

COLUMBUS COUNTY BOARD OF COMMISSIONERS
Thursday, November 4, 2021
4:30 P.M.

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of conducting an Emergency Meeting to discuss an increase in the loan amount for the Tabor City School Project.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
 Jerome McMillian, **Vice Chairman**
 Chris Smith
 Lavern Coleman
 Brent Watts
 Charles T. McDowell

APPOINTEES PRESENT:

Eddie Madden, Jr., **County Manager**
 Boyd Worley, **Board Attorney**
 Amanda B. Prince, **Staff Attorney/Clerk to Board**
 Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

Agenda Item #1, #2 and #3: MEETING CALLED to ORDER, INVOCATION and PLEDGE of ALLEGIANCE:

At 4:30 P.M. Chairman Ricky Bullard called the Thursday, November 4, 2021 Columbus County Board of Commissioners Emergency Meeting to order. The invocation was delivered by Vice Chairman Jerome McMillian. Everyone in attendance stood and pledged Allegiance to the Flag of the United States of America which was led by Commissioner Brent Watts.

Agenda Item #4: COLUMBUS COUNTY SCHOOL BOARD – APPROVAL of INCREASE in LOAN AMOUNT by \$3,394,956.80 for the TABOR CITY SCHOOL PROJECT:

Dr. Deanne Meadows, Superintendent, requested Board approval.

County Manager Eddie Madden stated the following:

- The Columbus County School System opened bids on the Tabor City School Project on Tuesday, November 2nd, 2021 and the bids came in over budget.
- It is necessary for the County to approach USDA about increasing the loan amount to cover the additional costs for construction.
- In addition to that, as outlined in the letter that has been drafted for your review and approval is a matter pertaining to the distribution of grant funding the county received in the amount of \$10.6 million.
- That amount was originally intended to be equally distributed between the West Columbus School Project and the Tabor City School Project.
- It was later determined that it was allocated exclusively for the West Columbus School Project.
- The consequence of that was the loan amount for West Columbus was reduced but the loan for the Tabor City School Project must be increased to have the same net result.
- The reason this is time sensitive is because the bids are only valid for 60 days, and in consultation with the USDA yesterday, we were made aware that the process to modify the loan could take anywhere from forty-five to sixty days.
- So, we are pushing the outer edges of the award timeframe already, which necessitated us to act quickly and call the meeting this afternoon.
- We could not afford to delay the convening of this Board to take action on this matter, it had to be done right away.

Columbus County Superintendent Dr. Deanne Meadows stated the following:

- I appreciate you all coming together so quickly for us.
- As Mr. Madden explained, our bids came in and they were higher than the original projected costs.
- We are all very aware of the increased costs associated with construction and just about everything right now.
- We've estimated a little over \$3.3 million, we don't believe it will actually be that amount, but we want to make sure we ask for a large enough amount in the loan, to prevent having to come back and ask for more.
- Just as with the West Columbus Project, we have savings there and we don't think we'll have to use all that was requested to complete it.
- Nevertheless, we do need to increase what we've asked for originally.
- It is concerning to us that it is more, we would have loved to stay at the budgeted amount, but the cost increases that are happening right now are what we have to fight against.
- So, as Mr. Madden indicated we do have a sixty-day window and as you are aware we went outside that window on the West Columbus School Project and it increased our costs by almost \$1 million.

-We don't want that to happen again so we are hoping the USDA will move quickly to get this approved on their end so that we can submit this to the LGC by January 4th.

Columbus County Associate Superintendent Jonathan Williams stated the following:

-We have to have everything to the LGC by December 7th, so that's another reason we need this handled quickly.

Commissioner Coleman stated the following:

-Will this be the final request? You won't have to come back again requesting an additional million dollars or more money?

Columbus County Superintendent Dr. Deanne Meadows stated the following:

-I don't know of any reason why we would have to, unless there is a delay and we don't meet our sixty-day window for the bid prices.

Commissioner Coleman stated the following:

-This bid is binding correct? If everything is done and everything falls in to place as it should there wouldn't be another change in price.

Columbus County Superintendent Dr. Deanne Meadows stated the following:

-That's right, as long as we meet all of those timelines we will be fine.

Commissioner Chris Smith stated the following:

-It doesn't look like we have much choice; we have to finish the school.

County Manager Eddie Madden stated the following:

-Another thing to point out is that all of the bids were all very close to the same amount, there were no outliers, which is a good indication that you have a good bid, even though it was higher than anticipated.

-If you would like to hear from Mr. Leatherman, the additional \$3.3 million loan will have to be supported by the county, even though it's being borrowed by USDA, we will have that additional debt payment, so he can explain to you how that will be paid.

County Finance Director Mr. Jay Leatherman stated the following:

-The additional \$3.3 million is probably no more than an additional \$200,000 per year in additional debt.

-I'm not sure what the current rate is, but USDA would issue a separate note, 30-year term, at the current interest rate and that would come out somewhere around \$200,000 per year.

-Articles 40, 42 and 44 of the sales tax go to schools and that's split between the county schools, Whiteville and the community college and some to economic development.

-Currently on our balance sheet there is an excess amount over the years that has not been distributed and that money will be used to cover at least one-third of the 30-year note.

-Plus, we will be receiving additional monies every year in the budget from those articles so the funds will be there to cover the debt.

Columbus County Superintendent Dr. Deanne Meadows stated the following:

-With respect to that, our interest rate on the first loan was much lower than the original projection and I assume it will be lower with this loan as well.

Chairman Bullard stated the following:

-Long term financing and a low interest rate will save more money than extra cost of materials over a period of years.

Commissioner McDowell stated the following:

-I agree with Commissioner Smith; it's not like we have a choice.

-The only two questions I have are first, in regards to USDA, with all of the changes in projected construction costs they may have a backlog of projects that they have to reevaluate, will they be able to do that in the 60 days?

-Did they give any indication of their workload?

Columbus County Associate Superintendent Jonathan Williams stated the following:

-They did, they said we would not have to start over in the process and that Raleigh was all too familiar with our situation and since this is basically just amending the paperwork we've already submitted, it should put us towards the front of the line.

Commissioner McDowell stated the following:

-The second question, the article 44 money has been withheld for years in anticipation that we were going to build schools and we wanted to have money there in case anything comes up.

-And, in this case something has come up, so I would just say that we might need to hold just a little bit back because we don't know what the future holds.

MOTION:

Commissioner McDowell made a motion to approve the increase in loan amount by \$3,394,956.80 for the Tabor City School Project, seconded by Commissioner Coleman. The motion unanimously passed.

Columbus County

ADMINISTRATION

TELEPHONE
910-640-6630



TELEFAX
910-640-1654

November 4, 2021

Mr. Nicholas Lattanzi
US Department of Agriculture
Rural Development
1303 Dallas Cherryville Highway
Dallas, North Carolina 28034

Re: Columbus County - Tabor City School

Dear Mr. Lattanzi:

This letter is intended to make a formal request for an increase to the previously approved loan amount for the construction project of Tabor City School in Columbus County. The county was notified that a loan amount of \$18,723,600.00 would be accepted by USDA for this project in September 2020.

Columbus County requested USDA loans for two school construction projects, Tabor City School and West Columbus School. Grant funding in the amount of \$10.6 million dollars was erroneously divided equally between the two projects. It was later determined that those grant funds could not be applied to the Tabor City School project. Therefore, the county must request a larger loan amount to offset this amount of \$5,795,214.00.

As you are aware, the cost of materials for construction projects are much higher than projected in 2020. These increased costs resulted in the contractor bids being submitted above the planned and projected costs of the project. The original projected construction costs were \$24,281,859.00. This project has been implemented in two phases with the first phase cost of \$1,826,815.83 and the cost of the base bid plus 4 alternates of phase two are \$25,850,000.00, for a total construction cost of \$27,676,815.83.

Due to the community needs and the construction projects that are of similar nature to this project, Columbus County approves of moving forward with this base bid and the 4 alternates. This approval will require increasing the loan amount by an additional \$3,394,956.80.

Therefore, the loan amount that Columbus County is requesting for the Tabor City School project is \$27,913,471.00. If there is additional information needed, please contact us.

Sincerely,

Ricky Bullard, Chairman
Columbus County Board of Commissioners

ADMINISTRATIVE BUILDING
111 WASHINGTON STREET • WHITEVILLE, NORTH CAROLINA 28472

Agenda Item #5: ADJOURNMENT:

At 4:48 P.M., Commissioner Smith made a motion to adjourn, seconded by Commissioner Watts. The motion unanimously passed. These minutes were recorded and typed by LaToya Williams.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman