

CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE NOVEMBER 12, 2012 MEETING

**Meeting held at:
Colorado Association of School Boards (CASB)
1200 Grant Street, Denver, CO 80203
Longs Peak Board Room**

I. Call to Order

- 1:00 p.m. Dave Van Sant called the meeting to order.

II. Roll Call

▪ Attendees

Dave Van Sant – CCAB Chair	Ted Hughes – Staff (CDE)
Norwood Robb – CCAB Vice-Chair	Leanne Emm - Staff (CDE)
Pete Hall – CCAB	Kevin Huber – Staff (CDE)
Lyndon Burnett – CCAB	Dustin Guerin – Staff (CDE)
Greg Randall – CCAB	Wendi Chapin - Staff(CDE)
Tom Stone – CCAB	Kristin Lortie – Staff(CDE)
John Conklin – CCAB	Jay Hoskinson - Staff (CDE)
Erica Weston– CCAB Legal Advisor	Cheryl Honigsberg – Staff (CDE)

▪ Excused

Lyndon Burnett – CCAB
Kathy Gebhardt – CCAB
Pete Jefferson – CCAB

III. Approve Agenda

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

IV. Approve Minutes from September Meeting

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

V. Time Items

- Rulemaking Hearing: public hearing regarding the BEST Rules - 1 CCR 303-3. Ted Hughes told the CCAB how Senate Bill 12-121 impacted the BEST Program and how the BEST Rules needed to be updated to reflect the laws put in place.
The CCAB Chair read the hearing script:

I call to order this hearing on proposed amendments to the Rules of the Public School Capital Construction Assistance Board.

This hearing was properly noticed as part of this public meeting and in accordance with Colorado Revised Statutes 24-4-103. Additionally, pursuant to C.R.S. 22-43.7-106 (2)(i)(II), the State Board was provided with a copy of the proposed amendments on or before the date of the notice of rulemaking.

The statutory basis for these amendments is found in C.R.S. 22-43.7-106(2)(i)(I). The purpose of these amendments is to revise the permanent rules on the subject of the Building Excellent Schools Today Grant Program.

At this time the Board would like to provide an opportunity for any public comment on the proposed Rule amendments. The members of the Board may question any witness at the close of his or her comments.

Do any members of the public wish to offer any comments on the proposed rules? There were none.

Since there no public comments on the proposed Rule amendments, I open the floor to Board discussion. Do any members wish to raise a matter for discussion? No discussion.

The Board has provided notice and opportunity to all interested parties to bring their concerns before the Board. The Board has considered all concerns raised. Being satisfied that:

- The proposed Rule amendments are consistent with the noticed subject matter,
- That there is a demonstrated need for the Rule amendments,
- That statutory authority for the Rule amendments exists,
- That the Rule amendments are clearly and simply stated and do not conflict with law or duplicate or overlap other rules.

I therefore declare this Rules hearing at a close.

On the basis of all of the foregoing, I would ask for a motion to adopt the proposed Rule amendments.

- So moved by Norwood Robb;
- Tom Stone 2nd the motion;
- No discussion;
- Motion carried unanimously.

The proposed amendments to the Rules of the Public School Capital Construction Assistance Board are hereby adopted.

The Director is instructed to submit the amended Rules to the Attorney General for an opinion and is likewise delegated all necessary authority to take the required steps to complete the filing of the Rules so that they may become effective at the earliest date possible.

- Assistance Board vote to consider the re-adoption of the amended BEST Construction Guidelines – 1 CCR 303-1. Ted Hughes told the CCAB the rules were not filed by the deadline required by the Secretary of State’s office and that the CCAB needed re-adopt the rules.

The CCAB Chair read the script:

The current version of the Public School Facility Construction Guidelines were adopted on September 26, 2012. The Secretary of State filing requirements were not met by the BEST staff and they need to be readopted.

I would ask for a motion to readopt the Public School Facility Construction Guidelines.

- So moved by Norwood Robb;
- Tom Stone 2nd the motion;

- No discussion;
 - Motion carried unanimously.
- The Public School Facility Construction Guidelines are hereby readopted.

VI. Board Report

- The CCAB Chair spoke briefly about financing process for FY2012-13 BEST lease-purchase grants. The CCAB Chair noted how impressed he was with how much work everyone involved does for the BEST Program and the children throughout Colorado.

VII. Directors Report

- Ted Hughes reviewed the recent BEST ribbon cuttings and groundbreakings he had attended.
- Ted Hughes gave an update on the Rocky Mountain Deaf School, noting it was officially a BEST Cash grant and clarified that none of the BEST Grants have to be paid back, regardless if it is a cash or lease-purchase.
- Ted Hughes reviewed the 2012 election results with the CCAB, noting West End School District RE-2 was the only BEST project who failed their bond election.
- Ted Hughes briefed the CCAB on Amendment 64 which was approved and told the CCAB that the BEST Program will not receive any revenues from the new law as it is currently written.

VIII. Discussion Items

The CCAB Chair asked that item b) Discuss and review the BEST Assistance Fund Expense and Revenue Report be discussed first.

- Discuss and review the BEST Assistance Fund Expense and Revenue Report. Wendi Chapin with CDE introduced herself and reviewed the BEST Assistance Fund Expense and Revenue Report with the CCAB.
- Discussion regarding FY2012-13 BEST large project list projects that will not be funded. The CCAB Chair asked if there were any members of the public who would like to address the CCAB before the discussion took place.

Tami Cassetty and Robin Cole with Ross Montessori addressed the CCAB and explained their situation regarding the school’s FY2012-13 BEST grant. The CCAB discussed the issues surrounding the project and asked the Deputy State Treasurer, Brett Johnson for his opinion. Brett Johnson and Heidi Dineen with the Colorado Attorney General’s office discussed the situation with the CCAB. Heidi Dineen noted concerns with deadlines not being met and issues with real estate due diligence.

Doug Lidiak, the Board President with Greely School District 6 talked to the CCAB regarding the district’s FY2012-13 BEST grant.

IX. Action Items

- Approve a \$200,000 decrease for Pikes Peak BOCES FY2012-13 recommended grant that was originally added for Davis-Bacon prevailing wages. Ted Hughes told the CCAB about American Recovery and Reinvestment Act funds that were used for Qualified School Construction Bonds (QSCB) for financing on previous BEST lease-purchase projects, and how the money from these bonds needed to be spent by December 2013.

The CCAB Chair asked for a motion that the BEST Board recommend to the State Board that the Pikes Peak BOCES FY2012-13 BEST grant to replace a special and alternate needs school be revised from \$12,130,737 to \$11,930,737.

- So moved by Tom Stone;
 - Norwood Robb 2nd the motion;
 - No Discussion;
 - Motion carried unanimously.
- Approve an additional \$876,698.00 for Ignacio School District's FY2011-12 lease-purchase grant for Davis-Bacon prevailing wages. Ted Hughes explained the situation how the Pikes Peak BOCES project did not qualify to use the QSCB funds and that two other projects from the FY2011-12 BEST grant cycle would need to have an additional allowance for Davis-Bacon prevailing wages.

The CCAB Chair asked for a motion to add \$876,698.00 allowance to the total project cost for Ignacio School District's FY2011-12 BEST grant to cover additional costs for Davis-Bacon prevailing wages.

- So moved by Norwood Robb;
 - John Conklin 2nd the motion;
 - No Discussion;
 - Motion carried unanimously.
- Approve an additional \$1,574,695.00 for Ellicott School District's FY2011-12 lease-purchase grant for Davis-Bacon prevailing wages. Ted Hughes explained the situation how the Pikes Peak BOCES project did not qualify to use the QSCB funds and that two other projects from the FY2011-12 BEST grant cycle would need to have an additional allowance for Davis-Bacon prevailing wages.

The CCAB Chair asked for a motion to add \$1,574,695.00 allowance to the total project cost for Ellicott School District's FY2011-12 BEST grant to cover additional costs for Davis-Bacon prevailing wages.

- So moved by Norwood Robb;
- Dave Van Sant 2nd the motion;
- No Discussion;
- Motion carried unanimously.

The CCAB Chair called for a short recess at 2:02p.m. Meeting called back to order at 2:17 p.m.

- Review and approve the final recommended large project cash list for the BEST FY2012-13 grant cycle of projects that are to be submitted to the State Board for final approval. Ted Hughes reviewed the list with the CCAB and explained the difference between the lease-purchase projects and the large cash grant projects. Ted Hughes noted how there were enough funds to fund all of the projects, including the cash grant back-up projects.

The CCAB discussed the Ross Montessori project and determined the project had not met the requirements for financing and that the project was not going to be recommended to the State Board for financial assistance.

Norwood Robb made a motion that the FY2012-13 BEST Large Cash Grant list be approved and direct staff to submit it to the State Board for final approval.

- Pete Hall 2nd the motion;
 - No Discussion;
 - Motion carried unanimously.
- Review and approve the final recommended lease-purchase project list for the BEST FY2012-13 grant cycle of projects that are to be submitted to the State Board for final approval.

Norwood Robb made a motion that the FY2012-13 Lease-Purchase Grant list be approved and direct staff to submit it to the State Board for final approval.

- Pete Hall 2nd the motion;
 - No Discussion;
 - Motion carried unanimously.
- Norwood Robb made a motion that the FY2012-13 Small Project Cash Grant list be approved and direct staff to submit it to the State Board for final approval.
 - Pete Hall 2nd the motion;
 - No Discussion;
 - Motion carried unanimously.
 - Approve a Qualified Zone Academy Bond (QZAB) application for Denver County School District 1. (*Norwood Robb recused himself from the discussion and voting*). Ted Hughes told the CCAB about the QZAB program. Ted Hughes told the CCAB what Denver County School District was going to use the funds for.

The CCAB Chair asked for a motion to approve the Denver County School District No. 1 (Denver Public School's) QZAB application.

- So moved by Tom Stone;
- Dave Van Sant 2nd the motion;
- No Discussion;
- Motion carried unanimously.

X. Discussion Item

- Policy agreement regarding leftover financed funds from BEST Lease-Purchase projects. Ted Hughes discussed possible ways to distribute any cost savings at the end of a project that was finance and which would be the most effective. Deputy State Treasurer Brett Johnson talked about the two revenue streams with the CCAB and suggested that the money be used for future projects. The CCAB agreed that a policy needs to be put in place.

XI. Future Meetings

- Norwood Robb told the CCAB that the next meeting was on Wednesday, November 14 and that it was a conference call scheduled for 3 p.m.

XII. Public Comment

- The CCAB Chair asked if there was anyone who had questions or would like to speak from the public. There were none. The CCAB Chair recognized Bill Ryan from the State Land Board and thanked him for everything the State Land Board does for the BEST program.

The CCAB Chair also thanked Brett Johnson with the State Treasurer's office for attending the meeting.

- The meeting adjourned 2:49 p.m.