

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA (SBA)

Meeting Minutes

April 28, 2014

9:30 a.m.

Meeting Held at Capital High School

1500 Greenbrier St.

Charleston, WV 25311

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 28, 2014. The following members were present: Mr. Tom Lange; Mr. Steve Burton, Vice President; Mr. Robert Holroyd; Mr. Robert Dunlevy; Mr. Eric Lewis; Mr. Victor Gabriel; Dr. James Phares; Dr. William White; and Dr. Mark A. Manchin, Executive Director. Mr. Nicholas Preservati and Mr. Michael Greene 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; Ms. Mary Blashford; Ms. Angie Bradley and Ms. Stella Gill.

II.

APPROVAL OF MINUTES

Upon a motion by Mr. Steve Burton with a second by Mr. Tom Lange, the Authority approved the SBA Meeting Minutes of March 17 and 18, 2014.

III.

EXECUTIVE DIRECTOR'S REPORT

Update on the Pendleton Design Build Project

Mr. Mark A. Manchin informed the Authority that the new Pendleton County design build project was progressing well and introduced Superintendent Doug Lambert to provide an update on the progress. Superintendent Lambert provided a brief update of the project status. He informed the Authority that the school construction was progressing well and that the cross laminate wood walls were already being erected. Superintendent Lambert recognized Mr. Bud Henderson with City Construction to provide further details regarding the cross laminate beams being utilized to construct the school. Mr. Henderson stated that this school would be the first school to be constructed using the cross laminate wood. He provided a brief overview of this new concept and explained that instead of constructing the school from block they were utilizing a new material call cross laminate wood beams. Large sections of walls would be constructed at the factory and then shipped to the school construction site to be assembled. Mr. Henderson provided the Authority with a book containing photos of the progress of the walls being erected.

Mr. Steve Burton asked where the factory that manufactured the cross laminate wood was located. Mr. Henderson stated that currently there were no factories in the USA that manufactured this particular material and that the cross laminate wood was being manufactured at a factory located in Germany. Mr. Burton expressed his concerns regarding two major issues, the first being that the SBA utilizing wood to construct a school instead of the traditional block and mortar. The second issue was that he was deeply concerned about the use of a building material that was being manufactured in another country. Mr.

Henderson stated that WVU had conducted a study that stated that the type of trees that grows throughout WV was perfect for the manufacture of the cross laminate wood beams and that the company was considering opening a factory in the USA and they were looking at the possibility of opening it in WV. Further discussion ensued with Mr. Burton stating the he recommended the SBA closely monitor this project.

Emergency Grant Fund Requests

Dr. Mark A. Manchin informed the Authority that Lewis and Brooke Counties had recently contacted the SBA office about the possibility of obtaining Emergency SBA Funding for ongoing projects in these counties. Dr. Manchin stated that staff had not had the opportunity to sufficiently explore the details regarding these requests to provide a recommendation to the Authority at this time.

Dr. Manchin recognized Superintendent Joe Mace to provide further details regarding the issue pertaining to the Lewis/Gilmer Inter County school construction project. Mr. Mace provided the Authority with a brief update regarding this project as well as the recent slip located on the construction site of the new school. Dr. Manchin informed the Authority members that the architect estimated the cost to fix the slip was approximately \$480,000.00 but that a definite cost had yet to be determined. He stated that he had informed the county that they would need to obtain bids on slip remediation to get a more definite number. Once a definite cost was determined he planned to bring the issue back to the Authority for review and consideration.

Overview of SBA Series 2014A

Dr. Mark A. Manchin provided a brief overview of the upcoming sale of the SBA Series 2014 A School Construction Bond. He informed the Authority that the Bond Finance Team had been working on the details of the up upcoming Bond sale. The Governor had authorized the SBA to sale the School Construction Bonds in an amount not to exceed \$55 Million which would either be all at one time or separated into two separate transactions.

Dr. Manchin informed the Authority that several members of the Bond Finance Team were present and that they would be presenting a couple documents pertaining to the upcoming Bond sale.

V.

CONSTRUCTION COMMITTEE REPORT

SBA Policy & Procedures Handbook Revisions

Mr. Steve Burton recognized Mr. Scott Raines to provide details of the proposed policy changes. Mr. Raines stated that over the past several months, the SBA staff has been reviewing our current Policy & Procedures Handbook and several revisions are being proposed. Mr. Raines informed the Authority that revisions were being proposed that would address the following: current WV Code requirements, clarification of existing policy issues, State Board Policy 6200 revisions and new design and construction requirements. He informed the Authority that the staff had incorporated the new language into the SBA policy and procedure manual filed the revised policy for 30-days with the WV Secretary of State's office for public comment. He stated that SBA staff had consideration all comments received and a final draft of the SBA Policy & Procedure manual was being presented to the Authority for their review and approval.

Upon a motion by Mr. Tom Lange and a second by Mr. Victor Gabriel, the Authority voted to approve the final draft of the SBA Policy & Procedure manual.

Mr. Steve Burton requested that the SBA staff meet with the Department of Labor to further discuss

various issues regarding the SBA Policy & Procedure.

VI.

FINANCE COMMITTEE REPORTS

Mr. Stewart presented a recap of the various finance reports to the Authority for their information. He also provided a review of the current balance funds available in each Grant fund Account as listed below.

Current SBA Fund Balances

	<u>April 28, 2014</u>
1. Emergency	\$ 3,116,037
2. NEEDS Funds - Amount to be determined	
3. QZAB	\$ 1,358,000

Dr. Mark Manchin informed the Authority that there were some projects that were requesting QZAB funds and should more than one be approved the total amount would be greater than current total of available QZAB funds and any amount above this amount would be deducted from the next QZAB allocation which he anticipated to be approved by the Federal Government sometime later this year.

VII.

DELIBERATION AND SELECTION OF NEEDS PROJECTS

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 staff comments would reflect any changes that may have been made to the projects since the March Superintendent Interviews. Dr. Mark A. Manchin stated that should the Authority approve a project with a QZAB request included in their finance plan, this approval would automatically constitute the Authority's approval of the QZAB request as well.

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	Wayne	\$8,000,000 / \$10,000,000 contingent on local Bond passage
Robert Holroyd	Mercer	\$8,908,800
Robert Dunlevy	Ohio	\$5,892,451
Tom Lange	Monongalia	\$10,952,803
Victor Gabriel	Doddridge	\$398,128
Eric Lewis	Brooke	\$100,000 Planning Grant
Dr. James Phares	Gilmer	\$12,209,255
Dr. William White	Kanawha	\$2,091,352
Peter Markham	Mingo	\$9,108,879

Upon a motion by Mr. Victor Gabriel with a second by Dr. William White, the Authority voted to close the nominations.

Once the list of nominated projects was established and it was determined the total of the project exceeded

the amount of funds available for distribution. Therefore, the Authority members would need to vote projects to be removed from the list of nominated projects.

Upon a motion by Mr. Eric Lewis with a second by Mr. Robert Holroyd the Authority voted to remove the Kanawha County project from the list of nominated projects.

After a lengthy discussion, upon a motion by Mr. Tom Lange with a second by Mr. Steve Burton; the Authority voted to remove the Mercer County project from the list of nominated projects. Then upon a motion by Mr. Robert Holroyd, with a second by Dr. William White the Authority voted to place the Mercer County project as a contingency project to be funded should the Wayne County Bond fail.

A lengthy debate and discussion ensued. Upon a motion by Mr. Tom Lange with a second by Mr. Robert Holroyd, the Authority voted to decrease the recommended amount to be awarded to Mingo and Ohio counties by \$500,000. The final list of projects to be considered for final approval was as follows:

County	Project Description	Project Cost	Local Funds	QZAB	SBA Awarded Funds
Brooke	New Middle School and HVAC Renovations at Brooke County HS	\$100,000	\$0	\$0	\$100,000*
Doddridge	2 Classroom Addition at Doddridge County ES	\$880,569	\$500,000	\$0	\$380,569
Gilmer	New Gilmer County ES	\$14,327,232	\$1,117,977	\$1,000,000	\$12,209,255
Mingo	Additions/Renovations to Burch MS	\$9,608,879	\$1,000,000	\$0	\$8,608,879
Monongalia	New Suncrest ES	\$15,452,803	\$6,787,811	\$0	\$8,664,992
Ohio	Renovations to Ritchie ES	\$6,772,932	\$1,380,481	\$0	\$5,392,451
Wayne	New Ceredo Kenova ES, New Crum PK-8 and Renovations of Wayne County HS	\$42,200,000	\$22,200,000	\$2,000,000	\$8,000,000**
Total		\$89,342,415	\$32,986,269	\$3,000,000	\$43,356,146

***Contingent upon passage of a local bond.**

****Contingent upon passage of a local bond. \$10,000,000 also committed in the second year if the bond passes.**

Upon a motion by Mr. Victor Gabriel, with a second by Dr. William White the Authority voted to

approve the above final list of Needs projects.

VIII.

PERSONNEL COMMITTEE

There were no SBA personnel issues to discuss at this meeting.

IX.

**SBA Series 2014A Bonds - Review and Approval
of a Declaration of Official Intent to Issue Bonds and Reimbursement Resolution**

Dr. Mark A. Manchin recognized Mr. Brian Helmick to provide an overview of the SBA Series 2014A Bonds. He explained that the Authority would be required to take two actions in order to move forward with the Bond sale. The first was action necessary would be for the Authority to approve the Series 2014 Project List which includes the project just approved for funding by the Authority. Next, the Authority would need to review and approve the Declaration of Intent to issue Bonds and Reimbursement Resolution.

Upon a motion by Mr. Robert Holroyd, with a second by Mr. Robert Dunlevy the Authority voted to approval the proposed SBA Series 2014A Bond School Construction Project List.

Upon a motion by Mr. Tom Lange, with a second by Dr. William White the Authority voted to approve the Declaration of Intent to issue Bonds and Reimbursement Resolution.

Mr. Steve Burton informed the Authority that Mr. Henderson had presented a book of photos pertaining to the Pendleton County design build project earlier in the meeting but that the book was now gone. He requested that Dr. Manchin contact Mr. Henderson and request that another copy be provided to him so that he could have an opportunity to review the photos further.

X.

FUTURE MEETINGS

The 2014 summer quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on June 16, 2014 with the meeting to be held at the Eastwood Elementary School in Morgantown, WV. (This is one of the new “Green Schools” funded by the SBA.)

The 2014 fall quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on September 29, 2014 with the location to be determined.

The 2014 winter quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 15, 2014 at 2300 Kanawha Boulevard, East, Charleston.

XI.

ADJOURNMENT

There being no further business to come before the Authority and upon a motion by Mr. Tom Lange with a second by Mr. Victor Gabriel, the Authority voted to adjourn the April 28, 2014 meeting of the School Building Authority of West Virginia.

Minutes approved on June 16, 2014

A handwritten signature in blue ink that reads "Peter M. Markham". The signature is written in a cursive style with a large initial "P" and "M".

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