

THURSDAY, SEPTEMBER 29, 2016 – 3:00 p.m.

The Pender County Board of Commissioners met in a Special Meeting on Thursday, September 29, 2016 at the Commissioner's Public Assembly Room, 805 S. Walker St., Burgaw, NC 28425.

MEMBERS PRESENT: Chairman George Brown, presiding; Vice-Chairman Fred McCoy; Commissioners Demetrice Keith, David Piepmeyer, and David Williams.

OTHERS PRESENT: Randell Woodruff, County Manager; Trey Thurman, County Attorney; Melissa Long, Clerk to the Board; Kathy Brafford, Finance Director; other staff and members of the Press and public.

CALL TO ORDER

Chairman Brown called the meeting to order at 3:05 p.m. and thanked and welcomed all to the meeting.

INVOCATION

Commissioner Williams offered the Invocation.

PLEDGE

Commissioner Piepmeyer led the Pledge of Allegiance.

Mr. Brown asked if there were any Commissioners who wanted to make comments before beginning. Mr. Williams noted that there would be an item for Closed Session regarding economic development but this meeting is only a workshop and no votes will be taken. Options for Public Comment were briefly discussed. Mr. Brown clarified that this meeting is only for discussion to prepare for a couple of Agenda items to take place on Monday. Mr. Brown then noted that Bob Jessup, Bond Counsel from SanfordHolshouser as well as Ted Cole from Davenport were in attendance to answer any questions the Board might have relating to the sale of the School Bonds.

Mr. Jessup referred to a handout that he had emailed out which outlines actions that need to be taken to stay on schedule for the Bond Sale on October 25. A resolution approving the sale of the bonds must be approved by October 12 to meet the timeline for this sale. Mr. Jessup explained that by the recommendation of the LGC, the resolution should be passed on the October 3 meeting date with the intention that additional instructions can be given at the October 17 meeting. According to the resolution, the Finance Officer can reduce the amount of the sale if needed. If the Board does not pass the resolution at the October 3 meeting, the Board would need to call a Special Meeting by October 12. Mr. Williams asked to clarify the amount of the remaining Bonds. Mr. Jessup stated that there is \$50,500,000 in remaining Bonds to be sold.

Mr. Williams asked for clarification on the Penderlea bids. Mr. Thurman explained that this is the second round of bids further explaining that after the first round of bids there was substantial redesign work. Mr. Thurman stated that the next bid opening for Penderlea will take place on October 7. Mr. Thurman also explained the status of the bids.

Mr. Piepmeyer commented on the information that was just received from the Board of Education Attorney Richard Schwartz noting the overages. Mr. Piepmeyer then asked if the Board of Education is giving up on Penderlea. Allen Vann, Pender County Schools Director of Auxiliary Services stated that the \$23.9 Million figure that the Board has is the first round of bids for Penderlea. Mr. Vann explained that the value of the gym at Penderlea is \$2.2 Million and the value of the cafeteria at Penderlea is \$1.8

Million. Mr. Piepmeyer asked if the proposed changes have been communicated to the Penderlea community noting his request from the last meeting. Having not set a Public Meeting, Mr. Piepmeyer stated that the issue is that the community had been told one thing and by voting for the school bond will receive another. Dr. Cobb stated that a Public Meeting has not been held because the Board of Education will communicate to the public when information is available. Mr. Thurman asked if the bids that are going out included the gym and cafeteria. Mr. Vann explained that the bids will include those as an alternate. Mr. Vann further explained that as far as the gym, they are working with contractors from the first bids to try to bring the numbers down. Mr. Vann then commented on the bids for Surf City adding that they are working to keep the information as up to date as possible. Mr. Piepmeyer stated that his questions were for Penderlea specifically to see if there was something the county could do as far as funding and expressed his frustrations with last minute information. Mr. Brown asked about cuts from the other four smaller projects. Both Mr. Thurman and Mr. Vann stated that the smaller projects were too far along to make cuts at this point.

Mr. Williams clarified with Mr. Jessup that the audit is out of the County's control as to when it is completed on the LGC's end. Mr. Williams further stated that the Board will lose months if the bonds are not sold in October due to the timing of the audit. Mr. Thurman explained that if the Bond sale does not go on October 25, it will be late January or early February before the County could get onto another calendar. The County could also lose \$150,000 - \$200,000 with a later bond sale. Mr. Williams also clarified that the LGC oversees local government, they are not a local agency. Mr. Piepmeyer explained that he feels the smaller projects should have happened after the larger projects because there were some things that could have been cut to ensure that Penderlea was taken care of.

Ms. Keith asked when the information will come in regarding the gym and cafeteria at Penderlea. Mr. Vann explained that the bids will go out on October 7 and the Construction Manager will report to the Board of Education on October 10. Therefore, the information on the bids will be to the Board of Commissioners by October 11. Mr. Vann explained the redesign and clarified that there was no change in the capacity. Mr. Williams commented that he wonders why those who design schools do not design schools as least expensive as possible. Mr. McCoy stated that he will not ask the voters for more money. Mr. Brown verified that Penderlea will be built at capacity. Mr. Williams commented that there will be another bond request in a few years. Mr. Piepmeyer stated that the taxpayers are paying for this and it is so important the Board of Commissioners and the Board of Education get this right. Mr. McCoy commented on long range planning explaining that the Board of Education needs to do a better job with long range planning for future schools. Mr. Williams brought up sales tax. Mr. Thurman reminded the Board that the sales tax is to be put to capital projects for the schools.

Mr. Brown stated that on October 11 the Board of Commissioners need to have the complete cost package for Penderlea with the gym as well as the complete cost package for Surf City.

Discussion then ensued regarding capacity for both schools. For Surf City, it would take less than \$1.8 Million to take Surf City from a capacity of 1,092 students to 1,216 students. Also, it would take an additional \$2 - \$5 Million to build Surf City for 1,568 students. The Penderlea School is to be built to 550 students noting that Penderlea has a current enrollment of 499 students.

Mr. Thurman recommended after questions from Mr. Brown that the Board move along and pass the resolution to sell the School Bonds on October 3 noting that adjustments could be made later if needed. Mr. Brown further stated that the Board of Commissioners need to work out a better relationship with the Board of Education.

Mr. Cole briefly spoke to the Board noting that the results of the Bond ratings should be in by the end of the week adding that the market is still favorable.

Mr. Brown recognized Don Hall and Rochelle Whitesides who are the new Board of Education Members and present for this meeting.

CLOSED SESSION

At 4:21 p.m., Mr. Williams made a motion to enter into closed session, pursuant to NCGS 143-318.11: 3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. General policy matters may not be discussed in a closed session and nothing herein shall be construed to permit a public body to close a meeting that otherwise would be open merely because an attorney employed or retained by the public body is a participant. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure. If the public body has approved or considered a settlement, other than a malpractice settlement by or on behalf of a hospital, in closed session, the terms of that settlement shall be reported to the public body and entered into its minutes as soon as possible within a reasonable time after the settlement is concluded; and 4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. The action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session Ms. Keith seconded the motion and it was unanimously approved. The Board exited the Closed Session at approximately 5:19 p.m. There was no announcement made after exiting closed session.

Utilities Director Michael Mack informed the Board that the interest rates have been set for the Moores Creek and Central Pender Water and Sewer Districts. Mr. Mack also explained that the loans are for 40 years at 1.87% interest. This rate will save the County \$3.94 Million over the life of both loans.

Discussion ensued regarding the construction of the Penderlea and Surf City schools. From the documentation, it will cost an extra \$4.8 Million to build Surf City at a capacity of 1500 students. Mr. Piepmeyer stated that Penderlea must be built right. He added that he was informed by a member of the Board of Education that the plan is to make Penderlea a K-5 school and move grades 6-8 to West Pender Middle School. Financing of the Bonds as well as purchasing the Bonds with the premium were discussed at length. The Board also decided to discuss the Sale Tax options after the final numbers are received for the school projects.

There being no further discussion, the meeting adjourned at 5:44 p.m.

Respectfully Submitted,



Melissa Long, Clerk to the Board

Reviewed By:



Ann Jones, Administrative Assistant II