

Special Meeting
Wednesday, August 26, 2020
Chowan County Public Safety Center
305 West Freemason Street
3:00pm

Present Chair Patti Kersey, Commissioners Greg Bonner (came in after call to order), Ron Cummings, Don Faircloth, Larry McLaughlin, Bob Kirby and Ellis Lawrence (came in after call to order).

Staff present County Manager Kevin Howard and Board Clerk Susanne Stallings.

School Representatives present Superintendent Dr. Michael Sasscer, Architect Paul Boney and Construction Manager with MB Khan Rick Ott.

Call to Order

Chair Kersey called the special meeting to order and noted the purpose of the special meeting.

Commissioner Lawrence and Commissioner Bonner joined the meeting.

Presentation

School Superintendent Dr. Michael Sasscer began the discussion noting that the school wishes to apply for funding from the "Needs Based Public School Capital Fund Grant". He introduced the team that was with him to answer questions. He noted there was a PowerPoint presentation that Mr. Ott would provide. (A copy of the PowerPoint presentation is in the meeting file labeled August 26, 2020). Prior to the presentation there was technical issues with the projector equipment. Dr. Sasscer began the discussion noting the grant being presented is competitive. He stated the grant is \$15 million with a \$5 million match. He stated the pool of money has been reduced because there are more counties applying for the grant. He stated that the pot of money is \$75 million which has been reduced. He stated there is no guarantee that the funds will be available after this year. He stated the school system recognizes where the county is with regards to its debt structure and noted there is flexibility in utilizing county funds to go forward with the project. He stated this facility is generational that will provide facilities for current and future generations.

The Board was provided with the current draft application. Dr. Sasscer noted the grant application has not been updated based on the Board's feedback.

Mr. Boney noted that each year there are monies set aside to help Tier I counties with school capital construction. He stated you are eligible after five years to apply for another grant. He noted that Tier I get the priority but Tier II counties are now able to apply for these funds. He noted the State Superintendent will be able to make the priority decision on who gets the funds.

Rick Ott provided the presentation to the Board. He noted that the questions submitted by Commissioners will be addressed within the presentation. He stated the project size and core as currently presented. He stated the project is designed for 800 students. He noted classrooms are designed for 650 students. He noted there are two phases, Phase I is the core classrooms and Phase II is additional space. He noted the original proposal has reduced the total square footage by 17,262 square feet.

Commissioner Kirby noted that the application notes 650 students.

Mr. Ott stated the application is for Phase I which is 650 students. He noted the total cost of the project has reduced by \$6,104,000.

Commissioner Kirby asked about the total cost and Phase I cost.

Mr. Boney stated that the total cost is \$49,967,000. Phase I is \$20 million and the remainder is Phase II.

Mr. Ott stated that Phase II will be discussed later.

Commissioner Cummings asked what was the size of Phase I.

Mr. Ott stated it is about 76,000 square feet.

Commissioner Cummings noted that the application indicates the original building will be demolished.

Mr. Ott stated that Phase I builds classrooms (academic center) and administrative offices. He stated that not all of the original building is to be demolished in Phase I because it will be utilized until Phase II is designed.

Commissioner Lawrence asked for clarification in the application.

Mr. Poley noted that these are the requirements that the architect has to go through if they demolish the building.

Dr. Sasscer stated the Board of Education wants a new school. He stated the ADM is 572 students and there is room needed to expand. He stated that space is needed to provide exceptional services to students. He stated there are additional spaces needed for the public (theater, sports) which require additional space needed for the public. He stated these are events or multi use spaces for the students and the public. He stated the best way to do the project is in phases. He stated there is an opportunity for \$15 million at no cost to the community. He stated with the unknown in the future, if the funds can be secured now while design is being worked on by the Board of Education and community forums. He stated that previous forums the public wanted the school on that site. He stated with design the Board of Education wants to understand from the public what is needed or wanted which includes the discussion about whether or not to save the building. He stated the monies do not have to be drawn on immediately. He stated that he hoped the conversation would be focused on moving forward to get these monies in the bank to be drawn on in the future. He stated the ultimate design will change. He stated that the Board of Education will draft a resolution to bring to the Commissioners on what the project will be. He stated with the County's \$5 million match that will be subtracted from the total project cost.

Commissioner Lawrence asked for clarification on what the County needs to match the grant.

Mr. Howard stated the County has to have \$5 million.

Chair Kersey stated that the Commissioners have not been along for the discussions regarding the design. She stated the Commissioners have questions after getting the grant application. She noted the attachment noted in the application was not attached. She stated she wanted to see the attachments before she signs off on the application.

Mr. Ott stated the attachments are going to be presented at this meeting.

Chair Kersey asked if the monies could be held for up to 5 years.

Mr. Ott stated that the grant application needs to be competitive as possible. He stated that if in the application the County says that they will not spend the monies for 5 years, it will not be competitive. He stated that the state will give you the monies and hold them for 5 years. He stated this allows flexibility for drawing down. He stated that other Counties will have projects that are ready to go with funds appropriated.

Chair Kersey and Commissioner Kirby stated their concerns about utilizing the funds. He stated the County is not able to appropriate monies until April of 2021.

Mr. Ott explained that Camden County was able to phase their applications. He noted that if their bond referendum does not pass, Camden County will have to return those monies to the State.

Mr. Boney discussed the phasing of the project. He stated that Phase I is \$20 million. He stated that that project comes off of the \$49 million total for a future bond referendum. He discussed that prices for these projects are coming down and the County has an advantage to move forward now. He stated the County will build Phase I with the State funds which is what the application requests. He said the State wants to know that the County is moving forward.

Chair Kersey stated she was uncomfortable with those dates.

Commissioner Kirby noted the construction manager and architect are saying two different things with regards to pricing going up or down.

Mr. Boney stated that right now is a good time to bid a project. He said prices will go up.

Mr. Ott noted that Phase I is \$20 million (which includes a County match of \$5 million). He stated that Phase II cost is to be determined. He stated that there is a potential for grant monies in the future. The legislature is discussing \$10.7 million but that has not been approved. He stated the Board could consider a USDA loan or Bond referendum. He noted the grant application was a draft and was forwarded to the Commissioners. He noted that some corrections have been made to the application. He noted the application is released on July 31st and due by September 15th. He stated the announcement will be made October 1st. He stated the funds can be drawn down in 2021 or after.

Commissioner McLaughlin asked if \$1 million is spent is there a County match required.

Mr. Boney stated he felt the match is due by the end of the process. (Board members questioned this and Mr. Boney put in a call to the State to get the answer and this is addressed later in the meeting).

Mr. Howard stated he thought the County was responsible for a percentage throughout.

Commissioner Faircloth stated that \$2.5 million match for 2021 and \$2.5 for 2022. He asked would this have to happen.

Mr. Ott stated that the timeline is flexible and that it can be delayed. Mr. Ott reviewed the slides that detailed the site challenges and opportunities with regards to space. He noted that the stadium, water tower, existing school and Hicks Field cannot be changed. He stated there are some opportunities to work on the Old Armory and Fire Station space. He noted there may be an opportunity to relocate the Fire Station and Armory. He noted that there is open space in the front which is a potential building

site. He stated these spaces will minimize the impact to the campus during construction. He stated there are some renderings of a potential building and there will be an upcoming meeting with a citizens group on September 16th at 6pm. He stated the tennis courts will need to be relocated on the campus and noted that it is important to get everyone to agree on the site before needs at the tennis courts are addressed. He provided an architectural rendering of the potential site for Phase I and Phase II. He noted the project has to be phased regardless to keep the campus safe and secure campus.

Commissioner McLaughlin asked about the public meeting invitation.

Mr. Ott stated it had not yet been advertised but the public is welcome to attend. He stated that the schools hope this project spurs the redevelopment of Downtown Edenton. He provided a draft schedule. He stated the earliest this project could be done is July 2022. He stated this could be 2023.

Chair Kersey stated that there is some merit to having the building done close to the bond referendum in 2022.

Commissioner McLaughlin asked if the building would be two story.

Mr. Ott stated yes.

Commissioner Bonner discussed his concerns with the national economy due to COVID 19. He noted the County has a couple more years before the debt is paid off.

Mr. Boney noted that he had the State representative on the phone. He noted that as the County draws down on the grant, the match is concurrent with each draw and it is a percentage. He stated the construction needs to be sooner rather than later but you do have five years.

Commissioner Kirby asked about classroom sizing in the future with the current impacts from COVID 19.

Mr. Ott noted the building design has extended instructional areas which allow flexibility for spacing. He noted the facilities in Phase II will have to be looked at closely.

Commissioner Lawrence asked what Phase includes the location of the building technology.

Mr. Ott stated that is done in Phase I.

Commissioner Bonner asked if the County is guaranteed \$15 million.

Mr. Ott stated they could give the County \$10 million.

Dr. Sasscer noted that there are discussions regarding school systems becoming competitive and parental choice regarding online education may be a whole new design in the future.

Commissioner Kirby stated he has this concern and stated phasing does allow this to be addressed.

Dr. Sasscer stated that instructional space has flexibility however the multi-use core spaces may have to be considered. Dr. Sasscer asked when the debt would go on the County books.

Mr. Ott stated if the County puts up \$5million between now and 2022, that money could be included in the bond referendum and the County could reimburse itself. He stated that the construction

documents for Phase II will be held off. He stated that four months are needed for the construction documents and then construction in 2023.

Chair Kersey noted that the Board needs to discuss timelines regarding the financial advisor and bond counsel regarding issuing debt.

Mr. Howard stated they both are under contract. He stated they are currently not doing any work but if their help is needed they can be called on.

Chair Kersey stated that based on the discussion she wants to make sure the Board is prepared to issue \$5 million. She asked what is the harm in waiting until 2022/23.

Mr. Ott stated if the grant is submitted and approved, we will bring in the financial advisors to find out what is available to the County to move forward on the project. He said at that point the County can decide when to move.

Mr. Howard noted the largest part of the County's debt is to be paid off in 2024. He stated that there are ways to make things work however, if the fire station is moved the County will be responsible for ½ of that cost. He noted the County also has upcoming jail expenses.

Commissioner McLaughlin noted that monies are also needed to maintain County buildings.

Commissioner Faircloth stated his concern is where the \$5 million will come from.

Mr. Ott discussed the potential for borrowing the monies from USDA or the County repaying itself in the bond referendum.

Commissioner McLaughlin stated he was encouraged with this progress but stated he wanted to reemphasize the need to move on construction in 2023 to try not to impact the tax rate.

Mr. Ott stated the County has that option when the grant is awarded to determine the best way to move forward.

Chair Kersey stated she would like for the County Manager and Finance Officer to develop a summary on how or where the \$5 million will come from. She stated she would like to see the construction schedule moved into 2022 and then have the Commissioners get back together to vote on consideration of the application.

Mr. Ott stated that the school needs to get started on the design. He stated he feels that will answer a whole lot of question. He stated that could be done at a minimal amount of cost and would answer a lot of questions after the grant is awarded. He stated that design would be done in 2021 and then 2022 for construction.

Chair Kersey asked how much is the design cost.

Mr. Ott stated that it is easier to take bids in July 2021 and you would have hard numbers to look at. He stated that would be received more favorably by the grant review committee. He stated they could push the bid date from April to July that puts construction into early winter or late fall of 2022. He noted you still can delay if you need to.

Mr. Boney stated the normal project is 3 years. He stated if the design is July 2021 with two years to build it allowing 20 months for construction you get occupancy in the summer of 2023. He stated this pushes the Board more closely to the date they are looking for (closer to the bond referendum).

Mr. Ott stated he would put this information in a memo as a cover sheet and attach it to the grant application for the Board to review with the revised grant application so the Board can look at that and keep in mind they could delay if needed.

Chair Kersey stated she wanted to make sure the application has construction starting in 2022.

Dr. Sasscer discussed the timeline of bid/design July 2021, Construction to start in the winter of 2022 and occupancy in the summer of 2023. He stated that the bond referendum is scheduled for November of 2022.

Chair Kersey asked for the information to be provided as soon as possible and noted the attachments should be with the application.

Mr. Ott stated the drawings will be attached.

Commissioner Kirby stated the Commissioners intention is to move forward but the time frame needs to be slid a little bit. He asked if a referendum is needed to apply for USDA loan.

Mr. Ott stated no that is not required.

Commissioner Kirby noted all of this has to be approved by the LGC.

Adjourn

Being no further business Chair Kersey declared the meeting adjourned.

Patti F. Kersey, Chair

Susanne Stallings, Clerk