

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

Meeting Minutes

September 17, 2012

9:30 a.m.

I.

CALL TO ORDER

Governor's Designee, Mr. Peter Markham called the School Building Authority of West Virginia (SBA) meeting to order at 9:30 a.m. on September 17, 2012. The following members were present: Mr. Steve Burton, Vice-Chair; Mr. Victor Gabriel; Mr. Robert Holroyd; Mr. Tom Lange; Mrs. Priscilla Haden; Mr. Wade Linger; Mr. Nicholas Preservati; Mr. Eric Lewis, Secretary; Dr. Jorea Marpel and Dr. Mark Manchin, Executive Director. Also present were the following SBA staff members: Mr. Garry Stewart; Mr. Scott Raines; Mr. Mike Hall; Ms. Joyce VanGilder; Mr. Benjamin Ashley; Ms. Angie Bradley; Ms. Mary Blashford and Ms. Stella Gill.

II.

ACKNOWLEDGMENTS AND RECOGNITIONS

The following individuals attended the SBA meeting: Robert Adams, Gibbons & Kawash; Lynn Boyer, Schools of the Deaf and Blind; Fred Renzella, Marshall County; Mickey Blackwell, Roane County; Rob Woy, Mineral County; Steve Peer, Mineral County; Davin White, Charleston Gazette and Dave Ferguson, ZMM.

Chairman Peter Markham asked if there were any acknowledgments or recognitions. Dr. Mark A. Manchin informed the Authority that there were representatives from the Iron Workers Union of Pennsylvania present who would like to address the Authority regarding issues pertaining to a company that was presently doing business in WV and working on SBA projects. Dr. Manchin recognized the representative from the Union group. This gentleman informed the Authority that a company out of Pennsylvania by the name of Trinity Steele was currently doing business in WV under the company name of American Erection Steele and that this company was currently working on SBA projects. He provided information to the Authority which indicated that the company, Trinity Steele had been issued several violations by the Division of Labor in Pennsylvania. He also indicated that the company had filed bankruptcy and opened back up under another name, which is American Erection. A lengthy discussion ensued. Upon a motion by Mr. Nicholas Preservati, with a second by Mr. Robert Holroyd the Authority voted to review this issue and come back to the Authority at a later meeting with any pertinent information.

Next, Dr. Manchin recognized Ms. Lynn Boyer, Director of the School of the Deaf and Blind to provide information regarding the school. Ms. Boyer provided the Authority with a detailed report of the many needs at the School of the Deaf and Blind. She informed the Authority that she was currently working with ZMM Architects to submit a project for consideration during either the upcoming Needs or the 3% project awards cycle. After a discussion of the Authority members it was determined that the School for the Deaf and Blind project fit the definition of a multi-county project and should the school choose to submit a project, it should be submitted as a 3% grant request.

II.

APPROVAL OF MINUTES

Upon a motion by Mr. Nicholas Preservati, with a second by Mr. Victor Gabriel the Authority voted to approve the meeting minutes for the SBA Quarterly meeting of June 25, 2012.

IV.

EXECUTIVE DIRECTOR'S REPORTS

Gibbons & Kawash Audit Report for the Fiscal Year Ending June 30, 2012

Dr. Mark A. Manchin recognized Mr. Robert Adams with Gibbons & Kawash who conducted an independent audit of the SBA financial records for the fiscal year ending June 30, 2012. Dr. Manchin recognized Mr. Adams to provide further details. Mr. Adams presented the Authority with a draft copy of the Audit and informed the Authority's Draft stated the he was issuing an unqualified opinion which is basically a clean audit. Mr. Adams stated that the final version of the Audit would be finalized within the next couple weeks. Therefore, the Authority would need to meet again for a brief teleconference meeting to approve the final version before the end of October in order to comply with the SBA Bond Indenture. He also commended SBA staff members Mr. Garry Stewart and Ms. Karen Courtney for her hard work during the annual audit and stated that it was only through her hard work that the audit process went so smoothly for his staff members.

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

Proposing New Legislative Language Pertaining to Use of County Excess Levy

Dr. Mark A. Manchin provided a brief overview of the status of the potential for the future legislative changes to the county Excess Levy language in the WV Code. He informed the Authority that a working group had been formed and that at this time there was no final decision but that he would keep the Authority informed.

Energy Performance Contract

Dr. Manchin provided a brief update of the projects that were recently awarded in conjunction with the Energy Performance Contracts. He then recognized Mr. Mike Pickens, the Executive Director of Educational Facilities with the Department of Education, to provide further details regarding the status of the Energy Performance Contracts. Mr. Pickens informed the Authority that he had been chairing a committee which had been formed to explore the possibility of establishing a uniformed procedure which counties throughout the state could use when entering into Energy Performance Contracts. He provided further details and a lengthy discussion ensued.

Update on School Access Safety

Dr. Manchin provided a status update regarding the progress of the contract for the school-mapping project stating that it was ongoing and that Patriot Services was making good progress.

Purchasing Card (P-Card) Program Report – (Information)

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 May 1, 2012 thru July 31, 2012.

2013 CEFPI Conference to be Held at The Greenbrier Hotel

Dr. Manchin informed the Authority that the he and several of the staff members belonged to

the South East Region of the Council for Educational Facility Planners International (CEFPI). Each year the South East Region CEFPI has a conference and in 2013 it has been scheduled at The Greenbrier Hotel in Lewisburg, WV. Dr. Manchin informed the Authority members that the School Building Authority staff would be participating in this conference and the dates are scheduled for April 14 thru 17, 2013. He encouraged everyone present to participate.

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 to the Authority for their information.

VI.

Lewis County CEFP Amendment – School Access Safety Information Consent

Lewis County requested an amendment to their 2010-2020 CEFP. This amendment provides additional building information relating to their School Access Safety Plan. Lewis County has provided the appropriate amendment documentation to the SBA office.

Upon a motion of by Mr. Tom Lange, with a second Mr. Victor Gabriel the Authority approved the Lewis County CEFP Amendment.

VII.

FINANCE COMMITTEE REPORT

Mr. Peter Markham recognized Mr. Nicholas Preservati to present the Finance Committee Report. Mr. Preservati informed the Authority that the Finance Committee had met via teleconference on Friday, September 14, 2012. He stated that the committee had reviewed the financial aspects of the following items and recommends them for approval:

- a) Mingo County Budget – QZAB Request
- b) Roane County – Emergency Fund Request
- c) Marshall County – John Marshall High School Renovation
- d) Kanawha County – New Edgewood Elementary.

These items will also be reviewed by the Construction Committee for final approval.

VIII.

CONSTRUCTION COMMITTEE REPORT

SBA Policy & Procedures Handbook Revisions

Mr. Steve Burton requested that Mr. David Sneed review the Handbook revisions. Mr. Sneed stated that over the past several months, the SBA staff has been reviewing our current Policy & Procedures Handbook and several revisions are being proposed. These revisions address the following: Current WV Code requirements, clarification of existing policy issues, State Board Policy 6200 revisions and new design and construction requirements. He then reviewed these changes with Authority members and answered their questions.

Upon a motion by Mr. Nicholas Preservati, with a second by Mr. Wade Linger the Authority voted to approve the revisions the SBA Policy & Procedures Handbook.

Square Footage Costs Allowance

Mr. Burton recognized Mr. Scott Raines to provide details regarding the square footage cost allowance. Mr. Raines informed the Authority members that the project bids that had come in so far were inconsistent with regard to cost and direction of pricing. Based on this we are recommending that there be further studies of the bidding market before recommending adjustments to the formula. It is the intention to collect further data from the upcoming bids that are scheduled and come back to the Authority in December with a recommendation.

Expenditure Schedule for Approved QZAB for Mineral County – New Keyser Primary

Dr. Mark A. Manchin reviewed the Mineral County issue, stating that, Mineral County was requesting changes to the previously approved QZAB Expenditure schedule for the New Keyser Primary School. He was recommending approval of Mineral County's request.

Upon a motion by Mr. Victor Gabriel, with a second by Mr. Nicholas Preservati the Authority approved Mineral County's request to change the expenditure schedule for the New Keyser Primary School and approve the return of QZAB funds in the amount of \$424,469. This will make these funds available for redistribution.

Mingo County Budget

Dr. Manchin provided an overview of the issues pertaining to Mingo County Matewan project. He informed the Authority that Mingo County was experiencing some budget issues pertaining to the Matewan project and they were requesting approval of QZAB funds in the amount of \$423,469. These funds would be utilized to balance the budget. A lengthy discussion ensued.

Upon a motion by Mr. Nicholas Preservati with a second by Mr. Victor Gabriel, the Authority to approve Mingo County's request for QZAB funds in the amount of \$423,469. The approval of these QZAB funds are contingent upon Mingo County agreeing to a monthly payment procedure as detailed in the attached document.

McDowell County - New Jaeger Elementary

Mr. Steve Burton recognized Mr. Scott Raines to provide an update on the status of the Jaeger Elementary School project in McDowell County. Mr. Raines informed the Authority that in 2003 the SBA approved a multi-year, multi-phase project in conjunction with the U.S Army Corps of Engineers to replace existing facilities that were damaged by flood waters during the 2001 flood event in McDowell County. All new construction to date has been completed with the exception of the new Jaeger elementary School. This facility is the last to be constructed in the county-wide improvement project.

On August 23, 2012, bids were received for the site preparation and roadway relocation portion of the Jaeger project. The current construction budget is sufficient to complete the site preparation portion of the project. However, due to the rising construction costs since 2001, we anticipate a deficit in the overall project cost of approximately \$5.5 million dollars. The County is expecting to receive bids on the building construction phase of the Jaeger project in late 2012 and at that time we will know the exact amount needed to complete the project. We will then bring this item back to the Authority for additional funding consideration.

Roane County – Emergency Fund Request

Dr. Mark A. Manchin provided a review of Roane County's request for Emergency Funds. He explained that during the December 12, 2011 Quarterly Meeting, the Authority approved a 3% grant in the amount of \$592,168 to construct an addition and install a new paint booth at the Roane-Jackson Technical Center. The architectural and engineering work was completed and bids were received on May 14, 2012. Unfortunately, the bids exceeded the available budgeted funds by \$43,170. The Director of the Roane Jackson Technical Center then met with their architect to assess the project in order to determine what value engineering could be performed in order to eliminate the deficit. However, once all the value engineering had been completed, a deficit of \$20,046 still remained. The Roane Jackson Technical Center is requesting additional 3% Grant Funds in the amount of \$20,046 in order to balance the budget so the this project may move forward.

Upon a motion by Mr. Nicholas Preservati with a second by Mr. Robert Holroyd the Authority voted to approve Emergency Grant funds in an amount not exceed \$303,846 with the understanding that Roane County will be providing \$30,000 of local funds and the U.S Army Corp of Engineers has agreed to provide \$620,000 for a total project cost of \$953,846. This will allow Roane County to complete the remediation project at Walton Elementary.

Marshall County – John Marshall High School Renovation

Dr. Manchin introduced Mr. Fred Renzella, the Superintendent of Marshall County Schools for the purpose of providing an update on the John Marshall High School Renovation project. Mr. Renzella provided a review of the projects finance plan. He stated that they were in the process of exploring different options including the option of utilizing public/private financing. He provided further details regarding their plan and stated that it was the intent of Marshall County Schools to place the financing portion of this public/private financing on their Levy Call for the citizens to vote on in December of this year.

Kanawha County – New Edgewood Elementary

Dr. Manchin provided an overview of Kanawha County's request for additional funds to assist in covering the cost for the additional green school attributes and educational innovations that have been incorporated as part of the design of the New Edgewood Elementary. Dr. Manchin stated that the Authority approved the award of this school as a school of the future and that the additional funds was being requested to cover the cost of these additional attributes.

Mr. Tom Lange informed the Authority members that he was opposed to awarding the in the request for additional funds because Kanawha County was one of the wealthiest counties in the state. He also stated that when the Kanawha County Board of Education passed their last Levy, they vote to place a cap on the Levy and by doing so was leaving a vast amount of money on the table. A lengthy discussion ensued.

Upon a motion by Mr. Robert Holroyd, with a second by Mr. Nicholas Preservati the Authority and a vote of 8 for and 2 against, the Authority approved Kanawha County's request for additional funds an amount not to exceed \$1,000,000. These funds were approved to assist in covering the cost for the additional green school attributes and educational innovations that have been incorporated into the New Edgewood Elementary to help make it a school of the future.

IX.

OTHER BUSINESS

Architectural Services Staff Monthly Project Status Report

Dr. Mark A Manchin directed the Authority's attention to Attachment L which provides information regarding the status of current and on-going SBA school projects.

ADJOURNMENT

There Being no further business to come before the Authority and upon a motion by Mr. Steve Burton with a second by Mr. Robert Holroyd, the Authority voted to adjourn the September 17, 2012 Quarterly meeting of the School Building Authority of West Virginia.

Minutes approved December 17, 2012

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