

School Building Authority of WV
Emergency Teleconference Meeting
Minutes
January 23, 2014

I

Call To Order

Mr. Peter Markham, Governor's Designee, called the School Building Authority of West Virginia (SBA) meeting to order at 10:00 a.m. on January 23, 2014. The following members were participated in the teleconference meeting: Mr. Robert Holroyd; Dr. James Phares; Mr. Steve Burton, Vice President; Mr. Eric Lewis; Mr. Tom Lange; Mr. Victor Gabriel and Dr. Mark A. Manchin, Executive Director. Mr. Nicholas Preservati and Mr. William White did not participate in this meeting. Also present were the following SBA staff members: Mr. Garry Stewart; Mr. Scott Raines; Mr. Benjamin Ashley; Ms. Angie Bradley; and Ms. Stella Gill.

II.

McDowell County – New Jaeger Elementary

Dr. Mark A. Manchin provided an over of the current status of the New Jaeger Elementary project. He reminded the Authority that the School Building Authority, in conjunction with the U.S. Army Corps of Engineers, had been constructing several new facilities in McDowell County since 2004 and that we were now entering into the final stages of this ongoing project, with the construction of the new Jaeger Elementary School.

He informed the Authority that over the past few years during the quarterly meetings of the Authority, Mr. Garry Stewart has stated in the financial reports, that it was anticipated that once bids were received, they would exceed the budget considerably. The original budget for this project was established in 2004 based on a building size of 36,758 square feet and a construction cost of \$114 per square foot. Since that time, due to numerous revisions in curricular requirements, the building design had to be revised. Therefore, the building size has increased to 49,156 square feet. In addition the SBA square foot construction cost allowance has increased to \$256 per square foot.

On January 15, 2014 bids were received on the project and the lowest qualified bidder was determined. At that time it was determined that the project costs had exceeded the available funds by \$7,850,000. In light of this, the McDowell County Board of Education has contributed an additional \$800,000 of local funding and is requesting additional SBA school construction funds in the amount of \$7,050,000 in order to construct the base bid and all necessary alternates, which will allow McDowell County to move forward with this project without any further delays. In anticipation of this budget shortfall, the SBA staff has recaptured the necessary funding for this project, from previously expired SBA projects that have been completed and in which a budget surplus existed. Therefore, there is NO new SBA funding, from upcoming funding cycles, required for the completion of this project.

Mr. Steve Burton stated that he intended to vote to approve this request but that he felt that the Authority Members should be aware that the low bid included alternates which would drive up the cost of this project by \$500,000. A brief discuss ensued regarding the alternates.

Upon a motion by Mr. Robert Holroyd with a second by Mr. Tom Lange; the Authority voted to approve the award McDowell County of an amount not exceed \$7,050,000 to cover the additional costs necessary to cover the budget shortfalls of the Iaeger Elementary project and allow this project to move forward.

Dr. Manchin then requested that Mr. Peter Markham provide details regarding the upcoming 2014 Bond sale. Mr. Markham informed the Authority that it was his understanding that the Governor would provide his approval for the SBA to move forward with the sale of \$55,000,000 in School Construction Bonds. He stated that he anticipated this amount to be divided into two different issuances the first being in 2014 for \$30,000,000 and the second being in 2015 for \$25,000,000.

ADJOURNMENT

Upon a motion by Mr. Steve Burton with a second by Mr. Robert Holroyd, the School Building Authority of West Virginia Emergency Meeting was adjourned.

Minutes approved March 17, 2014



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