

**SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
MINUTES
June 27, 2016
9:30 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 9:38 a.m. on Monday, June 27, 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; Mr. Robert Holroyd; Mr. Tom Lange; Mr. Chris Morris; Dr. William White and Mr. T. Bart Willis. The following staff of the SBA were 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. ACKNOWLEDGEMENTS AND RECOGNITIONS

The following individuals attended the SBA Meeting: Mr. Ryan Quinn, Charleston Gazette-Mail; Mr. Jack Cullen, Superintendent Mason County; Mr. Greg Fowlen, Mason County; Mr. Jerry Milliken, West Virginia Department of Education; Dr. Kathy D'Antoni, West Virginia Department of Education; Mr. Doug Lambert, Superintendent Pendleton County; Mr. Chuck Wilson, Kanawha County; Mr. David Powell, North Coast Roofing Systems; Mr. Jeff Woofter, Superintendent Barbour County; Mr. Glenn Sweat, Barbour County; Ms. Amanda Kimble, Tyler County; Ms. Patsy Holliday, Fayette County Board of Education; Mr. Gary Holliday, Fayette County; Mr. Jeff Davis, Tyler County; Mr. Jerry Garner, Superintendent Roane County; Ms. Dana Smith, Lincoln County; Mr. Jeff Midkiff, Superintendent Lincoln County; Mr. Brent Nelson, Grant County; Mr. Greg Martin, Williamson Shriver Architects; Mr. Ted Shriver, Williamson Shriver Architects; Ms. Jennifer Bowling; Mr. Bailey Bowling; Ms. Debbie Bowling; Mr. Thom Worledge, McKinley and Associates; Mr. Ryan Haught, Mid-Ohio Valley Technical Center; Mr. Ben Cummings, Roane-Jackson Technical Center; Ms. Marie McCauley, ZMM; Ms. Carolyn Arritt; Dr. DeEdra Barton, Superintendent Grant County; Ms. Shirley McGraw; Mr. James W. Lowry, Pickering Associates and Mr. Matthew Breakey, Thrasher Group.

III. APPROVAL OF MINUTES

SBA Quarterly Meeting March 21, 2016

Upon a motion by Mr. Tom Lange, with a second by Dr. William White, the Authority voted to approve the School Building Authority's March 21, 2016 Quarterly Meeting Minutes.

IV.

EXECUTIVE DIRECTOR'S REPORT

A. Purchasing Card (P-Card) Program Report

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 February 1, 2016 thru April 30, 2016. The Authority members reviewed the expenditure report and had no questions.

B. Fayette County - Capital Planning Process Update

Executive Director Sneed provided a brief update of the Capital Planning assistance currently being provided by the staff of the SBA to Fayette County Schools. He informed the Authority that the staff of the SBA had provided the State Board of Education with a schedule of events, process that would be followed and a timeline, the WVBOE approved this process. This process did meet with a delay when the Fayette County Commission filed its lawsuit and approximately one month was lost in the planning process while we discussed our response to the suit with our legal counsel. We are now back working with Fayette County at the advice of our counsel.

An Executive and a Capital Planning Committee has been formed, this Committee consist of three representatives from each school in Fayette County, for a total of fifty-four members. We are working very closely with this committee, have given them goals and questions to work through within its local school areas and report back its finding to the full Capital Planning Committee. Through this process the county has begun to see what they do not have and the opportunity that its students could have regarding academic and facility needs.

The SBA is involved with the high school area meetings and working with each area to set goals it would like to achieve, this process will help solve some of the facility and academic needs of Fayette County. The hope of the staff of the SBA is to bring a couple of projects back before the Authority in November and to present a plan for the future of Fayette County.

Chairman Markham requested that Executive Director Sneed update the Authority on funds requested to date from counties affected by the recent floods. Executive Sneed informed the Authority that the SBA had not received any requests for funds at this time, but did expect that there would be applications for Emergency Funds in the future, the SBA has \$4,600,000 available in the Emergency Fund. The SBA is working with the West Virginia Department of Education, Office of Transportation and Mr. Mike Pickens is in the process of preparing a spread sheet with all Counties affected and the SBA will forward this information to the Authority as it becomes available.

V.

CEFP AMENDMENTS

Executive Director Sneed informed the Authority that the following amendments to county Comprehensive Educational Facilities Plans (CEFPs) had been reviewed and were recommended for approval by the staff of the SBA and also reviewed and coordinated with the State Department of Education Office of School Facilities. The State Board of Education had taken or will take action on these same amendments. Approval of these amendments did not necessarily reflect support for funding of the project within the Amendment. Approval of these amendments simply means the County followed the proper Amendment Process. Complete Amendment submittals was available for review upon request. The following Amendments were submitted for review and approval:

A. Morgan County - CEFP Amendment

The Morgan County Board of Education requested approval of an amendment to its 2010-2020 CEFP. This amendment would close Greenwood Elementary School a 57 student school for grades K-5. This building was initially constructed in 1956 and will be closed the fall semester of 2016. The students will be relocated to Widmyer Elementary School (grades K-2) and Warm Springs Intermediate School (grades 3-5).

Morgan County had complied with the SBA CEFP Amendment process.

Upon a motion by Dr. William White, with a second by Dr. Michael Martirano the Authority approved this amendment to Morgan County's CEFP.

B. West Virginia School for the Deaf and Blind - CEFP Amendment

The West Virginia School for the Deaf and Blind requested approval of an amendment to its 2010-2020 CEFP. The original CEFP had the School for the Blind and the PE Building being demolished, and being replaced by a new educational facility that was to be affixed to Secondary Deaf School with complete modification to accommodate all K-12 Deaf/Blind Students. This amendment provides for renovation to three existing educational facilities comprising the School for the Blind, Physical Education and the Secondary School for the Deaf. The School for the Blind will be modified to accommodate educational spaces appropriate for blind students as well as MSP students who are to be relocated from the Elementary School for the Deaf. The Secondary School for the Deaf will be modified to accommodate all K-12 deaf students. The Physical Education building will be modified to accommodate all students from both schools and add a central auditorium. Each facility will undergo changes necessary to accomplish the same learning, safety and technology objectives and upgrades as stated in the original CEFP with the exception that the location will be within existing structures as opposed to in a new facility.

The West Virginia School for the Deaf and Blind had complied with the SBA CEFP Amendment process.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel the Authority approved this amendment to the West Virginia School for the Deaf and Blind's CEFP.

VI.

FINANCE REPORT

A. Analysis of Trustee Accounts - Trustee Accounts Report)

Chairman Markham recognized Mr. Garry Stewart to provide the SBA Finance Reports. Mr. Stewart presented a recap of the trustee accounts held at United Bank of Charleston, West Virginia and The Bank of New York Mellon for the period ending May 31, 2016 summarizing the trustee functions of the SBA. Attachment E was provided to give a short summary of each bond series.

B. United Bank of Charleston -- SBA Program Depository Accounts Report

Mr. Stewart presented the financial report of the depository account that is maintained by United Bank for the period ending June 15, 2016, Attachment F summarized construction spending by the SBA for its School Construction and Major Improvement Programs.

C. Current SBA Fund Balances

Mr. Stewart reported to the Authority the following SBA Fund Balances as of May 31, 2016:

	<u>May 31, 2016</u>
Emergency Funds	\$ 4,653,975.34
QZAB Funds	\$ 4,342,000.00
School Construction Funds	\$ 1,589,103.59

VII. FINANCE COMMITTEE

A. Roane County - QZAB Request

Chairman Markham recognize Mr. Tom Lange, Finance Committee Chair. Mr. Lange advised the Authority that Roane County was requesting QZAB Funding for its 2015 NEEDs Project approved by the Authority during the December 2015 NEEDs Project Awards cycle. It was anticipated that the project would be over budget by approximately \$500,000. Bids for this project were opened on June 21, 2016. At this time the exact amount of the deficit was \$546,198 documented in a letter received from Roane County on June 24, 2016. Roane County was requesting approval of available QZAB funds for additional cost on the Spencer Elementary School Physical Education Addition Project.

The Finance Committee made a recommendation to the Full Authority to permit Roane County up to \$550,000 in a QZAB Allocation.

Upon a motion by Mr. Tom Lange, with a second by Mr. Steve Burton the Authority voted to approve Roane County up to \$550,000 in a QZAB Allocation.

B. Fayette County - MIP

Mr. Lange informed the Authority that Fayette County had decided to return the \$630,675 MIP Grant for Ansted Middle School. The project was awarded in 2015 the Scope of work exceeded the funding available and the project as proposed could not be completed. Fayette County had decided to close Ansted Middle School and to transfer these students to Midland Trail High School. These funds would be returned to the MIP Program and made available for other projects.

The Finance Committee made a recommendation to the Full Authority to permit Fayette County to return the \$630,675 MIP Grant that was awarded in 2015 and for these funds to be returned to the MIP Program and made available for other projects.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel the Authority voted to permit Fayette County to return the \$630,675 MIP Grant that was awarded in 2015 and for the funds to be returned to the MIP Program and made available for other projects.

VIII. NEW BUSINESS

A. Deliberation and Selection of Major Improvement Program Projects

Chairman Markham recognized Executive Director Sneed. Executive Director Sneed informed the Authority that based on its action to combine the remaining 2016 and 2017 MIP cycle funds, \$7,724,013.80 was available for distribution during this MIP cycle. Mr. Scott Raines provided a brief summary of the staff review process and a review of each project. The staff of the SBA were available to answer any questions the Authority members had. At the conclusion of the review, the Authority considered each project submitted and selected those to be funded in this MIP Funding cycle. The following indicates the amount of funding that was available for distribution from the FY 2016, FY2017 and unused Grant Funds for these projects:

Investment Income	\$ 6,055.62
FY 2016 Allocation	\$ 3,000,000.00
FY 2017 Allocation	\$ 4,000,000.00
Fayette County	\$ 630,675.00
Fayette County	\$ 20,586.98
Grant County	\$ 163.95
Morgan County	\$ 66,532.25
	\$ 7,724,013.80

The Authority considered each project submitted and nominated the following Projects to be funded in the 2016 MIP Cycle:

“2016 MIP PROJECTS NOMINATED”

AUTHORITY MEMBERS	COUNTY NOMINATED	FUNDS REQUESTED
Mr. Tom Lange	Nicholas County	953,850.00
	Berkley County	1,000,000.00
	Monongalia County	358,610.00
	Fayette County	1,000,000.00
	Putnam County	338,411.00
	Randolph County	192,800.00
	Mason County	800,000.00
	Ritchie County	200,000.00
	Mercer County	1,000,000.00
	Cabell County	1,000,000.00
	Grant County	141,158.00
	Tyler County	408,800.00
	Barbour County	375,000.00
TOTAL PROJECTS NOMINATED		7,768,629.00
LESS AVAILABLE FUNDS		7,724,013.80
OVER AVAILABLE FUNDS		(44,615.20)

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd the Authority voted to approve funding the top thirteen ranked MIP Projects submitted.

Mr. Garry Stewart informed the Authority that the thirteen projects nominated were \$44,615 over the available funds. If each projected was funded at 99.43% reducing each county by 0.57% the thirteen county's' projects could be funded in the 2016 MIP Funding Cycle.

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd the Authority voted to amend the previous motion.

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd the Authority voted to approve funding the thirteen counties MIP Projects by 99.43%, thus reducing each of the projects by 0.57%.

The following projects were then approved for funding in the 2016 MIP Funding Cycle in the amount listed below:

“2016 MIP PROJECTS”

COUNTY	PROJECT	LOCAL FUNDS	SBA FUNDS	TOTAL COST
BARBOUR	Phillip Barbour High School Access Safety Improvement	\$27,154	\$372,846	\$400,000
BERKELEY	HVAC and Energy Upgrades at three (3) Schools	\$9,805,743	\$994,257	\$10,800,000
CABELL	Milton Pre-K School Phase II Renovation	\$1,342,470	\$994,257	\$2,336,727
FAYETTE	Midland Trail High School Classroom Addition	\$205,743	\$994,257	\$1,200,000
GRANT	Petersburg Elementary School Fire Alarm Replacement	\$811	\$140,347	\$141,158
MASON	Wastewater Treatment Plants at three (3) Schools	\$204,594	\$795,406	\$1,000,000
MERCER	Princeton Middle School HVAC Renovations	\$2,270,743	\$994,257	\$3,265,000
MONONGALIA	Morgantown High School HVAC Replacement	\$360,669	\$356,551	\$717,220
NICHOLAS	Richwood High School Renovations	\$317,348	\$948,372	\$1,265,720
PUTNAM	Buffalo Elementary School Renovations	\$340,354	\$336,468	\$676,822
RANDOLPH	Harmon School Renovations (Phase III and IV)	\$36,107	\$191,693	\$227,800
RITCHIE	Smithville Elementary School Wastewater Treatment Plant Replacement	\$101,149	\$198,851	\$300,000
TYLER	Tyler county High/Middle School Structural Renovations	\$104,548	\$406,452	\$511,000
TOTAL		\$15,117,433	\$7,724,014	\$22,841,447

B. Three Percent Statewide Project Review and Award

Executive Director Sneed informed the Authority that the total of the Three Percent Grant Funds available for distribution during the 2016 funding cycle was \$2,418,685.00. All projects submitted for consideration were reviewed by the staff of the SBA, as well as, Dr. Kathy D’Antoni with the State Department of Education. A report summarizing these projects and recommendations for projects to be funded this year was prepared by the staff of the SBA and a copy was provided in Attachment J for the Authority members to review and consideration.

The following Projects were nominated for Three Percent Funding for the 2016 Funding Cycle:

“THREE PERCENT FUNDING”

FACILITY	PROJECT	REQUESTED	SBA STAFF ADJUSTMENT	SBA STAFF FUNDING RECOMMENDATIONS AND FUNDED
West Virginia School for the Deaf and Blind	Concerns of the State Fire Marshal’s Office that require immediate attention	\$191,726		\$191,726
Calhoun-Gilmer Career and Technical Center	School Access Safety Renovations	\$352,400		\$352,400
Mid-Ohio Valley Technical Institute	School Access Safety Renovations	\$307,738		\$307,738
Fred Eberle Technical Institute	School Access Safety Renovations	\$617,795	(\$483,947)	\$133,848
Roane-Jackson Technical Institute	School Access Safety Renovations	\$538,828	(\$145,000)	\$393,828
James Rumsey Technical Institute	School Access Safety Renovations	\$614,200	(\$320,000)	\$294,200
South Branch Career & Technical Center	School Access Safety Renovations	\$593,343	(\$139,571)	\$453,772
WVDE Statewide Preventative Maintenance Program	Continuation of the Statewide Preventative Maintenance Program	\$355,906	(\$249,320)	\$106,586
TOTAL FUNDED				\$2,234,098

Upon a motion by Mr. Victor Gabriel, with a second by Mr. Tom Lange the Authority voted to approve funding the eight Three Percent Projects listed above.

IX.

OLD BUSINESS

Pendleton County – Franklin Elementary Close-Out

Executive Director Sneed notified the Authority that the Franklin Elementary Project was completed and closing out. Pendleton County provided a portion of the original budget and the Authority provided the balance of funds. Once bids were received the project exceeded the available funding and the Authority provided a supplemental grant of \$1,650,173.00 and the Pendleton County Board of Education agreed to provide an additional \$200,000 in local funding if additional funding was needed to complete the project or reduce the scope of the project to save the \$200,000 if necessary to complete the project. A portion of the additional local funding was required to complete the project. Pendleton County did reduce the cost of the project by using existing furniture and equipment and by keeping the overall cost of the project to a minimum. Pendleton County had requested that since the unused balance of additional local funding committed after the bids were received were no longer needed the balance of its local commitment be reduced. We have reviewed the original letter of commitment for these funds and support a reduction in its local share equal to the balance of projects funds available of \$130,947.10.

Upon a motion by Mr. Victor Gabriel, with a second by Dr. William White the Authority voted to approve a reduction in Pendleton County’s local share equal to the balance of projects funds available of \$130,947.10.

A brief discussion occurred regarding the effects of the resent change in the Prevailing Wage Laws in West Virginia. Executive Director Sneed indicated that we are going to monitor all future bids and bring back Policy Revisions and Cost Allowance Adjustments as impact of this Legislative change materializes in our bidding and construction process.

X.

EXECUTIVE SESSION

A. Executive Session

Executive Director Sneed informed the Authority that based on the provisions of West Virginia Code §6-9A-4 an Executive Session was requested to discuss with Legal Counsel a pending lawsuit, Fayette County Commission, et al., v School Building Authority of West Virginia, matters pertaining to Construction Planning and the Investment of Private Funds and other matters affecting the interests of the State. No action will be taken in the Executive Session.

Upon a motion by Mr. Tom Lange, with a second by Mr. Steve Burton the Authority approved to go into an Executive Session.

B. Fayette County Legal

The Fayette County Commission’s Legal Action will require the Authority Chair and Executive Director to work closely with our Legal Counsel to develop our defense. Obviously, this will include keeping all Authority Members informed about the case moving forward. To allow us to move quickly on these matters our Legal Counsel has suggested that we create a sub-committee made up of the Chairman, several Authority Members along with the Executive Director that can be convened quickly and when needed to respond to the complaint. Additionally, all Authority Members will be kept informed throughout the process.

Upon a motion by Mr. Victor Gabriel, with a second by Dr. William White the Authority voted to authorize the Chair and/or the Executive Director to respond to the complaint on behalf of the Authority in regards to the pending lawsuit with the Fayette County Commission, and to create a sub-committee made up of the Chairman, Executive Director and Authority Member, Mr. Bob Holroyd that can convene quickly and when needed respond to the complaint, and all Authority Members will be kept informed throughout the process.

XI. FUTURE MEETINGS

The 2016 fall quarterly meeting of the School Building Authority of West Virginia is scheduled to begin at 9:00 a.m. on September 26, 2016 with the location to be determined.

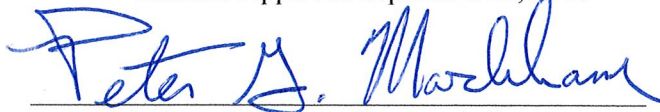
The 2016 NEEDs Grant Submission/Superintendent Interviews meeting is scheduled to begin at 9:00 a.m. on November 14 and November 15, 2016 with the location to be determined.

The 2016 winter quarterly meeting and NEEDs Grant project selection meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 12, 2016 with the location to be determined.

XII. ADJOURNMENT

There being no further business to come before the Authority and upon a motion by Dr. William White, with a second from Mr. Chris Morris the Authority voted to adjourn the June 27, 2016 Quarterly Meeting of the School Building Authority of West Virginia.

Minutes Approved September 26, 2016



Mr. Peter Markham, Governor's Designee
School Building Authority of West Virginia