

CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE NOVEMBER 10, 2010 MEETING

**Meeting held at:
State Services Building
1525 Sherman St. Suite B-70,
Denver, CO 80203
Wednesday, November 10, 2010**

I. Call to Order

- 1:09 p.m. Mary Wickersham called the meeting to order.

Attendees

Mary Wickersham – CCAB Chair	Erica Weston– CCAB Legal Advisor
Norwood Robb – CCAB Vice-Chair	Ted Hughes – Staff (CDE)
Mike Maloney – CCAB Secretary	Dustin Guerin – Staff (CDE)
Lyndon Burnett – CCAB	Cheryl Honigsberg – Staff (CDE)
Pete Jefferson – CCAB	Kevin Huber – Staff (CDE)
Dave Van Sant – CCAB	Scott Newell – (CDE)
Adele Willson – CCAB	Jay Hoskinson – (CDE)
Tom Stone – CCAB	Kristin Lortie – (CDE)

Excused

Greg Randall – CCAB

- Agenda reviewed
- The CCAB Vice-Chair requested to amend the agenda under section VII - Action Items. The CCAB Vice-Chair asked to switch item (a) and item (b), so (b) would be reviewed first.
- CCAB Chair asked for a motion to approve the agenda as amended;
 - So moved by Norwood Robb;
 - Mike Maloney 2nd the motion;
 - No further discussion;
 - Motion to approve the agenda as amended carried.
- Ted Hughes asked the CCAB if they would like more time to review the minutes from the October meeting, since the minutes were sent out earlier that day. The CCAB agreed.
- CCAB Chair asked for a motion to approve the minutes from the October CCAB meeting at the next meeting in January;
 - So moved by Norwood Robb;
 - Dave Van Sant 2nd the motion;
 - No further discussion;
 - Motion carried.

II. Board Report

- The CCAB Chair told the CCAB how the financing was progressing for the BEST FY2010-11 Lease-Purchase grants. The CCAB Chair said financing was coming together and everything should be set for the December 16th closing date. A CCAB member mentioned the closing for last cycle was done in March of 2010. Ted Hughes said they were able to cut three months out this time to complete the financing.
- The CCAB Chair talked about Resolution 10-5 which shows the finalized list of Lease-Purchase projects and instructs the State Treasurer to enter into a Lease-Purchase agreement. The CCAB Chair discussed some of the projects with the Board. The CCAB Chair said Monte Vista C-8 has a problem getting their title cleared and usually would not let a project proceed in this situation. The CCAB Chair said the issue should be resolved within one-month of close of financing and because of the circumstances; she is comfortable with letting Monte Vista C-8 move forward. Ted Hughes said it is very complicated. The State Land Board is involved, so hopefully it will be taken care of quickly.

III. Directors Report

- Ted Hughes reviewed the election results of passed and failed bonds and mill levy overrides with the CCAB. Ted Hughes said most of the districts going out for bonds or mill levies were the smaller rural districts. Ted Hughes noted the total amount for Lease-Purchase financing had changed. The original amount was around \$232 million, the new amount is around \$218 million. Ted Hughes talked about Qualified School Construction Bonds and how this type of bond requires Davis-Bacon prevailing wages. Ted Hughes told the CCAB four projects had been selected to have Davis-Bacon prevailing wages: Lake George Charter School, Vista Charter School, Salida R-32 and Mapleton 1.
- Ted Hughes told the CCAB he wanted to review some of the topics discussed at the CCAB October work session at the meeting today. Ted said he wanted to focus on the scoring rubric for sorting Lease-Purchase grants, the process for consultant selection and master plans. The CCAB Chair asked if the match percent calculations were needed now or in June. Ted Hughes said the master summary would be completed in November 2010. Ted Hughes said the Division would look at comparing charter schools to the districts they were in. The CCAB Chair told the CCAB charter schools were separated for a reason, because some factors do not apply to them like they do to school districts.
- Ted Hughes told the CCAB the State Board of Education approved the emergency grant request for Guffey Charter School's structural and roof repairs.
- A CCAB member asked if everything was resolved between Center School District 26JT and the Colorado Historic Society. Ted Hughes said yes, everything was resolved and the Governor had sided with the BEST Division.

IV. Action Items

- Approve a decrease in Akron R-1's match amount. The CCAB Chair stated Akron's match decreased from \$7,712,744 to \$7,080,066 because their assessed evaluation decreased in August of 2010, which decreased their overall maximum bonding capacity. In contrast the BEST award amount would increase to \$17,022,353.

- Motion by Norwood Robb
I move to revise the Board’s June recommendation pursuant to 22-43.7-109(10)(a), C.R.S. to determine Akron R-1 eligible for lease-purchase financial assistance in the amount of \$17,022,353, plus 1,147,734 if necessary for Davis Bacon, with a matching contribution of \$7,080,066.

Motion 2nd by: Tom Stone

Discussion: The CCAB had a discussion about assessed evaluations, and how bonding capacities may change. Ted Hughes said there was a possibility the assessed value could change again for Akron, some flexibility was needed in the motion. The CCAB and the CCAB legal advisor discussed when the final numbers would be available. The CCAB Chair suggested using the new number or 20% of the district assessed value, based on the best available information. The CCAB agreed.

The motion was lost.

- Motion by Mary Wickersham
I move to revise the Board’s June recommendation pursuant to 22-43.7-109(10)(a), C.R.S. to determine Akron R-1 eligible for lease-purchase financial assistance in the amount of \$17,022,353, plus 1,147,734 if necessary for Davis Bacon, with a matching contribution of \$7,080,066, or 20% of district assessed value, based on the best available information as of November 29, 2010.

Motion 2nd by Mike Maloney

Motion Unanimously Approved

- Adopt Resolution 10-5 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 August 10th, 2010, and have met the necessary requirements for financing. Ted Hughes discussed the resolution with the CCAB and talked about some of the footnotes included in the document. The BEST Legal Advisor said a footnote would be added to put the clause in for Akron R-1 pertaining to their matching contribution. The CCAB Agreed.
- Motion by Norwood Robb
I move to approve Resolution 10-5 with the additional footnote for Akron R-1.

Motion 2nd by Pete Jefferson

No Discussion

Motion Unanimously Approved

V. Discussion Items

- Discussion pertaining to Certificates of Participation (COP) project scoring. Ted Hughes discussed the new sorting guidelines the Division created and talked about how each

category was scored. Ted Hughes noted health and safety was the top priority and scored the highest. The CCAB Chair said she would like the FCI score included, because of situations where there is a low FCI and a high CFI. The CCAB discussed the importance of FCI and CFI and how they differ. Ted Hughes noted the CFI was not given a large score, and does not affect the overall score greatly. The CCAB discussed waiver letters and how they should be scored. The CCAB agreed that if an applicant submits a waiver letter, their starting score for those criteria would be "0". Ted Hughes talked about red flags, which could arise and determine the applicant ineligible for a grant.

Ted Hughes talked about planning. A few CCAB members said they like the guidelines cited in the application. Ted Hughes said he would make sure applicants reflect the guidelines in their application. Ted Hughes talked about the Statewide Facility Assessment. A CCAB member stated some schools may complain if information is incorrect in the Assessment. Division staff member Dustin Guerin said districts have a chance to resolve any issues in the data. Ted Hughes said the Division staff encourages all applicants to look into the Assessment and keep their information updated. The CCAB further discussed the Assessment. A CCAB member suggested the Assessment score be taken out of the scoring rubric, the CCAB agreed.

A CCAB member stated he wants to know possible red flags going into the grant selection meeting. A CCAB member request non-compliance with the BEST Guidelines to be a red flag. The CCAB agreed. The CCAB Chair discussed the option of letting applicants speak at the selection meeting and how much time it would take to complete the process. The CCAB discussed possible options. A CCAB member noted how it would increase transparency. Ted Hughes showed the CCAB a new sort sheet which compared the applicants from FY2010-11 with the old way they were sorted, to the new way they were sorted, using the new criteria. The CCAB reviewed the sheet and discussed.

- Discussion pertaining to the process for selecting projects to recommend to the State Board. Ted Hughes told the CCAB he had heard some complaints and concerns from applicants. A CCAB member said he heard some applicants felt they were cheated during the selection process. Another CCAB member stated he prefers the CCAB asks the questions, if necessary, and does not want a canned presentation from applicants. A CCAB member suggested a time limit for applicants to answer questions or rebut. The CCAB discussed other possible solutions and noted some of the frustrations brought forth after the selection process. A CCAB member asked the CCAB if some of the questions could be identified before the meeting. A CCAB member said it is difficult to anticipate. A CCAB member said he liked the idea of a Division staff member presenting and giving the applicant time to clarify any topics that were discussed. The CCAB agreed to finalize the decision at the next CCAB meeting when all members were present.
- Discussion on funding of master plans and master plan requests. Ted Hughes discussed how master plans should be a tool completely separate from a BEST Grant, but it is hard for applicants to provide a master plan, since it is not paid by the Assistance fund. Ted Hughes suggested the CCAB make guidelines for funding master plans, or get rid of the master plan criteria and have the applicant show it is a worthy project. The CCAB Vice-Chair suggested this topic be moved to the next agenda due to time constraints.

VI. Future Meetings

- The CCAB Vice-Chair reviewed the future meeting dates with the CCAB.

VII. Public Comment

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

VIII. Adjournment

- The CCAB Vice-Chair asked for a motion to adjourn:
 - So moved by Mike Maloney;
 - Tom Stone 2nd the motion;
 - No discussion;
 - Motion carried;
 - Meeting Adjourned.