

**SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Meeting Minutes**

**The West Virginia Lottery
900 Pennsylvania Avenue
10th Floor Conference Room
Charleston, West Virginia**

**September 25, 2017
9:30 a.m.**

I. CALL TO ORDER

Chairman Brian Abraham, Governor's Designee, called the School Building Authority of West Virginia's (SBA) Quarterly Meeting to order at 9:35 a.m. on Monday, September 25, 2017. The following Board Members were present: Mr. Steve Burton, Vice-Chair; Mr. Victor Gabriel, Secretary; Mr. Robert Holroyd; Mr. Tom Lange; Mr. Thomas Campbell, via-phone; Mr. Bart Willis, Mr. Miller Hall and Dr. Steven Paine. The following staff of the SBA were also present: Mr. Frank Blackwell, Executive Director; Mr. Garry Stewart; Mr. Scott Raines; Mr. Mike Hall; Mr. Ben Ashley; Mr. Dana Womack; Ms. Joyce VanGilder; Ms. Stella Gill; Ms. Angie Bradley, Ms. Karen Courtney and Ms. Tammy Brewer.

II. ACKNOWLEDGMENTS AND RECOGNITIONS

The following individuals attended the SBA Meeting: Mr. Mike Hall, Governor's Chief of Staff, Mr. Paul Hardesty, Logan County School Board; Mr. Ryan Quinn, Charleston Gazette-Mail; Mr. Jerry Milliken, West Virginia Department of Education; Ms. Karon Vorholt; Mr. Levi Zielinski, Maher Duessel CPAs; Mr. Jeff Kent, Maher Duessel CPAs; Mr. Chris Canterbury, E.T. Boggess Architects; Mr. David Ferguson, ZMM Inc.; Ms. Lisa Hicks, LEAD/KVBA; Mr. David Snider, Omni Architects; Mr. Pat McDonald, CAWV; Mr. Ernie Dellatorre, McKinley and Associates; Mr. Christopher Hamb, Robinson and McElwee; Mr. Kevin Wilks, MBP; Mr. Greg Williamson, William and Shriver Architects; Ms. Carolyn Arritt; Ms. Shirley McGraw; Ms. Judy Hubert, CITI; Mr. Blair Frier, OWPR; Ms. Courtney Persinger, Persinger and Associates; Mr. Matthew Breakey, The Thrasher Group; Ms. Darlene Dingess-Adkins, Logan County Schools; Ms. Patricia Lucas, Logan County Schools and Mr. Mark Adkins, Logan County Schools.

III. APPROVAL OF MINUTES

Upon a motion by Mr. Victor Gabriel, with a second by Mr. Miller Hall the Authority voted to approve the minutes from the SBA Quarterly Meeting of June 26, 2017; the Special Tele-Conference Meetings of July 26, 2017 and August 29, 2017.

IV.

EXECUTIVE DIRECTOR'S REPORTS

A. Maher Duessel, Certified Public Accountants – Final Audit Report for The Fiscal Year Ending June 30, 2017

Chairman Abraham recognized, Mr. Garry Stewart who introduced Mr. Levi Zielinske, Manager and Mr. Jeffrey Kent, Partner, with the CPA firm of Maher Duessel, Certified Public Accountants, who had conducted an independent audit of the SBA's financial records for the fiscal year ending June 30, 2017. Upon completion of the final audit report, the approval of the Authority was required to meet the requirements of the State Auditor's Office and our Bond Indenture. A hard copy was provided at the Meeting. Mr. Zielinske and Mr. Kent were available to answer any questions the Authority had in regards to the Audit.

Upon a motion by Mr. Victor Gabriel, with a second by Mr. Robert Holroyd, the Authority voted to approve the final version of the FY2017 Audit Report, as provided by Maher Duessel, Certified Public Accountants.

Now that the audited financial statements and the management letter have been approved by the Authority, Maher Duessel, CPAs will issue its final report. This report will be forwarded to the Trustees and the appropriate investors who own SBA bonds. A draft copy of the final report was provided in Attachment D1, and the Financial Statements were provided in Attachment D2.

B. Purchasing Card (P-Card) Program Report

Chairman Abraham recognized Executive Director Blackwell. Mr. Blackwell informed the Authority that one of the requirements of the P-Card Program is for the Authority members to review all purchases made by staff members. As such, the document in Attachment E provided an itemized list of the SBA's card usage for the period of May 1, 2017 through July 31, 2017.

C. SBA Amended and Restated By-Laws

Executive Director Blackwell stated that Attachment F was the final draft of the SBA Amended and Restated By-Laws as approved at the Special Tele-Conference Call Meeting held on August 29, 2017.

V. **CEFP AMENDMENTS** – Mr. Frank Blackwell

Executive Director Blackwell stated 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 reviewed and coordinated with the State Department of Education Office of School Facilities. The State Board of Education had acted on these amendments. Approval of these amendments does not necessarily reflect support for funding of the projects within the Amendment. Approval of these amendment simply means the County followed the proper Amendment Process. Complete Amendment submittal was available for review upon request. The following Amendments were submitted for review and approval:

A. Brooke County CEFPA Amendment

The Brooke County Board of Education requested approval of an amendment to its 2010-2020 CEFPA. This amendment would close 3 elementary schools and leave 4 open that will be reconfigured as follows:

- Hooverson Heights Primary School changes to North Primary School (grades K-2nd)
- Jefferson Primary School changes to North Intermediate School (grades 3rd-4th)
- Wellsburg Primary School changes to South Primary School (grades K-2nd)
- Franklin Primary School changes to South Intermediate School (grades 3rd-4th).

Brooke County still plans to consolidate to new north and south elementary schools after 2020. This Amendment, was approved by the West Virginia State Board of Education, during its September 2017 meeting.

Brooke County had complied with the SBA CEFPA Amendment process.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel, the Authority voted to approve Brooke County's CEFPA Amendment.

B. Mercer County CEFPA Amendment

The Mercer County Board of Education requested approval of an amendment to its 2010-2020 CEFPA. This amendment would result in technical changes. Due to the availability of property for Phase III of the amendment (building a new PreK-2 school to combine Whitethorn and Memorial Elementary Schools), they would like to proceed with Phase III prior to beginning Phase II, (building a new school to house Bluewell, Brushfork and Montcalm Elementary Schools). This Amendment, was approved by the West Virginia State Board of Education, during its July 2017 meeting.

Mercer County had complied with the SBA CEFPA Amendment process.

Upon a motion by Mr. Tom Lange, with a second by Mr. Steve Burton, the Authority voted to approve Mercer County's CEFPA Amendment.

A discussion was held regarding projects being approved by the SBA for funding before the West Virginia Department of Education held Closure Hearings. The concern was that projects where school closures were incorporated within the projects plan and/or CEFPA Amendment were being funded then altered, due to the WVDOE not approving the school closures. Dr. Steve Paine requested that this item be reviewed at the next SBA Meeting.

VI.

FINANCE REPORTS

A. Analysis of Trustee Accounts

Chairman Abraham recognized Mr. Garry Stewart. Mr. Stewart informed the Authority that Attachment I provided the financial reports of the accounts held at United Bank of Charleston, West Virginia and the Mellon Bank of New York summarizing the trustee functions of the SBA for the period ending August 31, 2017.

B. United Bank of Charleston – SBA Program Depository Account Report

Mr. Stewart notified the Authority that Attachment J provided the financial report of the depository account, which is maintained by the United Bank summarized construction spending by the SBA for school construction projects for the period ending September 15, 2017.

C. Refunding of the Series 2007 Revenue Bonds

Mr. Stewart informed the Authority that the SBA was working with its Bond Finance Team in preparation for the issuance of the Series 2017A Revenue Refunding Bonds. Authorization was provided by the Governor on August 28, 2017 and approved by the Authority on August 29, 2017. He stated that it was anticipated that the pricing of these bonds would occur during the week of September 25, 2017 and that the actual results of this refunding would be distributed to the SBA Members when the refinancing was final.

D. Future School Construction Funding Projection

Mr. Stewart informed the Authority that Attachment K was a projection of the future construction funding spending of the SBA for the next fifteen years. This projection had been prepared by the staff of the SBA and the state of West Virginia's financial advisor (PRAG). He stated that the Authority had adopted a policy that provided for equal funding each year for school construction projects. Mr. Stewart provided a detailed explanation of the assumptions used in making this projection.

VII.

NEW BUSINESS

A. Advertisement for Financial Assistant Position

Executive Director Blackwell advised the Authority that due to the scheduled retirement of Ms. Karen Courtney, effective December 31, 2017, the staff of the SBA would be placing an advertisement, on two separate dates, in the Charleston Gazette-Mail to fill the position of Financial Assistant. After the staff of the SBA has reviewed the resumes, the top applicantes' resumes, will be forwarded to Mr. Robert Holroyd, Chair of Personnel Committee, for his review and a recommendation will be brought before the Full Authority for approval, at the November 2017 Superintendent's Interview Meeting.

B. Randolph County QZAB Request

Executive Director Blackwell informed the Authority that Randolph County had requested \$350,000 in QZAB funding. The \$350,000 will be used to upgrade the HVAC system at Coalton Elementary School, in addition to updating windows, replacing roofing and additional HVAC projects in the County.

He also stated that the SBA had responded to this request and informed Randolph County, that at this time there was only \$342,000 available for distribution and that if additional QZAB funds are available in the near future we would complete this request.

Upon a motion by Mr. Steve Burton, with a second by Mr. Tom Lange the Authority voted to approve Randolph County's request for \$342,000 in available QZAB Funds, with the additional \$8,000 to be awarded if additional QZAB funds become available in the near future.

C. Logan County - New Chapmanville Elementary School

Executive Director Blackwell advised the Authority that the School Building Authority was in receipt of a letter dated September 14, 2017, from the Logan County Board of Education (LCBOE), requesting the removal of Project Construction Services, Inc. (PCS) as Construction Manager on the New Chapmanville Elementary School project. The letter indicated that the Board of Education does not feel there is a binding contract in place with PCS for Construction Management services on this project. Additionally, the LCBOE requested that the SBA provide a qualified clerk of the works to oversee construction activities for the remainder of the project. Attachment M provided a copy of the letter received from the Logan County Board of Education.

Chairman Abraham recognized Mr. Paul Hardesty, President of Logan County Board of Education. Mr. Hardesty advised the Authority of Logan County's desire to remove Project Construction Services, Inc., (PCS), as Construction Manager of the New Chapmanville Elementary School project, due to the cost. He stated that Construction Managers have a time and a place, but Logan County was not the time or the place.

Upon the conclusion of Mr. Hardesty's presentation, a brief discussion was held by the Authority, regarding the Construction Manager Services, in Logan County.

Upon a motion by Mr. Steve Burton, with a second by Mr. Victor Gabriel, the Authority voted to approve Logan County to release Project Construction Services, (PCS), from its Construction Manager Services in Logan County on the Chapmanville Elementary School Project.

VIII. OLD BUSINESS

A. Update on Hearing Before the West Virginia Legislature – Joint Government Accountability, Transparency and Efficiency Committee

Chairman Abraham recognized Executive Director Blackwell. Mr. Blackwell informed the Authority that the staff of the SBA was requested to attend a hearing before the West Virginia Legislature, Joint Government Accountability, Transparency and Efficiency Committee on Sunday, August 20, 2017 at 2:00 p.m., regarding the use of Construction Managers. This meeting consisted of four speakers, Mr. Don Gatewood, Wolf Creek Contractors; Mr. Adam Krason, American Institute of Architects of West Virginia; Dr. Mark Manchin, Superintendent of Harrison County Schools; Mr. Scott Raines and Mr. Garry Stewart represented the SBA. Each speaker stated their views/concerns of Construction Managers.

Mr. Blackwell stated that the second meeting was held on September 18, 2017 with the above speakers being asked to return to answer questions and concerns regarding their earlier presentations regarding the Construction Managers.

B. Nicholas County

Executive Director Blackwell stated that on September 7, 2017, the West Virginia Board of Education, presented to the Supreme Court a motion for administrative stay and a stay pending appeal. Thereafter, on September 11, 2017, the Board of Education of Nicholas County, filed a response in opposition.

Executive Director Blackwell also informed the Authority that upon consideration, the Court is of the opinion to and did grant the motion to stay. Oral Arguments will begin on October 3, 2017. Attachment N provided a copy of the Supreme Court's Order.

IX. **FUTURE MEETINGS**

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.

X. **ADJOURNMENT**

There being no further business to come before the Authority and upon a motion by Mr. Victor Gabriel, with a second from Mr. Robert Holroyd, the Authority voted to adjourn the September 25, 2017 Quarterly Meeting of the School Building Authority of West Virginia.

Minutes Approved November 13, 2017



Mr. Brian Abraham, Governor's Designee
School Building Authority of West Virginia