

CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE MARCH 27, 2013 MEETING

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

I. Call to Order

- 1:17 p.m. Dave Van Sant called the meeting to order.

II. Roll Call

▪ Attendees

Dave Van Sant – CCAB Chair	Ted Hughes – Staff (CDE)
Lyndon Burnett – CCAB Vice-Chair	Kevin Huber – Staff (CDE)
Norwood Robb – CCAB	Scott Newell – Staff (CDE)
Pete Hall – CCAB	Wendi Chapin - Staff(CDE)
Pete Jefferson – CCAB	Kristin Lortie – Staff (CDE)
John Conklin – CCAB	Jay Hoskinson - Staff (CDE)
Kathy Gebhardt – CCAB	Cheryl Honigsberg – Staff (CDE)
	Erica Weston– CCAB Legal Advisor

▪ Excused

Tom Stone – CCAB
Greg Randall – CCAB

III. Approve Agenda

- CCAB Chair asked for a motion to approve the agenda;
 - So moved by Norwood Robb;
 - Lyndon Burnett 2nd the motion;
 - No discussion;
 - Motion to approve the agenda carried unanimously.

IV. Approve Minutes from February 27 Meeting

- CCAB Chair asked for a motion to approve the minutes from the previous CCAB meeting;
 - So moved by Norwood Robb;
 - Lyndon Burnett 2nd the motion;
 - No discussion;
 - Motion to approve the minutes carried unanimously.

V. Board Report

- The CCAB Chair asked the CCAB if anyone had any information they wished to share. No comments from the CCAB were provided.

VI. Directors Report

- Ted Hughes told the CCAB about Ignacio School District's groundbreaking ceremony he recently attended. Ted Hughes told the CCAB about their BEST project and that they had recently found human remains while excavating.

- Ted Hughes gave the CCAB a brief update on Senate Bill 13-214, which would give some oversight to the Capital Development Committee (CDC). Ted Hughes mentioned that the bill would give the CDC the same oversight the State Board of Education has, but only for lease-purchase projects.
- A CCAB member asked Ted Hughes if there were any bills that were going to provide additional funding for BEST. Ted Hughes told the CCAB he had only heard rumors and that there no bills introduced yet. Ted Hughes told the CCAB that Amendment 64 may provide additional funding, but that there would have to be a referendum on the ballot in November 2013. A CCAB member stated that the Long Bill was not providing any additional money to K-12 capital construction and that funding went to higher education and transportation.

VII. Action Item

- Review and approve returning unused cash matching funds to Silverton School District 1 for their FY2009-10 BEST Lease-Purchase grant.
 - Norwood Robb made a motion to return the money;
 - Pete Jefferson 2nd the motion;
 - No discussion;
 - Motion carried unanimously.

VIII. Discussion Items

- Continue discussion for policy on the return of matching money on BEST lease-purchase grants, when the project is complete and under budget. Ted Hughes briefly discussed how cash matches were returned on lease-purchase projects if there were any cost savings. Ted Hughes then discussed the different options on how leftover financed funds could be distributed and the possible outcomes for each option. Ted Hughes noted the interest free financing the State used is subject to sequestration and that the State's share of the lease payment has increased. Ted Hughes said the State has not asked the lease-purchase grantees to pay for any portion of this. Ted Hughes explained how the financing works and how the State sells all of the bonds when the projects are financed.

Ted Hughes introduced Brett Johnson, the Deputy State Treasurer and his Attorney General, Heidi Dineen. Brett Johnson explained how the grantees are contributing to a lease payment and if any of the financed money was credited to the grantee that the State's portion of the lease payment would increase. Brett Johnson noted that if this happened, the State would be closer to the \$40 million cap on its yearly lease payments and that the Treasurer's Office would not be comfortable financing further BEST lease-purchase projects. Brett Johnson talked about the addition money that has to be paid due to sequestration and that he is not comfortable increasing the grantee's payback amount. Heidi Dineen noted the statute that talks about returning financed funds is not clear if the money can be actually be returned. Brett Johnson told the CCAB they would have to make a decision either to pay off debt, or use the leftover funds for future projects. Heidi Dineen said it would be a complicated process to figure out how to pay down the debt and that there are spend down requirements. The CCAB and Brett Johnson discussed how other State entities are handling the sequestration situation. A CCAB member requested a decision/opinion in writing from the State Treasurer's Office.

The CCAB and Ted Hughes discussed the grant reserve and how a certain percentage is added to each project depending on whether the project is for new construction or renovation. A few of the CCAB members made a comment that they feel the leftover funds should be used for future projects and that at the end of the day, the grantees are getting an exceptional deal from the BEST Program. The CCAB Chair asked if the grantees understand the grant reserve and if they understand the financing process. Ted Hughes said yes they do and that all of the information is clearly stated in the financing documents. The CCAB Chair asked the Division staff and Brett Johnson for some more information. The CCAB Chair asked for the actual figures that are left over on closed projects, what the total impact would be on the program and if there are any other options. Brett Johnson stated it could be done, but that it would need a lengthy analysis with their bond counsel.

- Discuss and review the BEST FY2011-12 Legislative Report. Ted Hughes told the CCAB that Division staff member Scott Newell had recently been promoted to a supervisor position and that he was going to review the report with the CCAB. Scott Newell reviewed the legislative report with the CCAB and answered questions from the CCAB. The CCAB Chair asked if the Division could add in the current annual debt payment into the report. The staff said they could.

The CCAB Chair called for a short break 2:30 p.m. to 2:44 p.m.

- Review the summary of FY2013-14 BEST Grant applications received March 1, 2013. Ted Hughes reviewed the current grant applications the Division received on March 1, noting that staff was in the process of reviewing grants and getting questions answered. Ted Hughes reviewed the timeline of when the summary book would be distributed to the Board.

Ted Hughes briefly discussed a few projects that have requests for bullet proof glass in them and asked the CCAB how they felt about the request. The CCAB discussed some options and Ted Hughes reviewed the various costs associated with bullet proof and impact resistant glass.

- Discussion pertaining to grant application review process. Ted Hughes reviewed the process in detail with the CCAB. The CCAB Chair made a comment that some of the recommended processes felt duplicative and that he would prefer to keep the process the same as the prior year. Another CCAB member agreed and also commented that he was willing to complete a survey for each project, so the Division could provide a better explanation to grantees as to why their project may have been not awarded.
- Discussion on waiver request guidelines. Ted Hughes discussed the waiver request guidelines with the CCAB. The CCAB discussed the statute and agreed that the process is fair.
- Discuss Rocky Mountain Deaf School's (RMDS) BEST project. Ted Hughes discussed the background of the project and issues that the school has had. Ted Hughes explained another issue that came up regarding their land deal. Nancy Bridenbaugh with RMDS told the CCAB about a permit they can get to keep the project on schedule.

- Discuss Centennial R-1's New PK-12 School Project. Ted Hughes told the CCAB about issues the school is having with their HVAC system. Ted Hughes provided a timeline of events to the CCAB and explained how the Division staff has worked with the district to resolve issues and get the system working as intended.

IX. Executive Session

The CCAB Chair noted that there was no a need for an executive session.

X. Future Meetings

- The upcoming CCAB meetings were announced.

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 Lyndon Burnett;
 - Norwood Robb 2nd the motion;
 - No Discussion;
 - Motion carried unanimously;
 - Meeting adjourned.