

CAPITAL CONSTRUCTION ASSISTANCE BOARD

MINUTES OF THE APRIL 25, 2012 MEETING

Meeting held at:
State Offices Building
201 E. Colfax Ave., Denver, CO 80203
State Board Room, 101

I. Call to Order

- 1:01 p.m. Mary Wickersham called the meeting to order.

Attendees

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

Excused

Pete Jefferson – CCAB	Greg Randall – CCAB
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- Agenda reviewed
- CCAB Chair asked for a motion to approve the agenda;
 - So moved by Lyndon Burnett;
 - Norwood Robb 2nd the motion;
 - Discussion: Norwood Robb proposed to amend the agenda and to move item VIII(a) Presentation from Bill Ryan, Director of the State Land Board & item VII(a) Resolution 12-01 regarding BEST Board position on proposed legislation, to be conducted after the Board Report. The CCAB agreed.
 - Motion to approve the amended agenda carried.
- CCAB Chair asked for a motion to approve the March minutes;
 - So moved by Norwood Robb;
 - Dave Van Sant 2nd the motion;
 - Discussion: Ted Hughes discussed a few sections of the minutes that were revised before the meeting. The CCAB reviewed the changes and agreed they were ok.
 - Motion to approve the amended minutes carried.

II. Board Report

- The CCAB Chair noted that the Colorado Lottery bill to divert BEST lottery spillover funds was killed. The CCAB Chair said Senate Bill 12-121 was moving right along. The CCAB Chair talked about two legislative bills that were not introduced, that could affect the BEST

Program. The first bill would either reduce the funding the BEST program receives or lower the Certificates of Participation (COP) capacity. The other bill included some program procedure changes with planning review and conflict of interest provisions for CCAB members. The CCAB Chair talked about the different scenarios if one of the bills was passed, but said the lobbyists who are lobbying for the bills, may recommend waiting until next year to introduce either of the bills.

- Ted Hughes mentioned the school finance bill passed that increases the charter school capital construction grant program by \$1 million, taking it from \$5 million a year, to \$6 million a year.
- A CCAB member asked if there was a bill introduced to reduce the program's funding. The CCAB Chair said none had been introduced, but if one was, that it would probably go into effect July 1, 2012. The CCAB Chair talked about how there were legislatures looking at the BEST program's large assistance fund balance. The CCAB Chair said there was a large balance because the money accrues all year starting in July, then the CCAB awards projects the following June. The CCAB Chair also said part of the balance was not available for use, because some of the funds needed to be used for the biannual COP payments.

III. Discussion Item

- Presentation from Bill Ryan, Director of the State Land Board. The CCAB Chair introduced Bill Ryan. Bill Ryan greeted the CCAB and noted that the State Land Board would be receiving an additional \$20-25 million in funds for the month of April. Bill Ryan showed the CCAB a PowerPoint presentation that included the history, the revenues and the impact on education that the State Land Board has had throughout Colorado. Bill Ryan said the state lands are not open to the public, but are leased to the parks and wildlife divisions. Bill Ryan said the majority of their revenues come from mineral & royalties, then agriculture, then commercial, renewable energy and all other. Bill Ryan noted that the BEST program receives 50% of the State Land's revenues.

A CCAB member asked where the State Land funds went before BEST. Bill Ryan said they went into their permanent fund. The CCAB Chair talked about the permanent fund and why other states that are not local control have larger fund balances. A CCAB member asked about the permanent fund and how it is regulated. Bill Ryan said the permanent fund is like a savings account that cannot be touched. The CCAB member asked what the State Land Board owns; surface, below ground, water rights. Bill Ryan said everything in some cases, but mostly everything below surface. The CCAB member asked how the CCAB could better its relationship with the State Land board. Bill Ryan mentioned being more active on each other's board would be good. Bill Ryan said he would like to tour some of the BEST schools that have been built recently. The CCAB Chair said the CCAB would like to work with the State Land Board and be more transparent. Bill Ryan asked the CCAB about the COP repayment schedules. The CCAB Chair talked about the reporting and the three parties involved and their responsibilities: the BEST Division, the State Land Board and the State Treasurer's Office. The CCAB discussed options for being more transparent and how it could be displayed on the BEST website. The CCAB talked about the BEST program's revenues and what would happen if they were cut. Bill Ryan said the State Land Board wanted to use the interest from the permanent fund to pay the lease payment.

Ted Hughes told the CCAB about Prairie School District's upcoming ground breaking ceremony and invited Bill Ryan to the event. The CCAB thanked Bill Ryan for his time.

IV. Action Item

- Resolution 12-01 regarding BEST Board position on proposed legislation. A CCAB member noted that no bills had been introduced, so he moved to postpone the resolution until a bill is introduced. The CCAB agreed.

V. Directors Report

- Ted Hughes gave the CCAB an update on the status of the FY2012-13 Grant applications, noting the summary book would be presented at the May CCAB meeting.
- Ted Hughes told the CCAB about Park School District RE-2's New School Open House he attended. Ted Hughes talked about their bio-mass boiler. Ted Hughes mentioned the Prairie School district ground breaking that was coming up and told the CCAB Lake George Charter School was having their ribbon cutting on August 4th, 2012.
- Update status of Rocky Mountain Deaf School's (RMDS) land purchase. Ted Hughes told the CCAB there was a controversy over who owns the land. Ted Hughes said there are a lot of issues that need to be cleared up and that the local residents are against the school going in. Ted Hughes said the residents are very organized and doing everything they can to keep the school from getting built.
- Ted Hughes told the CCAB about the Green Ribbon Schools award and how three Colorado schools were awarded. Ted Hughes talked about the qualifications. A CCAB member asked if it was a monetary award, Ted Hughes said it was not, recognition only.
- Ted Hughes told the CCAB that CCAB member Adele Willson was going to step down after the June meetings, along with Mike Maloney and Mary Wickersham. Ted Hughes also talked about other CCAB member's terms and mentioned who was up for reappointment.
- Ted Hughes also suggested having the May meeting offsite at the Denver School of Science and Technology's (DSST) Green Valley Ranch High School. A CCAB member who is the Board President for DSST invited the CCAB to the school for the May meeting. The CCAB agreed that would be a good idea.

The CCAB Vice-Chair called for a short break.

VI. Discussion Items

- Discussion pertaining to The Neenan Company's (TNC) structural design issues. Ted Hughes told the CCAB he was going to present a review of lessons learned from the TNC structural design issues. Ted Hughes noted that once a BEST project was awarded, it was up to the grantee to complete the selection process. Ted Hughes told the CCAB that TNC only had one structural engineer with no one to check his work. Ted Hughes said he had talked multiple times with TNC and the Division of Fire Safety (DFS) and determined there was poor internal quality control. Ted Hughes and the CCAB discussed insurance requirements for projects. The CCAB discussed the situation further; a member noted that the schools have the control. Ted Hughes said TNC is not currently going after new work; instead they are trying to fix all previous issues. A CCAB member requested that TNC

provide a review, in writing, that list all school and issues that were found and resolved. The CCAB talked about when owner's representatives are hired and how they can help grantees through the selection process. Ted Hughes said TNC was helping some of the applicants with their master plans and already had a foot in the door before owner's representatives were hired for the project.

- Discussion with Steve Stokes and Theresa Staples, with the Division of Fire Safety, regarding structural reviews. Ted Hughes introduced Steve Stokes and Theresa Staples. Steve Stokes told the CCAB he would like to recognize the BEST staff and CCAB for all of their cooperation working through the structural issues at the BEST schools. Steve Stokes talked about third party reviews, the DFS's responsibility and how inspections can differ from inspector to inspector. Steve Stokes noted how four different soil tests were completed at the Meeker Elementary School and how all four reports were different.

Steve Stokes told the CCAB the local districts do not have to use the DFS to conduct inspections and that other pre-qualified third party inspectors can be used. Steve Stokes told the CCAB the DFS is going above and beyond and completing additional third party reviews at all schools throughout the state. A CCAB thanked them for all of their hard work. A CCAB member asked how the BEST staff could better assist the DFS. Steve Stokes said the BEST staff has already been helpful enough and that everything was working fine the way it was.

- Ted Hughes noted SlaterPaull Rule 3.1.4 notification regarding the Englewood 1's Middle School Renovation and Addition to convert to an Alternative High School, BEST Lease-Purchase grant project. No discussion.
- Discussion pertaining to Senate Bill 12-121 & the revised charter school match % calculations. Ted Hughes talked about how the new match would probably affect the upcoming round of charter school's match percentages; noting some would go up and some would go down. Ted Hughes reviewed the criteria and the weights for each. The CCAB discussed further and a member requested the criteria to be laid out side by side so the difference in percentages can be easily identified.

VII. Future Meetings

- No discussion.

VIII. Public Comment

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

IX. Adjournment

- The CCAB Chair asked for a motion to adjourn:
 - So moved by Dave Van Sant;
 - Lyndon Burnett 2nd the motion;
 - No discussion;
 - Motion carried;
 - Meeting Adjourned.