

**SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA**  
**Meeting Minutes**  
**December 12, 2016**  
**9:00 a.m.**

**The West Virginia Lottery**  
**900 Pennsylvania Avenue**  
**Tenth Floor Conference Room**  
**Charleston, West Virginia**

**I. CALL TO ORDER**

Peter Markham, Governor's Designee, called the School Building Authority of West Virginia (SBA) Quarterly Meeting to order at 9:15 a.m. on Monday, December 12, 2016. The following Board Members were present: Dr. Michael Martirano, West Virginia State Superintendent of Schools; Mr. David Sneed, Executive Director; Mr. Steve Burton, Vice-Chair; Mr. Victor Gabriel, Secretary; Mr. Robert Holroyd; Mr. Tom Lange; Mr. Chris Morris; Mr. Tom Campbell; Mr. Bart Willis; Dr. William White and Dr. James Wilson. The following staff of the SBA was also present: Mr. Garry Stewart; Mr. Scott Raines; Mr. Mike Hall; Mr. Ben Ashley; Mr. Dana Womack; Ms. Joyce VanGilder; Ms. Stella Gill; Ms. Angie Bradley and Ms. Tammy Brewer.

**II. ACKNOWLEDGMENTS AND RECOGNITIONS**

Executive Director David A. Sneed was honored by West Virginia's Governor Earl Ray Tomblin with the "Distinguished West Virginian Award." The Governor applauded Mr. Sneed while declaring that the award represents the highest honor that can be bestowed upon a person from West Virginia for outstanding achievement and meritorious service.

The following individuals attended the SBA Meeting: Mr. Steve Slockett, Fayette County Board of Education; Mr. Steve Bush, Fayette County Board of Education; Mr. Michael Wells, Pleasants County Board of Education; Ms. Patsy Holliday, Fayette County Board of Education, Mr. Gary Holliday, Fayette County; Mr. Craig Schmidl, Preston County Schools; Mr. Jeff Davis, Tyler County; Ms. Amanda Kimble, Tyler County, Ms. Robin Daquilante, Superintendent Tyler County; Mr. Kenny Mann, Monroe County; Ms. Joetta Basile, Superintendent Monroe County; Mr. Danny Lively, Monroe County; Mr. Terry George, Superintendent Fayette County; Mr. Gary Hough, Fayette County; Mr. Jack Cullen, Superintendent Mason County; Ms. Anna Kincaid Cline, Fayette County; Mr. David Keffer, Fayette County; Mr. Ted Shriver, Williamson Shriver Architects; Mr. Greg Williamson, Williamson Shriver Architects; Mr. Travis Arey, PCS, Inc.; Ms. Sarah Plummer, Register-Herald; Ms. Shirley McGraw; Dr. Deborah Akers, Superintendent Mercer County; Ms. Teresa Russell, Mercer County; Mr. Paul Hodges, Mercer County; Mr. Jacinda Santon Smith, Mercer County; Ms. Carolyn Arritt; Mr. Geoff Hector; Mr. Leon Ivey; Mr. Bill Laird, West Virginia State Senate; Mr. Dave Perry, West Virginia House of Delegates; Mr. David Snider, OMNI Architects; Mr. Paula Fridley, Fayette County; Ms. Jennifer Bowling; Ms. Debbie Bowling; Ms. Karen Ellis; Ms. Cindy Chamberlin; Mr. David Ferguson, ZMM, Inc.; Mr. Jonathan Flint; Superintendent Wood County; Mr. Mike Fling, Wood County; Mr. Teri Harlan, Fayette County; Ms. Amanda Skaggs, Fayette County; Ms. Shawna Sparks, Fayette County; Mr. Anthony Lewis, WSAZ News; Mr. Gary Hendricks, Mason County Board of Education; Ms. Christy C. Rodgers, Greenbrier County; Mr. Dave McClure, Greenbrier County; Mr. Jeff Bryant; Superintendent Greenbrier County; Ms. Tracy Hannah, State Building Trades; Mr. Darrin McCuffin, Fayette County Board of Education; Mr. Nick Peters, WCHS News; Mr. Ernie Delatorre, McKinley and Associates; Ms. Nicky Walters, WOWK TV and Mr. Blair Frier, OWPR.

III.

**APPROVAL OF MINUTES**

SBA Superintendent's Interviews Meeting of November 14 and 15, 2016

Upon a motion by Dr. William White, with a second by Mr. Victor Gabriel, the Authority voted to approve the School Building Authority's November 14 and 15, 2016 Superintendent Interview Minutes.

IV.

**EXECUTIVE DIRECTOR'S REPORT**

A. P-Card Review

Executive Director Sneed requested the Authority review the P-Card report and the staff of the SBA was available to answer questions regarding this report. He reminded the members that one of the requirements of the P-Card Program is for the Authority members to review all purchases made by staff members. He stated that as such, the document in Attachment B provided an itemized list of the SBA's card usage for the period of August 1, 2016 thru October 30, 2016. The Authority members reviewed the expenditure report and had no questions.

B. New SBA Sub-Committee Assignments

Executive Director Sneed informed the Authority that given the expiration of Tina Combs' term and the appointment of Dr. James S. Wilson to the Authority, that it was necessary to reassign Members to Sub-Committees. Attachment C provided the recommendations.

Upon a motion by Mr. Tom Lange, with a second by Victor Gabriel the Authority voted to approve the 2017 Sub-Committee Assignments.

C. Legislative Audit Update

Executive Director Sneed advised the Authority that the Legislative Auditor had completed its report and the SBA Office received a draft copy November 28, 2016. The SBA was given a very limited timeframe to review the findings and to make comments. The staff of the SBA felt the Audit provided some constructive procedural recommendations. However, it did express disagreement with several findings and the methodology used to reach these findings. The staff met with the Auditor on December 2, 2016 and provided its comments to the report. The final Audit Report was presented to the Joint Standing Committee on Government Organization on Tuesday, December 6, 2016. Attachment D provided a copy of the final report. To the extent procedural changes are necessary the staff of the SBA will make recommendations to the Authority to effectuate these changes moving forward.

V.

**CEFP AMENDMENTS**

Executive Director Sneed notified the Authority that the following amendment to the county Comprehensive Educational Facilities Plan (CEFPs) had been reviewed and was recommended for approval by the staff of the SBA and reviewed and coordinated with the State Department of Education Office of School Facilities. The State Board of Education acted on this same amendment at its December 2016 Meeting. Executive Director Sneed informed the Authority that if the amendment related to 2016 NEEDs Projects, approval of the amendment did not indicate financial support for this project. Complete amendment submittal was available for review upon request. The following Amendment was submitted for review and approval:

## Monroe County's CEFP Amendment

The Monroe County Board of Education requested approval of an amendment to its 2010–2020 CEFP. This amendment would close Peterstown Elementary School and Peterstown Middle School for the construction of a new Peterstown PK-8 School.

Monroe County had complied with the SBA CEFP Amendment process.

Upon a motion by Mr. Victor Gabriel, with a second by Mr. Robert Holroyd the Authority approved Monroe County's CEFP Amendments as submitted.

## VI.

### FINANCE REPORTS

#### A. Sinking Fund Analysis

Chairman Markham recognized Mr. Garry Stewart. Mr. Stewart advised the Authority that the Series 2009A, Series 2009B and Series 2010A Bonds were issued under the Qualified School Construction Bond provisions of the Internal Revenue Code. These bonds pay investors in federal tax credits which allowed the Authority to issue these bonds at a 0% interest rate. These bonds are a single maturity and the SBA makes annual payments to sinking funds held by the trustee. The Authority is using the interest income from these funds to reduce future debt service payments. Attachment F was provided which summarized the Authority's debt repayment plan and the assumptions used in developing this plan.

#### B. Future Construction Funding Projection

Mr. Stewart informed the Authority that when Governor Tomlin assumed office, he requested that the Authority develop a funding plan that allocated a level amount of state funding to school construction projects each year. The Authority receives its funding from the General Fund, Lottery Fund and Excess Lottery Fund each year. Attachment G summarized the Authority's future construction funding plan and the assumptions used in developing this projection.

#### C. Current SBA Fund Balances

Mr. Stewart advised the Authority that the following funds were available as of December 12, 2016:

MIP Funds	\$ 0
Three Percent Funds	\$ 1,895,116.79
2015 QZAB Funds	\$ 2,221,000.00 (Allocated by December 31, 2017)
2016 QZAB Funds	\$ 2,621,000.00 (Allocated by December 31, 2018)

#### D. School Construction Funds Available For Distribution

Mr. Stewart informed the Authority that there was \$58,844,292 funds available, less the \$10,000,000, allocated to Raleigh County in December 2015 with a two-year allocation, leaving a balance of \$48,844,292 available for distribution prior to the consideration of the projects.

Upon a motion by Mr. Victor Gabriel, with a second by Dr. Michael Martirano the Authority approved to begin the nominating procedure to allocate the \$48,844,292 available for funding of the 2017 NEEDs Funding Cycle.

## DELIBERATION AND SELECTION OF PROJECTS

### NEEDs Funds Deliberation and Selection of Projections

Chairman Markham acknowledged Mr. Scott Raines. Mr. Raines advised the Authority that the staff of the SBA had provided staff comments regarding each of the projects submitted for NEEDs Funding for its study and deliberation. Mr. Raines provided a review of these comments and answered any questions the Authority members had regarding each project. At the conclusion of the review, the Authority was informed that the approved projects were assigned by Resolution and would be funded in part by the series 2016B Bonds. The Authority considered each project submitted and nominated the following Projects to be funded in the 2017 NEEDs Cycle:

Mr. Steve Burton made a recommendation to fund all projects submitted for the 2017 NEEDs funding cycle, due to the passage of Legislation of no prevailing wage, which was to enable five (5) schools to be built for the cost of three (3). It was stated that with all due respect to the Legislature the staff of the SBA believed the costs of the projects to be accurate.

#### 2017 NEEDs Project County Nominations

AUTHORITY MEMBER	COUNTY NOMINATED	SBA FUNDS
Mr. Steve Burton	Monroe	\$500,000*
Mr. Robert Holroyd	Mercer	7,854,080
Mr. Tom Lange	Berkeley	4,900,000
Mr. Victor Gabriel	Monongalia	2,000,000
Mr. Peter Markham	Fayette	13,250,497**
Mr. Chris Morris	Taylor	1,373,655
Dr. Michael Martirano	Greenbrier	4,870,501
Mr. Tom Campbell	Mason	790,720
Dr. William White	Morgan	5,114,779
Mr. Bart Willis	Tyler	3,698,578
Dr. James Wilson	Calhoun	189,545
<b>TOTAL PROJECTS NOMINATED</b>		<b>\$43,927,570</b>
<b>LESS AVAILABLE FUNDS</b>		<b>48,844,292</b>
<b>BALANCE</b>		<b>\$4,916,722</b>

\*Monroe County \$500,000 as a reserve grant, Monroe County will attempt to pass an \$9,000,000 local bond issue to bring a large local contribution to partner with a SBA NEEDs Grant for this new school.

\*\*Fayette County 2017 NEEDs Grant of \$13,250,497, with an additional \$9,395,215 commitment in a future funding cycle.

Chairman Markham called upon Mr. Garry Stewart to provide the total funds expended after these counties were nominated for funding. Mr. Stewart informed the Authority the above nominations totaled \$43,927,570, leaving a balance of \$4,916,722.

Chairman Markham began the nomination process again, to award the remaining \$4,916,722.

**2017 NEEDs Project  
County Nominations**

AUTHORITY MEMBER	COUNTY NOMINATED	COUNTY NOMINATED
Mr. Steve Burton	Hardy	\$3,000,000
Mr. Robert Holroyd	Pleasant	457,695
Mr. Tom Lange	Clay	155,000
Mr. Victor Gabriel	Pass	
Mr. Peter Markham	Pass	
Mr. Chris Morris	Pass	
Dr. Michael Martirano	Preston	789,242***
Mr. Tom Campbell	Pass	
Dr. William White	Pass	
Mr. Bart Willis	Pass	
Dr. James Wilson	Pass	
<b>TOTAL PROJECTS NOMINATED</b>		<b>\$48,844,292</b>
<b>LESS AVAILABLE FUNDS</b>		<b>48,844,292</b>
<b>BALANCE</b>		<b>-0-</b>

\*\*\*Upon a motion by Mr. Tom Campbell, with a second by Mr. Tom Lange the Authority approved the funding of Preston County's top four (4) roofing projects at a total of \$789,242.

Mr. Tom Lange ask what protocol the State would take to ensure that Fayette County committed to executing the current CEFP and projects within, Phase 2 and 3, that was approved by the Authority on September 26, 2016. Dr. Martirano responded that control could only be returned to Fayette County with a recommendation from the OEPA, and at the current time there is no plan to return control to Fayette County. He also stated that a Memorandum of Understanding would be executed with Fayette County, if and when, the county is returned to local control that could or would require Fayette County to continue with the approved plan. He also, stated that there were three (3) State Board Members within our Authority and in attendance. Dr. William White stated that the WV Code requires the State Board of Education to also approve said future Amendments.

The Authority requested that specific language be inserted into the SBA Grant Contract that reflects the State and Fayette County's commitment to executing the current plan starting with the projects funded by the Authority on December 12, 2016.

Upon a motion by Dr. Michael Martirano, with a second by Mr. Robert Holroyd the Authority approved funding of the following fifteen counties as the NEEDs Projects for the 2017 Funding Cycle.

**“2017 NEEDs PROJECTS”**

<b>County</b>	<b>Project Description</b>	<b>Project Cost</b>	<b>Local Funds</b>	<b>Funds Awarded</b>
Berkeley	Energy Management Upgrades	\$17,476,000	\$12,576,000	\$4,900,000 <sup>1</sup>
Calhoun	Calhoun Co. Middle-High School Sanitation Renovations	\$189,545	\$0	\$189,545
Clay	Clay Elementary School Roof Replacement	\$160,000	\$5,000	\$155,000
Fayette	New PK-2 Elementary School & New Collins Middle School	\$39,635,712	\$17,000,000	\$13,250,497 <sup>2</sup>
Greenbrier	Western Greenbrier Middle School Addition	\$5,370,501	\$500,000	\$4,870,501
Hardy	East Hardy Early-Middle School HVAC & Roof Replacement	\$3,500,000	\$500,000	\$3,000,000
Mason	Roof Replacement at Three (3) Schools	\$1,035,775	\$245,055	\$790,720
Mercer	New Green Valley Elementary School	\$12,083,200	\$4,229,120 <sup>3</sup>	\$7,854,080
Monongalia	South Middle School Additions & Renovations	\$4,192,766	\$2,192,766	\$2,000,000
Monroe	New Peterstown PK-8 School	\$24,192,000	\$10,000,000 <sup>4</sup>	\$500,000 <sup>5</sup>
Morgan	Berkeley Springs High School Renovations	\$6,114,779	\$1,000,000 <sup>6</sup>	\$5,114,779
Pleasants	Pleasants Co. Middle School ADA Restroom Renovations	\$538,465	\$80,770	\$457,695
Preston	Roof Replacement at Four (4) Schools	\$789,242	\$0	\$789,242
Taylor	Taylor Co. Middle School Heat Pump Replacement	\$1,973,655	\$600,000	\$1,373,655
Tyler	Tyler Consolidated High School HVAC Renovations	\$4,598,578	\$900,000	\$3,698,578
<b>TOTALS</b>		<b>\$121,850,218</b>	<b>\$49,828,722</b>	<b>\$48,944,292</b>

**Notes**

1. Includes a \$100,000 energy grant provided by FirstEnergy.
2. Indicates an additional SBA commitment of \$9,385,215 commitment in a future funding cycle.
3. Includes a \$500,000 QZAB Allocation.
4. Includes a \$1,000,000 QZAB Allocation and \$9,000,000 in proceeds from an upcoming Bond Issue.
5. Indicates the award of a Reserve Grant. Project and up to an additional \$13,692,000 in future funding is contingent upon the passage of an upcoming Bond Issue
6. Includes a \$1,000,000 QZAB Allocation

VIII.

**CONSTRUCTION COMMITTEE**

Roofing Consultant

Chairman Markham recognized Mr. Steve Burton. Mr. Burton informed the Authority that the staff of the SBA had solicited for a roofing consultant to evaluate and make recommendations for roofing replacements in the counties responding to our request for priority roofing repair projects. This consultant will perform on-site testing and evaluations on the 30 schools submitted and prepare cost estimates and a prioritized list of these projects. Once funding is identified by the Authority, this consultant will prepare bidding documents and assist the staff of the SBA in soliciting, evaluating and awarding the bids to the lowest qualified bidders. This consultant will conduct on-site construction observation as necessary to determine acceptance of the project and to assure the manufacturer's warranty is in place at the conclusion of the projects. The staff of the SBA interviewed firms on November 30, 2016 and made a recommendation to the Construction Committee which reviewed this matter and recommended the approval of T&T Consultants.

Upon a motion by Mr. Steve Burton, with a second by Mr. Robert Holroyd the Authority approved the hiring of T&T Consultants to evaluate and make recommendations for roofing replacements in the counties responding to the request for priority roofing repair projects.

IX.

**NEW BUSINESS**

Flood Relief Grants

Chairman Markham recognized Mr. Scott Raines. Mr. Raines notified the Authority that the Federal Emergency Management Agency (FEMA) had granted direct relocation and/or replacement funding for the five schools substantially damaged as a result of the June 23, 2106 floods. These funds will be used to replace Herbert Hoover High School and Clendenin Elementary School in Kanawha County; Richwood High School, Richwood Middle School and Summersville Middle School in Nicholas County. FEMA has requested that these projects be managed by the staff of the SBA as if they were SBA funded projects. The West Virginia Department of Homeland Security and Emergency Management has also requested that all Federal and State Funds for these replacements be managed by the SBA. WV Code §18-9D-15(a) provides for all federal funding provided to the state for school construction be administered by the School Building Authority of West Virginia. The Federal funds will be provided to the Authority by way of monthly billings of actual costs documented. The staff of the SBA will track all phases of the projects and provide progress reports to the appropriate Federal Agencies monitoring these projects. To effectuate a cash flow process to the County Boards of Education we recommended following our normal Grant Process by awarding Construction Fund Grants to Kanawha and Nicholas County using the Federal and State Funding, earmarked by FEMA and the West Virginia State Legislature.

Upon a motion by Mr. Tom Campbell, with a second by Dr. Michael Martirano the Authority approved that the Federal Emergency Management Agency and West Virginia State Legislature's Funds earmarked for Kanawha and Nicholas County's replacement of flood damaged schools be accepted for distribution to both counties and that these funds be administered through a special account established by the SBA Director of Finance and disbursed by following the normal SBA Grant Process for a Construction Fund Grants.

X.

### FUTURE MEETINGS

The 2017 spring quarterly meeting of the School Building Authority of West Virginia is scheduled on March 20, 2017 with the location to be determined.

The 2017 summer quarterly meeting of the School Building Authority of West Virginia is scheduled on June 26, 2017 with the location to be determined.

The 2017 fall quarterly meeting of the School Building Authority of West Virginia is scheduled on September 25, 2017 with the location to be determined.

The 2017 NEEDs Grant Submission/Superintendent Interviews meeting is scheduled on November 13 and November 14, 2017 with the location to be determined.

The 2017 winter quarterly meeting and NEEDs Grant project selection meeting of the School Building Authority of West Virginia is scheduled on December 11, 2017 with the location to be determined.

XI.

### ADJOURNMENT

There being no further business to come before the Authority and upon a motion by Mr. Chris Morris, with a second from Mr. Tom Lange, the Authority voted to adjourn the December 12, 2016; NEEDs Funding Meeting of the School Building Authority of West Virginia.

Minutes Approved March 20, 2017



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Nick Casey, Governor's Designee  
School Building Authority of West Virginia