

West Virginia Board of Public Works
Thursday, April 9, 2015 – 10:00 a.m.
Governor's Cabinet and Conference Room
Minutes

Attendees:

Members

State Treasurer John D. Perdue
Natalie E. Tennant, Secretary of State
Patrick Morrissey, Attorney General
Walt Helmick, Commissioner of Agriculture
Russ Rollyson for State Auditor Glen B. Gainer III
Peter Markham for Governor Earl Ray Tomblin
Charles Heinlein for State Superintendent of Schools Dr. Michael J. Martirano

Guests

Jeff Amburgey, Tax Department
Yriah Cummings, Tax Department
Fenway Pollack, Div. of Highways
David Hildreth, Real Estate Division
Ryan Pulver, Jackson Kelly
Kathy Schultz, Attorney General's Office
Brittany Vascik, Governor's Office
Ashley Summitt, Secretary of State's Office
Judy Cooper, Secretary of State's Office
Dillon Alexander, Secretary of State's Office

The West Virginia Board of Public Works met on Thursday, April 9, 2015 at 10:00 a.m. in the Governor's Cabinet and Conference Room of the State Capitol Complex. The meeting was called to order and chaired by State Treasurer John Perdue. A quorum of members was established.

The first item on the agenda was the approval of minutes from the March 2, 2015 West Virginia Board of Public Works meeting. Commissioner Helmick made a motion to approve the minutes with Russ Rollyson seconding. The motion carried.

The second item on the agenda was the approval of the certification of the levy rate on each class of property pursuant to the provisions of §11-8-8 of the West Virginia Code. Commissioner Helmick asked for a break-down of the rates on the different classes of property. Jeff Amburgey addressed the Board. He explained that the referenced section of code states that before April 15 the Board of Public Works shall levy the tax rates specified in §11-8-6a of the code. It states that on Class I property, it is twenty-five hundredths of one cent; on Class II property, five tenths of one cent; and on Classes III and IV property, one cent. This is the State rate only on all property in West Virginia. These rates are combined with the County and school rates that everyone pays. He continued that the property tax is 99.6% local, .4% of it comes to the State. That generates approximately seven million dollars a year for the State. Commissioner Helmick asked if that is dedicated to the general revenue fund. Mr. Amburgey replied that it is. Commissioner Helmick asked if this is the only tax applied to Class I property. Mr. Amburgey explained that several years ago, the Legislature eliminated the tax on intangibles. There was also an exemption on farm equipment. Those were the only two things in Class I. There is no more Class I property. Secretary Tennant asked if it would be beneficial, for clarification and understanding, to

remove Class I property from the Code since it is no longer being taxed. Mr. Amburgey replied that he thinks you could remove all references to Class I property. Attorney General Morrissey stated that he agreed. Secretary Tennant asked Mr. Amburgey for clarification on sinking funds for state road bonds as listed in W. Va. Code §11-8-6a. Mr. Amburgey explained that this portion of code states that these are the rates that must be levied. It goes on to say if there is not enough revenue generated to provide for the sinking fund requirements and interest on bonds issued prior to 1932 that rates could be increased. However, there are no such bonds left. The Board basically has no choice but to approve the rates. Secretary Tennant asked, since the Board can't increase funds from this for road repair, what should be done with this section of code. Mr. Amburgey recommended eliminating it. Commissioner Helmick made a motion to certify the tax levy rates with Secretary Tennant seconding. The motion carried.

Secretary Tennant made a motion that the Board direct the Governor's Office to direct the Tax Department to look into and correct W. Va. Code §11-8-6a and to clarify and take out archaic language. Attorney General Morrissey seconded. The motion carried.

The third item on the agenda was discussion of the following deeds listed 1 through 5 seeking approval by the Board of Public Works.

1. Between the State of West Virginia, Department of Administration, Real Estate Division and the West Virginia Economic Development Authority (Clark District), dated March 19, 2015, approved as to form by the Attorney General's office March 24, 2015.
2. Between the State of West Virginia, Department of Administration, Real Estate Division and the West Virginia Economic Development Authority (Fairmont City District), dated March 19, 2015, approved as to form by the Attorney General's office March 24, 2015.
3. Between the West Virginia Division of Natural Resources and the West Virginia Department of Transportation, Division of Highways (Parcel No. 1), dated March 20, 2015, approved as to form by the Attorney General's office March 30, 2015.
4. Between the West Virginia Division of Natural Resources and the West Virginia Department of Transportation, Division of Highways (Parcel No. 2), dated March 17, 2015, approved as to form by the Attorney General's office March 24, 2015.
5. Between the State of West Virginia, Department of Commerce, Division of Natural Resources, Public Land Corporation, on behalf of and for the use and benefit of the Wildlife Resources Section and the West Virginia Department of Transportation, Division of Highways, dated March 4, 2015, approved as to form by the Attorney General's office April 6, 2015.

David Hildreth addressed the Board concerning deeds number 1 and 2. He explained that these transfers are part of a project to assemble and satisfy the requirements for 2 new State office buildings in Fairmont and Clarksburg. The building in Fairmont is 100% complete. The building in Clarksburg is about 25% complete. The Real Estate Division has funded the construction of these buildings out of their budgets and funds. Now they are issuing bonds in order to keep funds coming in. The bond issues are expected to be about 12 million dollars for Fairmont and about 15 million dollars for Clarksburg. A requirement of the bond issue is that they convey those properties recently received to the West Virginia Economic Development Authority. That is the purpose of deeds number 1 and 2. They consolidate all of the multiple parcels. Treasurer Perdue asked who was in the facilities. Mr. Hildreth responded that in Fairmont there is DHHR, they are

the largest tenants in both buildings, Work Force, Div. of Rehabilitation and the Insurance Commission. In the Clarksburg building is DHHR, DMV, Work Force, Rehabilitation, the Auditor's Office, and the State Tax Department. Commissioner Helmick asked what the cost of buildings was. Mr. Hildreth responded about 40 million dollars. Commissioner Helmick asked if that was bonded money. Mr. Hildreth responded that it was. He explained that they will receive rent from the tenants. The rent money will be designated to re-pay the bonds. Commissioner Helmick asked who was involved with the sale of the bonds. Mr. Hildreth responded that it was handled through Jackson Kelly. Secretary Tennant made a motion to approve deed number 1 with Russ Rollyson seconding. The motion carried.

Commissioner Helmick made a motion to approve deed number 2 with Secretary Tennant seconding. The motion carried.

Fenway Pollack addressed the Board concerning deeds number 3 and 4. He explained that these two deeds involve the same project, the Chief Logan State Park project. This will be for a connector road between the lodge and the back portions of the Park. Currently these portions of the Park are not accessible from the lodge area without getting back on Corridor G. Treasurer Perdue asked if the Division of Highways is going to maintain the road going through the park. Mr. Pollack responded yes. Commissioner Helmick made a motion to approve deeds number 3 and 4 with Russ Rollyson seconding. The motion carried.

Fenway Pollack addressed the Board concerning deed number 5. He explained that this is for the Van Meter Fort Bridge. This bridge will replace a one lane arch bridge over Opequon Creek in Berkeley County. The new bridge will be two lane. Attorney General Morrissey made a motion to approve deed number 5 with Secretary Tennant seconding. The motion carried.

The final item on the agenda was an Executive Session to discuss issues relating to pending and/or potential litigation. Attorney General Morrissey made a motion for the Board to go in to Executive Session with Chuck Heinlein seconding. The motion carried. The Board went in to Executive Session.

The Treasurer called the regular meeting of the Board back in session. He stated that no action was taken during the Executive Session.

With no further business, Commissioner Helmick made a motion to adjourn with Secretary Tennant seconding. The meeting adjourned.



Natalie E. Tennant, Secretary of State and
Ex-Officio Secretary of the West Virginia
Board of Public Works