

# CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE NOVEMBER 7, 2013 MEETING

Meeting held at:  
201 East Colfax, Denver, CO 80203  
State Board Room, 101

## I. Call to Order

- 1:03 p.m. Lyndon Burnett called the meeting to order.

## II. Pledge of Allegiance

- Lyndon Burnett began the meeting with the Pledge of Allegiance.

## III. Roll Call

### Attendees

Lyndon Burnett	Pete Hall	Ken Haptonstall
John Conklin	Kathy Gebhardt	Denise Pearson
David Tadlock	Matt Throop	

### Excused

Tim Reed

## IV. Approve Agenda

- The CCAB Chair asked for a motion to approve the agenda;
  - So moved by Kathy Gebhardt;
  - Pete Hall 2<sup>nd</sup> the motion;
  - No discussion;
  - Motion to approve the agenda carried unanimously.

## V. Approve Minutes from the May 28 & 29, September 25, & October 7, 2013 Meetings

- The CCAB Chair asked for a motion to approve the previous meeting minutes as presented;
  - So moved by Kathy Gebhardt;
  - Matt Throop 2<sup>nd</sup> the motion;
  - No discussion;
  - Motion to approve the minutes from the May 28 & 29, September 25, & October 7, 2013 meetings carried. (*Denise Pearson did not vote*)

## VI. Board Report

- The CCAB Chair talked about the recent retreat the board had. The CCAB Chair told the CCAB that he had talked to the Deputy State Treasurer, Brett Johnson about the FY2013-14 back-up lease-purchase project for Ft. Morgan and that Brett Johnson wanted to talk to the board about potential options for the project.

## VII. Directors Report

- Ted Hughes told the CCAB about the recent BEST ribbon cuttings and groundbreakings. Ted Hughes told the CCAB Rocky Mountain Deaf School was having a groundbreaking ceremony on November 9, 2013 and that Ellicott School District 22 was having a topping off ceremony on November 21, 2013.

- Ted Hughes told the CCAB that Proposition AA passed; the tax on marijuana. Ted Hughes said the first \$40 million in tax revenue would go to the BEST program, but said he did not have any information as to when the money would be coming in.

## VIII. Action Items

- Adopt Resolution 13-1 instructing the State Treasurer pursuant to 22-43.7-110(2) C.R.S. to enter into one or more lease-purchase agreements on behalf of the State to provide financial assistance to the BEST Lease-Purchase projects that were approved by the State Board on June 12, 2013 and have met the necessary requirements for financing. Ted Hughes reviewed the grant selection process, noting that the State Board had already approved the BEST cash grants. Ted Hughes reviewed the process for the lease-purchase projects and told the CCAB that seven of the eight projects went out for bond elections. Ted Hughes said Ft Morgan RE-3 and Ross Montessori were back-up projects and that the only way they could be funded, is if one or more of the top six projects failed their election. Ted Hughes reviewed the dates the State Board and Capital Development Committee approved the lease-purchase projects and noted there were six projects on the resolution and that all of the projects that were going for a matching money bond were successful with their elections.

The CCAB Chair asked if the CCAB would like to hear from the Deputy State Treasurer, Brett Johnson regarding the Ft Morgan RE-3 project. The CCAB Chair asked for a motion to amend the agenda.

- Pete Hall made a motion to amend the agenda;
- John Conklin 2<sup>nd</sup> the motion;
- Discussion: Kathy Gebhardt asked if this was just a discussion. Lyndon Burnett said yes, that it was just a discussion and no action would be taken;
- Motion carried unanimously.

Brett Johnson told the CCAB that Ft. Morgan was in a unique situation and that the statute was very clear; “only if a project fails their bond election could a back-up project move forward”. Brett Johnson said he had talked to a legislative committee and a bill drafter about the new statute that was put in place, which gave the Capital Development Committee oversight of the BEST lease-purchase projects and the \$40 million cap. Brett Johnson said there may not be another round of financing and that Ft. Morgan had an approved bond and suggested that maybe the project could be financed at a later time.

The Board Chair asked the CCAB if they had any questions. Ted Hughes said this was the first time all projects passed their bond elections. A CCAB member talked about the May selection meetings, noting there was a tie between South Conejos and Ft. Morgan and that the CCAB chose the South Conejos project over Ft. Morgan. Brett Johnson said he was not aware of the situation and that he did not want to give up on the project and that it may be possible to fund the project, but that some cash from BEST would be needed. The CCAB Chair explained the grant selection process from May of 2013 and noted that the \$40 million cap should not be exceeded.

Brett Johnson reviewed the options and stated there was capacity to finance the Ft. Morgan project, but that it would require a cash contribution of roughly \$8-10 million. The CCAB discussed the statute language with Brett Johnson and Erica Weston, the CCAB’s attorney general. Brett Johnson noted the only way Ft. Morgan could be approved is with a statute change. The CCAB Chair asked for a motion to approve Resolution 13-1.

- Matt Throop made a motion to approve Resolution 13-1 as presented;
- Ken Haptonstall 2<sup>nd</sup> the motion;

- Lyndon Burnett read the resolution aloud and asked if any amendments were needed, there were none;
- Motion to pass Resolution 13-1 approved unanimously.

*The CCAB Chair called for a short break, 1:58 – 2:12 p.m.*

## **IX. Discussion Items**

- Capital renewal for BEST new school / major renovation / addition projects. Ted Hughes read what the statute says regarding capital renewal. Ted Hughes told the CCAB that grantees yearly capital renewal amounts are not consistent and that some are committing to a high dollar amount that they cannot afford to allocate. Ted Hughes reviewed a capital renewal spreadsheet that showed all of the BEST projects who were required to contribute to capital renewal with the CCAB and wanted to generate some ideas on how to create some guidelines to determine an appropriate amount for grantees to provide. The CCAB discussed what capital renewal was and how the money could be used. The CCAB discussed potential options: using a calculation based off a district’s general fund amount or per pupil based off the total project cost. Ted Hughes explained how it could not be used for maintenance, but for building systems that would expire.
- Audit implementation plan; review and discuss the draft evaluation tool for grant review. Ted Hughes discussed the grant selection process from start to finish, mentioning that the CCAB only filled out information for projects that they voted no on. Ted Hughes reviewed the draft evaluation tool for grant review with the CCAB. The CCAB Chair explained how this tool would better document the CCAB’s grant making decisions. Ted Hughes discussed the process the Department of Local Affairs uses.

The CCAB reviewed the sheet and added the “presentation from applicant” to the grant review sheet. A CCAB member asked that draft evaluation tool for grant review go to the stakeholders for review and feedback before it is adopted. The CCAB agreed. The CCAB reviewed each item on the sheet in detail and made changes to some of the language, as well as how each section would be scored.

*The CCAB Chair called for a short break 3:50 - 4:02 p.m.*

- Audit implementation plan; review and discuss the draft waiver application. Ted Hughes discussed the current waiver submittal process. Ted Hughes read the audit recommendation and reviewed the draft waiver application in detail with the CCAB. Ted Hughes explained why a waiver application was necessary. The CCAB Chair explained previous issues with waivers and noted how it is sometimes hard for applicants to show unique circumstances. Ted Hughes clarified what a statutory waiver was, how it was documented and explained that the CCAB could not ask for more matching funds than the district could bond for. The CCAB agreed to add statutory language to the draft waiver application.
- Audit implementation plan; review and discuss the draft waiver evaluation tool. The CCAB briefly reviewed the draft waiver evaluation tool and suggested adding in some statutory language regarding extenuating circumstances.
- Audit implementation plan; review and discuss the draft policy/form regarding board actions related to conflicts of interest. Ted Hughes discussed the issue with the current conflict of issue policy and said the only documentation is in the meeting minutes and that it is hard to track. Ted Hughes said a more formal policy needed to be put in place with better tracking. Ted Hughes and the CCAB Chair discussed a previous situation that occurred and reviewed the audit

recommendation. A CCAB member asked that some of the language be revised. The CCAB agreed with the changes.

- Audit implementation plan; review and discuss the draft a targeted outreach plan. Ted Hughes reviewed the document with the CCAB and explained the different ways the data could be sorted. The CCAB discussed possible solutions. Ted Hughes discussed the criteria questions, noting that not all of them pertain to health and safety. The CCAB agreed to review the criteria question from the statewide facility assessment and choose the most important ones they wanted to focus on.
- Follow up to the board retreat regarding strategic planning and goals. Ted Hughes said he wanted to follow up with the CCAB regarding the retreat and try to set up a time to discuss the CCAB's duties. A CCAB member suggested having a work session before the next board meeting. The CCAB agreed it would be a good idea to invite stakeholders of the BEST program to the meeting to be involved in the discussions.

#### **X. Future Meetings**

- Ted Hughes reviewed future meeting dates and business items that need to be addressed. The CCAB agreed to extend the December 12, 2013 meeting to allow time for the work session.

#### **XI. Public Comment**

- The CCAB Chair asked if there was anyone who had questions or would like to speak from the public. There were none.

#### **XII. Adjournment**

- The CCAB Chair asked for a motion to adjourn;
  - So moved by Kathy Gebhardt;
  - Denise Pearson 2<sup>nd</sup> the motion;
  - No discussion;
  - Motion carried unanimously;
  - Meeting adjourned 5:34 p.m.