

Joint Board of County Commissioners and Board of Education Committee Meeting
August 30, 2023
3:00pm
Chowan County Public Safety Center
305 West Freemason St.
Edenton, NC 27932

Minutes

A Joint committee consisting of three Chowan County Board of Commissioners and three members of the Edenton Chowan Board of Education met on Tuesday, August 30, 2022 at 3:00 pm at the Chowan County Public Safety Center 305 West Freemason St. Edenton, NC 27932.

Attendees:

County Commissioners/Staff

Chair Bob Kirby
Commissioner Ron Cummings
Commissioner Larry McLaughlin
Mr. Kevin Howard, County Manager
Cathy Smith, Acting Clerk

Board of Education/Staff

Chairman Gene Jordan
Mr. Ricky Browder
Mr. Paul Clifton
Dr. Michael Sasscer, Supt.
Sarah Hare, Clerk

General Contractor and Architect Team: Maggie Dittmar, Bill Ramsey, Mary Brayler and Bill Cram (virtually).

Dr. Sasscer stated the Board of Education put the high school project out to bid. He stated their recommendation will impact the project budget.

Maggie Dittmar provided a presentation. She discussed project cost saving options noting there were \$5 million in cost savings. She stated that \$3.1 million have been accepted and incorporated. She stated that the GMP construction is \$69,657,756 and the total project cost is \$82,413,980.

The various cost reductions included the turf at the high school.

Bob Kirby questioned previous estimates that were given.

Mr. Cram noted that builders' risk was not previously included.

Dr. Sasscer stated the Board of Education had serious concerns over the project coming in over budget.

Mr. Browder stated that he would like answers as to why the project was so far over budget.

Mr. Cram stated when the project was bid a number of qualified bidders did not bid. He stated that inflation needs to be considered with the project cost increase. He stated the cost for electrical is the greatest increase which increased dramatically from the pre bid estimates.

Dr. Sasscer stated that in January there was no question regarding the feasibility of the project. He stated that the change in the cost and the need for cost savings was unknown until recently. He stated that he felt there were some reservation in the pricing increase and cost savings.

Mr. Browder noted that the project cost at the beginning of August was \$89 million and is now \$82 million at the end of August.

Ms. Dittmar stated that the contractors have worked hard to find cost savings.

Mr. Ramsey stated that the contingency was dropped to a flat rate instead of a percentage.

Dr. Sasscer noted there are three available options:

- Option A is borrowing additional money from USDA

Mr. Howard noted that \$1.7 million would be reduced from what is borrowed. He stated those monies would not be there for construction costs.

- Option B look at cost savings and not increase the budget (Scope reductions) remove auxiliary gym.
- Option C reduction of interior space (remove Performing Arts Center)

Mr. Howard noted that there will be additional time needed to go back and borrow the additional funds.

The committee discussed additional grant monies from the State that may be applied for to put towards the price increase for the project. It was noted that this would not be certain for several months.

Dr. Sasscer stated that he would like for the County to look into borrowing the additional monies for an \$85 million project. He stated that if additional grant monies could be secured the County would not have to expend the additional funds. He noted there were key components not in the \$82 million projection.

Mr. Jordan stated that time is important and a decision would need to be made.

The Commissioners discussed the various options.

The Committee discussed that counting on the grant monies to absorb the overages is not realistic however this may become an option.

Dr. Sasscer stated that the next steps

- Project status will be communicated through MB Khan to inform the public on the timeline and how it will move forward. A community forum was discussed.
- The School Board will hold an emergency meeting and discuss the project needs and reductions and will provide a recommendation.

Commissioner Kirby noted that in two years the project has increased from \$55 million which was the original cost. He noted the GMP is \$82 million. He stated he did not want to put the project on hold. He stated the County is borrowing \$25 million currently. He stated that the Board will discuss borrowing additional monies however if grant monies are obtained, the County will not utilize the additional \$32 to \$35 million needed for the project. He stated he would like to see contracts in place to ensure the grant monies would reduce what the County has to borrow.

Commissioner McLaughlin stated that the project costs cannot keep going up.

The Committee recommendation was to consider the Board of Education recommendation at the September 5th meeting and the Commissioners will decide on the project budget.

Commissioner Kirby stated that he would like to have a press release done by the schools and MB Khan and the additional budget request will be on the Commissioners agenda at the September 5, 2023 meeting.

Being no further business, the meeting was adjourned.