

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Meeting Minutes

June 15, 2009

At Shady Spring Middle School – Raleigh County , WV
10:00 a.m.

I.

CALL TO ORDER

Governor's Designee, Mr. Jonathan Deem called the School Building Authority of West Virginia (SBA) meeting to order at 10:00 a.m. on June 15, 2009. The following members were present: Mr. Steve Burton, Vice-Chair; Mr. Louis Spatafore; Mr. Robert Holroyd; Mr. Nicholas Preservati; Mr. Tom Lange; Mrs. Delores Cook; Mrs. Connie Perry and Dr. Mark Manchin, Executive Director. Dr. Steven Paine; Mrs. Burma Hatfield and Mr. Robert Dunlevy were absent from this meeting. Also present were the following SBA staff members: Mr. David Sneed; Mr. Garry Stewart; Mr. Scott Raines; Mr. Mike Pickens; Mr. Mike Hall; Ms. Sherry Grogg, Ms. Mary Blashford and Ms. Stella Gill.

II.

ACKNOWLEDGMENTS AND RECOGNITIONS

The following individuals attended the SBA meeting: Mr. Ryan White, Jackson & Kelly; Ms. Samme Gee, Jackson & Kelly; Mr. Paul Creeden, Citi Group; Mr. Joe Nassif, Raymond James; Ms. Marie Prezioso, Raymond James; Mr. Kurt Dettinger, Lewis, Glasser, Casey & Rollins, PLLC; Mr. Benjamin Asher, Public Resource Advisory Group (PRAG); Dr. Charlotte Hutchens, Superintendent of Raleigh County Schools; Mr. Richard Snuffer, Raleigh County Board of Education; Ms. Cindy Jafary, Raleigh County Board of Education; Mr. Larry Ford, Raleigh County Board of Education; Ms. Patricia Waddell, Raleigh County Board of Education; Mr. Frank Mann, Wyoming County Board of Education; Ms. Vicki Hinerman, Superintendent of Summers County Schools; Ms. Kimberly Roder, Summers County Schools and Mr. John Galloway, Gibbons & Kawash.

Dr. Manchin introduced Dr. Charlotte Hutchens, Superintendent of Raleigh County Schools. Dr. Hutchens welcomed everyone to Raleigh County and provided an overview of Raleigh County's school construction initiatives. Dr. Hutchens then introduced all of her Board of Education members that were present and recognized Mr. Gary Nichols the Principal of Shady Spring Middle School. Mr. Nichols also welcomed the Authority members and thanked them for their continued support of the Raleigh County Schools. He pointed out that not only was the Shady Spring Middle School originally built with SBA funds but the renovation that was currently under way was part of an SBA grant project.

III.

APPROVAL OF MINUTES

Upon motion by Mr. Robert Holroyd, with second by Mr. Nicholas Preservati, the Authority approved the minutes for the April 20, 2009 SBA meetings.

EXECUTIVE DIRECTOR'S REPORTS

Dr. Mark A. Manchin informed the Authority that the SBA staff and Finance Committee members were currently preparing to go back to New York to sell approximately \$30,000,000 worth of the tax credit Qualified School Construction Bonds (QSCB) that were allocated to West Virginia as part of the American Recovery and Reinvestment Act (ARRA). Dr. Manchin informed the Authority members that since the ARRA legislation allocated approximately \$78,000,000 in QSCB for 2009 and another \$78,000,000 for 2010; he anticipated going back to sell additional QSCB's within the next year. In light of this, Dr. Manchin stated that the Finance Committee would be looking at amending the current SBA Finance Plan and may bring back a recommendation during the September Quarterly meeting.

Dr. Mark A. Manchin then provided a brief update on the current status of the School Access Safety Fund (SASF) and provided an overview of each county's current School Access Safety expenditure status. He informed the Authority members that we anticipate all the remaining funds allocated from the first round of SASF to be expended or encumbered by the end of this fiscal year and over half of the second round of funds was currently expended. Dr. Manchin stated that the SBA staff had been working with the county officials to ensure that they understand the importance of utilizing these funds in a timely manner.

V.

CONSENT AGENDA

Upon a motion by Mrs. Delores Cook, with a second by Mrs. Connie Perry the authority approved the Consent Agenda which included the following:

Kanawha County CEFP Amendment

The Kanawha County Board of Education requested approval of an amendment to their 2000 – 2010 CEFP. This amendment allows Kanawha County to relocate two portable classrooms from the Sissonville Middle School site to the Carver Career Center site in order to support the Star Academy program. It also allows for the relocation of a portable classroom for the Hayes Middle School to Richmond Elementary school to alleviate overcrowding due to the increase of enrollment at this school. The State Board of Education approved this amendment during their May meetings and Kanawha County provided the appropriate amendment documentation to the SBA office.

VI.

FINANCE COMMITTEE REPORT

Consideration and Approval of a Parameters Resolution for SBA Bonds

Mr. Jonathan Deem recognized Mr. Nicholas Preservati to provide the Finance Committee Report. Mr. Preservati provided a brief overview of the pending QSCB bond sale and stated that throughout this process, the SBA staff and Finance Committee had continued to work closely with the Governor's staff and the state's financial advisors; Public Resource Advisory Group (PRAG).

Mr. Preservati then introduced Ms. Samme Gee, with Jackson Kelly PLLC, to provide further details regarding the QSCB bond sale. At this time, Ms. Gee presented the members of the School

Building Authority QSCB Working Group that were present and provided them with an opportunity to introduce themselves. The members of the working group were as follows: Ms. Samme Gee with Jackson Kelly PLLC, Bond Counsel; Mr. Ryan White with Jackson Kelly PLLC, Bond Counsel; Mr. Paul Creeden with Citi Group, Senior Managing Underwriter; Ms. Marie Prezioso with Raymond James, Co-Managing Underwriter; Mr. Joseph Nassif with Raymond James, Co-Managing Underwriter; Mr. Kurt Dettinger with Lewis, Glasser, Casey & Rollins, PLLC, Underwriter's Counsel and Mr. Benjamin Asher with PRAG, State's Financial Advisor. Ms. Gee then proceeded to provide a detailed overview of the Parameters Resolution that was being presented for the Authority's approval. She informed the Authority that in order to issue the QSCB Bonds, the members of the SBA must adopt a binding resolution. This Authorizing Resolution will:

- Give final approval of the bonds;
- Set maximum principal amount and tax credit parameters of the bonds;
- Set parameters for the bonds and sale thereof;
- Approve, ratify and confirm bond counsel, issuer's counsel, fiduciaries and underwriters;
- Approve form of bond documents including approval of amendment to the Master Trust Indenture;
- Authorize closing, incidental action, Certificate of Determinations procedure;
- Make related approvals and take related action; and
- Establish Projects to be financed by proceeds of the bonds.

Upon motion by Mr. Steve Burton, with second by Mr. Tom Lange, the Authority approved the Parameter Resolution as presented. A copy of this resolution is attached to these meeting minutes.

Consideration and Approval of QSCB Bond Reimbursement Resolutions

Ms. Samme Gee provided details regarding various regulations and requirements of the QSCBs. She stated that one of the conditions of the QSCBs was a requirement that 10% of the total amount of the proceeds from the Bond sale be expended within six months of the Bond Closing. In light of this requirement and since the SBA has expressed an interest in going back to the market either later this year or next year to sell more QSCB Bonds, it was necessary for the Authority to pass the following resolutions.

Resolution 01 Authorizes Authority to reimburse the school building construction fund for expenditures on certain projects with proceeds of the qualified school construction bonds authorized under the Authorizing Resolution adopted contemporaneously; and

Resolution 02 Authorizes Authority to reimburse the school building construction fund for expenditures on certain projects with proceeds of an additional series of qualified school construction bonds expected to be issued prior to January 1, 2010.

Upon motion by Mr. Steve Burton, with second by Mr. Robert Holroyd, the Authority approved the QSCB Bond Reimbursement Resolution 01 as presented. Then, upon a motion by Mrs. Connie Perry, with second by Mr. Louis Spatafore, the Authority approved the QSCB Bond Reimbursement Resolution 02 as presented. A copy of these resolutions is attached to these meeting minutes.

VII.

FINANCE REPORTS

Mr. Jonathan Deem recognized Mr. Garry Stewart to provide the SBA Finance Reports. Mr. Stewart informed the Authority members that it was nearing time to begin the annual audit of the SBA's

financial statements for the year ending June 30, 2009. He stated that Gibbons & Kawash are the company that will be conducting the audit. As part of the audit, they are required to make certain communications with the body charged with governance of the SBA before the start of the audit. Mr. Stewart then introduced Mr. John Galloway with Gibbons & Kawash in order to provide the Authority with the appropriate information as required. Mr. Galloway introduced himself and then provided a report detailing the process he intends to use while conducting the audit. He also 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. He went on to say that he had been conducting these audits for the SBA for many years and had always received the full cooperation of Mr. Stewart and the other SBA staff members.

Mr. Garry Stewart then presented a recap of the various finance reports to the Authority for their review and information. Mr. Stewart also provided the Authority with an analysis of construction costs for the School Construction Fund projects and the Major Improvement projects funded in FY 2009. This analysis also indicated the current surplus or deficit on these projects.

VIII.

PROJECT AND CONSTRUCTION COMMITTEE REPORTS

Mr. Jonathan Deem recognized Mr. Steve Burton to provide the Construction Committee Report. Mr. Burton stated that the Construction Committee had recently met to consider various issues. He requested that Mr. David Sneed provide further details regarding the items considered by the Construction Committee meeting and to review the committee's recommendations

Square Footage Costs Allowance

Mr. David Sneed informed the Authority that the SBA's Legislative Rule requires that the SBA staff review the construction square foot cost for new construction projects on an annual basis and provide recommendations to the Authority on this issue. He stated that based on the limited number of new school construction projects that had bid; the SBA staff and the Construction Committee would recommend no changes to the square footage cost allowance be made at this time. The SBA staff will track the bids that come in over the next couple months to collect a broader baseline of cost data. They will then come back with to Authority to provide further recommends as to the need for changes to future square foot cost allowances.

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd, the Authority voted to defer any consideration of changes to future square foot cost allowances until the September 21, 2009 quarterly meeting.

2009 Roof Projects - 2009 Qualified School Construction Funds

Mr. Sneed then reviewed the recommendations for the first round of roofing projects that are to be funded through the Qualified School Construction Bond program. These projects were selected from the list of projects submitted by the counties and have been reviewed by the SBA staff and our roofing consultant for severity of need. The roofing projects recommended for the first round of funding are as follows:

County	Project	Estimated Cost	Local 25% Contribution	SBA Cost	SBA Cost Cumulative Total
Barbour	Philip Barbour HS	\$ 704,250	\$ 176,063	\$ 528,187	\$ 528,187
Boone	Nellis EL	\$ 90,000	\$ 22,500	\$ 67,500	\$ 595,687
Braxton	Burnsville EL	\$ 180,000	\$ 45,000	\$ 135,000	\$ 730,687
Putnam	Buffalo EL	\$ 235,000	\$ 58,750	\$ 176,250	\$ 906,937
Clay	Clay MS	\$ 221,500	\$ 55,375	\$ 166,125	\$ 1,073,062
Wayne	Vinson MS	\$ 150,000	\$ 37,500	\$ 112,500	\$ 1,185,562
Calhoun	Arnoldsburg School	\$ 56,800	\$ 14,200	\$ 42,600	\$ 1,228,162
Mineral	Frankfort HS	\$ 450,000	\$ 112,500	\$ 337,500	\$ 1,565,662
Morgan	Paw Paw HS	\$ 150,000	\$ 37,500	\$ 112,500	\$ 1,678,162
Kanawha	South Charleston HS	\$ 700,000	\$ 175,000	\$ 525,000	\$ 2,203,162
Gilmer	Gilmer County HS	\$ 172,903	\$ 43,226	\$ 129,677	\$ 2,332,839
Harrison	South Harrison HS	\$ 305,225	\$ 76,306	\$ 228,919	\$ 2,561,758
Upshur	Washington Dist. EL	\$ 240,130	\$ 60,033	\$ 180,097	\$ 2,741,855
Preston	Preston HS	\$ 685,265	\$ 171,316	\$ 513,949	\$ 3,255,804
Raleigh	Stratton EL	\$ 245,000	\$ 61,250	\$ 183,750	\$ 3,439,554
Webster	Webster Springs EL	\$ 150,000	\$ 37,500	\$ 112,500	\$ 3,552,054
Hardy	East Hardy HS	\$ 103,866	\$ 25,967	\$ 77,899	\$ 3,629,953

Upon a motion by Mrs. Connie Perry, with a second by Mr. Nicholas Preservati, the Authority approved the first round of recommended roofing projects as listed above to be funded by proceeds from the sale of the QSCB Bonds.

SBA Policy and Procedure Proposed Revisions

Next, Mr. Sneed directed the Authority's attention to the staff recommended revisions to the SBA Policy and Procedures in Attachment K. He then provided an overview of the recommended revisions and requested that the Authority approve these changes. Upon a motion by Mr. Robert Holroyd, with a second by Mr. Tom Lange, the Authority approved the proposed revisions to the SBA Policy and Procedures as detailed.

IX.

NEW BUSINESS

Proposed Project for the Energy Efficiency in State Buildings Funds

Dr. Mark A. Manchin informed the Authority, that at the request of the Governor's office, the SBA staff had been working with the West Virginia Division of Energy to apply for a portion of the Energy Efficiency in State Buildings funds as part of American Recovery and Reinvestment Act (ARRA). The request for funds are to be applied to four projects. These projects are as follows:

Proposed Projects for Energy Efficiency in State Buildings		SBA	Local
Marion County	Fairmont Senior HS Boiler & HVAC Replacement	\$2,123,835	\$ 0
Morgan County	Berkeley Springs HS HVAC & Lighting Upgrades	\$ 311,368	\$50,000
Mineral County	Frankford & Keyser EL HVAC	\$ 382,656	\$35,000
Berkeley County	Geo Thermal HVAC System	\$ 500,000	\$ 0
TOTAL		\$3,317,859	\$85,000

Since these projects were being recommended for these funds by the Governor, Dr. Manchin stated that he was just keeping them informed of what was happening and that no action or recommendation from the Authority was necessary.

X.

OLD BUSINESS

Appointment of Officers for 2009

Dr. Mark A. Manchin informed the Authority that in accordance with the WV Code §18-9D-1, the Authority was required to annually elect one of its public members as Vice Chair and one member as Secretary. He stated that he recommended the Authority re-elect Mr. Steve Burton to the office of Vice Chair and Mrs. Delores Cook as the Secretary.

Upon a motion by Mrs. Connie Perry, with a second by Mr. Tom Lange, the Authority voted to elect Mr. Steve Burton to the office of Vice Chair and Mrs. Delores Cook as the Secretary to the School Building Authority of West Virginia.

At this time, Mr. Tom Lange asked if there was an issue with projects coming into the SBA office in accordance with the approved timeline and getting approved by SBA staff in a timely manner. Dr. Manchin stated that he was maintaining a close eye on the timeline and was encouraging the SBA to make the review and approval of these project plan submittals a priority in order to keep everything on schedule.

Architectural Services Staff Monthly Project Status Report

Dr. Mark A. Manchin directed the Authority's attention to the information provided in the Architectural Service Staff Monthly Project Status Report. This report provides information regarding the current status of all active projects that the SBA is involved with.

XI.

FUTURE MEETINGS

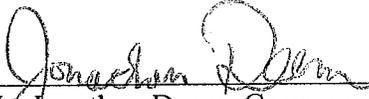
The 2009 fall quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on September 21, 2009 with the location to be determined.

The 2009 winter quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 14, 2009 at 2300 Kanawha Boulevard, East, Charleston.

XII.

ADJOURNMENT

At this time, without objection, the June Quarterly meeting of the Authority was adjourned.
Minutes approved September 21, 2009



Mr. Jonathan Deem, Governors Designee
School Building Authority of West Virginia