

**Chowan County Board of Commissioners**  
**Regular Meeting**  
**Tuesday, September 5, 2023**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**  
**6:00pm**

*This meeting was recorded. A copy of the recording is in the meeting file labeled September 5, 2023.*

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

Staff present County Manager Kevin Howard, County Attorney Lauren Arizaga-Womble. And Finance Officer Cathy Smith.

Board Clerk Susanne Stallings was absent.

**Regular Meeting**

Chair Kirby called the regular meeting to order and led all in the pledge of allegiance.

Chair Kirby then offered the invocation.

**Approval of Agenda**

Commissioner Cummings moved to approve the agenda as presented.

Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

**Public Comment**

Chair Kirby opened the floor for public comment.

County Librarian Jared Jacavone spoke to thank Administration and the Maintenance Department for the work to the fountain at the Library. He shared information on upcoming events at the Library.

**Consent Agenda**

All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.

- a. Surplus  
the clerk will provide the Board with an updated list at the meeting of items to be declared surplus and sold on Gov Deals. - \* THIS ITEM REMOVED AND PLACED ON SEPTEMBER 25, 2023 AGENDA

- b. Tax Release
  - Colodney - \$158.76 overpayment
  - Russe - \$275.91 overpayment
  - Strickland - \$100.00 overpayment
  - Riverside Foundation – 100.59 overpayment

Commissioner McLaughlin moved to approve the consent agenda as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

### **Tax Items**

Mr. Howard presented the following releases from the Tax Administrator.

- a. Ervin Lewis Bonner \$57.63
  
- b. C.A. Perry & Son Inc.
  - Valhalla Produce Bill # 14397 Acct 39470 \$80.01
  - CA Perry & Son, Inc. Bill # 2550 Acct 1215 \$606.33
  - CA Perry & Son, Inc. Bill # 2551 Acct 1215 \$505.51

Commissioner Taylor moved to waive the fees for both requests. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

### **Northeast Regional Airport**

Chuck Schmieler, Northeast Regional Airport Board Chairman, provided a PowerPoint presentation and reported on upcoming capital improvement projects at the airport. The projects are funded through grants and include paving of runway 19 and lighting rehab, taxiway rehab and lighting rehab and Hanger Taxi lane and Hanger improvements.

Commissioners asked when the projects will begin.

Mr. Schmieler stated the monies are available waiting to be spent.

### **Veterans Services Annual Report**

Wayne Bray, Veterans Services Officer, presented the annual update report to the Board. A copy of the report is in the meeting file labeled September 5, 2023.

### **John A. Holmes High School Project**

School Superintendent Dr. Michael Sasscer, Board of Education Chairman Gene Jordan, Maggie Dittmar with MB Khan and Bill Ramsey with MB Khan presented an updated budget for the new John A Holmes High School. A copy of the PowerPoint presentation is in the meeting file labeled September 5, 2023.

Dr. Sasscer stated that bids came in on August 1<sup>st</sup>. He stated that prior to vetting the scope of the project with each contractor and the GMP estimate was \$88,833,377. He stated the Board of Education held a meeting and has agreed to \$3,106,708 in cost savings. He stated that a \$5 million savings reduction was recommended that included removal of the auxiliary gym,

performing arts center. He stated that the joint committee and the Board of Education did not recommend accepting these reductions. He stated that the Board of Education agreed to a GMP estimate of \$82,442,450. He stated the recommended budget for the project is \$85 million. He stated the additional monies are contingency. He noted the GMP estimate is over the \$75 million project budget. He stated that the County would have to borrow an additional \$10 million which would total \$35 million borrowed by the County. He noted that any spending of contingency funds over the \$82 million price would require Commissioner and Board of Education approval.

Commissioner McLaughlin asked how to avoid the school coming back for monies.

Dr. Sasscer stated the contingency would assure the budget to not go over the project budget. He noted that if funds are available at the end of the project the Board of Education would like to do the synthetic turf field if contingency monies are available.

Commissioner Taylor asked why the project cost increased.

Ms. Dittmar stated that the market is volatile. She stated specifically the electrical costs have increased significantly.

Commissioner Lawrence asked if electrical would be done on state contract.

Mr. Howard explained that MB Khan cannot purchase items on state contract.

Commissioner Kehayes asked if the Performing Arts Center is included in the project scope.

Dr. Sasscer stated yes, the Performing Arts Center is included in the recommended budget (\$82 million).

Chair Kirby asked what would happen to contingency monies.

Ms. Dittmar stated that the cost savings come back to the County.

Chair Kirby noted that all cost savings come back to the County Board of Commissioners and not the Board of Education.

Board members discussed any unforeseen costs that may come up.

Mr. Ramsey discussed the project being phased with demolition and construction and there are projections of what is needed however the major unforeseen items are in the soil. He stated that once the walls are up there may be some design issues.

Commissioner Lawrence asked if \$85 million is the maximum.

Dr. Sasscer stated they will not spend any contingency without Board of Education and Board of Commissioner first granting approval. He stated that the full loan amount will allow the project to continue.

Chair Kirby stated that the \$4 million will revert to the County and not be a project piggy bank.

Chair Kirby stated that he wished to disclose that his brother owns a business that he used own that won one of the bids in the project. He stated he has checked to see if there are any ethical issues and because he has not interest in the company he is not precluded from voting and he has verified this with the ethics officials.

Commissioner Kehayes noted that the County is asked to commit to \$85 million for the project but the schools are committing to spend \$82 million.

Dr. Sasscer stated they are not changing any of the scope of the project.

Mr. Howard noted the timeline for this project and he stated the additional funding at the worst case scenario is December.

Mr. Howard suggested that any changes to the \$82 million project scope would have to come back to the Board of Commissioners.

Ms. Dittmar stated that they will know quickly if the GMP changes and lock in. She stated that the reason for asking for the \$85 million is to keep the project moving for any overages.

Commissioner Lawrence discussed a motion to approve the request.

Ms. Womble stated that if the Board approves the scope as presented and the USDA loan with a project up to \$85 million. She stated this would prevent the schools from adding items like the artificial turf, the Board request that any items over the \$82 million be notified to the Board so the Board will be aware of what is happening.

Chair Kirby stated there are three contingency pots and the Board should be made aware of any use of these funds (the 5%, the \$1 million and the other is the \$2.5 million). He stated contingency is contingency and he wants it reported back to the Commissioners to allow the Board to be good stewards of taxpayer funds.

Mr. Ramsey stated that there will be reports made of contingency use.

Commissioner Lawrence asked

Staff and the County Attorney discussed the potential motion.

Mr. Howard cautioned the Board about how changes will need to be reported to the Board.

The acting Clerk and Finance Officer discussed the wording of the motion.

Ms. Smith read the potential motion:

Commissioner Lawrence moved to approve the project scope as presented at \$82,442,450 but to approve borrowing an additional \$10 million from USDA for a total project budget of \$85 million, any changes in scope must be voted on and approved by the Board of Commissioners any contingency use must be reported to the Board by staff.

Commissioner McLaughlin asked what happens if the project goes over \$85 million.

Ms. Womble noted that there are no additional project monies available.

Commissioner Kehayes stated that the Board is putting taxpayers on the hook potentially

Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

#### **Albemarle Regional Health Services Narcan Grant**

Sheriff Basnight stated that the Sheriff's Office has received a grant to purchase Narcan from the Health Department. The grant is for \$7,250.00. There are not matching requirements for the grant.

Commissioner Evans moved to accept the grant and agreement as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

#### **Deed of Easement for Focus Broadband for the OLT Site**

Mr. Howard stated that he is working on a deed of easement for Focus Broadband. Focus is requesting the deed of easement on Virginia Road on the campus of White Oak School. As part of the GREAT Grant application the county agreed to provide the easement as a contribution to needed infrastructure for the project.

#### **Chowan County User Charge System Study Stakeholder Meeting**

Mr. Howard stated that as part of the water rate study we need to hold a stakeholder meeting. The board needs to appoint a member of the Board of Commissioners and a Citizen Advocate. Commissioner Cummings volunteered to serve on the committee. Commissioner McLaughlin stated he would be interested. Other commissioners have indicated interest. It was decided that the Board

#### **Financial Items**

Ms. Smith presented the following:

- a. Financials for June (Preliminary)  
A copy of the report is in the meeting file labeled September 5, 2023.
- b. 2023 Fiscal Year Budget Amendments (Clean Up)  
2023-089

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Animal Shelter</b>			
11-4381-183-00	Hospitalization		(2,118.07)
11-4381-351-00	Maint & Repairs		2,118.07
<b>DF Walker (Fund 36)</b>			
36-3990-990-00	Fund Balance Approp	33,670.00	
36-8100-351-00	Repairs & Maint - Building		33,670.00
	Balanced	33,670.00	33,670.00
<b>Justification:</b>			
	<i>Budget Clean-up FY 2023</i>		

Commissioner Evans moved to approve the budget amendments as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

c. 2024 Budget Amendments  
2024-011

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>DSS</b>			
12-5310-121-00	Salaries - Regular		(30,000.00)
12-5310-198-00	Professional Services - Temp Agency		30,000.00
	Balanced	-	-
<b>Justification:</b>			
	<i>To amend the 2024 budget for Social Services to include additional staffing from Vanguard Professional Staffing. This is a transfer between line items and no additional funding is being requested.</i>		

2024-012

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Capital Projects</b>			
32-3810-033-00	Contribution from Capital Reserve	44,952.00	
32-8100-613-00	Radio Communications Assessment		44,952.00
<b>Capital Reserve</b>			
33-3990-990-00	Fund Balance Appropriation	44,952.00	
33-9800-980-32	Transfer to Capital Projects		44,952.00
	Balanced	89,904.00	89,904.00
<b>Justification:</b>			
	<p><i>To amend the 2024 budget to include Radio Communications assessment by Mission Critical Partners. The assessment is the first phase of the project and was approved by the BOC at the 08/21/23 meeting.</i></p>		

2024-013

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Fire Districts</b>			
23-3990-990-00	Fund Balance Appropriation	(50,000.00)	
23-3990-990-01	Fund Balance Appropriation-Grant	50,000.00	
	Balanced	-	-
<b>Justification:</b>			
	<p><i>To amend the 2024 budget for Fire Districts to reclassify SCIF grant to appropriate Fund Balance Appropriation account.</i></p>		

2024-014

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Carry-Forward Balances</b>			
<b>ARPA Fund</b>			
27-3301-237-00	ARPA Grant Revenue	1,694,419.09	
27-3301-239-00	LATCF Grant Revenue	50,000.00	
27-4937-000-00	ARPA Grant Expenses		1,444,419.09
27-4937-192-00	Professional Services - Broadband		250,000.00
27-4938-000-00	LATCF Grant Expenses		50,000.00
<b>Opioid Settlement Fund</b>			
28-3990-990-00	Fund Balance Appropriated	94,936.39	
28-9930-995-00	Designated for Future Appropriations		94,936.39
	Balanced	1,839,355.48	1,839,355.48
<b>Justification:</b>			
	<i>To amend the 2024 budget to carry forward balances from 2023 for the ARPA Grant Fund and Opioid Settlement Fund.</i>		

2024-015



Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<b>Carry-Forward Balances</b>			
<b>JAHHS Replacement Project</b>			
45-3811-000-00	Contribution from General Fund	1,000.00	
45-3811-364-00	USDA Loan	24,999,000.00	
45-3811-365-00	NBPSCF Grant	46,225,921.53	
45-5913-191-00	Prof Services - Architect		851,661.10
45-5913-192-00	Prof Services - Consultant		567,100.40
45-5913-193-00	Prof Services - Construction Manager		3,557,736.78
45-5913-199-00	Prof Services - Legal		213,060.00
45-5913-441-00	Construction Costs		59,715,306.00
45-5913-510-00	FF&E Technology		2,000,000.00
45-5913-720-00	Construction Loan Interest		750,000.00
45-5913-999-00	Contingency		3,571,057.25
	Balanced	71,225,921.53	71,225,921.53
<b>Justification:</b>			
	<i>To amend the 2024 budget to carry forward balance from 2023 for JAHHS Replacement Project.</i>		

Commissioner McLaughlin moved to approve the budget amendments as presented. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

**External Board/Committee Report**

Chair Kirby and Commissioner Lawrence reported on information from the NCACC Annual Meeting.

**Manager’s Report**

County Manager Kevin Howard updated the Board on the following:

- Paving will begin at the Courthouse
- Window work at Swain is being lined up
- The Library windows were too large and work has to be done to fix the sash

**Timely and Important Matters**

There were none.

**Adjourn**

Being no further business Commissioner Cummings moved that the meeting be adjourned. Chair Kirby asked for all in favor, the motion passed unanimously (7-0).

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Bob Kirby, Chairman

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Cathy Smith, Acting Clerk

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Minutes prepared by Susanne Stallings, Clerk