designed as a LEED Silver School. Bids for this project were received on September 22, 2009 and due to the core area being designed to accommodate future growth and the Green School design elements, the project came in over the original budget. Mr. Burton stated that due to these extenuating circumstances, it was the Construction Committee's recommendation to approve a supplemental grant in the amount of \$533,205 to Berkeley County in order to cover the project cost overruns.

Upon a motion by Mr. Robert Dunlevy, with a second by Mr. Robert Holroyd, the Authority approved a supplemental grant in an amount not to exceed \$533,205 to cover the cost overruns for the new Spring Mills Primary.

At this time, Mr. Steve Burton informed the Authority that due to time constraints, the Construction Committee was unable to complete all the items on their agenda. He requested that Mr. David Sneed provide the details on the remaining items and that without objection, these items be brought before the full Authority for consideration and approval.

Phase I Roofing Projects Supplement

Mr. David Sneed informed the Authority that the Phase I roofing projects were being designed and bids have been accepted for eleven projects with six projects remaining to be bid. The Phase I projects had a total budget of \$4,839,939 and many project bids came in under budget. This had provided a surplus of funding for Phase I projects, plus contingency funding. Mr. Sneed stated that even though many of the bids have come in under budget, a few had come in over budget and based on the available funding for Phase I roofing projects and the Authority's prior approval of the expenditure of the Phase I funds, we have notified the county boards that the SBA will fund up to 10% of the total budget amount for cost overruns should they occur. Should there be additional costs over this 10% supplemental SBA funding, the individual county board of education will be responsible for the additional project funds needed to complete the project. Mr. Sneed informed the Authority that due to the short amount of time the counties were given to submit these projects, we felt that they should be given some consideration regarding assistance with the cost overruns.

Upon a motion by Mrs. Connie Perry, with a second by Mr. Nicholas Preservati, the Authority voted to approve the continuation of this funding strategy, subject to the availability of funds, to complete the remaining roofing projects

SBA Construction Analysis

Mr. David Sneed informed the Authority of the importance of securing accurate cost estimates from the design professionals throughout the planning and design stages of our projects. He explained how these estimates determine the cost of the design proposed and the constructability of the design within the assigned budget. Unfortunately, the estimates provided by the Architects are often inaccurate because they are based on historic trends and don't reflect current market conditions. Mr. Sneed further explained that as a result, designs are adjusted downward if the estimates reflect higher costs or adjusted upward if it appears funding is available. Either option may adversely affect the project. He stated that the SBA staff was recommending consideration be given to providing third-party cost estimates and constructability reviews that could be provided by an SBA Construction Analyst.

Upon a motion by Mr. Steve Burton, with a second by Mr. Robert Holroyd the Authority gave the SBA staff the permission to explore the idea of hiring an SBA Construction Analyst and to initiate a request for information from qualified construction management companies. The SBA staff will compile the information collected and returned to the Authority with a report of further review and

consideration.

Square Footage Costs Allowance

Mr. David Sneed provided the Authority with an overview of the SBA's square footage cost allowance. He stated that as per the requirements of the Legislative Rules, the SBA staff has conducted our annual review of the construction square foot cost for new construction projects. He explained that several bids had been received over the past several months and all projects were within the current funding allowance. However, most construction cost analysis sources project the costs will once again trend upward. Therefore, in light of the fact that projects funded in April 2010 will likely not go to bid until April through June of 2011 and the contractors will be projecting material and labor costs for mid-construction time periods of 2012 thru 2013, the SBA staff would recommend an increase to the square footage cost allowance as follows:

<u>School Type</u>	<u>New Square Footage Costs Allowance</u>
Elementary	\$228
Middle	\$235
High	\$238

Upon a motion by Mr. Steve Burton, with a second by Mr. Robert Holroyd the Authority approved the recommended increase to the square footage cost allowance as stated above.

VIII.

OTHER BUSINESS

QZAB Allocations

Dr. Mark A. Manchin reviewed the summary of the staff recommendation for the approval of QZAB allocations. He informed the Authority that Mercer County had revised their QZAB request to reflect a decrease from \$1,500,000 to \$1,000,000 and requested that Ms. Stella Gill pass out a copy of the letter from Mercer County which stated this request. A brief discussion ensued regarding the recommendation.

Upon motion by Mr. Robert Holroyd, with second by Mrs. Connie Perry, the Authority approved the revised staff recommendation for the following QZAB allocations:

County	Amount Requested	Staff Recommendation
Grant County	\$1,000,000	\$ 0
Greenbrier County	\$1,000,000	\$1,000,000
Hancock County	\$ 600,000	\$ 0
Marshall County	\$2,000,000	\$ 0
Mercer County	\$1,000,000	\$1,000,000
Mineral County	\$2,000,000	\$ 0
Mingo County	\$2,000,000	\$2,000,000
Monongalia County	\$2,000,000	\$2,000,000
Randolph County	\$1,300,000	\$ 0
TOTAL	\$12,900,000	\$6,000,000

Architectural Services Staff Monthly Project Status Report

Dr. Mark A. Manchin directed the Authority's attention to the information provided in the Architectural Service Staff Monthly Project Status Report. This report provides information regarding the current status of all active projects that the SBA is involved with.

IX.

PERSONNEL COMMITTEE REPORT

At this time, upon a motion by Mr. Steve Burton, with a second by Mr. Robert Dunlevy the Authority went into an Executive Session for the purpose of discussing personnel issues.

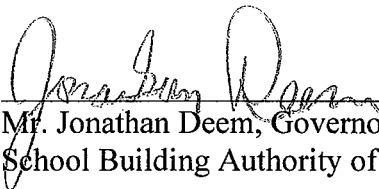
After the Executive Session, Mr. Jonathan Deem, called the meeting back to order and upon a motion by Mrs. Connie Perry, with a second by Mr. Robert Holroyd the Authority voted to approve the hiring of Ms. Joyce Vangilder as the SBA's newest Assistant Director of Architectural Services.

At this time, without objection, Dr. Mark A. Manchin recognized Mr. Scott Rains, Senior Assistant Director of Architectural Services to provide an overview of the SBA Office Renovation project. Mr. Rains informed the Authority that the SBA staff had recently accepted bids for the SBA office project and the lowest qualified bidder was Hinzman Construction. He stated that after lengthy discussions with the contractor, it was decided that it would be best to try to do as much of the work as possible on the weekends and after work hours in order to cause as little disruption to the office routine as possible. He also stated that he anticipated that the majority of the project would be completed by the end of this year.

ADJOURNMENT

At this time, upon a motion by Mr. Robert Holroyd, with a second by Mr. Nicholas Preservati, the September Quarterly meeting of the Authority was adjourned.

Minutes approved December 14, 2009


Mr. Jonathan Deem, Governors Designee
School Building Authority of West Virginia