

MEETING MINUTES
SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Governor's Press Conference Room
December 17, 2012
9:00 a.m.

I.

CALL TO ORDER

The Governor's Designee, Mr. Peter Markham called the meeting of the School Building Authority of West Virginia (SBA) to order at 9:00 a.m. on December 17, 2012. The following members were present: Mr. Steve Burton, Vice President; Mr. Robert Holroyd; Mr. Tom Lange; Mrs. Jenny Phillips, via telephone; Mr. Victor Gabriel; Mr. Eric Lewis; Mr. Wade Linger; Mr. Nicholas Preservati and Dr. Mark A. Manchin, Executive Director. Also present were the following SBA staff members: Mr. Garry Stewart; Mr. Scott Raines; Mr. Benjamin Ashley; Mr. Mike Hall; Ms. Joyce VanGilder; Ms. Mary Blashford; Ms. Angela Bradley and Ms. Stella Gill.

II

ACKNOWLEDGMENTS AND RECOGNITIONS

New Board Members – Mr. Robert Dunlevy and Mr. Chuck Heinlein –

Dr. Mark A. Manchin introduced Judge Jennifer Bailey for the purpose of swearing in Mr. Robert Dunlevy and Mr. Chuck Heinlein as the newest board members of the School Building Authority.

The following individuals attended the SBA meeting: Samme Gee, Jackson Kelly; Mr. Chuck Hatfield, Putnam County Superintendent; Mr. Rick Oyler, Doddridge County Schools; Rick Coffmen, Doddridge County Superintendent; Amy Atami, Charleston Gazette; Glenn Sweet, Barbour County Schools; Martha Dean, Webster County Superintendent; Mike Pickens, WV Department of Education; Sarah Petry, Williamson Shriver; Ted Shriver, Williamson Shriver, Greg Williamson, Williamson Shriver, Williamson Shriver; Randy Keathley, Mingo County Superintendent; Ron Duerring, Kanawha County School; Chuck Wilson, Kanawha County Schools; Dwight Dials, Fayette County Superintendent; Ed Toman, Ritchie County Superintendent; Tommy Young, McKinnley & Associates; Gary Mitchell, AVG; Bob Maynard, Taylor County; Ralph Dinges, Jefferson County; Amanda Kimble, Tyler County; Jeff Davis, Tyler County; Mike Clowser, Contractor Association; Travis Arey, PCS and Debbie Akers, Mercer County Superintendent.

III.

APPROVAL OF MINUTES

Upon motion by Mr. Nicholas Preservati, with a second by Mr. Robert Dunlevy, the Authority approved the minutes of the SBA Quarterly September 17, 2012.

Upon motion by Mr. Eric Lewis, with a second by Mr. Victor Gabriel, the Authority approved the minutes of the SBA Special Meeting of October 19, 2012.

IV.

EXECUTIVE DIRECTOR'S REPORTS

At this time Dr. Mark A. Manchin presented his Executive Director's Report in which he provided updates on the following issues:

School Building Authority's Green School Design Initiative

Dr. Manchin provided the Authority with a brief overview of the School Building Authority's Green School Design initiative. He reviewed the list of new school project which had been to be designed to a minimum of a LEED Silver design standard. Dr. Manchin then recognized Mr. Manual Arvon, Superintendent of Berkeley County School to present a certificate to the Authority certifying the Spring Mills Primary School as the first school in WV to be award a LEED Gold design certification.

Dr. Manchin informed the Authority that the Authority members to have an opportunity to hear a little more on the progress of the other "LEED" school projects. Therefore he had invited the architects involved in these projects to provided brief progress reports. Dr. Manchin then recognized Mr. Greg Williamson with Williamson Shriver; Mr. Dave Ferguson with ZMM Architects and Mr. Tom Worlridge with McKinley & Associates for the purpose of providing their reviews.

Design Build

Dr. Manchin informed the Authority that Harrison County had contacted the SBA office and expressed interest in submitting their Needs project as a Design Build project. Dr. Manchin also stated that Ms. Susan Collins, Harrison County Superintendent, had already submitted their project to the Design Build Board for review and approval. Therefore, should the Authority choose this project to be funded during the upcoming funding cycle, there should not be any delay in starting the project.

School Building Authority's Bond Sale

Dr. Manchin provided a brief overview of the upcoming Bond Sale. He then recognized Mr. Paul Creeden with Citi to provide further details regarding the current state of the Bond Market. Mr. Creeden informed the Authority that the market was now approximately 30 points lower since the SBA had went to the market last. He stated that this should save the SBA approximately \$600,000 a year in interest costs. Dr. Manchin then recognized Ms. Jessica Alsop with Jackson Kelly to provide an overview of the Bond Reimbursement Resolution. Ms. Alsop provided a detailed review of the Resolution and answered the Authority's questions.

Upon a motion by Mr. Robert Holroyd, with a second by Mr. Victor Gabriel the Authority approved the 2013 Bond Series Reimbursement Resolution.

Purchasing Card (P-Card) Program Report

Dr. Manchin directed the Authority's attention to review the P-Card report. The P-Card Program is for the Board/Authority members to review all purchases made by staff members. As such, the document in Attachment C provides an itemized list of the SBA's card usage for the period of August 1, 2012 thru October 31, 2012.

V.

CONSENT AGENDA

The following amendments to county Comprehensive Educational Facilities Plans (CEFPs) have been reviewed and are recommended for approval by the SBA staff. A single motion of the Authority may approve all items on the Consent Agenda or, should an individual item be of interest to a member, it may be pulled for discussion. Complete amendment submittals will be available for review upon request. The Consent Agenda contains the following items:

Upon a motion by Mr. Victor Gabriel with a second by Mr. Chuck Heinlein the Authority approved Kanawha County's amendment.

Fayette County CEFP Amendment

The Fayette County Board of Education requested approval of an amendment to their 2010 – 2020 CEFP. This amendment provides for an addition to the Fayette Institute of Technology. This amendment is related to Fayette County's 3% Grant request and they have provided the appropriate amendment documentation to the SBA office.

Monroe County's CEFP Amendment

The Monroe County Board of Education requested approval of an amendment to their 2010 – 2020 CEFP. This amendment includes lighting upgrades at James Monroe High School as their number one priority. Specifically, this request is to move from the currently T12 fixtures to more eco-friendly T5 fixtures. This upgrade is required since the production of T12 replacement bulbs has been discontinued.

Preston County's CEFP Amendment

The Preston County Board of Education requests approval of an amendment to their 2010 – 2020 CEFP. This amendment proposes the construction of a new barn to support the Vocational-Agricultural Program of Preston County High School. Demolition of the two existing barn structures has placed the need for a new barn as a top priority. This amendment is related to Preston County's MIP project and they have provided the appropriate amendment documentation to the SBA office.

VI.

FINANCE COMMITTEE REPORT

2013 Bonds - Finance Plan (Information/Action)*

This item was review and approved under the Executive Directors

Berkeley County – Return Previously Awarded MIP Funds

During the December 13, 2010 meeting of the School Building Authority, Berkeley County was awarded an MIP Grant in an amount not to exceed \$800,000 for renovations at North Middle School. It is now the intent of the Berkeley County Board of Education to return this grant. The Finance Committee recommended the Authority accept the return of these funds. Mr. Steve Burton informed the Authority that this issue was also reviewed by the Construction Committee and they concurred with the Finance Committee's recommendation.

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd the Authority accepted the return of the \$800,000 in MIP funds from the North Middle School project in Berkeley County.

Calhoun County – Request For Emergency Funds

(This item is being considered by the Finance Committee as well as the Construction Committee.)

Calhoun County submitted an MIP request for a new sewage treatment plant at Pleasant Hill Elementary School. This project was to be considered during this 2013 funding cycle. Since the time of this project's submission, the WV Department of Environmental Protection has cited the county for continuing problems with the existing sewage treatment, and is now indicating that the county may be issued a fine of up to \$3,500. Calhoun County is requesting to withdraw their project submission as an MIP and request SBA Emergency Grant Funds in an amount not to exceed \$319,002 to fund a new sewage treatment plant at Pleasant Hill Elementary School. The Finance Committee recommended the Authority accept the return of these funds. Mr. Steve Burton informed the Authority that this issue was also reviewed by the Construction

Committee and they concurred with the Finance Committee's recommendation.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel, the Authority voted to approve SBA Emergency Grant Funds in an amount not to exceed \$319,002 to fund a new sewage treatment plant at Pleasant Hill Elementary School.

VII.

FINANCE REPORTS

Mr. Peter Markham recognized Mr. Garry Stewart to provide the SBA Finance Reports. Mr. Stewart presented a recap of the various finance reports as well as a detailed report regarding the available funds for distribution during this funding cycle.

VIII.

CONSTRUCTION COMMITTEE

Calhoun County – Request For Emergency Fund

(This item is being considered by the Finance Committee as well as the Construction Committee.)

Mr. Steve Burton stated that the Construction Committee concurred with the actions taken on this issue during the Finance Committee Report.

WV School for the Deaf and Blind – Approval of their 2013–2023 CEFP

The WV School for the Deaf and Blind has submitted their 2013-2023 Comprehensive Educational Facilities Plan (CEFP) which has been reviewed by the SBA staff. The Authority's approval of this CEFP does not represent support for the planning outcome or any project within the plan. However, the CEFP does meet requirements of the State Board Policy 6200 and the SBA Policy and Procedures. Based on the documentation provided, the WV school of the Deaf and Blind and their Planning Committee are requesting approval of their 2013-2023 CEFP. The Construction Committee recommended approval of the WV School for the Deaf and Blind 2013-2023 CEFP.

Upon a motion by Mr. Nicholas Preservati, with a second by Mr. Robert Holroyd, the Authority voted to approve the WV School for the Deaf and Blind 2013-2023 CEFP.

Square Footage Costs Allowance

Mr. Burton recognized Mr. Scott Raines to review the proposed new cost per square foot. Mr. Raines informed the Authority that the SBA staff had reviewed the current and projected construction cost for new schools in West Virginia. He stated that we had also solicited input from our Construction Analyst and from the construction industry with regard to factors that affect construction costs for our projects.

Upon a motion by Mr. Steve Burton, with a second by Mr. Robert Dunlevy, the Authority approved the proposed square footage cost allowance changes as detailed in Attachment N. (This information is attached to the minutes)

Review of New SBA Contractor Project Scheduling Coordination Procedure

Mr. Burton recognized Mr. Raines to provide details regarding the project scheduling coordination procedure. Mr. Raines stated that in recent months a number of SBA projects have experienced delays in the project construction schedules. Many of these delays have been due to a lack of coordination of construction activities between the various contractors. In an effort to help reduce these delays the SBA has worked with Project Construction Services (PCS), as a part of their current construction analyst contract, to develop a process to be used to aid the contractors with this coordination.

IX.**NEW BUSINESS**Deliberation and Selection of Major Improvement Program Projects

Mr. Peter Markham informed the Authority that currently the MIP fund had \$6,044,434.93 available for distribution during this MIP cycle. Dr. Mark A. Manchin provided a brief overview of the process stating that Mr. Scott Raines would provide a brief review of each project and the SBA staff will be available to answer questions the Authority members may have. At the conclusion of the review, the Authority will consider each project submitted and select those to be funded in this cycle. During the review and approval process, the Authority should be mindful of the projects requiring QZAB funding and be aware that currently there are no QZAB funds available for distribution during this MIP funding cycle.

Mr. Scott Raines provided a detailed overview of each project submitted for MIP Funding.

<u>County</u>	<u>Project Description</u>	<u>Project Cost</u>	<u>Funds</u>	<u>SBA Funds</u>
Cabell	Salt Rock EL School HVAC Replacement	1,271,600	500,000	771,600
	Doddridge Co. M.S. HVAC / Energy Savings			
Doddridge	Program	1,737,201	968,251	768,950
Fayette	Divide EL School Boiler Replacement	896,400	89,640	806,760
	Maysville EL School HVAC / Windows / Ceilings			
Grant	/ Life Safety	1,234,808	300,000	934,808
Kanawha	John Adams Middle School Classroom Additions	1,128,000	378,000	750,000
Mercer	Boiler Replacements at Four (4) Schools	1,766,000	766,000	1,000,000
Ohio	Triadelphia M.S. and ADA Ramp Replacement	248,130	37,220	210,910
Upshur	HVAC Renovations at Three (3) Schools	2,424,186	1,424,186	1,000,000
		10,706,325	4,463,297	6,243,028

Upon a motion by Mr. Nicholas Preservati, with a second by Ms. Jenny Phillips, the Authority voted with only one nay vote to approve the final list of project as listed above.

3% Statewide Project Review and Award

The total of the 3% grant funds available for distribution during the 2013 funding cycle is \$3,114,027.81. All projects submitted for consideration were reviewed by the SBA staff as well as Ms. Kathy D'Antoni with the Department of Education. A report summarizing these projects has been prepared by the SBA staff and a copy has been provided in Attachment P for the Authority members review and consideration.

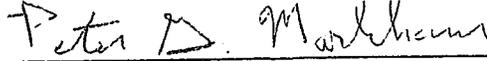
<u>Project</u>	<u>Amount</u>
WV school for the Deaf & Blind	\$1,000,000
Calhoun Gilmer Technical Ctr	\$490,072
MOTVI	\$691,152
Hampshire Co.	\$800,000

XIII.

ADJOURNMENT

There being no further issue to come before the Authority, the March 11, 2013 meeting of the School Building Authority of West Virginia was adjourned.

Minutes approved on March 11, 2013



Mr. Peter Markham, Governors Designee
School Building Authority of West Virginia



West Virginia School Building Authority

2013 Transaction Scenarios

November 27, 2012

Strictly Private and Confidential



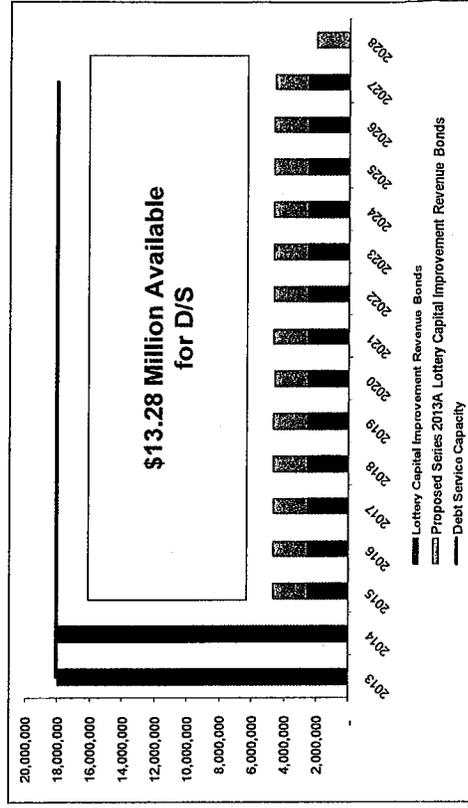
2013 Lottery Capital Improvement Revenue Bonds – 15 Year Amortization

A 15 year transaction in the current market would generate an additional \$2.1 million of debt service annually through Fiscal 2028

- Approximately \$13.28 million of debt service capacity will remain after the 2013 issuance assuming a 15 year amortization

Proposed Series 2013 Lottery Capital Improvement Revenue Bonds	
Bond Summary Statistics	
Issue Date	2/13/2013
Principal	\$21,505,000
Project Fund	\$24,000,000
Capitalized Interest Fund	\$1,314,236
Final Maturity	7/1/2028
Annual Debt Service	\$2,139,996
Total Net Debt Service	\$29,959,950
All-In True Interest Cost	2.59%

Post Proposed Series 2013A Lottery Capital Improvement Revenue Bond Net Debt Service



Preliminary, subject to change
Rates as of 11/13/2012



2013 Lottery Capital Improvement Revenue Bonds – 20 Year Amortization

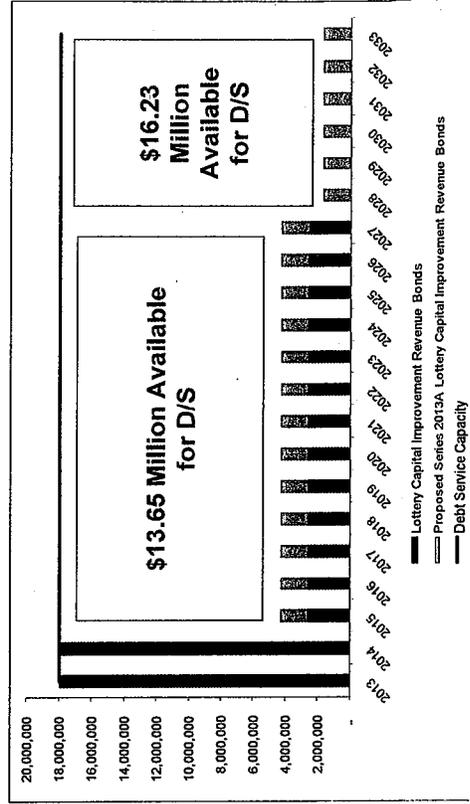
A 20 year transaction in the current market would generate an additional \$1.7 million of debt service annually through Fiscal 2033

- Approximately \$13.65 million of debt service capacity will remain through 2027 and \$16.23 million of debt service capacity through 2033 after the 2013 issuance assuming a 20 year amortization

Proposed Series 2013 Lottery Capital Improvement Revenue Bonds	
Bond Summary Statistics	
Issue Date	2/13/2013
Principal	\$21,580,000
Project Fund	\$24,000,000
Capitalized Interest Fund	\$1,380,567
Final Maturity	7/1/2033
Annual Debt Service	\$1,716,209
Total Net Debt Service	\$33,601,500
All-In True Interest Cost	3.12%

Preliminary, subject to change
Rates as of 11/13/2012

Post Proposed Series 2013A
Lottery Capital Improvement Revenue Bond Net Debt Service



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