

**MINUTES OF THE GUILFORD COUNTY BOARD OF COMMISSIONERS /
GUILFORD COUNTY BOARD OF EDUCATION
JOINT CAPITAL/FACILITIES COMMITTEE**

**Greensboro, North Carolina
January 28, 2025**

The Joint Capital/Facilities Committee, appointed by the Guilford County Board of Commissioners and Guilford County Schools Board of Education, met in a duly noticed meeting on January 28, 2025 at 3:00 p.m. in the McAdoo Conference Room, located on the third floor of the Truist Building, 201 West Market Street, Greensboro, NC.

Guilford County Board of Commissioners (BOC)

Present: Committee Co-Chair Commissioner Melvin “Skip” Alston, presiding; Commissioners J. Carlvena Foster, and Kay Cashion.

Absent: Commissioner Carly Cooke

Guilford County Schools (GCS) Board of Education (BOE)

Present: Committee Co-Chair Deena A. Hayes (entered the meeting via virtual communication at 3:30 p.m.), Board of Education members Khem Irby, Bettye T. Jenkins, and Alan Sherouse (entered the meeting at 3:21 p.m.).

Absent: None.

Also Present: County Manager Michael Halford; Dr. Whitney Oakley, GCS Superintendent; Clerk to Board Robin Keller; Jill Wilson, GCS Attorney; Jason Jones, Guilford County Assistant County Manager; Dr. Julius Monk, GCS Deputy Superintendent of Business & Operations; Tyler Beck, GCS Chief Financial Officer; Don Warn, Guilford County Finance Director; Toy Beeninga, Guilford County Budget Director; members of County and GCS staff, community partners, the public and media.

I. WELCOME AND CALL TO ORDER

Committee Co-Chair Melvin “Skip” Alston called the meeting to order at 3:09 p.m. and welcomed those present.

II. APPROVAL OF JULY 24, 2024 MEETING MINUTES

A draft copy of the minutes for the July 24, 2024 committee meeting was reviewed for accuracy.

Moved by Commissioner Kay Cashion, seconded by Board of Education Member Bettie Jenkins, to approve the minutes.

The motion carried with unanimous approval.

BOND PROGRAM UPDATE

Dr. Julius Monk, GCS Deputy Superintendent of Business & Operations, introduced the agenda item and provided an overview of current economic impacts and challenges to include construction costs, a less skilled labor force, and contractor wage increases. He highlighted GC Schools project funding expenditures and noted that they have committed to \$450M with expenditures totaling \$313M. He shared that included in the update graph are percentages of completion and funds spent.

Dr. Monk highlighted the Claxton Elementary School punch list, the Brooks Global Studies ribbon cutting, the Foust Robotics and Gaming ES rescheduled ribbon cutting, and the Peck K-8 Expeditionary School playground. He spoke to projects under construction to include Kiser Middle School for finishing work and the New Visual Performing Arts School's inwall and plumbing installation.

Dr. Monk shared those sites under design development phases. He spoke to approximately 290 deferred capital renewal projects. He highlighted FY23-25 budgets to include encumbered funds and remaining balances. He spoke to next steps regarding bond cashflow, to an enrollment study, to academic programs alignment, to integrate academic pathways, and to revisit the Facilities Master Plan. He noted that they have roughly \$13M encumbered for the upcoming projects, approximately \$21M actuals, and approximately \$34M in total committed funds. He shared that with a FY23 budget of approximately \$48M there is a projected remaining balance of approximately \$14M.

BoE Member Irby questioned the new build's maintenance budget.

Dr. Monk confirmed utilizing the current facilities maintenance budget of \$9M. He noted they are part of the entire budget.

BoE Member Irby clarified her inquiry and highlighted constituent concerns of grandiose school designs.

Dr. Monk confirmed choice schools with curriculum and funding. He noted that Allen Jay and Sumpter Elementary Schools are traditional buildings, and we are working with the same design team to keep designs similar to achieve reduced costs per square foot per building.

BoE Member Jenkins questioned the punch list for Claxton and Peck.

Dr. Monk confirmed paint touch ups and playground installation in addition to door frame closures.

BoE Member Jenkins requested Kiser updates.

Dr. Monk noted that Kiser is scheduled to open in January. He recommended a delayed school opening until August 2025.

Commissioner Cashion requested detail regarding revisiting the Facilities Master Plan and the wish list.

Dr. Whitney Oakley, GCS Superintendent, spoke to the Board of Education's interest regarding loss of instructional time due to repairs. She spoke to HVAC needs and to some predictability concerning current infrastructure.

Commissioner Cashion requested a status check on Page High School.

Dr. Oakley spoke to community dialogue and a needs assessment impacting student learning. She shared that the final decisions will be at the will of the Board. She shared that the Board of Education will look at approving those listings. She shared that identifying items such as Western Middle School is a newer school, but it needs a new HVAC system. She noted that this is a moving list that staff will continue to bring to the Board to make those decisions as items come up. She shared that they will start making those decisions at our February meeting.

Commissioner Cashion noted rising construction costs and HVAC equipment.

Dr. Monk confirmed no change in equipment costs but noted a decrease in shipping/delivery times.

Vice Chairwoman Foster shared excitement for the ribbon cuttings. She expressed concern regarding Allen Jay's progress.

Dr. Monk confirmed securing a guarantee maximum price (GMP) and some design pre-work prior to setting a projected opening date.

Committee Co-Chair Alston questioned the \$108M and a list of expenditures. He noted the FY23 \$48M budget with approximately \$12M of the funds encumbered. **He requested a copy of the itemized list.**

Dr. Monk confirmed the data is located on the online dashboard.

Committee Co-Chair Alston questioned the \$1.7B and requested a timeframe for project adjustments based on funding allocations. He further questioned enrollment trends.

Dr. Monk spoke to reviewing a ten (10) year enrollment study. He spoke to reallocating

remaining funds to other capital projects.

Dr. Oakley noted that since the pandemic close to 1,000 students are lost each year. She noted that some are coming back to High School. She shared that they are keeping a close eye on those figures. She noted that in the initial study they did not see growth in the eastern side of the county, but now are seeing growth and schools that are over capacity. She stated they follow the 100 largest districts regarding movement to charter, private, and home schools.

Committee Co-Chair Alston noted a possible redesign of the remaining schools.

Dr. Oakley shared projected versus actual costs. She mentioned a focus on deferred maintenance.

Committee Co-Chair Alston questioned study duration.

Dr. Monk confirmed ten (10) year projections and spoke to updating the Board of Education.

Dr. Oakley spoke to the current and future impact and pending Board discussions.

Committee Co-Chair Alston expressed concern regarding Allen Jay's design expenditures and timeline because it was part of the original \$300M bond.

County Manager Michael Halford highlighted the \$300M was based on pre-inflationary impacts prior to building the school bond program.

Committee Co-Chair Alston questioned if that was the only school in the original package that was not moving.

Vice Chairwoman Foster noted that there are four (4) schools.

Committee Co-Chair Alston questioned Page High School repairs.

Dr. Oakley confirmed the auditorium, media center, roof and bathroom renovations. She shared that the HVAC is under consideration because Page High School was not the only school impacted by inclement weather. She noted that in regards to HVAC needs that decision to replace will be brought back to the Board of Education.

SCHOOL CAPITAL FUNDING PLAN UPDATE

Don Warn, Finance Director, introduced the agenda item and provided an overview of county and local school facility funding to include facility and system maintenance and acquisition, replacement, renovation and construction. He spoke to the guiding principles surrounding the \$2B plan to include (1) Current and future capital needs and deferred maintenance, (2) Provide and enhance other services, (3) Design a stable funding model that fits existing revenue sources, (4) Reduce overall cost of infrastructure by incorporating a fiscally conservative "Pay-as-you-go" model, and (5) Limit change in property tax rate to provide predictability and stability.

Warn reviewed the existing debt services going back to bonds issued in 2010. He noted working the bond funding plan of \$2B and reviewed the revenue inputs. He reviewed the available funding resources for FY25. He noted that they are working on building capacity to pay future debt payments. He shared that we are building a significant amount of cumulative surplus, primarily due to the new honor school capital.

Warn noted the existing debt schedule and proposed debt service. He spoke to the growth model. He explained a significant amount of surplus along with the deficits along with building capacity and paying down debt. He shared two (2) bond authorizations, General Obligation bonds to be issued in 2025, 2028 and 2030. He noted the average spend per month is \$15.4M through December 31, 2024.

Warn explained Local Government Commission (LGC) protocol timeline and future school cash flow projections through December 2025.

Halford explained the term cash flows, which is the estimate from the schools how much cash is needed to fund the project. He noted that cash flow is an expense reimbursement request, and the county will need to time the bond issuances to make sure that we have enough cash in the “bank” to reimburse the schools. He noted that what is happening is that we are extending the county’s cash and we need to ensure that we are reimbursing the county first as to not impact ratings assessments.

Halford spoke to slide 7 (Available Revenue for Debt Service) and highlighted cash flow timely issued in alignment with bond issuance. He stated that estimates are collected and a bond structure is created. He further explained surpluses and deficits. He mentioned the unknown factors include timing of bond issuance as compared to the known projections.

Halford spoke to slide 8 (Working the Plan - \$2B). He noted Board flexibility starting mid-February but cautioned unknown expenditures. He shared that the model is working and improving as we move closer to knowing interest rates. He shared there are no bond rating impacts.

BoE Member Irby questioned if future funding is for schools or the county or both.

Halford confirmed funding is for GCS, Guilford Technical Community College (GTCC), and state court system. He noted building capacity for GCS, but there are other models for Board of Commissioner considerations. He stated that 60% of the Board’s budget is GCS and this provides flexibility across the county.

Committee Co-Chair Alston questioned possible savings regarding general contractor general performance bonds and whether there is a cheaper rate option. **He suggested the county purchase the performance bonds and using Minority and Women Business Enterprise (MWBE) contractors and subcontractors.** He shared a possible cost savings of approximately \$2-4M.

Dr. Monk confirmed attempting that process and will continue to explore that option. He noted always looking for cost-cutting measures.

OTHER BUSINESS

There was no other business for this agenda.

ADJOURNMENT

There being no further business, there was general consensus of the Joint Capital/Facilities Committee to adjourn the meeting at 4:04 p.m.

The next quarterly meeting is scheduled for April 2025 to be coordinated by staff and hosted by the GC School System.

Commissioner Melvin “Skip” Alston
Committee Co-Chair

GCS Board of Ed., Deena A. Hayes
Committee Co-Chair

Robin Keller, Clerk to Board