

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Meeting Minutes

Monday, June 16, 2014
(New) East Wood Elementary School – Monongalia County
10:00 a.m.

CALL TO ORDER

Mr. Peter Markham called the School Building Authority of West Virginia (SBA) meeting to order at 10:16 a.m. on June 16, 2014. The following members were present: Mr. Robert Holroyd; Mr. Steve Burton, Vice President; Mr. William White, via teleconference; Ms. Tina Combs; Mr. Victor Gabriel; Mr. Robert Dunlevy; Mr. Eric Lewis; Mr. Tom Lange and Dr. Mark A. Manchin, Executive Director. Dr. James Phares and Mr. Nicholas Preservati 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; Mr. Dana Womack; Ms. Angie Bradley; Ms. Karen Courtney and Ms. Stella Gill.

II.

ACKNOWLEDGMENTS AND RECOGNITIONS

Mr. Peter Markham recognized Dr. Mark A. Manchin, stating that this would be his last meeting as the Executive Director of the SBA and on behalf of the Governor; he thanked Dr. Manchin for his service and dedication to the students throughout WV. Dr. Manchin thanked the Authority for all their support throughout his tenure as Executive Director.

Mr. Markham then recognized Mr. Tom Lange. Mr. Lange handed out a document which provided information regarding the amount of school construction projects that had been awarded during the time that Dr. Manchin was Executive Director of the SBA. He also stated that during this time period, through the guidance of Dr. Manchin and the encouragement of the entire SBA Board, there were 14 local bonds passed which helped make it possible for more schools to be built.

Welcome by Monongalia County

Mr. Peter Markham recognized the Dr. Devono, Superintendent of Monongalia County Schools, to welcome the School Building Authority and provide a brief overview of the County schools. Dr. Devono thanked the Authority for the opportunity to take them on a tour of the (New) East Wood Elementary School. He then recognized Mrs. Parsons, the principal of the East Wood Elementary, to provide further details regarding this new green school.

III.

APPROVAL OF MINUTES

Upon a motion by Mr. Tom Lange with a second by Mr. Robert Holroyd the Authority voted to approve the minutes of the April 28, 2014 meeting.

IV.

EXECUTIVE DIRECTOR'S REPORTS

Mr. Peter Markham recognized Dr. Mark A. Manchin to provide a review of the following issue

A.

Status Update – Series 2014 SBA Bond

Dr. Manchin informed the Authority that he and Tom Lange had recently traveled to New York representing the SBA in the sale of the Series 2014 School Construction Bonds. He then recognized Mr. Tom Lange to provide further details regarding this topic. Mr. Lange provided the Authority with a brief over of the recent trip to New York and the Bond sale. He stated that the SBA Bonds had obtained a 2.8 true interest rate which in turn generated approximately \$30,000,000 in Bond proceeds to be utilized for school construction throughout WV.

B.

Design/Build Status – Pendleton County and Harrison County

Mr. Manchin provided the Authority with a brief overview of the status of the two design build projects and stated that they were progressing well. He then recognized SBA staff member Mr. Dana Womack to provide further details. Mr. Womack informed the Authority that we anticipated students to be in the schools by January 1, 2015. He stated that by utilizing the design/build construction method, this would be 18 months from the date the project was awarded to the date of completion. Mr. Victor Gabriel asked if this construction method was a less expensive method to build schools. Mr. Scott Raines informed the Authority the actual construction cost was not lower but was actually slightly more expensive, but the time involved in the construction process was substantially less. Mr. Raines stated that there had been a few complaints from the two County Superintendents regarding the planning process. It was his recommendation, that should the Authority choose to utilize the design/build process on future SBA school construction projects, that they allow the SBA staff to research the process further and come up with a hybrid process that would better meld with the SBA's Policies and Procedures. A brief discussion ensued and Mr. Steve Burton requested that before any future SBA projects were allowed to move forward utilizing either the design/build process or utilize the cross laminated beam material, the issue be brought before the full Authority to discuss and approved. Mr. Tom Lange stated that even though the process was not perfect, that he still supported the design/build process for future projects.

Mr. Peter Markham stated that it was clear that this issue would require more time for discussion than this meeting would allow and requested that the SBA staff coordinate a Special Meeting of the Authority specifically to work on this issue.

C.

Purchasing Card (P-Card) Program Report

Dr. Manchin informed the Authority that one of the requirements of the P-Card Program is for the Board/Authority members to review all purchases made by staff members. As such, the document in Attachment B provides an itemized list of the SBA's card usage for the period of February 1, 2014 thru April 30, 2014. He encouraged everyone to review this document and asked if there were any questions. The Authority members had no questions at this time.

V.

FINANCE REPORTS

Dixon Hughes Goodman LLP – SBA 2014 Audit Planning Communications

Mr. Garry Stewart informed the Authority that in conjunction with the annual audit of SBA's

financial statements for the year ending June 30, 2014, the new auditors, Dixon Hughes Goodman LLP, are required to make certain communications with the body charged with governance before the start of the audit. Mr. Stewart then reminded that as he had previously informed them, he was required to disclose to them that his son is an employed of Dixon Hughes Goodman, but as ethics requires, his son will not be doing any of the audit review work pertaining to the SBA.

Mr. Stewart then introduced Mr. Norman Mosrie with Dixon Hughes Goodman LLP to address the Authority. Mr. Mosrie introduced himself and then provided a report detailing the process he intends to use while conducting the audit. He also provided the Authority with a booklet which contained an overview of the company and a brief biography the audit team members. Mr. Mosrie stated that in light of some changes in in the Federal Guidelines, the SBA would not have to have a Single Audit but would be required to have what is known as a Yellow Audit. He provided further details regarding this process and provided an opportunity for the Authority members to ask any questions they may have. In closing, Mr. Mosrie provided the Authority members with his contact information and informed them that if anyone on the Authority had any specific concerns regarding the SBA financials, they were welcome to contact him to discuss this matter.

Mr. Garry Stewart then presented a recap of the various finance reports to the Authority for their review and information. Additionally, he handed out a report that provides an analysis of Sinking Fund for all Bond Series. He provided an overview of the information provided and there were no questions from the Authority Members.

VI.

OTHER BUSINESS

Square Footage Costs Allowance

Mr. Peter Markham recognizes Mr. Scott Raines to provide further details regarding the square footage cost allowance. Mr. Raines informed the Authority that as per the requirement of the SBA's legislative rules, the SBA staff has reviewed the construction square foot cost for new construction projects. Based on the Authority's decision to address this issue during the September, 2013 quarterly meeting, the SBA staff recommended no changes to the square footage cost allowance at this time. We recommend that the SBA staff continue to monitor the square foot cost as bids are received this summer and bring back a report to the Authority at a future meeting. A lengthy discussion ensued. Mr. Eric Lewis expressed his concerns regarding the student growth in the Eastern Panhandle. He stated that there were reports showing that the student population will begin increasing again in the years 2015, 2016 and 2017. Mr. Scott Raines stated that according to the data that the SBA office has received, the growth in that area had leveled off and looked to remain flat in the coming years. Another lengthy discussion ensued. Mr. Peter Markham finally stated that this was another topic which needed further discussion at another time. He stated that this topic would be added to the requested Special Meeting as a work session discussion topic.

Annual Appointment of Officers

In accordance with the WV Code §18-9D-1, the Authority shall annually elect one of its public members as Vice Chair and shall appoint a member as Secretary. At this time, Mr. Steve Burton holds the office of Vice Chair and Mr. Eric Lewis holds the office of Secretary.

Upon a motion by Mr. Victor Gabriel with a second by Mr. Robert Dunlevy the Authority voted to re-elect the Mr. Steve Burton the office of Vice Chair and Mr. Eric Lewis to the office of Secretary for 2014/2015.

At this time Mr. Peter Markham provided an update regarding the Schools for the Deaf and Blind in Romney. He stated that he was working on establishing an Ad-Hoc committee and he and his staff were still in the process of coordinating the scheduling of this meeting. This process had been delayed due to previously scheduled vacations and other meetings. Dr. William White requested that the Schools for the Deaf and Blind be added to the list of issues for discussion at the Special Work Meeting that is to be scheduled by the SBA staff.

Mr. Tom Lange asked why Barbour County's request for Emergency Funds was not on the agenda for consideration. Dr. Manchin informed the Authority that the Staff had reviewed this request and determined that it did not fall under the Emergency Grant Fund parameters. A brief discussion ensued and Mr. Lange requested that the SBA staff provide him with additional information regarding this issue.

VIII.

PERSONNEL COMMITTEE

Dr. Mark A. Manchin stated that the Authority had personnel business to discuss and possibly take action on. At this time, Mr. Robert Holroyd, Chair of the Personnel Committee, requested that the meeting stand in recess and in accordance with WV Code §6-9A-4(2) (A) the Authority shall go into Executive Session to discuss matters of the personnel issues. Upon a motion by Mr. William White with a second by Mr. Victor Gabriel, the Authority voted for the meeting to stand in recess so that the members may go into Executive Session.

Mr. Markham called the meeting back to order. Upon a motion by Mr. Robert Holroyd with a second by Tom Lange, the Authority voted to temporarily appoint Ms. Stella Gill to the job position Director of Administration. This position is to be a temporary appointment until the new Executive Director has been selected. The new Executive Director will then assess this appointment and make the recommendation as to if this appointment shall be permanent or if the job will be posted. Ms. Gill is appointed to this temporary position and approved for a salary increase to \$51,000.00 and at the end of one year shall then be approved for an additional salary increase of \$5,000.00. This job position became available upon the transfer of Ms. Mary Blashford to the Higher Education Policy Commission. Ms. Blashford had been a long time employee at the SBA and had worked with the agency almost since its inception.

VIII.

FUTURE MEETINGS

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.

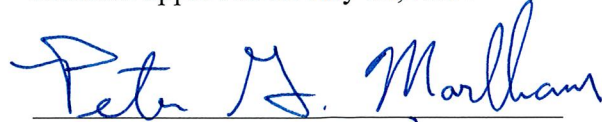
The 2014 winter quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 15, 2014 at 2300 Kanawha Boulevard, East, Charleston.

IX.

ADJOURNMENT

Upon a motion by Mr. Steve Burton with a second by Mr. Eric Lewis, the June 16, 2014 meeting of the School Building Authority of West Virginia was adjourned.

Minutes approved on July 11, 2014



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