

**Minutes
Transylvania County Board of Education
September 3, 2024**

INVOCATION/PLEDGE OF ALLEGIANCE

CALL TO ORDER/WELCOME

BUSINESS ITEMS (including amendments and rescissions):

1. Approval of Agenda
2. Needs-Based Public School Capital Fund (NBPSCF) Grant Application 2024-25
3. Capital/Bond Project Management
4. Closed Session

The Transylvania County Board of Education met in special called session on September 3, 2024 at 6:00 p.m. at the Morris Education Center. The purpose of the meeting was to discuss the Needs-Based Public School Capital Fund 2024-25 Grant Application, capital/bond project management, and discuss matters covered by the attorney/client privilege in closed session. Chris Wiener led in a moment of silence and led the Pledge of Allegiance. Chairman Jackson called the meeting to order and welcomed everyone. In addition to approximately 14 guests, the individuals listed below were in attendance.

BOARD MEMBERS:

Kimsey Jackson, Chair
Tanya Dalton, Vice Chair
Tawny McCoy (joined late)
Bryan O'Neill
Chris Wiener

STAFF:

Dr. Lisa Fletcher, Superintendent
Jenny Hunter, Administrative Assistant
Dr. Brian Weaver, Asst. Supt.; Director, HR
Audrey Reneau, Director, Federal Programs
Kerry Putman, Director, Facilities; CTE
Chris Whitlock, Director, Technology Services
Jayson Rogers, School Resource Officer

BOARD ATTORNEY:

Chris Campbell, Campbell Shatley

MEDIA:

Laura Denon, Transylvania Times

1. **Approval of Agenda**
ON A MOTION BY MR. O'NEILL, SECONDED BY MRS. DALTON, the meeting agenda for September 3, 2024 was unanimously approved as presented.
2. **NBPSCF Grant Application**
Dr. Fletcher expressed thanks for the outpouring of love and support for the Rosman community after the tragic loss of two high school students in an ATV accident over the weekend.

Dr. Fletcher reported that the district strategic plan survey had opened today.

At its August 19 meeting, the board unanimously approved the Needs-Based Public School Capital Fund (NBPSCF) grant application for 2024-2025 in the amount of \$62 million for improvements at Brevard High School. Grant funding comes from state lottery funds. Dr. Fletcher reported that TCS had last submitted a NBPSCF grant application in 2021. The application requires board approval and commissioner approval along with a county pledge of 5% matching funds (\$3.1 million). The improvements include a combined new main gym and cafeteria at BHS based on original bond plans from 2018 and a new CTE area. If the grant is approved by the state, more of the school bond

money could be directed toward the Rosman needs. A new gym would allow five schools to be able to take ROTC courses.

During the commissioners meeting on August 26, Commissioner Jason Chappell had objected to the word “dilapidated” in the application document and the commissioners requested other changes before they would sign off on the application. Dr. Fletcher has revised portions of the application to satisfy their requests. She reviewed the changes with the board. The updated application changes the source of funding from Article 40 and 42 to Transylvania County Capital Fund and increases the total amount to \$83 million. ON A MOTION BY MR. WIENER, SECONDED BY MRS. DALTON, the board unanimously approved the Needs-Based Public School Capital Fund (NBPSCF) grant application for 2024-2025 in the amount of \$83 million for improvements at Brevard High School as revised and authorized the superintendent to make other minor modifications as needed. Dr. Fletcher will request approval of the updated grant application at the county commissioner meeting on September 9 in order to meet the application deadline of September 13, 2024.

3. **Capital/Bond Project Management**

Dr. Fletcher reported that concerns over project oversight have been raised due to issues that have recently come to light regarding past projects. During October 2021 to May 2023:

- TCS planned HVAC projects using ESSER funding and carryover project funding from the county commissioners. The board approved the plan with a reasonable expectation that funding could be allocated; however, documentation that this was conveyed to the commissioners cannot be located.
- The PFES piping project was planned and TCS expected to use state lottery funding and ESSER funding.
- An additional contract amendment for A&E services for a total of \$98,500 was signed by a TCS employee but never approved by the board of education. We are now short \$98,500 on that line item. The total project may finish under budget in other line items.
- Last week, TCS found a “double” payment—a payment that the school system paid and the county also paid for \$7,625. The county manager and the superintendent have been working to check all payments for the piping project to ensure there are no other double payments. Any double payments will need to be deducted from the total amount of reimbursements from the county.
- In August 2023, Mr. Kerry Putman became the TCS Facilities Director. Since this date, there have been no overcommitments or contracts signed without approval. Projects planned have been completed.

Bond Project Management:

- In July 2024, Chief Finance Officer Gabi Juba resigned. TCS has been unable to fill the position. We are working with NCASBO (North Carolina Association of School Business Officials) who is providing a part-time finance officer mentor to help with finances.
- In October 2024, the county commissioners will work with the Local Government Commission to sell the school bonds.
- The first bond funds will be drawn down in November 2024 and projects can begin.

- Due to not having a full-time, permanent CFO and the scope of project management, Dr. Fletcher proposes that we allow the Transylvania County Board of Commissioners to manage the bond projects, but only the bond projects.
- Mr. Putnam would continue to oversee everyday facility needs as well as other projects that have already begun (for example, RHS football field).
- The current agreed-to bond projects total is as follows: 213 separate projects; 11 different construction sites.
- Henderson County uses a joint facilities committee with commissioners and school board members.
- Dr. Fletcher recommended that the board present a proposal to the commissioners and sign an MOU to confirm that if they manage the bond projects the following shall occur:
 1. County general fund revenues (derived from the property tax increase) will pay for all bond costs.
 2. A permanent joint committee consisting of at least two members from each board (BOE and BOC), the TC manager, and the TCS superintendent will be maintained for the life of the bond projects to meet as needed.
 3. Based on joint committee recommendations, both boards will approve an architectural firm(s) and contractor(s) to complete all bond projects.
 4. Both boards will approve changes/change orders/additional projects from bond funding following a recommendation from the joint committee to both boards.
 5. The county and school board will sign all contracts jointly.
 6. The commissioners and school board will jointly hire a construction manager to manager all bond projects. The fee may come from the bond amount.
 7. The county will pay all bills directly.
 8. All sales tax refunds on the bond projects will be returned to the bond fund to allow for additional construction.

RE: REGULAR CAPITAL OUTLAY

- The County will allocate Article 40 and 42 funds and lottery funds to the Board of Education's capital outlay fund. Allocations may be made by project; however, a reasonable amount, such as the \$220,000 yearly daily repair allotment, will be undesignated to allow the school board to address immediate repair issues without the delay of seeking county approval.
- All contracts for regular capital outlay over \$90,000 will require joint signatures.

RE: TRANSPARENCY

- At least quarterly, the county and school district staff will meet to discuss ongoing capital projects. At least quarterly, the county manager will provide a spreadsheet showing both boards and the public the sources and uses of all capital revenues for the current fiscal year organized by source of revenue.
- The county manager and superintendent will meet to identify current revenue uses and source balances as of July 1, 2024.
- Monthly if requested (but at least quarterly), the county's construction manager will update the board in person on the progress of the bond projects at a school board meeting.
- The school district will continue to use previously agreed-upon protocols and electronic project files to provide the county with full information on all capital projects.

The board discussed at length Dr. Fletcher's proposal for bond project management. There was also some discussion regarding the contract that that was signed without authorization and how to prevent a similar incident from happening again. Dr. Fletcher reiterated that that person is no longer in a position to sign contracts or make purchases in that capacity. Chairman Jackson noted that the present administration had no part in what happened and cannot change what happened in the past.

Dr. Fletcher reported that she and Ms. Laughter had discussed whether money for an auxiliary gym could help with a wrestling facility in coming years.

Mrs. McCoy joined the meeting at approximately 6:25 p.m.

Dr. Fletcher addressed other questions from the board regarding the proposal. Dr. Fletcher reported that the county manager has not yet see the MOU proposal, but she is optimistic that they would be able to reach an agreement in some form.

Mr. Wiener raised objections to the yard signs displayed around the county with messages criticizing the county commissioners for raising taxes while doing nothing to fix the schools. He stated that the pitch that was presented by the bond referendum was clear. He stated that based on everything he has read and as someone with much experience, he feels that a different project management framework using smaller, more agile construction models is the only way to go. He indicated that would vote no on the model presented by Dr. Fletcher and would like to vote on his model at the next meeting in September.

Dr. Fletcher stated that a having a project manager with a background and experience working in school systems would be very important.

Mrs. McCoy apologized for being late as she was stuck in court. She commented that she was struggling with this, saying "This is not how I hoped these projects would go. Yes, the referendum included language that allowed money to be used for other schools. I don't want to see us not move forward. These are our projects and our schools. It concerns me when we lose our ability to control our funds, even though we may lose our ability to move forward at all. This is not the path that was presented and the public voted for. We can't back up and make those two projects work. I do appreciate the effort. If this is what it takes, it is time to move forward and get it done."

Mr. O'Neill stated "The reality is the original bond project is dead as a doornail and we have schools that need repair and maintenance. To delay any longer makes schools less safe. We need to start making them safe and healthy now. We could insist on a second project manager that reports directly to us, but that's more money. Its been six years, the schools are no better, and the community is screaming for something to be done. There is a tremendous amount of dissatisfaction on both sides. We need to get it done."

Mrs. Dalton pointed out that the board would be in a better position if they still had a finance officer, but the situation is what it is. A school system finance officer is a very specialized position. Mr. O'Neill noted there are currently about 20 vacancies across the state, so we may be in this position for some time. Dr. Fletcher stated that our students need and deserve to have the schools repaired. Mr. O'Neill added that not doing this would not be fulfilling the board's duties.

Chairman Jackson stated that he believes the bonds could have been sold long ago. He agreed that the board needs to move forward, but feels there may be a better way.

Board attorney Chris Campbell explained that that the board would not be giving up any of its duties or responsibilities by entering into this agreement. The county cannot tell the board what the priorities must be, and the board cannot tell the county how to fund the school system short of a lawsuit. He reviewed a statute that defines the legal recognition that boards may enter into contracts to work together. He reported that it works well in Henderson County. Burke County had a terrible relationship between their school board and county commissioners; now it is one of the best. It eliminates the contention. If both boards agree to the skeleton of the agreement, then the attorneys can draft out a true legal contract between the two boards. He briefly discussed potential next steps if the boards accept the proposal.

Mr. Jackson stated that he has asked for a joint meeting five times and it still has not happened.

Mr. Wiener stated that his position has not changed. He would prefer for the joint committee to serve as an advisory body only. He would prefer for the board to have its own project manager and be able to use the CMAR and architect that were selected previously. He added that power sharing rarely works successfully, because he who pays the bills wins. He added that five-year plans rarely survive to year two without changes. He feels the board needs to be able to make its own decisions for flexibility.

Mr. O'Neill observed that our neighbor Henderson County shows that power sharing can work. He argued that if we don't do this today, when will we ever get to the final step? This would be just the first step toward a binding contract.

There was some discussion about whether bond money could be used to hire a project manager. Mr. Campbell reported that unless a board has existing undesignated local dollars to pay for it, it would need the approval of the county manager to do so. The board could ask the county for funding to hire its own project manager. The commissioners could choose to fund or not.

Dr. Fletcher gave a reminder that the commissioners tabled the board's request for HVAC funding and its request for funding a project manager until the board can tell them how it would project manage going forward.

Mr. Campbell explained that the selection process for a CMAR and architect would have to be done all over again because the nature of the bond projects have completely changed from the projects of several years ago. He discussed several options for the board's consideration.

MR. O'NEILL MOVED to accept the superintendent's project management proposal to present to the county commissioners and to authorize the superintendent to negotiate with the county manager in order to bring the proposal back for approval at the next regular meeting on September 16, 2024. MRS. DALTON SECONDED and the motion passed 3:2 (FOR: Dalton, Jackson, O'Neill; AGAINST: McCoy, Weiner).

The board attorney and the chairman agreed there was no further need for a closed session.

4. **Closed Session**
None

There was no further business, and ON A MOTION BY MR. WIENER, SECONDED BY MRS. MCCOY, the meeting was adjourned at 7:50 p.m.

Respectfully submitted,

Chairman

Secretary