

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

**Greensboro, North Carolina
April 30, 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 April 30, 2025 at 4:00 p.m. in the McAdoo Conference Room, located on the third floor of the Register of Deeds (formerly Truist) Building, 201 West Market Street, Greensboro, NC.

Guilford County Board of Commissioners (BOC)

Present: Committee Co-Chair Commissioner Melvin “Skip” Alston, presiding; Vice Chairwoman J. Carlvena Foster (entered meeting at 4:08 p.m.), Commissioner Carly Cooke, and Kay Cashion.

Absent: None.

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

Present: Committee Co-Chair Board of Education Chair Deena A. Hayes; Board of Education Vice-Chair Bettye T. Jenkins; Board of Education members Khem Irby (via virtual communication), David Coates, and Alan Sherouse.

Absent: None.

Also Present: County Manager Michael Halford; County Attorney Andrea Leslie-Fite; Dr. Whitney Oakley, GCS Superintendent; Clerk to Board Robin Keller; Deputy Clerk to Board Ariane Webb; Deputy Clerk to Board T’ebony Rosa; Director of Board Relations Lisa Nolen; GCS Attorney Jill Wilson; Guilford County Assistant County Manager Jason Jones; Guilford County Assistant County Manager Victor Isler; GCS Deputy Superintendent of Business & Operations Dr. Julius Monk; GCS Chief Financial Officer Tyler Beck; Guilford County Finance Director Don Warn; Guilford County Budget Director Toy Beeninga; 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 4:05 p.m. and welcomed those present.

II. APPROVAL OF JANUARY 28, 2025 MEETING MINUTES

A draft copy of the minutes for the January 28, 2025 committee meeting was reviewed for accuracy.

Moved by Commissioner Kay Cashion, seconded by Board of Education Vice-Chair Bettye Jenkins, to approve the minutes with any necessary corrections.

BOE Vice-Chair Jenkins noted a clerical error on page six (6) of the minutes to read ‘GC’ instead of ‘GS’ in addition to specifying committee titles.

The motion carried with unanimous approval.

III. BOND PROGRAM UPDATE

BOE Chair Deena Hayes recognized Superintendent Dr. Whitney Oakley to provide an overview of the bond program update. Superintendent Dr. Oakley thanked the board for the opportunity to share an update and introduced Deputy Superintendent Dr. Julius Monk, who spoke to the school construction bonds and the theme, “Better Buildings, Stronger Communities”.

Deputy Superintendent Dr. Monk recognized the community for their support of the bonds and the work of both Boards to support the school system. He shared that the Guilford County Schools have used Emergency and Secondary School Emergency Relief (ESSR) funds in the past few years to cover their maintenance costs, but those one-time historic funds are ending.

A. Comprehensive Projects

Deputy Superintendent Dr. Monk noted tariff impacts on the supply chain and building materials. He noted that there are cost uncertainties for future projects. He described steel, copper, aluminum, and iron import expenditures. He explained that according to Moody’s analytics, if all tariffs are implemented, the effective tariff rate will be 12%. He noted that despite these challenges, they have committed 73% of our current project ordinances, of which 57% have been extended in payments.

Deputy Superintendent Dr. Monk provided an overview of current schools to include:

- **Kiser Middle School** – Occupancy Date: August 2025; Current Activity: final overhead inspections, final paving, installation of interior finishes; 3-month Lookahead: owner training on systems and equipment, furniture deliveries, relocate from former Kiser MS
- **New Visual Performing Arts School** – Occupancy Date: August 2025; Current Activity: installation of interior finishes, road grading and base installation; 3-month Lookahead: final sitework and landscaping installation, furniture delivery, owner equipment and systems training
- **Erwin Montessori at Archer ES** – Occupancy Date: Estimated August 2027; Current Activity: Schematic Design; 3-month Lookahead: design development phase, internal

departmental review of design, preliminary TRC comments, increase project ordinance for Phase 1 demolition

- **Katherine G. Johnson K-8** – Occupancy Date: Estimated August 2028; Current Activity: design development phase; 3-month Lookahead: rezoning for new property, begin construction documents phase
- **Sternberger Elementary** – Occupancy Date: Estimated August 2027; Current Activity: construction documents phase, preparing preliminary permit review submittals, conducting bidder outreach activities; 3-month Lookahead: incorporate permit review comments into final construction documents, bid phase (May 2025-August 2025), increase project ordinance for construction phase
- **Sumner Elementary** – Occupancy Date: Estimated August 2027; Current Activity: begin Phase 1 domestic water tie-in to City of Greensboro, continue construction document phase; 3-month Lookahead: incorporate permit review comments into final construction documents, bid phase (includes early release work) (May 2025-August 2025), increase project ordinance for construction phase
- **Allen Jay Elementary** – Occupancy Date: Estimated August 2027; Current Activity: construction document phase, preliminary permit review; 3-month Lookahead: rezoning and annexation of existing property, complete design phase May 2025, bid phase (includes early release work) (May 2025 – August 2025), increase project ordinance for construction phase
- **Swann 6-12** – Occupancy Date: Estimated August 2028; Current Activity: program and schematic design phase, preparing abatement and demolition packages for historic preservation approval including permit application after approval; 3-month Lookahead: approvals for abatement and demolition, begin design development phase, increase project ordinance for Phase 1 demolition
- **Lindley Elementary** – Occupancy Date: TBD; Current Activity: began design development phase, contracting for abatement survey and design services; 3-month Lookahead: begin construction documents, preliminary permit review submittals

Deputy Superintendent Dr. Monk noted an activity summary for the remaining bond projects. He noted that the remaining projects including Northwood Elementary, Shadybrook Elementary, Northwest Middle, Joyner, Vandalia, Bessemer, Millis Road, and maintenance on the transportation projects are delayed due to the County's funding model. He shared that Vandalia is listed as a replacement school and shared enrollment data. He recognized GCS Chief Financial Officer Tyler Beck to present information on deferred capital replacement.

B. Deferred Capital Replacement

GCS Chief Financial Officer Beck spoke to the three (3) bond ordinances. He noted that the first ordinance issued was \$10M with 60% of the projects encumbered or spent. He noted that the

second issuance of \$50M currently has five percent (5%) of the funds encumbered or spent. He highlighted the GC School bond dashboard that features additional details on all the projects.

GCS Chief Financial Officer Beck noted that the FY24 \$48M issuances for original deferred capital listing was divided into three (3) categories to include (1) safe schools upgrades, (2) building system repairs and replacement, and (3) technology modernizations. He noted that an adjustment is recommended to divide these three (3) categories out further by schools and project types versus the initial three buckets.

GCS Chief Financial Officer Beck noted that in Appendix II, the \$48M has been divided out by school and project type indicating that the designated amounts assigned to each school. He explained that the values within the document have been updated with completed projects and updated budgeted numbers to show flexibility with the bond model. He spoke to the potential recommendation for an additional \$50M ordinance issuance, as an effort to stay within the bond model guidance. He noted that the proposed ordinance will come before the Board of Commissioners.

Vice Chairwoman Foster questioned Montlieu Elementary that is on the list with deferred capital projects and not as a school replacement.

Deputy Superintendent Dr. Monk confirmed that this school would not make the cut-off list for project funding.

Vice Chairwoman Foster sought clarification regarding a Montlieu Elementary roof replacement request.

Deputy Superintendent Dr. Monk confirmed that additional funding will be needed for this school. He explained there will be funding recommendations to keep the schools up and running until another bond can be issued to replace these schools.

Vice Chairwoman Foster questioned Andrews High School's paving upgrades along with electrical and lighting issues.

Deputy Superintendent Dr. Monk confirmed repairs and upgrades to electrical systems.

GCS Chief Financial Officer Beck clarified a break out of the \$48M of project allocations that will help share where the funds are going.

GCS Chief Financial Officer Beck turned the presentation over to Deputy Superintendent Dr. Monk to explain enrollment trends.

Deputy Superintendent Dr. Monk provided an update on enrollment trends in Guilford County. He noted a downward trend in enrollment for the last several years. He noted that since 2018, the county has remained around 90K. He noted that Guilford County has decreased from 71K to 66K. He spoke to pandemic impacts resulting in decreased school enrollment. He noted steady

rates for private and home schooling even with vouchers. He noted the school-age population maps from 2014-2029 and a map predicting population changes for 2024-2029.

Deputy Superintendent Dr. Monk noted that the largest concentration of students are in the city limits of Greensboro and High Point. He reviewed the variables associated with population trends. He noted that while the total population of Guilford County has increased, the under age five (5) category has decreased. He noted a decline in birth rates in Guilford County. He noted that countywide the school's Master Plan needs to remain in alignment with the County and City's development plans.

Deputy Superintendent Dr. Monk noted projected school-aged population changes across the county. He clarified that population does not equate with enrollment numbers. He shared challenges of projecting residency, presented a student density heat map, historic student population and trends variables, and decreased birth rates. He explained that in the aggregate, there should be an increase in students but that is not reflected in the data.

Deputy Superintendent Dr. Monk spoke to updates to municipal partner Master Plans in Guilford County, Greensboro, and High Point. He noted that updates need to be made to the Guilford County School's Master Plan. He noted that six (6) schools in the Master Plan were closed and two (2) were consolidated. He noted that some of the schools have fallen below 200 enrollment since the initial creation of the Master Plan. He noted that Vandalia Elementary and Washington Elementary enrollment decline may warrant placement on the Master Plan.

Deputy Superintendent Dr. Monk highlighted the number of schools and administrative buildings that closed during these construction phases. He turned the presentation over to GCS Chief Financial Officer Beck to discuss the project cashflow.

Vice Chairwoman Foster questioned slide 26 (GCS 2024-2025 Student Density Map) regarding the High Point schools that have the highest student density.

Deputy Superintendent Dr. Monk clarified that this indicates residency and not where they attend school.

Vice Chairwoman Foster questioned consolidation impacts.

Deputy Superintendent Dr. Monk confirmed some future district rezoning.

C. Project Cashflow

GCS Chief Financial Officer continued the presentation to provide an overview of the March 2025 projected cashflow model, maintaining fiscal responsibility, and limited reach with current available funds. He noted efforts for fiscal management transparency for the bond funds. He noted that the projected cashflow model helps guide several funding options. He spoke to the estimated project items column. He noted that due to construction costs the available length of

projects to be accomplished has reduced. He highlighted the approved project ordinances by the county column noting that over \$328M has been released for school usage on projects. He noted that this model provides a timeline through 2032.

County Manager Halford shared an illustration of risk management and model capacity. He noted the cumulative cash of \$67M bond issuance timing, vendor selection, and reimbursement. He shared that complexity and safety are built into the model based on the market.

Commissioner Cooke sought clarification on construction delays in correlation to the county's ability to issue bonds.

County Manager Halford confirmed that increased project costs result in delays in moving through the bond model. He reviewed the complexities of the cashflow models. He noted the element of risk that is also built into the models to protect the agencies and their ability to pay and respond to emergencies.

Superintendent Dr. Oakley confirmed that the first guaranteed maximum prices (GMPs) resulted in fewer projects with only 5% inflation in 2019 which is measured differently in current times.

Commissioner Cooke shared dialogue with families concerned with project timelines. She noted that these topics have come up in the community and shared that it is her understanding that the County has been keeping pace on when projects are being requested, but also hearing that the requests are being held as well based on construction costs.

County Manager Halford confirmed that we are staying within our funding capacity.

Commissioner Cooke shared that we need to get to the end of the planned project list as it was approved by the voters within the timeline. She expressed hope of being able to get through all of these projects as there is also a time limit as to how long we can act on these projects that were approved by the voters. She noted that she recognizes that if we think we can get through twenty-one (21) projects, can we get through those planned projects before we lose the ability to issue bonds.

Deputy Superintendent Dr. Monk confirmed a constant review of how far to stretch funding amid tariffs, which could jeopardize some projects. He emphasized that we must constantly review how far the fund will go in reality as we are already anticipating a 12% tariff increase which would mean another five (5) projects may come off the list. He stated that we will spend the \$2B within the timeframe on the scheduled timeline. He explained that we cannot tell the Lindley community that we could move forward without determining a funding scheme and debt model.

BOE Member Alan Sherouse noted that the Lindley project may be able to start earlier than anticipated.

Commissioner Cooke questioned enrollment trends and re-evaluating Vandalia and Millis Road Elementary Schools. She noted enrollment changes and shared that in some of the data we are

seeing trends in declining enrollment. She noted that Vandalia and Millis Road show that growth did not match what was projected. She asked staff if we are constantly reevaluating for both cost and enrollment.

Deputy Superintendent Dr. Monk confirmed making adjustments based on these enrollment trends, capacity, boundary changes, and future engagements with municipal partners and rezoning impacts. The evaluation is conducted annually and a comprehensive review every five (5) years.

Superintendent Dr. Oakley noted that we also look at the capacity in the High School feeder model and make recommendations. She noted that in the Northeast feeder pattern, there is capacity to absorb Madison if the Board makes that decision. She spoke to the capacity in the northeast quadrant and to the utilization patterns.

Commissioner Cooke questioned adjustments in the Master Plan and whether there was a reevaluation of current infrastructure. She shared that the five (5) year consideration is generally reviewed, but in bond consideration, it is continually reviewed before we press go on any project.

Deputy Superintendent Dr. Monk confirmed an upcoming needs assessment. He shared that Montlieu's roof is the major concern with an understanding that a chiller could go out. He noted that they are currently working on a facility update to report to the state. He explained that they continue to reassess the deferred capital needs to determine if we need to shift some things around and add to the maintenance schedule things we have recently added to ensure they stay in working order.

Commissioner Cashion questioned population growth and working with the Triad Real Estate and Building Industry Coalition (TREBIC) regarding new housing construction. She voiced concern regarding being realistic in five (5) years as the plan does not align with some of our new larger economic development projects.

Deputy Superintendent Dr. Monk confirmed working with TREBIC and water/sewer efforts. He reiterated tariffs and immediate impacts within three (3) months. He shared housing permits throughout the country will impact our school system. He noted that what is before us today is the tariffs in hopes to have bid numbers back from current projects in a few months. He explained that as we look at the housing permits that are forthcoming, we will have to have conversations regarding how many of these new developments will be released and the impacts on the school system.

Commissioner Cashion noted that some clarity will come before new schools are constructed. She urged that this is a lot of predictive work, and hopefully the program is flexible enough to make adjustments.

Committee Co-Chair Chairman Alston opined that we are estimating that the tariffs will probably come into play three (3) to four (4) months down the road, or sooner.

Deputy Superintendent Dr. Monk confirmed that the tariff will affect the schools immediately. He stated that when the tariff is announced, there will be a rush on supplies from those making advanced purchases.

Committee Co-Chair Chairman Alston shared that the materials should already be on hand to get ahead of the price increases and tariffs. He emphasized that we can pre-order supplies as well in anticipation of tariff impacts.

Deputy Superintendent Dr. Monk confirmed having GMP for those schools opening in August. He stated that there is an increase in the product ordinance with bids through the month of August.

Superintendent Dr. Oakley confirmed that the model will reflect those price fluctuations. She noted that the proposed model presented today shows the anticipated impacts of those increases. She shared that this information is a preview of what we will bring to the Board in May, June, and August.

Committee Co-Chair Chairman Alston questioned whether the \$570M bonds that we allocated back in February are in alignment with this scenario. He opined on how far off we are going to be.

County Manager Halford reiterated the bond issuance plan to incorporate the spend, purchase commitments, and funds drawing down over two (2) fiscal years so the numbers do not go into the negative. He noted (slide 33 – Projected Cashflow March 2025) that in the cashflow model chart on the bottom line, the grey line indicates these costs. He explained that when we want to issue these bonds and draw the funds in the next two (2) fiscal years to time the projects so that the program does not go into the negative. He noted what is not included is a future unknown spike that would make us change our estimates.

Commissioner Cooke spoke to constituent questions regarding the first round of bond projects that were derailed by CV-19 and how we are making inflation and tariff adjustments. She questioned how are we making design adjustments to save and stretch the dollars.

Deputy Superintendent Dr. Monk explained economies of scale, consolidation efforts, merger efficiencies to forego overcrowding, and trying to maintain cyclical phases. He noted the prototype designs that are used in this upcoming construction phase. He shared that we are going to lose some quality such as smaller classrooms. He noted that what was good planning then is good planning now is to keep units designed and built in a cyclical manner.

County Manager Halford noted that on the chart on slide 6 (Bond Program Update as of March 30, 2025) the deferred capital replacement being used. He posed the question of how much of the \$500M of the deferred capital funds you want to preserve, because if it is all allocated early, there are several projects you will never get to.

Superintendent Dr. Oakley noted spending adjustments to cover deferred maintenance.

Committee Co-Chair Chairman Alston highlighted the \$550M set aside for maintenance issues. He shared that he would not like to see it used for new building shortages.

County Manager Halford clarified bond funds go towards major renovations. He noted there were conversations with GC Schools to coincide with Board decisions.

BOE Member Sherouse questioned whether the bond and earlier projects established safe, modern, and state-of-the-art designs. He sought clarity to building schools with a simpler design plan with less expensive materials due to rising costs.

Deputy Superintendent Dr. Monk noted that the schools are built to be 21-century state-of-the-art facilities for choice programs.

BOE Member Khem Irby questioned a projected maintenance school plan and whether there is a commitment to touch every school to eliminate the mobile units.

Deputy Superintendent Dr. Monk confirmed touching every school, plus the critical maintenance items, but not addressing the mobile unit issue.

BOE Member Irby voiced concern regarding transportation costs associated with consolidating and closing schools.

Superintendent Dr. Oakley confirmed that efficiency should increase based on the consolidation recommendation based on what we have learned with the first six (6) schools. She shared that the public comment on proposals in May focused on closing and consolidating schools. She explained that we are using flexible spaces to maintain the integrity of modern learning environments.

BOE Member Irby questioned whether homelessness data is included in the Census data.

Deputy Superintendent Dr. Monk confirmed that the numbers are not disaggregated in that way.

Commissioner Cooke thanked BOE Member Irby on the last question on cost savings and thanked staff for sharing the effort in considering cost and design work to continue to stretch funding while we are working in different circumstances.

County Manager Halford highlighted planning for different futures, anticipating another bond considering our credit rating, tariff uncertainties, and where growth will occur. He noted that at some future planning meetings, this notion of planning for different futures will be important. He explained that one future could be availability to do another bond in the future. He described thinking through how the rest of these dollars are being spent and future planning options to respond a little more quickly to changes.

County Manager Halford noted Commissioner Cashion's inquiry regarding our job growth that is going to change based on where some of these new investments are going to be coming in. He recognized Finance Director Don Warn to present the school capital funding plan update.

IV. SCHOOL CAPITAL FUNDING PLAN UPDATE

Finance Director Warn provided an overview of the debt model, bond financing guiding principles, working the plan, revenue, cash flow, and GC Schools expenditures. He noted that the debt service that has been issued and the proposed debt to be issued in 2028. He reviewed how those issuances would impact the debt service moving forward. He reviewed additional funding through lottery proceeds. He explained the next two (2) issuances through 2032.

County Manager Halford voiced concern regarding risk awareness and the results of a loss of tax-exempt status. He noted that on the federal level, there is discussion on removing tax-exempt status on bonds to help balance the federal budget. He explained that if that is removed, then that increases the bond cost. He shared that it is a real risk that we are monitoring. He noted that there is still \$1.1B remaining to issue, and an interest change could significantly impact the program.

BOE Member David Coates questioned the available revenue for debt service with the honor school capital line item.

Finance Director Warn explained that the honor school capital indicates \$50M of dedicated funds we are setting aside every year to pay for future school capital funding that grows roughly two percent (2%) each year.

Committee Co-Chair BOE Chair Deena A. Hayes expressed appreciation to the staff for coordinating and preparing information with the Board.

Committee Co-Chair Chairman Alston echoed appreciation to the staff.

Commissioner Cashion thanked the committee for this afternoon's clarification.

V. OTHER BUSINESS

There was no other business for this agenda.

VI. ADJOURNMENT

There being no further business, there was general consensus of the Joint Capital/Facilities Committee to adjourn the meeting at 5:27 p.m.

The next quarterly meeting is scheduled for Wednesday, July 30, 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