

**Minutes
Transylvania County Board of Education
July 13, 2021**

INVOCATION/PLEDGE OF ALLEGIANCE

CALL TO ORDER/WELCOME

BUSINESS ITEMS:

1. Approval of Agenda
2. Discuss Bids for School Bond Projects

The Transylvania County Board of Education met in special session at 5:30 p.m. on Tuesday, July 13, 2021 at the Morris Education Center. The purpose of the meeting was to discuss bids for the school bond construction projects. Marty Griffin led in a moment of silence and Ron Kiviniemi led the Pledge of Allegiance. Chairman McCoy welcomed everyone and called the meeting to order. In addition to two guests, the following individuals were in attendance.

BOARD MEMBERS:

Tawny McCoy, Chair
Ron Kiviniemi, Vice Chair
Courtney Domokur
Marty Griffin
Kimsey Jackson

BOARD ATTORNEY:

John Henning, Campbell Shatley

CLARK NEXSEN ARCHITECTS:

Chad Roberson
Sara Melanson
Angela Brose

MEDIA:

Jeremiah Reed, *Transylvania Times*

STAFF:

Dr. Jeff McDaris, Superintendent
Jenny Hunter, Administrative Assistant
Dr. Brian Weaver, Assistant Superintendent
Norris Barger, Director, Business Services
Jason Ormsby, RHS Principal
Scott Strickler, RMS Principal
Scott Thomas, School Resource Officer

VANNOY CONSTRUCTION:

Brian Walker
Jason Smith
David Floyd
Lance Haney
Trevor Otlewski

1. Approval of Agenda

ON A MOTION BY MR. JACKSON, SECONDED BY MRS. DOMOKUR, the meeting agenda for July 13, 2021 was unanimously approved.

2. Discussion of Bids for School Bond Projects

Director Norris Barger reported that due to extreme market volatility and skyrocketing prices for building materials, preliminary bids for the BHS and RHS bond construction projects came in 25-29% over budget, with an estimated variance of \$18.2 million over the expected total. He presented two options and considerations for moving forward:

Option 1 - Hold the project until spring and rebid as is.

- Prices will not drop by \$18.2 million (29%) by spring.
- Bidders will continue to add markup on a project of this length and complexity.

Option 2 - Modify scope and rebid in spring.

- Opportunity to review and modify scope while retaining the basic goals of the projects - safety, relationships, design, and 21st century learning.

- Opportunity to look at ways to reduce complexity and length of the projects to minimize risk.
- Opportunity to allow pricing to ease on key materials such as steel and drywall.

He recommended Option 2 as the best path forward at this time. Chairman McCoy stated that she does not view this as a project that came in over budget, but instead as a project that has been affected by a global pandemic in ways that could not have been foreseen or controlled.

Mr. Barger presented a preliminary bid tabulation and asked board members to not share it publicly because the numbers are still being vetted. Mr. Kiviniemi asked the Vannoy representatives if they foresee any sanity returning to the market anytime soon. Brian Walker stated that no one is able to predict anything right now. He reported that prices came down some in the fall and then exploded upward again in January. Consumers are paying the increased prices, and as long as that demand continues, he does not see prices returning to normal. He remarked that in all their years, he and his team have never seen anything like this. Mrs. Domokur concurred, noting that her firm has also seen a huge spike in demand over the last four months and does not expect it to slow down, especially for industrial clients.

Mr. Kiviniemi asked if suppliers are padding costs on their end to cover the wild price swings. Mr. Walker replied that they definitely are. Roofers are paying a minimum 40% increase for supplies and experiencing delays on delivery as well. Architect Chad Roberson stated that they are seeing big fluctuations between contractors as they try to protect themselves from supplier increases.

Mr. Jackson asked what exact modifications to the plans would be made if prices do not improve in the spring. Chad Roberson reported that they cannot answer that right now as they have just begun digging into the bids and will need a few weeks to crunch numbers and bring back options. He stated that they will be looking for things that can be removed from the designs without compromising the four basic goals mentioned above.

Mr. Griffin questioned whether the board should change course and use the \$68 million bond to address needs at all nine schools. Attorney John Henning recommended that the board use the bond funds as planned. The citizens voted for a \$68 million school construction bond to address needs at Brevard High School and Rosman High School. Mrs. Domokur added that spreading out the money among the nine schools would only result in “band-aids” and create even more issues. Mr. Henning pointed out that the board’s master facilities study showed that the amount of money required to address needs at all nine schools was extremely high—many times higher than the \$68 million could pay for. Mr. Kiviniemi stated that the board should wait and see what alternatives the architects come up with. Chairman McCoy stated that the board is committed to doing what it promised the public by focusing on the schools with the greatest needs, BHS and RHS.

Mr. Jackson asked about cutting 10% from the Rosman project and whether the board should give the architects some guidance on what to cut. Chairman McCoy stated that the architects have already received hours of input from the board and the schools and know our needs and wants very well. Mr. Jackson stated that he would like to sit down with the architects to look at what the teachers and others have requested. Chairman

McCoy reported that those steps in the process all occurred before Mr. Jackson was elected to the board, and that information could be provided to him.

Mr. Jackson asked the construction managers if they have sharpened their pencils and talked with their subs. Brian Walker explained that they are still in the process of vetting the bids. Mr. Jackson asked how much labor has gone up. Mr. Walker reported that it varies by trade; drywall and steel prices have been impacted the most by the market volatility. Mr. Barger remarked that some contractors are just hoping that they will have enough labor when the time comes. There are several large construction projects planned for this area.

Mr. Jackson asked if the board could negotiate with the bidders. Mrs. Domokur reviewed bid procedures, and Mr. Walker explained that good bids are responsive and responsible. He noted that some low bids have been pulled due to errors. Chairman McCoy thanked Vannoy and Clark Nexsen for coming to give an update and answer questions, even though they have not had time to fully analyze the numbers yet. She stated that no decision is expected at this meeting.

Mrs. Domokur stated that she wants to be responsible to the voters by not rushing a decision and asked the principals to be patient as the board explores next steps. Mr. Kiviniemi stated that the board would rely on Clark Nexsen and Vannoy for their expertise and advice. Chairman McCoy asked Commission Chair Jason Chappell, who was present, about a good time to present this information to the board of commissioners. Chairman Chappell stated that it was his understanding that a joint meeting had been scheduled. Board members replied that several potential dates for a joint meeting had been proposed, but nothing had ever been confirmed by the county. Chairman McCoy and Chairman Chappell agreed to discuss dates after the meeting.

Mr. Barger stated that his next step would be to let RHS/RMS and BHS know that the board plans to hold fast for this fall and work on modifying the plans. He will also work with Kevin Smith to get updates out to the public.

There was no further business, and ON A MOTION BY MR. GRIFFIN, SECONDED BY MR. KIVINIEMI, the meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Chairman

Secretary