

CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE APRIL 24, 2013 MEETING

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

I. Call to Order

- 1:18 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)
Greg Randall – CCAB	Kristin Lortie – Staff (CDE)
Kathy Gebhardt – CCAB	Jay Hoskinson - Staff (CDE)
John Conklin – CCAB	Cheryl Honigsberg – Staff (CDE)
Erica Weston– CCAB Legal Advisor	Dustin Guerin – Staff (CDE)

▪ Excused

Tom Stone – CCAB	Pete Jefferson – CCAB
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III. Approve Agenda

- CCAB Chair asked for a motion to approve the agenda;
 - So moved by Lyndon Burnett;
 - John Conklin 2nd the motion;
 - Discussion: Kathy Gebhardt asked to amend the agenda to add an item to the end of discussion topics: How items should be presented to the Board. The CCAB agreed.
 - Motion to approve the amended agenda carried unanimously.

IV. Approve Minutes from March 27 Meeting

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

V. Board Report

- The CCAB Chair updated the CCAB on Senate Bill 13-260. The CCAB Chair told the CCAB there was language in the bill that would have taken funds from BEST and that the bill has been amended to remove that language.
- The CCAB Chair updated the CCAB on Senate Bill 13-214, Senator Schwartz's bill. The CCAB Chair told the CCAB about the two main items of the bill: oversight by the Capital Development Committee (CDC) and maintaining a reserve of one year's worth of the lease payments. Ted Hughes

noted that the CDC will have to follow the same criteria as the State Board that is currently in statute in order to reject or approve the list. The CCAB discussed the bill further.

VI. Directors Report

- Ted Hughes told the CCAB about upcoming groundbreakings at Elbert 200 and Ellicott 22 and a ribbon cutting for Big Sandy 100J.

VII. Action Item

- Review and approve a policy on the return of financed matching money on BEST lease-purchase grants, when the project is complete and under budget. The CCAB Chair asked Attorney General, Heidi Dineen, to discuss her memo that was sent to the Board regarding her opinion on the matter. Heidi Dineen reviewed the memo with the CCAB, discussing the repayment amounts, the debt schedule, federal subsidies and how sequestration has affected the amounts to be repaid. A CCAB member asked if the sublease could be amended so remaining funds could be spent by the grantee for other projects they would like to complete. Heidi Dineen noted it depends on the language in the ballot measure and what restrictions are included in the measures. Heidi Dineen noted that bonding attorneys have been consulted and stated that the bonds can be amended, but that the leftover funds would go back to the taxpayers.

A CCAB member asked about timeframes that the money has to be spent in. Heidi Dineen noted the timeframes and how the FY2009-10 projects were currently out of compliance. Ted Hughes clarified what ineligible expenses were and how they are eligible for the project, but not eligible under the guidelines of the types of financing used.

- Norwood Robb made a motion to accept the proposed policy;
 - Lyndon Burnett 2nd the motion;
 - Discussion: A CCAB member suggested looking at each project on a case by case basis. The CCAB Chair introduced Brett Johnson, Deputy State Treasurer, and asked if he had anything to add. Brett Johnson told the CCAB his stance had not changed from the previous meeting. The CCAB discussed the policy and if the grantees were aware of the decision. Ted Hughes told the CCAB a policy needed to be adopted before the grantees were notified;
 - Vote: 5 yes, 2 no. Motion carried.
- Review and establish a policy on bulletproof and impact resistant glass. Ted Hughes told the CCAB the Division had received numerous grants that included bulletproof and impact resistant glass and asked the CCAB to make a decision on how the requests should be handled. Ted Hughes reviewed a list of options with the CCAB. The CCAB discussed each of the options and considered if adding bulletproof and impact resistant glass was the correct solution. A CCAB member asked what schools would do while their children were on a bus or out on the playground. The CCAB discussed costs associated with installing bulletproof and impact resistant glass. Some members suggested a threshold as to what could be funded, while others said there was not a “one size fits all” and that it would need to be looked at on a case by case basis.
 - Norwood Robb made a motion that BEST funds will not be used to pay for any bulletproof and impact resistant glass and if the applicant wanted to upgrade to bulletproof and impact resistant glass, the cost would be 100% theirs.
 - John Conklin 2nd the motion;
 - No discussion;
 - Motion carried unanimously.

VIII. Discussion Items

- Brief update to the BEST Board regarding Eagle Net. The CCAB Chair gave an update on the status of Eagle Net and the background of the issues. The CCAB Chair said there are funding and political implications. A CCAB member asked if there would be any impact on BEST. The CCAB Chair said he would not know until the end of summer.
- FY2012-13 grant selection meeting survey results. The CCAB briefly reviewed the results and a CCAB member asked about what changes have been made. Ted Hughes told the CCAB how the Division has reviewed the results and incorporated them into the grant review process. Ted Hughes said one of the major changes was getting more information from the Board on projects that were not recommended. A CCAB member stated that he thought it was important for applicants to know reasons surrounding their decisions. A CCAB member suggested sending the results of the survey to the Joint Budget Committee and other assemblies.

The CCAB Chair called for a short break; 2:40-2:50 p.m.

- Discuss and review the BEST Assistance Fund Expense and Revenue Report. Wendi Chapin with the Division staff briefly reviewed the BEST Assistance Fund Expense and Revenue Report with the CCAB.
- Discussion pertaining to the grant application review process, the schedule and the amounts available for grants. The CCAB Chair stated he was happy with the process and did not think any changes needed to be made. Ted Hughes reviewed the schedule and confirmed with the Board that they were ok with it. Ted Hughes reviewed the decision memo with the CCAB noting all Board members would have to do is check boxes and provide any comments they may have.
- Aspen Community Charter School (ACCS) update. Scott Newell informed the CCAB that ACCS had sent a letter certifying they had received all of their matching funds for their FY2012-13 project.
- Rocky Mountain Deaf School update. Scott Newell told the CCAB that the Division had received the school's purchase agreement and the land lease. Scott Newell told the CCAB the documents were both adequate and that the Division is on board with the school to proceed with the project.
- Centennial R-1's new PK-12 new school project heating system update. Ted Hughes informed the CCAB about issues surrounding the heating, ventilation and air conditioning. Ted Hughes told the CCAB that he was going to attend the district's next board meeting.
- Dolores RE-4A's FY2012-13 BEST grant project update. Ted Hughes discussed budget issues surrounding the project. Scott Cooper, district superintendent and Jim Ketter, the owner's representative for the project presented to the CCAB. Scott Cooper told the CCAB the project was 50% over budget, noting that the hard costs were much more than expected. Jim Ketter reviewed a presentation with the CCAB discussion the budget gap summary, how scope was cut out of the project and how the district has been approved to contribute \$750,000 of their own funds to cover budget issues. The CCAB discussed the issues and the differences between hard and soft costs. Jim Ketter stated that the master plan used RS Means as a guide to determine costs, but that he feels it underestimates costs 10-20% for southwest Colorado.

Ted Hughes told the CCAB about the grant reserve and how the issue is not for an unforeseen condition. Ted Hughes suggested the CCAB develop a grant reserve policy and agreed that there were some serious mistakes made regarding costs for the project and suggested that the CCAB make

an exception. The CCAB discussed the reserve amount and the amount being requested from the district. Scott Cooper noted that the project was \$1.4 million over budget and that the district would provide \$750,000. The CCAB discussed the options, noting they could authorize the use of reserve funds or have the district come back for a supplemental grant in FY2014-15. Ted Hughes noted how an emergency grant was not an option.

- The CCAB Chair made a motion to allow a one-time exception for the district to use up to \$289,000 of their reserve for budget issues regarding the project;
 - Pete Hall 2nd the motion;
 - No discussion;
 - Motion carried unanimously.
- Lake RE-1's FY2012-13 BEST grant project update. Ted Hughes explained the situation to the CCAB, noting it was a similar situation to Dolores RE-4A. Chris Guarino, with Consilium Partners, the owner's representative for the project addressed the CCAB. Chris Guarino told the CCAB about the project and how the master plan was missing over 10,000 square feet. Chris Guarino told the CCAB the possible solutions and the amounts needed to cover the square foot issues. Ted Hughes noted that since this was lease-purchase project, that the scope could not be cut. Chris Guarino told the CCAB the district would need an additional \$1.8 million to meet the sublease specifications.

The CCAB discussed their concerns with the project and their thoughts on how important it is for master plans to be accurate. The CCAB noted how they are upset that no one is being held accountable for the mistake and thinks that some of the districts are being taken advantage of. The CCAB decided they needed more time to make a decision and requested that the topic be discussed at a special meeting in May. Wendy Wyman, Lake's superintendent, told the CCAB how revitalized the community is that they received this project, noting how important it is to them.

IX. Future Meetings

- The upcoming CCAB meetings were announced and the CCAB Chair asked that another meeting be scheduled before the May grant selection meetings to finish the remaining items on the agenda.

X. Public Comment

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

XI. Adjournment

- The CCAB Chair asked for a motion to adjourn;
 - So moved by Norwood Robb;
 - Dave Van Sant 2nd the motion;
 - No Discussion;
 - Motion carried unanimously;
 - Meeting adjourned 4:05 p.m.