

**Minutes
Transylvania County Board of Education
August 2, 2022**

INVOCATION/PLEDGE OF ALLEGIANCE

CALL TO ORDER/WELCOME

BUSINESS ITEMS (including amendments and recissions):

1. Approval of Agenda
2. Presentation from Clark Nexsen and Vannoy Construction
3. Board Discussion
4. Possible Action Regarding Bond Projects

ADJOURN

The Transylvania County Board of Education met in special session on August 2, 2022 at 6:00 p.m. at the Morris Education Center. The purpose of the meeting was to discuss and possibly take action on the bond projects. Kimsey Jackson led in a moment of silence and Marty Griffin led the Pledge of Allegiance. Chairman McCoy called the meeting to order and welcomed everyone. In addition to approximately 15 guests, the individuals listed below were in attendance.

BOARD MEMBERS:

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

STAFF:

Dr. Jeff McDaris, Superintendent
Jenny Hunter, Administrative Assistant
Dr. Brian Weaver, Assistant Superintendent
Missy Ellenberger, Director, 9-12 Education
Audrey Reneau, Director, Federal Programs
Gabi Juba, Chief Finance Officer
Alan Justice, Dir., Facilities, Athletics, Transportation
Jen Heatherly, Public Information Officer
Chris Whitlock, Director, Technology Services
Scott Strickler, Principal, BHS
Jason Ormsby, Principal, RHS
Julie Queen, Principal, RMS
Scott Thomas, School Resource Officer

BOARD ATTORNEY:

Chris Campbell, Campbell Shatley

MEDIA:

Dan DeWitt, Brevard NewsBeat

PRESENTERS:

Chad Roberson, Clark Nexsen Architects
Brian Walker, VP Vannoy Construction

1. Approval of Agenda

ON A MOTION BY MR. JACKSON, SECONDED BY MR. KIVINIEMI, the meeting agenda for August 2, 2022 was unanimously approved as presented.

2. Presentation from Clark Nexsen and Vannoy Construction

Board Attorney Chris Campbell presented a chronology of the bond referendum thus far:

- Nov. 6, 2018 - Voters approved the bond referendum 59.6% to 40.4%, The bond question specified school construction and repairs at Brevard High, Rosman High, and Rosman Middle.
- All educational materials produced to voters showed the improvements to Brevard High School and the Rosman High / Middle campuses only.

- Six informational sessions at the high schools and six Board of Education work sessions open to the public were held between November 2017 and June 2020 to decide on the bond and the scope of the work at each school (including presentations post-passage of the bond).
- The following activities occurred prior to final contract extensions:
 - Bond Committee formed with County (January 2019);
 - Interlocal Agreement with the County (February 2019);
 - Architect/CMAR interviews & selection as required by statute (March - June 2019);
 - Contract negotiations with architect/CMAR (June - August 2019);
 - Board of Education approval of contracts on August 19, 2019; and
 - County's review of the contracts found them "favorable to the owner." County requested that MOU and soils report be added as exhibits and that contracts not be approved until the soils report was completed (August 2019 - January 2020).
- Architect and CMAR contracts and project budgets approved by the County Commissioners on January 13, 2020.
- March 2020 - All NC public schools closed for in-person instruction due to the COVID-19 pandemic.
- County Commissioners increased taxes by 12.5 cents/\$100, beginning in 2020, of which 10.5 cents was attributed to pay for the bond work.
- Due to pandemic-related price increases and supply chain issues, construction bids exceeded funds available to perform the full scope of the work. The architect and construction manager proposed alternatives.
- January 24, 2022 - Board of Education approved alternative scope Option #1 and voted to approve contract amendments. The Board asked the County to approve Option #1 in January 2022.
- At the time Option #1 was proposed, the project architect proposed costs increases of at least 35% between December 2020 and December 2022.
- January 31, 2022 - Board of Education and Board of Commissioners held a joint meeting to discuss Option #1.
- The County elected to conduct a review of the project architect's recommendation and hired outside consultants. The review lasted from February until June of 2022. *The Board received no report, recommendations, or feedback from the outside consultants.*
- Option #1 included price escalations and was based on official approval to move forward by a certain date. As part of the County's review, the project architect submitted a revised schedule based on a revised approval date.
- June 20, 2022 - County approved funding based on the full scope of Option #1. The fact that costs would exceed available funding was discussed during the

Commission meeting; however, the final action did not provide for any authority to revise or reduce the scope of Option #1 based on further price escalations.

- If all current addition and renovation design work for the Rosman and Brevard campuses are abandoned in lieu of a new concept, the entire statutory and contractual process must start over from the beginning before any work can start including:
 - Selection of architect and construction manager (CMAR)
 - Contract negotiations and approval
 - Solicitation of public input and design development
 - Production of construction drawings and state review
 - Bidding
 - Approval of the final Guaranteed Maximum Price (GMP) for the project(s).

Project Architect Chad Roberson presented a summary review of the project options and scheduling to this point. It was noted that due to the passage of time and the impact of COVID, the original escalated costs have been absorbed and Option #1 can no longer be done as is with the funds available.

Brian Walker, Vannoy Construction, reported that market escalations have not slowed down and supply chain lead times are getting worse. Pricing cannot be guaranteed more than a week out. Mr. Roberson informed the board that they would need approximately four months to pull back in the original teams that worked on the projects as they are currently assigned to other projects. Vannoy Construction would also need additional time to put together revised value engineering and construction cost estimates.

3. **Board Discussion**

Board members discussed with Mr. Roberson specific renovations for each campus. Chairman McCoy asked whether Clark Nexsen or Vannoy had received any feedback from the county's months-long review by their outside consultants. Mr. Roberson reported that he had received no feedback. Mr. Walker stated that he had received nothing in writing, but the consultants did indicate to him that they believed due diligence had been properly performed. Mr. Kiviniemi reported that the board has received no feedback from the consultants or the county commissioners.

Mr. Jackson stated that he was not comfortable with the additional time that would be needed to develop new scope and pricing. Mr. Campbell explained that the current motion from the county says that the board will do all of Option #1 for the money available. That is not possible. The board is asking Clark Nexsen and Vannoy to bring back a price that the board would then present to the county. If the county will not fund a reduced Option #1, the board would be wasting money. The board must have county approval that the scope can be reduced.

Mr. Kiviniemi stated that the county has collected approximately \$11 million so far on the tax increase that was attributed to the bond and will accrue more moving forward, so they have the money to move forward with Option #1. Mr. Griffin remarked that the citizens voted for the bond and that promise needs to be kept.

Chairman McCoy reported that there has been some discussion about forming a joint facilities committee to move forward on the bond projects and other long-term facility needs. Mr. Jackson argued that the commissioners do not seem to be open to providing

more money and there are needs at the other schools to address. He thinks the board should consider starting over and re-allocating the bond money. He further proposed that if the county would give the board \$25 million and commit to \$10,000 a year in capital funding, work could be done on a pay-as-you-go process. Mr. Campbell reported that pay-as-you-go is typically only done for stand-alone projects. Bond funds have to be committed by a certain point in time. There may be a sunset on the ability to issue to bonds based on the 2018 vote.

There was general consensus that majority of the board remains committed to spending the available bond funds on the campuses of BHS, RHS, and RMS to address educational, safety and security concerns. To that end, CHAIRMAN MCCOY MOVED that the board (1) commit to spending the available bond funds on the campuses of Brevard High School, Rosman High School and Rosman Middle School in order to accomplish the maximum amount of work possible; (2) approve a limited contract amendment to permit the project architect and construction manager to conduct necessary value engineering and cost analysis studies in order to make recommendations regarding the maximum amount of work from Option #1 that can be accomplished at each campus with the funds currently allocated from the school bond with a priority given to facility integrity, student and staff safety, and campus security; and (3) request that the recommendations of the project architect and construction manager at risk be presented to a joint school facilities committee to be formed by the school board and the county commissioners with such committee making a recommendation to each board for final action on the scope of the bond projects at Brevard and Rosman to be bid. MR. KIVINIEMI SECONDED THE MOTION. MR. JACKSON MOVED TO AMEND THE MOTION to include that the architect and construction manager must present their recommendations to the board within 90-105 days from approval. There was no second. Mr. Jackson stated that he would rather have three separate motions. MR. KIVINIEMI CALLED THE QUESTION. MR. JACKSON MOVED TO TABLE THE MOTION. There was no second. Chairman McCoy re-read her motion. Mr. Jackson requested a roll call vote. The original motion passed unanimously.

MR. KIVINIEMI MOVED to authorize the board chair to request the contract amendments and the formation of a joint committee as described in the motion above and to make a formal request to the county on behalf of the school board. MR. GRIFFIN SECONDED and the motion passed unanimously. Attorney Campbell recommended that the board obtain the pricing for the contract amendment before presenting to the county.

4. Possible Action Regarding Bond Projects

Attorney Campbell noted that if the commissioners are not similarly committed to spending all available bond funds on the Brevard High and Rosman Middle/High campuses, the above action shall be null and void and the board may consider alternative proposals and/or taking other action as provided by existing law.

There was no further business, and ON A MOTION BY MR. KIVINIEMI, SECONDED BY MR. GRIFFIN, the meeting was adjourned at 7:20 p.m.

Respectfully submitted,

Chairman

Secretary