

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Meeting Minutes

April 22, 2013
9:30 A.M.

I.

CALL TO ORDER

Mr. Peter Markham, the Governor's designee, called the School Building Authority of West Virginia (SBA) meeting to order at 9:30 a.m. on April 22, 2013. The following members were present: Mr. Tom Lange; Mr. Steve Burton, Vice President via teleconference; Mr. Robert Holroyd; Mr. Robert Dunlevy; Mr. Eric Lewis; Mr. Victor Gabriel; Mr. Nicholas Preservati; Dr. James Phares; Dr. William White; Mr. Thomas Campbell 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. Garry Stewart; Mr. Scott Raines; Ms. Joyce VanGilder; Mr. Mike Hall; Mr. Benjamin Ashley; Mr. Dana Womack; Ms. Mary Blashford; Ms. Angie Bradley and Ms. Stella Gill.

II. ACKNOWLEDGMENTS AND RECOGNITIONS

Dr. Mark A. Manchin introduced Judge Jennifer Bailey for the purpose of swearing in Dr. William M. White the newest board members of the School Building Authority.

III.

APPROVAL OF MINUTES

Upon a motion by Mr. Victor Gabriel with a second by Mr. Robert Dunlevy, the Authority approved the SBA Meeting Minutes of March 12 and 13, 2013.

IV. EXECUTIVE DIRECTOR'S REPORT

Overview of SBA's 2013 Bond Sale

Dr. Mark A. Manchin provided a brief overview of the 2013 Bond Sale stating that he and Mr. Tom Lang had recently traveled to New York the SBA had been authorized to issue SBA Bonds in an amount up to \$24,425,000 and that Mr. Lange would provide additional informational regarding the Bond Sale.

V. FINANCE COMMITTEE

A.

Berkeley County – Recapturing of Funds from Previous SBA Needs Projects

Mr. Peter Markham recognized Mr. Nicholas Preservati to provide the Finance Committee Report. Mr. Preservati informed the Authority that during the 2010 fiscal year the Authority provided Berkeley county NEEDS funding for the construction of a new Spring Mills High School. Very favorable bids were received and therefore the project proceeded with a substantial project surplus. At this time, construction is in the final stages on the high school project and the estimated cost to

complete will be well below the available funding. In addition to the \$5.3 million in excess SBA funding, there is also a significant amount of additional local funding remaining in the current budget. We have reviewed the remaining expenditures and feel very comfortable that recapturing the \$5.3 million from the high school project would not affect its completion.

Mr. Preservati stated that in addition the Spring Mills High School project, the Authority provided Berkley County NEEDS funding in fiscal year 2012 for the construction of a new Gerrardstown Middle School. Like the high school project, very favorable bids were received and the project proceeded with a substantial project surplus. While construction has just begun on this project, actual and estimated costs will be well below the available funding. Currently there is \$1.6 million in excess SBA funding, as well as a significant amount of additional local funding remains in the current budget. We have reviewed the project budget and feel very comfortable that recapturing the \$1.6 million from the middle school project would not affect its completion.

Upon a motion by Mr. Robert Dunlevy with a second by Eric Lewis the Authority voted to recapture \$5.3 Million from the Spring Mills High School Project as well as \$1.6 Million from Garrardstown Middle School project for a total of \$6.9 Million being swept from the afore mentioned project and placed backed into the Construction Fund. The motion passed.

Upon a motion by Dr. James Phares with a second by Mr. Eric Lewis the Authority voted to award \$5.9 Million to the Martinsburg North and \$1 Million be returned back to the Construction fund. The motion passed.

B.

Wayne County – Status and Update of Critical Needs

Mr. Preservati recognized Mr. Mark A. Manchin to provide details regarding the Wayne County issue. Dr. Manchin informed the Authority that the Governor felt very strongly about these two projects. He then proceeded to inform th Authority that the Wayne County Board of Education had submitted a NEEDS project for funding consideration, requesting SBA NEEDS funding in the amount of \$20 million in conjunction with \$20.3 million in local funding to be used for the construction of new elementary schools in the Ceredo/Kenova and Crum areas of Wayne County. The Wayne County Board of Education proposed to obtain the local funding through a capital improvement bond call to be placed before the voters of Wayne County in December 2012. Unfortunately, the citizens of Wayne County convincingly defeated the proposed bond call forcing the Board of Education to withdraw their request due to the lack of local funds required to complete the project budget.

Dr. Manchin informed the Authority that the facilities at both Kenova and Crum continue to be among those in the most critical need throughout West Virginia and conditions continue to deteriorate at a rapid pace. Therefore, the Wayne County Board of Education is requesting that the Authority consider a \$250,000 reserve grant in accordance with West Virginia Code 18-9D-15, allowing Wayne county to work closely with the SBA staff and design professionals to develop a plan of action and finance plan over the next year, that will address the needs of the students in these deplorable facilities. Upon completion of the plan of action and finance plan Wayne County will apprise the Authority of the developments requesting the necessary funds to complete the projects at the appropriate time.

Upon a motion by Mr. Robert Holroyd with a second by Mr. Victor Gabriel; the Authority voted to award a Reserve Planning Grant in the amount of \$250,000 for the Ceredo/Kenova Elementary and Crum Elementary.

C.

Mercer County - Additional Funding Request for Oakvale Elementary School Project

In the December, 2012 meeting, the staff approached the Authority requesting an increase in the cost per square foot funding for elementary school construction, due to the increasing cost of construction of elementary school facilities. As was pointed out in that meeting, the major factor contributing to the growing cost of elementary schools is the construction of facilities below 40,000 square feet. Since 2010 the Authority has constructed five facilities of this size, of which the average construction cost has been \$257 per square foot. This number exceeds even the revised cost to construct an average size elementary of \$253 per square foot.

In April 2011 the Authority granted Mercer County \$5,068,060 in NEEDS funding, to be used in conjunction with additional local funds, for the construction of a new Oakvale Elementary School to accommodate 150 students. The funding formula for elementary schools at that time was \$243 per square foot. This facility by formula and design is the smallest facility that we have built to date at only 24,247 square feet, some 10,000 square feet smaller than the other facilities. As you are aware, in the March 11, 2013 meeting of the Authority, Mercer County had requested additional funding for the Oakvale project as the bids received were substantially over the funding available. Upon review of the cost history of these small facilities, it appears that an additional \$14 per square foot could be warranted for a total of an additional \$339,458. The Authority has historically taken the stance that should additional funds be needed for the construction of a facility, those funds should become the fiscal responsibility of the grant recipient. However, like LEED facilities and "schools of the future", small facilities sometimes have an unforeseen effect on the project budget and may require additional funding once bids are received. Therefore, we would respectfully request the Authority consider an additional \$339,458 in NEEDS funding to cover the additional costs incurred because of the size of this facility.

Upon a motion by Mr. Tom Lange with a second by Mr. Eric Lewis the authority voted to award an additional \$339,458 in NEEDS funding to cover the additional costs incurred because of the size of this facility.

D.

Recapturing of Previously Funded 3% Projects

Mr. Preservati informed the Authority that during the December 2012 meeting of the Authority, Statewide 3% grant funding was awarded to a number of projects throughout West Virginia. Two of those projects were awarded contingent upon approval by the WV Board of Education and additional funding to be provided by the West Virginia Legislature and one of those projects did not receive the required West Virginia Legislative funding. Therefore the Finance Committee recommended the recapture of the \$950,000 previously awarded to the WV School for the Deaf and Blind

Upon a motion by Mr. Steve Burton with a second by Mr. Tom Lang the Authority voted to recapture the \$950,000 grant provided to the WV School for the Deaf and Blind.

E.

School Construction Funds Available For Distribution

Mr. Stewart will provide the Authority a breakdown of funds available for distribution prior to consideration of the projects.

Mr. Tom Lange provided an overview of the recent 2013 Bond sale.

VI. CONSTRUCTION COMMITTEE

Since Mr. Steve Burton was traveling and participant via teleconference Mr. Peter Markham recognized Mr. Holroyd to provide the following Construction Committee report.

A.

Wayne County – Status and Update of Critical Needs

Mr. Holroyd informed the Authority that both the Finance and Construction Committees had reviewed this request and all necessary action had taken place under the Finance Committee portion of the Agenda.

B

Mercer County - Additional Funding Request for Oakvale Elementary School Project

Mr. Holroyd recognized Dr. Manchin to provide and Mr. Scott Raines to provide additional information regarding this issue. Dr. Manchin and Mr. Raines provided additional details regarding how they determined the effect the small schools have on the cost per square foot.

Upon a motion by Mr. Robert Holroyd with a second by Mr. Tom Lange; the Authority voted that it was prudent to consider the size when funding smaller schools and consider adjusting the cost per square foot according in order to avoid cost overruns later once the project is bid.

VII. DELIBERATION AND SELECTION OF PROJECTS

A.

3% Statewide Project Review and Award

The SBA staff has prepared a summary of the projects that had been previously submitted for 3% Funds and recommendations have been provided in Attachment G.

<u>County</u>	<u>Project Descript</u>	<u>Amount</u>
Preston	Vocational Educational Barn	\$451,021
WVDE	WVDE Statewide Prevention Maintenance	\$ 81,620
Hardy	East Hardy High School	\$ 25,650
James Rumsey	James Rumsey Technical Institute	<u>\$380,436</u>
	Total 3% Grants	\$938,727

B.

NEEDS Funds Deliberation and Selection of

Mr. Peter Markham recognized Mr. Scott Raines to provide a review of staff comments and answer any questions the Authority members may have regarding each project. Mr. Raines reviewed each project and answered each question that was asked. Mr. Raines informed the Authority members that the only County that had increased their local share was Boone County and stated that the staff comments would reflect the new numbers.

Mr. Markham then stated that each Authority member would have an opportunity to place a project on the nominations list for consideration and final vote. The list of nominated projects was as follows:

<u>Board Member</u>	<u>County</u>	<u>Amount</u>
Steve Burton	Pendelton	\$9,824,700
Robert Holroyd	Boone	\$1,720,745
Nicholas Preservati	Cabelle	\$3,530,307
Tom Lange	Ritchie	\$4,566,456
Victor Gabriel	Harrison	\$8,197,000
Eric Lewis	Wood	\$2,629,728
Robert Dunlevy	Webster	\$4,451,584
Dr. James Phares	Mingo	\$8,602,092
Thomas Campbell	Lewis	\$3,136,140
Dr. William White	Mason	\$6,545,616

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.

Upon a motion by Dr. William White with a second by Mr. Tom Lange Mason County project was removed from the list of nominated projects.

After a lengthy discussion upon a motion by Mr. Eric Lewis with a second by Mr. William White; the Authority voted to remove the Mingo county project from the list of nominated projects.

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

County	Project Description	Project Cost	Local Funds	Previous SBA Funding	QZAB	SBA Awarded Funds
Berkeley	Renovation at Martinsburg North MS	\$10,259,713	\$4,359,713			\$5,900,000
Boone	Addition/Renovation at Sherman JHS/HS	\$2,458,222	\$737,466			\$1,720,756

Cabell	Additon/Renovation at Cullogen ES	\$7,530,307	\$4,000,000			\$3,530,307
Harrison	New Lumberport MS	\$13,197,000	\$4,000,000		\$1,000,000	\$8,197,000
Lewis	Addition/Renovation at Jane Lew ES	\$4,136,140	\$1,000,000			\$3,136,140
Pendleton	New Franklin ES	\$10,853,700	\$350,000		\$679,000	\$9,824,700
Preston	New West Preston MS	\$13,246,157	\$5,246,157	\$4,000,000		\$4,000,000
Ritchie	Addition/Renovation at Harrisville ES	\$4,866,456	\$300,000			\$4,566,456
Webster	Renovations at Webster County HS	\$4,551,584	\$100,000			\$4,451,584
Wetzel	Window Replacement at 3 Schools	\$394,908	\$155,028			\$239,880
Wood	Addition/Renovation at Edison MS	\$3,287,160	\$657,432			\$2,629,728
Wyoming	New Huff Consolidated ES/MS	\$10,219,440	\$2,554,860	\$6,414,580		\$1,250,000
Total		\$85,000,787	\$23,460,656	\$10,414,580	\$1,679,000	\$49,446,551

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

VIII. PERSONNEL COMMITTEE

The Authority reserves the right to enter into executive session, based upon WV Code §6-9A-4(2) (A) relating to matters of SBA personnel.

IX.

FUTURE MEETINGS

The 2013 summer quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on June 17, 2013 with the location to be determined.

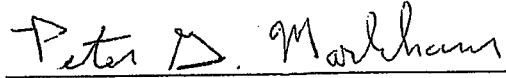
The 2013 fall quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on September 16, 2013 with the location to be determined.

The 2013 winter quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 9, 2013 at 2300 Kanawha Boulevard, East, Charleston.

X.

ADJOURNMENT

Minutes approved on June 3, 2013



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