

**West Virginia Board of Public Works
Wednesday, August 12, 2015 – 2:00 p.m.
Governor’s Cabinet and Conference Room
Minutes**

Attendees:

Members

Earl Ray Tomblin, Governor
Natalie E. Tennant, Secretary of State
Walt Helmick, Commissioner of Agriculture
Dr. Michael Martirano, State Superintendent of Schools
Josh Stowers, Deputy Treasurer for John D. Perdue, State Treasurer
Kathy Schultz, Senior Deputy Attorney General for Patrick Morrisey, Attorney General

Guests

Jeff Amburgey, Tax Department
David Hildreth, Department of Administration, Real Estate Division
Ryan Pulver, Jackson Kelly
Fenway Pollack, Division of Highways
Terry Harless, Department of Education
Becky Butler, Department of Education
Veronica Barron, Department of Education
Mark Imbrogno, Governor’s Office
Phil Kabler, WV Gazette
Ashley Summitt, Secretary of State’s Office
Justin Williams, Secretary of State’s Office
Jordan Graley, Secretary of State’s Office

The West Virginia Board of Public Works met on Wednesday, August 12, 2015 at 2:00 p.m. in the Governor’s Cabinet and Conference Room of the State Capitol Complex. The meeting was called to order and chaired by Governor Tomblin. A quorum of members was established.

The first item on the agenda was the approval of the minutes from the April 9, 2015 West Virginia Board of Public Works meeting. No vote was taken.

The second item on the agenda was discussion of utility request for relief from erroneous assessment pursuant to W. Va. Code §11-6-12a for Rill’s Bus Service. Jeff Amburgey addressed the Board. He explained that for tax year 2014 a new bus company, Rill’s Bus Service, was assessed as a public utility. Like other companies, the value is assessed based on the value of the bus and the percentage of miles in West Virginia. This company filed a partial return so the Tax Department had to estimate the value of the buses. They had also filed their allocation statement (percentage of miles). For some reason the percentage of miles was not used in the assessment as it should have been. It is considered a clerical error that the Board can correct. Mr.

Amburgey would recommend that it be corrected. The assessment for 2014 was \$97,700. Corrected it would be \$4,400. Commissioner Helmick made a motion that the Board accept the recommended relief for Rill's Bus Service with Secretary Tennant seconding. The motion carried.

The third item on the agenda was a presentation by the State Department of Education for consideration and approval of the following Instructional Material Bonds pursuant to WV Code §18-2A-4:

Publisher	Bond Number
Contracts and Bonds for English Language Arts and Wellness/Health Adoption	
1. McGraw Hill	015047049
2. Pearson Education Inc. publishing as Prentice Hall	09098978
Contracts and Bonds for English Language Arts Adoption	
3. Edmentum	2156716
4. No Tears Learning Inc., dba Handwriting Without Tears	106233459
5. Perfection Learning	WVC47142
6. Pearson Education Inc. publishing as Scott Foresman	K08944489
7. Reading Reading Books, LLC	10817-1M-WV
Contracts and Bonds for Health/Wellness Adoption	
8. Houghton Mifflin Harcourt Publishing Company	800010998
9. Human Kinetics	RCX2145198
10. The Children's Health Market, Inc.	41316313
Contracts and Bonds for Off-Cycle Mathematics Adoption	
11. Houghton Mifflin Harcourt Publishing Company	800010999
12. Pearson Education Inc. publishing as Prentice Hall	09098979

Becky Butler addressed the Board. She explained that the bonds and contracts are good for six years. They hold the cost of the materials for that time, meaning prices cannot be raised. Mark Imbrogno explained that the Bonds have to have three particulars stated in them. First, that the publisher will furnish any items in the contract at the lowest wholesale price. Second, that they will automatically reduce the price in West Virginia if the price is reduced anywhere else in the United States. Third, that all items sold in the State will be identical to the official samples provided as to quality. Dr. Martirano made a motion to approve the bonds and contracts with Secretary Tennant seconding. The motion carried.

The final item on the agenda was discussion of the following deeds listed 1 and 2 seeking approval by the Board of Public Works.

1. Between the State of West Virginia, Department of Administration and the West Virginia Economic Development Authority, dated July 17, 2015, approved as to form by the Attorney General's Office July 30, 2015.
2. Between Bridgeport Development Authority and the West Virginia Department of Transportation, Division of Highways, dated January 7, 2015, approved as to form by the Attorney General's Office July 30, 2015.

David Hildreth addressed the Board concerning deed number 1. He explained that this transfer of Building 3 to the WV Economic Development Authority is being requested as a requirement of a bond issue for the construction work that is currently in progress. He continued that the bonds are 28 ½ million dollars. The construction work right now is \$34,287,000. Work began on July 20, 2015 and is scheduled to be completed by October 2016. Governor Tomblin asked if by transferring the building to the EDA, it gives them the ability to collect rent and pay off the bonds. Mr. Hildreth said yes, the bonds are predicated on the amount of rent that will be paid. Commissioner Helmick asked how much rent was necessary to satisfy the amount of the bonds. Mr. Hildreth replied \$19 per square foot, 170,000 square feet, subtract about \$7 worth of operational expense per square foot. That totals a little less than 2 million dollars a year for the 25 year term. Commissioner Helmick asked how much would be received per million for collateral. Mark Imbrogno responded that numbers provided by the bankers indicated that the annual debt service is around 1.9 million a year. Calculated over the 25 year term is a little less than 50 million dollars. Mr. Hildreth continued that 3.84% on the bonds will generate 26.8 million dollars in proceeds for the project and have approximately 2 million dollars in annual debt service. Secretary Tennant made a motion to approve deed number 1 with Commissioner Helmick seconding. The motion carried.

Fenway Pollack addressed the Board concerning deed number 2. He explained that this transfer is for a road built by the Bridgeport Development Authority years ago at East Point in Clarksburg. It is called Platinum Drive. The Development Authority is now deeding it back to Highways. Commissioner Helmick made a motion to approve deed number 2 with Secretary Tennant seconding. The motion carried.

With no further business, Secretary Tennant made a motion to adjourn the meeting. The motion carried. The meeting adjourned.



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