



Vision

All students in Colorado will become educated and productive citizens capable of succeeding in society, the workforce, and life.

Goals

Every student, every step of the way



Date & Time:

October 5, 2017
1:30 p.m. – 4:00 p.m.

Location:

201 E. Colfax Ave. Rm. 101
Denver, CO 80203

Capital Construction Assistance Board Members

Tim Reed –Chair
Kathy Gebhardt – Vice Chair
Brian Amack

Margi Ammon
Denise Pearson
Ken Haptonstall

Cyndi Wright
Scott Stevens
Roger Good

- I. Call to Order – 1:31 p.m.
- II. Pledge of Allegiance
- III. Roll Call – Brian Amack, Margi Ammon, Kathy Gebhardt, Roger Good, Ken Haptonstall, Denise Pearson, Scott Stevens, Cyndi Wright, Tim Reed
CDE Attendee’s – Dustin Guerin, Anna Fitzer, Julia Fitzpatrick, Cheryl Honigsberg, Jay Hoskinson, Ashley Moretti, Jennifer Okes
AG’s Office – Robin Cochran
- IV. Approve Agenda
Motion by: Ken Haptonstall
2nd by: Roger Good
All for: Brian Amack, Margi Ammon, Kathy Gebhardt, Roger Good, Ken Haptonstall, Denise Pearson, Scott Stevens, Cyndi Wright, Tim Reed
All opposed: None
- V. Approve Previous Meeting Minutes from September 7, 2017
Motion by: Roger Good
2nd by: Cyndi Wright
All for: Brian Amack, Margi Ammon, Kathy Gebhardt, Roger Good, Ken Haptonstall, Denise Pearson, Scott Stevens, Cyndi Wright, Tim Reed
All opposed: None
- VI. Board Report
Kathy Gebhardt shared with the CCAB that Senator Young is drafting a bill for the BEST program to be the recipient of all the marijuana excise tax, not just the first \$40 million. The Governor’s Office of State Planning and Budgeting (OSPB) is forecasting next year’s surplus to be \$88 million and the following year is \$98 million. Kathy believes it’s important for the BEST program to capture the excess revenue and will be working to get this legislation ran. Kathy also mentioned she has drafted a resolution for Colorado Association for School Boards (CASB) to get their support. Roger Good offered to help get support as well by sharing the draft resolution with the Steamboat Springs School Board.

VII. Director's Report- Dustin Guerin Interim Director

Andy Stine, the candidate the CCAB selected to fill the Director's position will start on October 9, 2017.

BEST staff will be doing a presentation about the program at the CASB conference on December 1, 2017 from 2-3:15p.m. in Colorado Hall B.

The quarterly project update has been included in the CCAB packet for individual review. Any questions should be directed to the Regional Program Manager working on the project.

VIII. Executive Session - To discuss matters required to be kept confidential by state statutes in accordance with § 24-6-402(3)(a)(III), C.R.S., specifically to receive legal advice regarding the legal requirements for administrative rulemaking and policies.

Tim Reed made the motion for the Board enter into Executive Session at 1:38 p.m.

2nd by: Scott Stevens

All for: Brian Amack, Margi Ammon, Kathy Gebhardt, Roger Good, Ken Haptonstall, Denise Pearson, Scott Stevens, Cyndi Wright, Tim Reed

All opposed: None

The CCAB met in Executive Session from 1:38 p.m. – 1:54 p.m.

IX. Discussion Items

- a. How to use the \$5 million excess COP Proceeds from the Previous Issuance
Mattie Prodanovic walked the CCAB through the four options to use the \$5 million excess COP proceeds from the previous issuance.

- 1) Use the \$5 million to apply to any project – increase capacity for a lease-purchase project or use for a cash project
- 2) Use to pay debt service but not increase lease-purchase capacity. It would reduce the funds withdrawn from the assistance fund to pay the debt service payment.
- 3) Use to defease the debt service which will increase capacity for future lease-purchase borrowing
- 4) Use to pay operating expenses for the COP program

Linda Shubow, AG representation for the State Treasurer's office explained the Deputy Treasurer is open to any of the options being chosen but is most fond of option 3 as it lowers the debt service and will increase capacity for future projects. Jennifer Okes mentioned if the CCAB choses option 1 the Division may need to obtain a spending authority increase from the Joint Budget Committee (JBC) to be able to use the additional \$5 million.

Kathy Gebhardt asked if the CCAB chooses option 1 and then the JBC denies the spending authorization, could the CCAB then choose a different option. Denise Pearson expressed concern about asking the JBC to use the excess \$5 million as they may take \$5 million out of the ending fund balance. Dustin Guerin asked if there was a timing issue if the CCAB went to the JBC. Mattie explained with Option 1, the JBC would need to approve the use of the funds by May 3, 2018 in order to incorporate the funds into the current transaction for COP's or in tandem with the next cycle's COP issuance.

Tim Reed expressed concern about the burden of remediation water grants due to Colorado Department of Public Health and Environment's new water testing program and the addition of technology grants. Tim feels that option 1 will help address these additional grant requests.

- b. Review of BEST Program Policies

At the September 9, 2017 meeting the CCAB asked Division staff to draft up a policy to address the 20 year level debt-service structure required to enter into a lease-purchase agreement and how to address any unused portions of the applicants match.

Jay Hoskinson explained there was a policy adopted by the CCAB in 2013 that was a combined policy from the CCAB and Treasurer's office. The policy states cost savings may be shared with the participating district. In 2014 the policy changed to savings shall be transferred into the assistance fund. The Division now issues a lease-purchase return grant that uses money from the assistance fund to return the applicant's unused portion from their COP grant. If there are unspent funds from this COP cycle, the same type of return grant would have to be issued and the Division would need to get spending authority from the JBC. The new draft policy indicates this would still be the process for returning unused funds.

The new draft policy also addresses districts who obtain their bond and sell them before the grant award and are coming forward with a "cash grant". Any district who will be obtaining a bond to use as the project's matching funds will have to enter into a 20 year level debt service structure and allow the state to sell their bonds.

Dustin Guerin asked for the CCAB take the next month to determine any redlines to the new draft policy and the CCAB will adopt the draft policy at the November 9, 2017 meeting.

c. Debt Related to Energy Performance Contracts

At the September 9, 2017 CCAB meeting the CCAB asked for the AG's office to draft an informal opinion regarding of school districts have to obtain voter approval before entering into an energy performance contract that would be used as a BEST project match. Robin Cochran, Capital Construction's AG representation asked for more clarification on what the CCAB is trying to determine and would present the informal opinion at the November 9, 2017 CCAB meeting.

Scott Stevens explained he is trying to determine if savings from an energy performance contract is intended to be used as a BEST project match, does the district need voter approval. If not, would the firm be advancing the money to the district for the "performance" of the energy project to be used as a match? If the district uses the projected savings advancement and it doesn't add up to the predicted savings then does the district incur debt? If they could incur debt would they need voter approval?

Robin Cochran mentioned this could be a decision of the school district and the AG's office doesn't want to advise school districts on legal matters but would look further into if the CCAB can allow energy savings from performance contracts be used as a match.

d. Review of Redlined BEST Program Rules and Public School Facility Construction Guidelines

Dustin Guerin explained to the CCAB the redlined rules have not changed since they were presented to the CCAB at the September 9, 2017 meeting. The hearing and adoption for the rules will be done at the November 9, 2017 CCAB meeting. There was no further discussion regarding the redlines.

Roger Good left the meeting at 2:45 pm.

e. BEST Match Calculation & Waiver Application

Anna Fitzer explained to the CCAB there are there are seven criteria factors for school districts that determine an individual match percentage. Anna explained how each factor negatively or positively affects each district.

Anna also explained that questions 4-7 in the waiver application are optional to answer as the district, charter, or BOCES may not be contesting those factors that are contributing to their match percentage. The CCAB did not agree with questions 4-7 being optional. They collectively decided it should be mandatory that all questions on the waiver application be answered starting the FY 2018-19 grant cycle.

The CCAB recommend preliminary changes to the waiver application and suggested the CCAB could do a mock waiver application evaluation at the next CCAB meeting to see how the recommended changes would work. Anna stated whatever changes that would be made to the district waiver application would also be reflected in the charter and BOCES waiver applications as well.

f. Review Revised BEST Grant Evaluation Tool

Dustin Guerin explained there have been no changes to the actual tool itself from when it was the last

used in the FY17-18 BEST cycle. Most of the feedback from the CCAB at the CCAB retreat was for additional ways Division staff could provide information to the CCAB regarding each individual project. The additional information will be captured in the “staff comments” section of the evaluation tool.

X. Future Meetings

- November 9 @ 1:30 p.m. Location: 1829 Denver West Dr. Bldg. 27 4th Floor Seminar Room, Golden, CO 80401
- November 30 @ 4:30-6:30 p.m. Location: CASB Conference, The Broadmoor Hotel, Colorado Springs, CO 80906
- January 11 @ 1:00- 3:30 p.m. Location: Colorado High School Charter, 1175 Osage St. Suite 100, Denver, CO 80204

XI. Public Comment – No one was signed up for public comment.

XII. Adjournment – 3:35 p.m.

Motion by: Scott Stevens

2nd by: Ken Haptonstall

All for: Brian Amack, Margi Ammon, Kathy Gebhardt, Roger Good, Ken Haptonstall, Denise Pearson, Scott Stevens, Cyndi Wright, Tim Reed

All opposed: None

The mission of the Capital Construction Assistance Board is to protect the health and safety of students, teachers and other persons using public school facilities and maximize student achievement by ensuring that the condition and capacity of public school facilities are sufficient to provide a safe and un-crowded environment that is conducive to student’s learning.