

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA

Meeting Minutes

September 16, 2013

9:30 a.m.

I.

CALL TO ORDER

Mr. Jason Pizatella, Governor's Designee (by proxy letter for this meet, September 16, 2013 only), called the School Building Authority of West Virginia (SBA) meeting to order at 9:30 a.m. on September 16, 2013. The following members were present: Mr. Robert Holroyd; Dr. James Phares; Mr. Steve Burton, Vice President; Mr. William White; Mr. Eric Lewis, via video-conference; Mr. Tom Lange; Mr. Nicholas Preservati; Mr. Victor Gabriel and Dr. Mark A. Manchin, Executive Director. Mr. Thomas Campbell and Mr. Robert Dunlevy 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. Mary Blashford; Ms. Angie Bradley and Ms. Stella Gill.

II.

ACKNOWLEDGMENTS AND RECOGNITIONS

The following individuals attended the SBA meeting: Mr. Robert Denyer, Gibbons & Kawash; Mr. Anthony Carpenter, Gibbons & Kawash; Ms. Shirley McGown, Fayette County citizen; Ms. Carolyn Arritt, Fayette County Citizen; Mr. David Sneed, PCS; Mr. Travis Arey, PCS; Ms. MacKenzie Mays, Charleston Gazette; Shay Manni, Charleston Daily Mail; Mr. Tommy Young, ZMM and Mr. David Kirby, Hilliard & Lyons.

III.

APPROVAL OF MINUTES

Upon a motion by Mr. Nicholas Preservati, with a second by Mr. Robert Holroyd the Authority voted to approve the meeting minutes for the SBA Quarterly meeting of June 3, 2013.

IV.

EXECUTIVE DIRECTOR'S REPORTS

Gibbons & Kawash Audit Report for the Fiscal Year Ending June 30, 2013

Dr. Mark A. Manchin recognized Mr. Robert Denyer with Gibbons & Kawash who conducted an independent audit of the SBA financial records for the fiscal year ending June 30, 2013. Mr. Denyer presented the Authority with a preliminary review of the draft copy of the audit. He informed the Authority that during the process of conducting the audit, the Gibbons & Kawash staff found the SBA to be very open and cooperative to work with during this process. He also state that they had no disagreements with the SBA staff and that they were providing the School Building Authority of West Virginia with an unmodified opinion on this audit (which is as good an audit as an agency can get). Mr. Denyer stated that the only significant deficiency that he needed to bring to the Authority's attention to was listed on page 28 of the report regarding the reporting of investments at market value. This procedure will be adopted for future reporting.

Upon a motion by Mr. Tom Lange with a second by Mr. Victor Gabriel, the Authority voted to approve the draft audit report with the understanding that the Authority would be required to reconvene for a Special Meeting in October to approve the final version of this audit.

Update School Safety

Dr. Mark A. Manchin provided a status update regarding school safety issues. He reminded the Authority members that during the June Quarterly meeting, that the SBA Staff has prepared new language which had been approved to be incorporated into the SBA Quality and Performance Manual. This new language pertains to the utilization of school safety design elements and shatter proof glass on the design of new construction projects. He stated that this should provide the school staff and officials with an additional 3 to 5 minutes to get emergency responders to the school.

Purchasing Card (P-Card) Program Report

Dr. Manchin directed the Authority's attention to review the P-Card report and offer to answer questions regarding this report should there be any. He informed the members 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 C provides an itemized list of the SBA's card usage for the period of May 1, 2013 thru July 31, 2013. The Authority members had no questions.

Design Build Projects Updates

Dr. Mark A. Manchin provided a brief update on the two Design Build projects that the SBA funded in April of 2013. These projects are the New Lumberport Middle School in Harrison County and the New Franklin Elementary School in Pendleton County. He then recognized Mr. Scott Raines to provide further details on the progress of each project.

Mr. Scott Raines provided a review of the SBA Design Build projects and the progress of the projects in their process through the Design Build Board. Mr. Steve Burton asked if it was a problem getting a quorum and Mr. Raines stated that it had not been a problem yet.

Project Scheduling – PCS

Dr. Manchin provided a brief overview of the new Kenna Elementary School project in Jackson County. He stated that keeping projects on schedule is a constant battle; therefore the SBA has named the Kenna Elementary School in Jackson County a pilot project whereby Project Construction Services (PCS) is in charge of coordination of the contractors' job-site work schedule.

Dr. Manchin recognized Mr. Scott Raines to provide additional information regarding how this pilot project was proceeding. Mr. Raines provided a brief overview and informed the Authority that this pilot project had some growing pains in the beginning. He stated that it took a couple meetings and the withholding of payment a couple times but now the contractors are coming around.

Mr. Steve Burton stated that it was at his request that this issue be looked at when it is a multi-prime project. He stated that it appeared that we has been having some issues with projects getting behind when they were bid as multi-prime and he had requested the SBA staff to look into it further.

Mr. Scott Raines stated that after looking into all the information provided from the Jackson County project, it appeared that the delays can be traced back to the masonry contractor. This particular masonry contractor is also working on the Winfield project in Putnam County and they have found that project is having the same issues.

A lengthy discussion ensued regarding the various trades and masons in particular. Mr. Raines stated that he had read in a trade's magazine that masonry was a dying trade and that it was getting harder and harder to find qualified work force. Mr. Steve Burton stated that he would like to request a meeting to be schedule as soon as possible between Dr. Manchin, Mr. Raines, Mr. Burton and various masonry contractors to discuss the issues just discussed.

V.

FINANCE REPORTS

Mr. Jason Pizatella 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. He also provided a review of the current balance funds available in each Grant fund Account as listed below.

	<u>December 9, 2013</u>
1. MIP Fund -	\$ 4,805,366.17
2. 3% Fund -	\$ 2,458,320.09
3. Emergency -	\$ 2,525,369.75
	<u>April 15, 2014</u>
4. NEEDS Funds -	\$14,956,895.42
5. QZAB -	\$1,679,000.00

VI.

FINANCE COMMITTEE REPORT

Mr. Jason Pizatella recognized Mr. Nicholas Preservati to present the Finance Committee Report. Mr. Preservati provided a report on the following issues:

Morgan County

Morgan County – Return 2011 QZAB Allocation

Morgan County received an allocation of Qualified Zone Academy Bond (QZAB) funding during the December 12, 2011 SBA meeting. An \$824,000 allocation was provided from 2011 QZAB Funds. These funds were to be used in conjunction with additional local funding in the amount of \$1,176,000, to be provided from a local levy call, for additions and renovations at Berkeley Springs High School. Unfortunately, on May 11, 2013 the voters of Morgan County defeated the levy call, putting the project on hold until a finance plan can be solidified. On July 3, 2013, we received notification that Morgan County was returning their 2011 allocation of \$824,000. Mr. Preservati informed the Authority that should they accept this return, these funds are available immediately for reallocation to other counties. He also stated should the SBA approves these QZAB funds for another county, these funds must be encumbered or under contract with a vendor by December 31, 2013.

Upon a motion by Dr. James Phares with a second by Mr. Victor Gabriel, the Authority voted to accept the return of the \$824,000 in 2011 allocation of QZAB funds from Morgan County and make these funds available immediately for reallocation.

Morgan County – Renovations of Building C at Berkeley Springs High School

During the April 2012 quarterly meeting of the Authority, Morgan County was granted NEEDS funding in the amount of \$2,200,000 for renovations in Building C at Berkeley Springs High School. This NEEDS funding was to be utilized in conjunction with an \$824,000 QZAB allocation and local funding in the amount of \$1,176,000, which was to be provided for in Morgan County's levy call put before the voters in May, 2013. Unfortunately, the levy call was defeated by the voters of Morgan County therefore eliminating the local contribution in the project.

The SBA staff is currently in receipt of a letter from Morgan County requesting to return the \$824,000 QZAB allocation as well as a letter requesting to return the \$2,200,000 NEEDS allocation for this project. Mr. Preservati informed the Authority that Morgan County is returning the \$2,200,000 of NEEDS funds to the Authority because their levy call was voted down. Morgan County will work closely with the SBA staff to redevelop the proposed levy call and resubmit this project to the Authority for funding consideration in the upcoming NEEDS funding cycle.

Upon a motion by Mr. William White with a second by Mr. Robert Holroyd, the Authority voted to accept the return of NEEDS Grant Funds in the amount of \$2,200,000 from Morgan County.

Pendleton County

Pendleton County – Request Approval to Distribution the 2011 QZAB Allocation

Pendleton County is requesting allocation of 2011 Qualified Zone Academy Bond (QZAB) funding in the amount of \$824,000 to be used for the construction of the new Franklin Elementary School. Mr. Preservati stated that during the planning of the new elementary school, Pendleton County recognized the need to increase the amount of QZAB funding and thereby request this new allocation. He informed the Authority that this request is equal to the amount of 2011 QZAB funding returned by Morgan County which is available for immediate redistribution. Furthermore, due to the fast tracked nature of the design-build project delivery method being utilized for the construction of the new Franklin Elementary School, Pendleton County is in a position to encumber prior to the December 31, 2013.

Upon a motion by Mr. Victor Gabriel with a second by Mr. Steve Burton, the Authority voted to award Pendleton County with 2011 QZAB allocation in the amount of \$824,000.

Pendleton County – Return 2012 QZAB Allocation

Pendleton County had received an allocation of Qualified Zone Academy Bond (QZAB) funding during the April 22, 2013 SBA meeting. A \$679,000 allocation was provided from 2012 QZAB Funds. Mr. Preservati explained to the Authority that during the planning of the new elementary school, Pendleton County recognized the need to increase the amount of QZAB funding on this project and realized that due to the nature of their project they would be able to utilize the funds quicker. He stated the Authority had approved the increased 2011 QZAB amount of \$824,000, he then stated that Pendleton County would like to return their 2012 allocation of \$679,000. Should the Authority approve this request, these funds will be available for immediate reallocation to other counties.

Upon a motion by Mr. Victor Gabriel with a Second by Mr. Robert Holroyd, the Authority voted to approve Pendleton County to return the 2012 QZAB allocation funds in the amount of \$679,000.

SBA 2014 Bond Sale and Revised Finance Plan

Dr. Mark A. Manchin provided a review of the plans for the proposed plans for a 2014 Bond Series. He informed the Authority that he had a meeting with the Governor and his staff to discuss the various scenarios pertaining to the potential 2014 Bond Series. Dr. Manchin stated that the Governor has approved for the SBA to go the market in 2014 to sale up to \$50 Million in School Construction Bonds.

VII.

CONSTRUCTION COMMITTEE REPORT

Mr. Jason Pizatella recognized Mr. Steve Burton to provide a Construction Committee Report on the following issues:

Barbour County's CEFP Amendment

Mr. Scott Raines provided a review of the Barbour County Board of Education request for approval of an amendment to their 2010 – 2020 CEFP. This amendment will allow the county to move all 5th grade students with the exception of Kasson Elementary and Middle School, to their natural receiving attendance zone middle schools starting with the 2014-2015 school year. This action will involve moving the 5th grades at Philippi, Mount Vernon, and Volga-Century Elementary Schools to Philippi Middle School in the northern area of the county while the 5th grades at Junior and Belington Elementary Schools will move to Belington Middle School in the southern area of the county.

Upon a motion by Dr. James Phares with a second by Mr. Robert Holroyd, the Authority voted to approve the above amendment to Barbour County's 2010-2020 CEFP.

SBA Policy & Procedures Handbook Revisions

Mr. Burton informed the Authority that over the past several months, the SBA staff has been reviewing our current Policy & Procedures Handbook and several revisions will be proposed during the December quarterly meeting of the Authority. He then recognized Mr. Scott Raines to provide further details. Mr. Raines stated that 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.

Square Footage Costs Allowance

Update Square Footage Costs Allowance

Mr. Steve Burton informed the Authority that over the past few months, the SBA staff has received alternate pricing for items revised in the school access safety sections of the Quality and Performance document as discussed in the June meeting. The staff also solicited input from our Construction Analyst with regard to the impacts that these changes may have on our construction budgets, in order to adjust the current funding formula accordingly, prior to county submissions for funding consideration. The SBA staff recommended \$3 increase for elementary, middle and high schools. These proposed revisions recommended by staff will be applied to the 2013 projects and are projected forward for the projects that will bid in 2014 with a mid-construction cost factor of 2015. The Construction Committee recommended approval of this increase.

Upon a motion by Mr. Robert Holroyd with a second by Dr. James Phares, the Authority voted to approve the \$3 increase to the square footage costs allowance as detailed in ATTACHMENT K.

Gilmer County and Lewis County –Additional Funding for Leading Creek Elementary

Mr. Steve Burton requested that Dr. Mark A. Manchin provide details regarding this issue. Dr. Manchin informed the Authority that in April 2012 the Authority granted Lewis County \$9,676,800 in NEEDS funding, to be used in conjunction with \$531,000 local funds, for the construction of a new Elementary School. The new school is an inter-county facility that is replacing Alum Bridge Elementary in Lewis County and Troy Elementary in Gilmer County and will accommodate 232 students. The funding formula for elementary schools at that time was \$240 per square foot. This facility is only 35,762 square feet, below 40,000 square feet, which has typically been the threshold of

cost efficient elementary school construction. Upon review of the post bid cost summary an additional \$360,000 was needed to complete the project. A portion of this cost coverage (approx. \$107,286) can be attributed to the inclusion the school access safety revisions approved by the Authority in the June meeting. After review of these costs with both Lewis and Gilmer Counties, the Gilmer County Board of Education, which previously had no local contribution in this project, contributed an additional \$110,000 in local funds. The Lewis County Board of Education is respectfully requesting the additional \$250,000 necessary to complete this project. The Authority has historically taken the stance that should additional funds be needed for the construction of a facility, those funds should become the fiscal responsibility of the grant recipient. However, like LEED facilities and "schools of the future", small facilities sometimes have an unforeseen effect on the project budget and may require additional funding once bids are received. Additionally, the inclusion of the school access safety revisions, have had an impact on this cost as well. Therefore, we would respectfully request the Authority consider an additional \$250,000 in NEEDS funding to cover the additional costs incurred because of the size of this facility.

Upon a motion by Dr. James Phares with a second by Mr. William White, the Authority voted to approve NEED Grant Funds in an amount not to exceed \$250,000 to cover the additional cost incurred

VIII.

OTHER BUSINESS

Architectural Services Staff Monthly Project Status Report

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

IX.

PERSONNEL COMMITTEE

There were no personnel issues to discuss at this meeting.

X.

FUTURE MEETING

The 2013 winter quarterly meeting of the School Building Authority of West Virginia is scheduled at 9:00 a.m. on December 9, 2013 at 2300 Kanawha Boulevard, East, Charleston.

In addition, the SBA staff has prepared a list of tentative dates for the 2014 SBA meetings. These dates are as follows:

March 17 &18, 2014

April 28, 2014

June 16, 2014

September 29, 2014

December 15, 2014

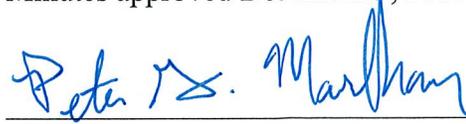
Dr. Mark A. Manchin requested that all the Authority members review these dates and advise the SBA staff as soon as possible as to any conflict in scheduling. Should there be no conflicts with any of these dates, then they will be finalized on the December agenda.

IX.

ADJOURNMENT

There Being no further business to come before the Authority and upon a motion by Mr. Nicholas Preservati with a second by Dr. William White, the Authority voted to adjourn the September 16, 2013 Quarterly meeting of the School Building Authority of West Virginia.

Minutes approved December 9, 2013



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



School Building Authority of West Virginia

Dr. Mark A. Manchin, Executive Director

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MEMORANDUM

TO: Construction Committee Members

FROM: Dr. Mark A. Manchin, Executive Director

DATE: September 16, 2013

SUBJECT: New School Square Foot Cost allowance Increase

During the June 2013 quarterly meeting of the Authority, several revisions were made to the Quality and Performance document regarding school access safety requirements. These revisions include items such as secured visitor entrances at administrative offices, increased safety technology, security glazing at building entrances and bollards to prevent vehicular entry into the facility.

Since the approval of these revisions, there have been a number of projects bid wherein these items have been bid as alternate proposals in order to establish actual cost data. Additionally, we have discussed these revisions with our construction analyst, as well as construction managers on other SBA projects, in order to determine the cost impact on our current funding formula.

Based on these factors, we respectfully recommend the following square foot costs for the 2013 new school construction projects:

School Type	Current Square Foot Max. Cost Allowance	Projected Square foot Max. Cost Allowance	Difference
Elementary schools	\$253	\$256	\$3
Middle Schools	\$249	\$252	\$3
High Schools	\$247	\$250	\$3

Green school costs would be added to this amount as they are funded.

MAM /ab

2013sqftcostallow