

Chowan County Board of Commissioners
Special Meeting
Friday, April 19, 2024
Chowan County Public Safety Center
305 West Freemason Street
9:00am

This meeting was recorded. A copy of the recording is in the meeting file labeled April 19, 2024.

Present: Chair Bob Kirby, Commissioners, Ron Cummings, Alex Kehayes, Ellis Lawrence, and Larry McLaughlin.

Commissioners Chris Evans and Tray Taylor were absent.

Staff present County Manager Kevin Howard, Finance Officer Cathy Smith and Board Clerk Susanne Stallings

Chair Kirby called the Special Meeting to order and stated the purpose of the Special Meeting was to cover topics in relation to the 2024 Bond Referendum.

Bond Counsel Presentation

Mary Nash Rusher, Attorney with McGuire Woods provided the Board members with information packets regarding the 2024 Referendum. A copy of the Materials provided are in the meeting file labeled April 19, 2024. The first item she reviewed was a Bond Referendum Timeline in order to have a Referendum on the November 5, 2024 ballot. She noted that the Board will have to adopt a resolution of intent to file an application with the Local Government Commission (LGC) at least 10 days before an application would be filed. She noted that the resolution is scheduled to be on the May 20, 2024 Commissioners meeting agenda. She noted that the schedule includes tentative dates for public hearings as well as resolutions that must be considered by the Board prior to submittal of a bond referendum question to be on the November ballot. She noted that the LGC would not consider the application until after the referendum and that the earliest it would be considered is January 2025. She stated that once the bond is approved the County would then have 7 years to issue the bonds. She reviewed a sample resolution that the Board will consider at the May 20th meeting. She noted that the resolution includes findings that the Board will have to consider. She stated that she is working under guidance from the LCG regarding the legal requirements for the question to be on the November ballot. She noted that at the time of this meeting a proposed bond amount of \$35,000,000 has been suggested however the Board will need to determine the bond amount prior to filing with the LGC. Board members asked questions of Ms. Nash Rusher including the impact of a recession on borrowing and the tax rate.

Chair Kirby asked what are the legal limitations of a Board member speaking in support of opposition of the bond referendum.

Ms. Nash Rusher noted that the County is prohibited in expending any funds to either support or oppose a referendum. She noted that the County is allowed to provide factual information regarding the referendum but it is not allowed to expend any funds to advocate for support.

Chair Kirby asked if the Board is obligated to borrow monies if the referendum is approved by the voters and LGC.

Ms. Nash Rusher stated no.

Commissioner Kehayes noted that the referendum is the public's opportunity to give the Board permission to borrow the funds but does not obligate it to borrow them.

Ms. Nash Rusher stated that if the referendum is approved, the voters have told you they are willing to support the bond however the decision to move forward with the process is a political decision.

Commissioner McLaughlin asked if the County can issue the bonds in increments.

Ms. Nash Rusher stated yes it did not have to issue all of the bond at one time.

Recreation Master Plan Update

Nate Halubka with McGill Associates provided the Board with a PowerPoint presentation regarding the status of the Edenton-Chowan Recreation Department Master Plan Update. He noted that the Master Plan is a guide that assists Counties in planning Recreation projects and provides cost estimates. He noted the plan could be used in planning for the bond referendum but the sole purpose of the document is to be a planning tool. He noted that the final draft of the plan is not complete however he was ready to provide the Board with preliminary findings from the update. A copy of the PowerPoint presentation is in the meeting file labeled April 19, 2024. He noted that having a current Master Plan on file makes the County eligible to apply for several grants available to Recreation Departments such as the Parks and Recreation Trust Fund (PARTF) \$500,000 max, Land and Water Conservation Fund (LWCF) \$500,000 max, Federal Trails Funding and State Land Projection and Waterways Funding. He noted that the placement of existing service areas in the County are well placed noting that the bulk of the parks are near the population base of the County. He stated that the Northern Chowan Community Center is well placed. He noted that one unutilized asset is the Red Banks Farm property that is located off of West Queen Street. He noted the current parks are asset rich but are in marginal or poor condition. He reviewed the community outreach efforts as part of the plan process noting there were two public meetings, two public surveys, six focus groups and staff and advisory board utilized during the process. He reviewed the survey results noting residents find the facilities to be in fair condition, the majority supports the expansion of recreational opportunities. He noted that when the public ranked the recreational opportunities they would like to see added the top key needs were aquatics, walkability, multi-sports complex, playgrounds, open space and indoor recreation space. He noted the two most popular answers were aquatics and a multi-sports complex. He provided the Board with a preliminary probable cost handout for a 10 year period and beyond and total over \$30 million. A copy of this handout is in the meeting file labeled April 19, 2024.

Board members discussed their concerns with the method for collecting the survey question data. Board members agreed that development of the Red Banks Farm property into a multi-sports complex is a great project for the community.

Chair Kirby noted that the 10 year plan did not include costs for the development of a swimming pool.

Mr. Halubka stated that he recommends the Board start small with projects like the development of Red Banks Farm and then spread out to additional projects. He noted that if the County decided to develop the Red Banks Farm property for a multi-use sports complex that the Board may wish to consider consolidation of its sport fields and consider these properties be repurposed for neighborhood parks.

Chair Kirby noted that there has been much public comment in support of the construction of a swimming pool in the County. He noted that there are three types of swimming pools, recreational, therapy and competition. He stated that one pool cannot serve all three purposes because the water has to be maintained at different temperatures. He stated that if the County were to meet all three needs, this would require construction of three different pools.

Mr. Halubka stated that he would recommend the County conduct a feasibility study in order to consider the construction of a community pool. He stated that the study would prioritize the type of pool that is needed and help the County better understand how to pay for it. He stated that there is an initial cost for pool construction then there are maintenance costs after the construction.

The Board discussed their desire to look into phasing a bond referendum instead of grouping all recreation projects into one bond.

Mr. Halubka stated that by starting small and phased planning, the County is able to build on prior successes with each bond.

The Board took a five minute recess, after five minutes, Chair Kirby called the meeting back to order.

Financial Advisor Presentation

Ted Cole with Davenport and Associates provided the Board with an overview of discussion materials that his firm has compiled in regards to a bond referendum. A copy of the discussion material booklet is in the meeting file labeled April 19, 2024. Mr. Cole noted that the County is currently not rated by Moody's, S&P and Fitch with regards to a credit rating. He stated that a rating is not needed because currently the County does not have any debt. Noting that because the debt for the high school project has not yet come online, it is taken into consideration in the presentation. He noted that the County has a funding requirement of \$34,998,500 in debt for the High School Project. He provided the Board with an overview of "Debt Affordability Analysis – Summary" which shows the impact of the current debt, future debt (high school project) and the addition of General Obligation (GO) Bonds. He noted that if the County were to issue a

\$35,000,000 bond along with the current and upcoming high school project debt, there would be a significant impact on the tax rate ranging from 12cents to 24 cents on the current tax rate. He noted the various scenarios provided in the report do not take into consideration operational expenses which will also be incurred with these projects.

Chair Kirby noted this report does not consider the impact of future capital debt such as the future needs for a Middle School, Jail and other projects.

Discussion regarding next steps

Commissioner McLaughlin noted that the Board is able to set the amount of debt it wishes to issue through a GO Bond.

Mr. Howard noted that the \$35,000,000 figure includes cost estimates for an indoor pool, a new Senior Center, renovations to DF Walker and the remainder for a multi-use athletic complex at Red Banks Farm.

Commissioner McLaughlin stated he felt the public would not support a 15 cent increase on their tax bill. He stated a 2 cent increase is more manageable.

Commissioner Kehayes stated the more vocal groups have spoken in support of a community pool.

Board members discussed their concerns over the impact on residents and business owners if there were a substantial tax rate increase to complete these projects.

The Board discussed options for phasing projects to limit the amount of tax rate impact.

Chair Kirby noted that the ballot question for the referendum does not indicate what projects the County would be completing with the bond if it is approved. He stated he did not want to misrepresent to the voters who think a pool is being included if the bond amount is less than the \$35,000,000.

Commissioner Lawrence stated he felt it is important to represent to the tax payers exactly what the referendum projects would be and to allow the voters to approve or deny the referendum.

Mr. Howard asked if the bond could be used for feasibility studies.

Ms. Nash Rusher stated that the studies could only be funded by the referendum if they are capitalized.

The Board members agreed that they needed time to consider the various discussions and come together at a future meeting to agree on a bond amount after prioritizing the projects. Board members agreed that development of the Red Banks Farm project would be a major accomplishment.

The Board agreed to set another meeting date of April 29th to further discuss its vision for the bond referendum.

Adjourn

Being no further business, Chair Kirby declared the special meeting adjourned.

Bob Kirby, Chairman

Susanne Stallings
Clerk