

SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA
Meeting Minutes
September 29, 2014
9:30 a.m.

I.

CALL TO ORDER

Mr. Peter Markham, Governor's Designee, called the School Building Authority of West Virginia (SBA) meeting to order at 9:30 a.m. on September 29, 2014. The following members were present: Mr. Robert Holroyd; Mr. Steve Burton, Vice President; Mr. William White; Mr. Eric Lewis, via telephone; Ms. Tina Combs, via telephone; Mr. Tom Lange; Mr. Chris Morris; Mr. Victor Gabriel; Mr. Robert Dunlevy, via telephone; Dr. Michael Martirano and Mr. David Sneed, Executive Director. Also present were the following staff of the SBA: Mr. Garry Stewart; Mr. Scott Raines; Ms. Joyce VanGilder; Mr. Mike Hall; Mr. Benjamin Ashley; Mr. Dana Womack; Ms. Angie Bradley and Ms. Stella Gill.

II.

ACKNOWLEDGMENTS AND RECOGNITIONS

The following individuals attended the SBA meeting: Mr. Adam Canter, Cedar Lakes Conference Center; Tommy Young, ZMM; Mr. Travis Arey, PCS; Mr. Norman Mosrie, Dixon Hughes Goodman; Mr. Cole Malcom, Dixon Hughes Goodman; Mr. Greg Williamson, Williamson Shriver Architects; Ms. Sarah Petry, Williamson Shriver Architects and the Honorable Carrie Webster, Kanawha County Circuit Judge.

Chairman Peter Markham recognized Judge Webster for the purpose of swearing in the newest member to the School Building Authority, Dr. Michael Martirano, the State Superintendent of Schools. Judge Webster provided the oath of office to Dr. Michael Martirano.

III.

APPROVAL OF MINUTES

Upon a motion by Mr. Tom Lange, with a second by Mr. Robert Holroyd, the Authority voted to approve the meeting minutes for the SBA Quarterly meeting of June 16, 2014, as well as the SBA Special meeting on August 18, 2014.

IV.

EXECUTIVE DIRECTOR'S REPORTS

Dixon Hughes Goodman LLP - Report for the Fiscal Year Ending June 30, 2014

Mr. David Sneed recognized Mr. Norman Mosrie with Dixon Hughes Goodman who conducted an independent audit of the SBA financial records for the fiscal year ending June 30, 2014. Mr. Mosrie presented the Authority with a preliminary review of the draft audit report. He informed the Authority that during the process of conducting the audit, the Dixon Hughes Goodman staff found the SBA to be very open and cooperative to work with during this process. He also stated that he found no disagreements with the staff of the SBA's current financial records. Mr. Mosrie reported that Dixon Hughes Goodman will be providing the School Building Authority of West Virginia with an unmodified opinion on this audit. In addition, Mr. Mosrie also stated that there was no material weaknesses uncovered. Mr. Mosrie then recognized Mr. Cole Malcolm of Dixon Hughes Goodman to provide further details. Mr. Malcom provided details regarding the financial statement portion of the draft audit report. He stated that this report was only a draft version and required no action on the part of the Authority at this time. After this review the financial

report will be completed and the Authority will be required to call a special meeting in order to approve the final version of the SBA Audit Report.

New Crum EL - Wayne County – Project Status Update

Mr. David Sneed provided an update regarding the Wayne County project. He informed the Authority that Wayne County was awarded a NEEDS Grant in the amount of \$8,000,000, during the April 2014 SBA meeting. This grant is to be used in conjunction with a future \$10 million NEEDS Grant along with an additional \$18,000,000 of local bond funds for the construction of a New Ceredo/Kenova Elementary School, Crum Elementary/Middle School, as well as an addition to the existing Wayne High School. He further explained that the sites had already been chosen for the New Ceredo/Kenova and Crum Schools at the time of the grant award. However, due to cost impacts for site preparation of the proposed Crum school site, the Wayne County Board of Education explored the feasibility of a new site in the Crum community. During the SBA's August 18, 2014 work session, Authority members had expressed concern that due to the site selection issues, Wayne County may not be able to meet the design and construction schedule required for this project. The staff of the SBA was directed to notify Wayne County of its contractual requirements to meet the design schedule for the project. Mr. Sneed stated that this letter had been sent to Wayne County and that he was pleased to inform the Authority that the staff of the SBA had now received notification that a site has been selected for the Crum project and that the design will be proceeding as scheduled.

2015 Needs Funding Cycle Schedule

Mr. David Sneed stated that the NEEDs Funding Cycle schedule had been a topic of discussion during the recent SBA work session. The staff of the SBA had proposed moving the NEEDs Grant award meeting from April to December of each year. Mr. Sneed explained the advantages of awarding the projects in December in order to allow for a potential cost savings that may be available by bidding projects prior to the prime construction season. He also informed the Authority that if the NEEDs Grants are awarded in April, 2015, there will be only \$39,273,364 available for distribution for new projects once previous commitments are funded. He indicated that if the schedule date of the NEEDs grants award is delayed to December, 2015, there would be approximately \$65,129,510 available for distribution for new projects. Mr. Sneed stated the staff of the SBA would like to propose that the April, 2015 funding cycle be postponed until December, 2015. He stated that should this schedule change be approved, the Authority would still fund the current multi-year funding commitments to Wayne County and Hardy County in the March, 2015 quarterly meeting and eliminate the April 2015 meeting. He further proposed that MIP projects be funded in March beginning in 2016.

Mr. Sneed indicated that information regarding the recommended funding schedule change had been presented to P.R.A.G., the State's financial advisor, for review. After its review, P.R.A.G recommended the funding schedule change and stated that there should be no adverse financial issues by delaying the previously approved School Construction Bond sale to coincide with the new NEEDs Funding schedule proposed.

Upon a motion by Mr. Victor Gabriel with a second by Mr. William White, the Authority voted to approve delaying the upcoming NEEDs funding award date to December, 2015 but would still consider the multi-year funding commitments to Wayne County and Hardy County during the March, 2015 Quarterly meeting. In addition, all future NEEDs Grant award meetings thereafter would be scheduled in December of each year and MIP awards meetings would be scheduled in conjunction with the March Quarterly meeting beginning with 2016.

V.

FINANCE REPORTS

Chairman 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 its information. He also provided a review of the current balance funds available in each Grant fund Account, as listed below.

Current SBA Fund Balances

	Accumulated As Of <u>September 25, 2014</u>
1. MIP Fund -	\$ 1,257,508
2. 3% Fund -	\$ 924,293
3. Emergency -	\$ 2,760,774

VI.

FINANCE COMMITTEE REPORT

Selection of New Finance Chair

Chairman Peter Markham explained that since Nicholas Preservati's departure from the Authority, the Finance Committee has been without a chairperson. He informed the Authority that the Finance Committee members had voted to recommend Mr. Tom Lange to serve as the Chair of the Finance Committee. Upon a motion by Mr. Chris Morris, with a second by Dr. William White, the Authority voted to approve Mr. Tom Lange as the Chair of the Finance Committee.

Mr. Peter Markham then recognized Mr. Tom Lange to present the Finance Committee Report. Mr. Lange provided a report on the following issues:

Purchasing Card (P-Card) Program Report

Mr. Lange informed the Authority that the State Auditor's Office Purchase Card (P-Card) Division recently rolled out new P-Card compliance requirements. These new rules require the SBA Board Members to provide a record of their review of all purchases made by staff members and that a signed copy of the report be kept on file in the office along with the official copy of the meeting minutes. Mr. Lange stated that the Finance Committee has reviewed the P-Card Report that is detailed in Attachment H and he would sign this report and return it to the staff of the SBA to keep on file in the SBA office.

3% Projects

Calhoun/Gilmer Technical Center – Return of Unused 3% Grant Funds

Mr. Tom Lange provided a review of the Calhoun/Gilmer Technical Center project stating that during the December 2013 Quarterly meeting, the Calhoun/ Gilmer Career Center was awarded a 3% Grant in the amount of \$414,169. These funds were to be used for interior floor tile replacement, exterior façade repair as well as extending the newly installed municipal water service from the property line to the existing school facility. Upon completion of the project, a budget surplus of \$170,048 remained in the project. Mr. Lange stated that the staff of the SBA has received a letter from the Calhoun/Gilmer Technical Center indicating that it is returning these funds and that the Finance committee Recommend that the Authority take action to recapture these funds for use on other 3% projects.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel, the Authority voted to recapture the surplus 3% Grant funds in the amount of \$170,048 from the Calhoun/Gilmer Technical Center project. These 3% Grant fund are to be made available immediately for distribution to other projects.

Roane/Jackson Technical Center – Requesting Additional 3% Funds

Mr. Tom Lange provided a brief overview of the Roane/Jackson Technical Center project stating that during the December 2013 Quarterly Meeting, the Roane/Jackson Technical Center was awarded a 3% Grant in the amount of \$248,800. These funds were to be used for replacement of the HVAC system at this facility. Engineering was completed and bids received in July 2014. Two bids were submitted on the project and the apparent low bidder was Interiors Plus from Sandyville, WV. However, the bids received exceeded the funds available by \$164,467. Mr. Lange stated that the staff of the SBA has received a letter from the Roane/Jackson Technical Center requesting any available 3% Grant funds to help fund the budget deficit for this project. He informed the Authority that the Finance Committee had reviewed this issue and would recommend that the recaptured funding from the Calhoun/Gilmer Technical Center in the amount of \$170,048 be allocated to this project to complete the HVAC renovations at this facility. This amount would include a minimal amount of funds to be utilized as contingency funds and any surplus funding would be returned to the SBA if not used.

Upon a motion by Mr. Tom Lange, with a second by Mr. Victor Gabriel, the Authority voted to approve a supplemental 3% Grant in an amount not to exceed \$170,048 to the Roane/Jackson Technical Center project for the replacement of the HVAC system at this facility. These funds are to be utilized to fund the budget shortfall for this project and any funds remaining at the completion of this project shall be remitted to the SBA.

VII.

CONSTRUCTION COMMITTEE REPORT

Chairman Peter Markham recognized Mr. Steve Burton to provide a Construction Committee Report on the following issues:

3% Projects

Mr. Steve Burton stated that the items in A. 1. - Calhoun/Gilmer Technical Center – Return of Unused 3% Grant Funds as well as A. 2. – Roane Jackson Technical Center – Requesting Additional 3% Funds, had also been reviewed and considered by the Construction Committee. He indicated that the Construction Committee concurred with the previous actions of the Finance Committee.

Upon a motion by Mr. Robert Holroyd, with a second by Mr. Victor Gabriel, the Authority voted to provide final approval of the requests in item A. 1. - Calhoun/Gilmer Technical Center – Return of Unused 3% Grant Funds, as well as A. 2. – Roane Jackson Technical Center – Requesting Additional 3% Funds.

Growth County Project Planning

Mr. Steve Burton requested that Mr. David Sneed provide a brief overview of the growth county project issue. Mr. Sneed stated that during the recent SBA work session, the staff of the SBA provided information detailing the process that is currently utilized to design schools where the student population is growing. He stated that during this meeting, the Authority indicated its desire to continue the current staff planning and design strategy of sizing schools in growth counties based on the 8th year projected enrollments of students currently enrolled in the systems and sizing the common areas of these schools for the projected enrollment anticipated. Mr. Tom Lange and Mr. Eric Lewis requested further information on specific projects. Mr. Sneed informed the Authority that the staff of the SBA had prepared a report for Spring Mills Middle School in Berkeley County to demonstrate the SBA's approach in determining the design enrollment

and building square footage for this project. Mr. Sneed recognized Mr. Scott Raines to review this report and explain the process used. Mr. Sneed concluded the discussion and recommended that the current process used to project enrollment and size buildings be continued.

Upon a motion by Mr. Robert Holroyd, with a second by Mr. Tom Lange, the Authority voted to continue with the current process utilized to determine design enrollment and building square footage.

VIII.

OTHER BUSINESS

Architectural Services Staff Quarterly Project Status Report

Mr. Davis Sneed directed the Authority's attention to Attachment L, which provides information regarding the status of current and on-going SBA school projects.

Additional topics of discussion also included the following:

Chairman Peter Markham indicated that Governor Tomblin was pleased with the work session and believed significant progress on long-range planning had occurred. He stated that he would encourage this type of work session to occur on an annual basis.

Chairman Markham requested that the staff of the SBA provide an update on the design-build projects. Mr. Dana Womack informed the Authority that both projects were approximately 75% complete with the exterior construction complete and the interior finishes underway. Both schools are scheduled to open in January, 2016.

Dr. Michael Martirano asked if the SBA was utilizing proto-typing as a building method for school construction. Mr. Scott Raines stated that the staff of the SBA has looked at this issue in depth. He informed Mr. Martirano and the other Authority Members that the SBA encourages proto-typing of academic wings but the administration areas, kitchen, cafeteria and special needs areas require specific design attention. In addition, the geographic terrain of WV makes proto-typing an entire school difficult. Dr. Martirano stated that he understood these issues pointed out by the staff of the SBA, but that he would recommend this as an item of discussion for a future work session. Mr. David Sneed indicated that this issue is being seriously considered and pledged that staff will provide the Authority Members a report in the near future regarding project delivery revisions recommendations.

Mr. David Sneed indicated to the Authority that it was his intention to change the focus and job duties of the 4 Directors of Architectural Services currently on staff. He stated that he intended to create a process that would allow the staff of the SBA to be involved with project submission before the project has been finalized at the county level and submitted to the SBA for consideration of a funding award. This should create a better pool of projects to choose from and hopefully save project funds that can be used for additional projects.

IX.

PERSONNEL COMMITTEE

There were no personnel issues to discuss at this meeting.

X.

FUTURE MEETING

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

In addition, the staff has prepared a list of tentative dates for the 2015 SBA meetings as follows:

March 23, 2015

June 22, 2015

September 28, 2014

November 9 and November 10, 2015 – Superintendent Interviews

December 14, 2015 – NEED's Grant Award Meeting

Mr. David Sneed requested that Authority members review these dates and advise the staff of the SBA as soon as possible as to any conflicts in scheduling. Should there be no conflicts with any of these dates, they will be finalized at the December, 2014 meeting.

IX.

ADJOURNMENT

There Being no further business to come before the Authority and upon a motion by Mr. Robert Dunlevy, with a second by Dr. William White, the Authority voted to adjourn the September 29, 2014 Quarterly meeting of the School Building Authority of West Virginia.

Minutes approved December 15, 2014



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