

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Meeting Minutes

April 23, 2012
9:30 A.M.

I.

CALL TO ORDER

Mr. Kurt Dettinger, the Governor's designee, called the School Building Authority of West Virginia (SBA) meeting to order at 9:30 a.m. on April 23, 2012. The following members were present: Mr. Tom Lange; Mrs. Jenny Phillips; Dr. Jorea Marpel; Mrs. Priscilla Haden; Mr. Steve Burton, Vice President; Mr. Robert Holroyd; Mr. Wade Linger; Mr. Eric Lewis; Mr. Victor Gabriel and Dr. Mark A. Manchin, Executive Director. Mr. Nicholas Preservati did not participate in this meeting. Also present were the following SBA staff members: Mr. David Sneed; Mr. Garry Stewart; Mr. Scott Raines; Ms. Joyce VanGilder; Mr. Mike Hall; Mr. Benjamin Ashley; Ms. Mary Blashford; Ms. Angie Bradley and Ms. Stella Gill.

III.

APPROVAL OF MINUTES

Upon a motion by Mr. Steve Burton with a second by Mr. Victor Gabriel, the Authority approved the SBA Meeting Minutes of March 19 and 20, 2012.

IV.

CONSTRUCTION COMMITTEE

Mr. Kurt Dettinger recognized Mr. Steve Burton for the purpose of providing the Construction Committee report. Mr. Burton stated that the Construction committee had recently met and reviewed the following issues:

Cabell County – Request Green School Funding for the Huntington East Middle School

Mr. Steve Burton reminded the Authority that this school was designated as one of the SBA's LEED Silver schools when it was approved by the Authority. He stated that Cabell County received and approved bids for the new Huntington East Middle School and Cabell County was requesting \$500,000 in additional Green School Funds to provide funding for of the LEED Silver certification building components for the school. Mr. Burton informed the Authority that Construction Committee recommended approval of this request.

Upon a motion by Mr. Robert Holroyd with a second by Mr. Victor Gabriel, the Authority approved Cabell County request for additional Green School funding in an amount not to exceed \$500,000.

SBA Project – Construction Progress Report

Mr. Steve Burton reminded the Authority that during the recent March SBA meeting, Mr. Tom

Lange had requested that the SBA staff provide the status of each active SBA project awarded by the Authority. The SBA staff has compiled a progress report for all currently active SBA projects that are not closing out. He stated that the details of this report were provided in Attachment C of the agenda. Mr. Tom Lange thanked the SBA staff for providing the information. He also stated that he would request that any changes to the scope of any SBA project should come before the Authority for review.

V.

FINANCE COMMITTEE

Dr. Mark A. Manchin provided the Authority with a brief overview of recent Bond sale and informed the Authority that since Mr. Nicholas Preservati was absent, (the committee Chair) Mr. Tom Lange would be providing the committee report. Mr. Lange informed the Authority that committee had recently met and he was prepared to provide a review of the information shared even though there was not a quorum present.

Consideration and Approval of a Parameters Resolution for SBA Bonds

Mr. Kurt Dettinger introduced Ms. Samme Gee, with Jackson & Kelly PLLC, to provide further details regarding the Lottery Capital Improvement Revenue Bonds sale. Ms. Gee proceeded to provide a detailed overview of the Parameters Resolution that was being presented for the Authority's approval. She informed the Authority that in order to issue the Lottery Capital Improvement Revenue 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 parameters of the bonds;
- Set parameters for the bonds and sale thereof;
- Approve form of bond documents;
- Authorize closing, incidental action and Certificate of Determinations procedure;
- Make related approvals and take related action; and
- Establish Projects to be financed by proceeds of the bonds.
- Supplement and amend the original reimbursement resolution for the projects.

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

Consideration and Approval of a Resolution Adopting SBA Post-Issuance Compliance Policies

Mr. Tom Lange informed the Authority the next item of business was brought before the Finance Committee but he would refer to Ms. Jessica Alsop, with Jackson Kelly PLLC, to provide the details on this issue. Ms. Alsop explained that in 2011 the Internal Revenue Service (IRS) revised a key form (known as Form 8038-G for governmental borrowers) that the Authority executes when it issues tax-exempt bonds. She stated that the IRS revisions to this form required a more formal approach to the Authority's post-issuance compliance procedures. Counsel to the Authority and bond counsel recommend that the Authority adopt the post-issuance compliance procedures set forth in Exhibit A of the Resolution which was provided in Attachment E of the agenda. The language in this Resolution created the new Bond Compliance Officer position and Mr. Garry Stewart was designated as the person to fill this position.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel the Authority voted to approve the resolution adopting the SBA Post-Issuance Compliance Policies which includes language that designated Mr. Garry Steward as the new Bond Compliance Officer.

Putnam County – Return of QZAB Funding

Mr. Tom Lange informed the Authority that Putnam County received two allocations of Qualified Zone Academy Bond (QZAB) funding during the December 12, 2011 SBA meeting. An \$840,632 allocation was provided from 2010 QZAB Funds and \$824,000 from the remaining 2011 QZAB Funds. Putnam County has determined that they do not have enough qualified expenditures to expend the full amount. On March 20, 2012 the SBA received notification that Putnam County was returning their 2011 allocation of \$824,000. Mr. Lange informed the Authority that these funds are now available for reallocation to other counties and he stressed that it was important to remember that if the SBA approves these QZAB funds for another county, these funds must be encumbered or under contract with a vendor by December 31, 2013.

Upon a motion by Mr. Tom Lange, with a second by Mr. Eric Lewis, the Authority approve the return of the 2011 QZAB in the amount \$824,000 from Putnam County and approved these QZAB available for redistribution to another county with the stipulation that these funds must be encumbered or under contract with a vendor by December 31, 2013.

Putnam County – Approval of an amendment of the expenditure of Putnam County’s 2010 QZAB Remaining Allocation

Mr. Tom Lange informed the Authority that Putnam County had requested approval to adjust their 2010 QZAB funding expenditures to include projects from Conner Street Elementary School as originally approved and Winfield Elementary School. He stated that the expenditure of these funds at both schools will allow the county to deplete all the remaining 2010 funds for projects that meet the requirements of the QZAB funding guidelines.

Upon a motion by Mr. Tom Lange, with a second by Mr. Eric Lewis, the Authority approved the amendment to Putnam County’s 2010 QZAB funding expenditure.

School Construction Funds Available For Distribution

Mr. Tom Lange recognized Mr. Garry Stewart to provide a brief overview of the information provided in Attachment H of the agenda. This information provided a breakdown of funds available for distribution during the consideration process. He also reminded them that state law required that at least 50% of current year funds available for distribution must be designated for new projects. This would affect the project selection process by limiting the amount of projects that can be approved for multi-year funds.

Mr. Lange stated that during the March meeting, it was suggested that Dr. Mark A. Manchin schedule a meeting the Governor to discuss the SBA’s financial situation. Mr. Lange informed the Authority that Dr. Manchin had secured a meeting with Governor Tomblin and his staff. Mr. Lange stated that other Authority members participating in this meeting were Dr. Jorea Marple and Mr. Steve Burton. He stated that they had express the SBA’s need for additional school construction funds and

also discussed the idea of public/private financing for schools to assist counties with local funds. A lengthy discussion ensued and Mr. Kurt Dettinger stated that the issue of public/private finance or design/build finance should probably be placed in a sub-committee. He stated that this item would be placed on the next agenda and at that time should the Authority wish sub-committee could be appointed to review this issue further and bring back a report to the full Authority.

Dr. Jorea Marple made a motion to delay any consideration of the Need Project until the June meeting. She stated that this would give the Authority some time to look into the public/private financing scenario. Mr. Kurt Dettinger stated that the project funding portion of the agenda had been duly noticed to the public and felt that this was not in the Authority's best interest. There being no second, the motion died and no action was taken.

Further discussion ensued regarding the SBA's available funding and Mr. Kurt Dettinger ended the discussion by stating the Governor thanks every on the Authority of their hard work and continues to encourage local funding contributions towards projects when possible.

VI.

DELIBERATION AND SELECTION OF NEEDS PROJECTS

Dr. Mark A. Manchin informed the Authority that the Legislature had recently past legislation which relieves the burden of the OPEB liability for the county budgets. He then recognized Mr. Joe Panetta to provided information regarding the OPEB Liability. Mr. Panetta had SBA staff handout a report that he had prepared which illustrated how the recent passage of this legislation would affect each county's unencumbered balance.

Next, Mr. Kurt Dettinger recognized Mr. David Sneed to provide a review of staff comments and answer any questions the Authority members may have regarding each project. Mr. Sneed reviewed each project and answered each question that was asked.

Mr. Dettinger stated that each Authority member would have an opportunity to place a project on the nominations list for consideration and final vote. Once the list of nominated projects was established and a total was established, the Authority Member would vote the projects up or down until the total of projects equaled the current available funds for distribution.

A lengthy debate and discussion ensued where by many of the project being votes up and down

| County | Project Description | Local Funds | 2012 SBA Funds |
|---------------|---|-------------|----------------|
| Lewis/Gilmer | New Lewis/Gilmer Combined Elementary School | | \$9,676,800 |
| Hardy* | Add/Renov. at East Hardy HS and New Moorefield HS | | \$250,000 |
| Wyoming | New Huff Consolidated El/Ms | \$3,804,860 | \$6,414,580 |
| Logan | New Logan El | \$8,732,351 | \$9,000,000 |
| Barbour | Add/Renov. at Philip Barbour HS | \$212,447 | \$1,402,305 |

| | | | |
|------------------|--|----------------------|--------------|
| Marshall* | Add/Renov. at John Marshall HS | | \$250,000 |
| Morgan | Renovations of Building C at Berkeley Springs HS | \$2,772,953** | \$ 2,200,000 |
| Wirt | HVAC work at Wirt County Primary and MS | \$391,321 | \$1,400,000 |
| Pocahontas | Add/Renov. at Hillsboro ES | \$90,000 | \$1,339,061 |
| Clay | HVAC at Clay County MS | \$399,640 | \$1,650,000 |
| Preston | New West Preston MS | \$5,246,157 | \$4,000,000 |
| Cabell | New Beverly Hills/Enslow MS Green School Allocation | | \$500,000 |

***Indicates Contingent on a County Bond Passage**

****Includes QZAB funding in the amount of \$824,000.**

Upon a motion by Mr. Robert Holroyd, with a second by Mrs. Priscilla Haden the Authority voted to approve the above final list Needs projects.

VII.

PERSONNEL COMMITTEE

Dr. Manchin informed the Authority that unfortunately the Personnel Committee had not had an opportunity to meet. Mr. Kurt Dettinger stated that this item of business would therefore be reviewed and placed on a future Agenda item of business.

VIII.

FUTURE MEETINGS

The 2012 summer quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on June 25, 2012 with the meeting to be held at the New Cameron High School in Marshall County.

The 2012 fall quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on September 17, 2012 with the location to be determined.

The 2012 winter quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 17, 2012 at 2300 Kanawha Boulevard, East, Charleston.

IX.

ADJOURNMENT

There being no further issue to come before the Authority, the April 23, 2012 meeting of the School Building Authority of West Virginia was adjourned.

Minutes approved on June 25, 2012

Mr. Peter Markham, Governors Designee
School Building Authority of West Virginia