

**DICKENSON COUNTY SCHOOL BOARD**  
**Special Called Joint Meeting—School Board, BOS and IDA**  
**December 6, 2017**  
**5 p.m.—Dickenson Center for Education and Research**

**Chairman, Susan Mullins; Vice-Chairman, Rocky Barton; Shanghai Nickles; Dr. Lurton Lyle; Rick Mullins; Reba McCowan, Clerk; and Haydee Robinson, Superintendent.**

**Mr. Larry Yates:** I would like to call the IDA to order and note that all of our members are present.

**Mrs. Shelbie Willis:** I would like to call the Board of Supervisors Meeting to order and note that all of our members are present and also, our Country Attorney, Mr. Steven Mullins and our County Administrator.

**ROLL CALL AND MEETING CALLED TO ORDER BY CHAIRMAN, MRS. SUSAN MULLINS:**

**Chairman, Mrs. Susan Mullins:** I would like to call to order the School Board Meeting and this Special Called Meeting and note that all of our members are present. As usual I would like to start this meeting with the Pledge of Allegiance and a Moment of Silence. Thank you and please be seated. For our purposes, we have an Agenda before us. Are there any changes or additions to this Agenda Mrs. Robinson?

**Superintendent Robinson:** No, ma'am it is for our Special Called Meeting as stated.

**Chairman, Mrs. Susan Mullins:** I would entertain a motion to approve the Agenda.

*Dr. Lurton Lyle made the motion to approve the agenda. Mr. Rick Mullins seconded the motion. All votes aye.*

**Chairman, Mrs. Susan Mullins:** All in favor say Aye. (All Ayes) Now we are ready to start. Mrs. Robinson, will you start with a few comments? I'm sorry.

**Mr. Larry Yates:** We also have an Agenda we would like to adopt.

- *The IDA approved their agenda by unanimous vote.*

**Mrs. Shelbie Willis:** I would like to make a motion that the Board of Supervisors follow the School Board's Agenda. The vote was seconded.

**Mrs. Shelbie Willis:** I need a roll call vote: Mr. Ron Peters—No; Mr. Compton—No; Mr. Yates—No; Mr. Perry—Aye; and I also vote Aye.

Since it didn't pass, we need to adopt an Agenda. Okay, I need a motion to accept that Agenda.

**Mrs. Shelbie Willis:** We have a motion that has been seconded. Any discussion?

**Mr. David Moore:** I would like to disclose that our Agenda includes the discussion of the elementary school, and if the School Board does not have a stated purpose under that topic, they will have to be excluded and adjourn themselves. So the School Board will not be included in the topic of the elementary school.

**Mrs. Shelbie Willis:** Okay a roll call vote: Mr. Compton—Aye; Mr. Ron Peters—Aye; Mr. Perry—No; and Mr. Yates—Aye. I would like to make a statement before we start. I welcome everyone to our Board Meeting. It is good to see all of you taking part in our county government, but I will ask that you remain silent while we conduct our business. You will be able to speak during Public Comment with all of the IDA Board. You will follow the instructions that have just given by their attorney. I will not have any signs or any outbursts during the meeting. If it happens, I will ask the deputies to please remove you. But I do welcome you to our meeting.

**Chairman, Mrs. Susan Mullins:** Okay, Mrs. Robinson, you wanted to make some comments about our Agenda.

**Superintendent Robinson:** I would just like to share that this is a Special Called Joint Meeting with the School Board, the IDA and the Board of Supervisors. The three items that we are discussing are:

1. Introductory Remarks from the Group of Five
2. Discussion of QSCB Interim Finance Repayments, and I would like to thank Mr. Rose for being with us today
3. Presentation from Davenport & Company

Thank you, Madam Chair and Board Members.

**Chairman, Mrs. Susan Mullins:** Mr. Mullins, how is this going to go. Do we have our meeting and then they have their meeting?

**Mr. Scott Mullins:** Historically, what we have done is come here in a unified Agenda. We are a little bit off center because we have differing Agendas. Mr. Rose has driven a long way. He is a guest, and I think that he probably gets paid by the hour so it is probably in all of our best interests to work him out first. Then we can deal with what other issues we have to work with. Is there any disagreement with any of the other Board Members?

**Mrs. Shelbie Willis:** We concur.

**Mr. David Rose:** Thank you. It is good to be back. I have a handout, and you should have enough copies for all of you to participate. Thank you. My name is David Rose with Dav-

enport & Company. We have worked with this county and many of you for a number of years. This will be very brief, and I hope with the way this process works it will give all of you the possibility of moving forward with a competitive process to solicit some form of bank line of credit so that you can maximize the cash flows of the county as relates to the Ridgeview Middle School and Ridgeview High School project. That is my focus. Without going page by page, I just want to give you some key points. I will then answer any questions you may have. We will certainly get back to you with anything that I cannot answer. With that said, there are just a couple of points here:

1. As you know, you are eligible to receive grant monies for the project beyond the Corps who you have been dealing with for the last seven or eight years. I am delighted that the Army Corps of Engineer did give us the monies quicker than we had hoped for as you know. We were here thinking that it could be upward of ten years that it would take to get some of the monies for the project. Thankfully that is not the case. But we are not all the way done. We recommended, going back about five years ago at this time, how to maximize those monies. For those of you not fully aware what happens here is that we basically get reimbursement of the construction. That reimbursement is supposed to occur during a 45-60-day window. As you also know, there is no guarantee that those monies will come in as quickly as we expect. Knowing the reality, and I know this county well, I understand your finances and challenges. We wanted to make sure that you would not be cash strapped any more than necessary. As a result, we recommended that we try to get some form of line of credit from one of the local, regional banks if they are willing to participate. What we are thinking is that we have this line of credit. Think of it as an insurance policy so that turn around and can make the payments we need to as necessary if indeed the folks from the Army Corps are slower than we would like to reimburse the county. With that being said, we met on numerous occasions with a variety of folks, and we basically said how do we look at a pile of money, which we have, and how do we invest that money. I will start by saying that we are not the folks investing your money. It is not my role, and we don't get paid for it. That is not what we are trying to do. We are totally acting as your advisor collectively to suggest how the county schools go about investing your money. The plan and resolution that has been involved is to basically take what is roughly \$10 million and to keep \$1 million of that liquid. Then you would take the remainder and divide that into three parts. One-third in one-year United State Treasuries, one-third in three year treasuries and one-third in a five-year treasury. We are only talking about investing your monies in the safest investment possible. The expectation here is that as long as the United States of America exists, which you are a part of, will be good and payable. You made that decision several years ago when you decided to accept the investment because you were relying on the Federal Government to come through. By doing that, the estimate here is the county/schools will basically see around \$900,000 worth of earnings over that time. That is investment earnings. That is what we are trying to do here. We are trying responsibly to maximize your investments.
2. The second part is to be able to do that and not having to tap into this \$8 million or that other million in order to have a line of credit. We expect the line of credit to be

there as an insurance policy. With that being said we are recommending will be secured by the Army Corps grants, but there is a possibility that they will want some kind of tangible backstop in the form of some kind of facility or property to be required as collateral. They know they are going to have the county as a backstop which is again, is something that you have done before. That may not be fully adequate, but we will see. Once we do get in those bids or no bids, I will tell you that the county will not incur any costs. It is finding some thing or things and evaluate them. We will come back to you and tell you what we have and recommend moving forward. We will do that only after having our internal and leadership of the schools and the county. We will come back to you with what we can get. I will say that we are not talking about the general obligation of the county which requires a referendum. That is not practical or realistic. We are talking about what is the equivalent of a wall obligation which is a necessary requirement. With that being said, I am happy to answer any questions. I think again, we have done this with you before. There has been a hiccup with the Sun Trust line, but I will just say that from our perspective and the advisers collectively, we have to look at this line of credit as an absolute requirement to be paid back. I am not a lawyer, but I can tell you that it needs to be considered. Whatever monies we borrow would have to be paid back in a timely basis. That is critical. Are there any questions?

**Mr. David Yates:** When is the QSCB payment actually due?

**Mr. Freddie Mullins:** There are two payments made each year. One is interest only and the other is principal plus interest. Originally it was interest free, but you remember sequestration when the Federal Government had some issues. Now instead of getting back all of the interest, we get back around 92%. The interest was \$212,500, and we usually get back \$192,000 when they refund that money.

**Mr. Ron Peters:** Initially this was set up as part of Ridgeview?

**Mr. David Rose:** Yes it was part of it.

**Mr. Ron Peters:** Once we say yes to this that is what we are signing up?

**Mr. David Rose:** The line of credit is an insurance policy for you as you move forward.

**Mr. Ron Peters:** I just wanted to clarify that we are signing over money as of yet.

**Mr. David Moore:** There will be no fees or charges until we actually access the line of credit. The line of credit needs to be in place before we begin anything.

**Mr. Ron Peters:** Will there be a meeting to discuss that?

**Mr. David Moore:** We would have to discuss the structure for the finances of the project. There would be several steps.

**Mr. Talbert Bolling:** Which Boards would it be to go out for an RFP?

**Mr. David Rose:** Technically the industrial part of it is the Board of Supervisors who will have the moral part of it. It is really all of you in this together.

**Mr. David Moore:** The County always provides the moral obligation that is incurred by the IDA. It is kind of a hand in hand process.

**Mr. David Rose:** We are not asking that you do anything that you have not done before. We are not breaking new ground in this process.

**Mr. David Yates:** How large of a line of credit would we be pursuing?

**Mr. David Rose:** I would recommend \$5 million. You will remember that about five years ago we got no responses back. We had gotten one a couple of years earlier from Wells Fargo. We don't know what we will get. We will just have to wait and see.

**Mr. Ron Peters:** What are we going to use as collateral?

**Mr. David Rose:** We may not need to, Mr. Ron Peters. I think we will have to figure out how much, but I think \$5 million would be a good cushion. I think we will cross that bridge when we get there. They may not need 100% collateral, but I think we just have to take it one step at a time. I would rather not put in a request to the banks and say what we were thinking about as collateral. We should just say that our goal is a moral obligation if that suffices. If it doesn't, tell us what you need. I would recommend letting the banks make that choice.

**Mr. Scott Mullins:** Mr. Rose, could you tell us ultimately what you need us to do tonight or give us a motion or resolution that we could talk about and all vote on?

**Mr. David Rose:** Ideally, if it is possible, we would like to have some sort of joint resolution that Davenport could go forward and solicit these bids. Give me that license and see what we get. Then we could come back to the Board and say this is what we got, and then you would decide if you want to go forward.

**Mr. Scott Mullins:** So we would authorize you to go forward with an RFP consistent with the information you've been provided here as approved by council for the parties. Is that what you want?

**Mr. David Rose:** The other point is to approve the idea that we presented which was to do the investment strategy so that you could put yourself in position to maximize your return of \$8 or \$9 million that you have.

**Mr. Jason Mullins:** I don't see the cost for you. Do you get paid for the investment?

**Mr. David Rose:** No. We receive a fee on an hourly basis which is around the not to exceed the \$20,000 range.

**Mr. David Moore:** We need to entertain a motion. Do we do it by each Board?

**Mr. Al Compton:** I make a motion to approve, Mr. Chairman.

**Mrs. Ginger Senter:** I second it

**Mr. Larry Yates:** We have a motion and a second. Is there any further discussion? All in favor? All votes aye.

**Chairman, Mrs. Susan Mullins:** I suppose we are to entertain the same motion they just approved?

**Mr. Scott Mullins:** I think so. Just make sure the motion is to allow Davenport to work with McGuire Woods to put out an RFP and to evaluate the information received and give us advice as to what comes back.

**Mr. David Rose:** We also need a motion about the investments.

**Mr. Scott Mullins:** Please just state so we understand. Did I cover everything?

**Mr. David Rose:** The only thing you left out was the investment strategy on page 3. I guess we would be looking for a motion to approve the action that has been recommended here tonight.

**Chairman, Mrs. Susan Mullins:** Do I hear a motion?

**Mr. Shanghai Nickles:** I make the motion that we approve the action we have heard here tonight. Mr. Rocky Barton seconded the motion.

**Chairman, Mrs. Susan Mullins:** Okay we have the motion and second, and I am going to do a roll call vote: Dr. Lyle—Aye; Mr. Rick Mullins—Yes; I am Yes; Mr. Rocky Barton—Yes; Mr. Shanghai Nickles—Yes.

**Mrs. Shelbie Willis:** Now we need a motion like they made.

**Mr. Jason Compton:** So moved. Mr. David Yates seconded the motion.

**Mrs. Shelbie Willis:** It has been moved and seconded. Any discussion? Mr. Ron Peters—Aye; Mr. Perry—Aye; Mr. Yates—Aye; Mr. Compton—Aye; and I vote Aye.

**Superintendent Robinson:** Mr. Rose, thank you very much.

**Chairman, Mrs. Susan Mullins:** I assume we have addressed Item C. on our Agenda.

**Superintendent Robinson:** Yes, Ma'am, Item B. and C.

**Chairman, Mrs. Susan Mullins:** I guess I will entertain Item A. the Introductory Remarks from the Group of Five. Mr. Mullins, are you going to start?

**Mr. Scott Mullins:** First I want to thank all of the Boards for giving us the opportunity to sit here and explain in Open Session what I think the Group of Five consider to be sort of the ending point of Ridgeview. We are going through the final stages of racking up Ridgeview. There will always be a few loose ends come up. By and large Ridgeview is something that I think the three Boards were instrumental in its success. Some of you came in on the beginning and some of you later. I think when we first started talking about what we wanted to get done, it was basically to make sure that we came in and did our best to answer the questions that came up. Some of the questions came in late this afternoon. It has been a long time, and it could be that you asked a question that we don't know the answer to because basically we should have a lot of information here. The idea was that I would prepare a chronology for each of you to look at. I don't want to bore you with it, but I did want you to have it. I really didn't intend to read it to you, but I did think there were some high spots that were sort of worth remembering as we look back on Ridgeview. The first thing that is interesting to remember is that this started before Group Five back in 2006. I believe that Mr. Yates was around. Were you around here David?

**Mr. David Yates:** I have been here all my life. (Ha, Ha!)

**Mr. Scott Mullins:** When we started this we learned that we weren't the first people to open this up, but I am sure some of you were around and remember the discussion. What I really found interesting in talking with the people who were in it, at that point there was absolutely no political will to move forward in consolidating the schools. I think there is a reason for that, and I think that everybody could see that it was inevitable what we were faced with. But it was a difficult and thorny problem. I say that only to say that I want to thank each of you to a person to be willing to support what we went through. We told the public, and I think we told each of you the question about the things we have done, and we want to try to answer those questions. But we can't answer them here tonight. We started in earnest in 2009 at I think Mrs. Robinson's first or second meeting, and they said go find some money. I think the Board of Supervisors said that they didn't really have any money. But we all sort of joined together with the Army Corps of Engineers. It is interesting that the project manager said they told him to go to this meeting, but we don't think anything is going to come of it. So he came down. I remember the first time I met him he said we are with the Corps and we are slow but we are expensive. So that was his introduction to us. We began working together then in earnest. They had their regulations, and it is always important to remember that the dollar values are laid out there, but they could only deal with the things that were within their regulations which meant that Ervinton High School, Sandlick Elementary School, putting a wall around Clinchco Elementary School and a few miscellaneous buildings above the road at Haysi. We got those dollar values that they attributed to those things. I think that those are things of interest. The three Boards started working together, and their idea was to go behind Sandlick Elementary School on the mountain and build a school. They

would go behind Ervinton and spend \$53 million to build us a school at Ervinton. They were doing things that were not efficient. We had a bigger vision of trying to do more in Dickenson County. Each of you did. So we came back to them and said that we would achieve every goal that you were going to achieve, and we could do more. So we came up with an alternative plan. We started working with them, and we went for months working on cost reimbursable. That meant for us to be paid for anything we had to submit an invoice, then they would pay the invoice. This went on for thousands of documents, and finally they threw up their hands and said enough. We want to do a lump sum contract, and we are going to shift the risk of this construction project from us, the Corps of Engineers, to you, Dickenson County. We will give you \$110 million, and if you can get this done for less than \$110 million, then that is great. But if it costs more than \$110 million, that is on you. We knew we would incur some interest income. We did incur some interest income because we had to do some income financing. If you remember, we went out and got the largest grant that the government had ever given in the State of Virginia \$42.5 million. Every time the Corps of Engineers came we heard that they had never reneged on a deal, but every cent you get is subject to appropriations. We cannot guarantee you payments, but the contract said that we were going to build a school. So we got the interim financing. So we went forward with that. We incurred some interest from that. Mrs. Robinson, do you remember the day that the good news came in that we had been paid in full?

**Superintendent Robinson:** Yes, sir. It was January of 2016. I think it was the 18<sup>th</sup>. We received a call to say that we had received \$59 million. I remember calling our Group of Five saying that I had some news. I'm not a very good jokester, but I told them, and there was dead silence. That was quite a panic moment for all of us.

**Mr. Scott Mullins:** Ultimately, we got it. At that time we would have begged for \$5 million dollars a year. If we could have gotten \$5 million we would have thought we had won the lottery. We were very blessed, and I remember Bud Phillips was still around then. We basically had \$33 million from the Federal Government, and they said go. Then we got a \$42 million loan, and we said if we don't do this now, we are living in fear. We are never going to get this done. So we jumped in and did it, and we were very blessed to get that money in. Now I think that we all should take pride in the fact that we have a world-class facility that is paid for. There are going to be some loose ends and things that come up. One of the things that I have heard mentioned is the whole concept of betterments. What are betterments? Did you spend any money on betterments? All I can say to that is betterment is a very precise term of art used by the Corps of Engineers. What it basically stands for is the notion that if they are going to replace what you have, but they are not going to do more. When we look at Ridgeview, you didn't see a baseball field at Ervinton or a girls' softball field, you didn't see tennis courts. Those things I think would be considered betterments. When we went to lump sum, the whole notion of betterments left the discussion table. I think I put it down in the chronology on March 2011. We went away from talking about betterments. We told them that we were going to do things at Ridgeview that went beyond what they were contemplating with their original invoice based approach, and we did that. They said for us to do whatever we wanted to do, but you have to achieve the goals that we were out to do. If you can do that and do more, great. If it costs you more, don't complain to us because you have assumed that risk. We have a lot of things at Ridgeview that are there now because we chose

not to spend \$53 million moving dirt at Ervinton High School. We had a different vision of what we could do for Dickenson County. So there are things there that I think are betterments and we achieved the goals of the Corps of Engineers

**Mr. Ron Peters:** June 2011 were the goals very specific that were negotiated? Were there some things that the government could not support? Do any of you have anything exactly that the government would not support?

**Superintendent Robinson:** I believe at that time I think it was a reimbursable contract. David would you like to explain that a little bit?

**Mr. David Moore:** At that time the Corps was still stuck in the concept, on page 1 of this chronology, of replacing each school. Some of the things that would have been objectionable was that Ervinton High School did not have a baseball field. So if there was any discussion about upgrading a new Ervinton High School, they would have given an “x” to that. Whatever they were replacing is what they were going to build back. There were not additions that they would agree to. That was the point where the Group knew that we needed to pursue a different course. That is where we were able to get a lump sum as a concept and the alternate plan. The alternate plan is actually what we enacted as Ridgeview being a consolidated high school. The Corps plan was not any part of consolidation. They were looking at doing these four specific items that were mentioned.

**Superintendent Robinson:** Mr. Ron Peters, you weren’t there at that time, but several of you were there when we first started. When we thought about going to the alternate plan, there was Board discussion like this and there was Board approval. The Group of Five represented three Boards. Whatever was discussed, we came to the Board and said this is what we want to try to do. This is what we recommend and this is why. It had all of the Boards’ approval. Not only did it have to have Board approval, but it also had to be approved by the Corps. Those are the negotiations that it took. Even though our Boards might have said yes we want to pursue that, if the Corps said no we aren’t going to pursue that it would have been the end because they would not be reimbursing any funds for any expenses.

**Mr. Scott Mullins:** We have been blessed with good construction managers. We have spent days looking at lists. I remember the word “concur” that Mike would say. We have spent hours looking at lists about pouring concrete four inches thick or five inches thick. For example, I will give you a classic betterment. We didn’t have an elevator in any school, but we have one now. So there was a discussion about betterment, but you have to comply with the law. We debated things like that for hours, but at some point, the Corps and Dickenson County realized that we could do this for months so let’s build a school. Some approach just made sense.

**Superintendent Robinson:** One of the questions that I have been asked is about the \$38 million that was appropriated in the original Corps plan for Sandlick Elementary School. Would anyone from the Groups like to discuss that?

**Mr. Leman Kendrick:** One of the first things the Corps did was what was called a “design document report” in which they identified what they wanted to do and the cost to do that. Their plan, as Scott said earlier, was to build a roughly 100,000 square foot high school at Ervinton, a roughly 96,000 square foot elementary school at Sandlick, to replace the buildings at Haysi that were between the road and the river, and they were going to build a wall at Clinchco Elementary School about 10 feet high. That was their plan, and I think at Sandlick, in particular, that plan called for the amount of the existing school enrollment which was Pre-K-8. The alternate plan that the county proposed, of course, created the middle school which made Sandlick then become Pre-K-5. Obviously, when you do that, you don’t need as big a building so that number was reduced. There were actually two contracts that were signed with the Corps. The first one was the Clinchco flood proofing contract which was roughly \$8 million. The second one was the relocation contract which is the one that Sandlick was included in. It was about \$102 million total. That was to do the consolidated high school and the Pre-K-5 for the elementary school. That is the only reference that I could find for the \$38 million. That number was reduced to \$23 million or \$24 million.

**Superintendent Robinson:** The document where that \$38 million came from was an internal document from Mike Worley called “resume of negotiations” on June 28, 2011. It was to say this is where we are, this is what the Corps is proposing and this is the starting point. If the county wants to pursue this, we certainly will. If the county wants to pursue an alternate plan, they certainly can begin the negotiations. There are three documents—one is the Clinchco contract that was signed on March 31, 2013; the next one was, and many of you were there right here in this room. The Colonel was here and many of you were here. We signed a huge contract and even had children here; then there was a modification to this contract and I will let the rest of the group talk about when we had an issue with the lump sum. That was the third contract. The Corps always told us “what does the contract say?” and that is what we had. Whatever the contract said that had been signed by the county is what our guide was in all of the things that happened.

**Mr. Scott Mullins:** Just to briefly touch on this for those of you who weren’t around, it is hard to appreciate it, but we went through a discussion with the Corps about whether this was a lump sum contract. I have never been prouder of Dickenson County because we stood together. After we stood together they said, “Yes you can”. They agreed that we were right. I was also very proud of the people on the Corps of Engineers, the attorney who drafted it. The project manager went with us to see Senator Warner, and he said, “They are right”. We stood firmly together. There are so many blessings that came from the lump sum; the money that we are talking about tonight to pay off those QSCBs of \$9 million. That is largely attributable to us not doing the invoice. The lump sum contract has saved all of the taxpayers of Dickenson County a lot of money.

**Chairman, Mrs. Susan Mullins:** To be clear Scott, the \$110 million was the portion they were going to give us plus the match amount that the county had to come up with. Is that right? Was that the total?

**Mr. Freddie Mullins:** The total contract value was approximately \$110 million which included the county’s 5% match.

**Mr. David Moore:** The \$110 million is the two contracts added together; included as part of that is the county's requirement for 5% match. Really the match works out to be the county's \$5 million and change. The Corps obligation is \$105 million and change adding up to the \$110 million.

**Chairman, Mrs. Susan Mullins:** We were able to work it out until we didn't have to require the \$5 million?

**Mr. Freddie Mullins:** What the Corps told us is that whenever we got the money back, it was ours to do with as we chose. The decision was made to take that money and do the match with the Corps.

**Mr. David Moore:** In the beginning to originally obligate the \$33 million that they had we had to borrow money. That is the Wells Fargo loan that was alluded to earlier. That was about the time that I had started in the county which was back in 2010. The county had like \$2 million in the bank.

**Mr. Freddie Mullins:** The first match we made in August 2011 was \$1.35 million.

**Mr. David Moore:** People ask about the monies. The rural development borrowing and the QSCB are all self-contained in what we call project. You have heard people talk about that. It is all self-contained planning. Everything that exists in there just flows back and forth. The County did not have the money for that match. Initially after that we got the court order for the Judicial Center which required the resources that we were able to gain had to be put toward that project. We were able to keep all the worlds separate. The monies that involved this project have always been contained with the project.

**Mr. Freddie Mullins:** The total amount of the match was \$515,317.37. That was the amount of the County share of the match was.

**Chairman, Mrs. Susan Mullins:** The point that I was getting to was that we were able to build this school without costing the county \$5 million.

**Mr. Freddie Mullins:** Yes, ma'am. Essentially free.

**Mr. David Yates:** So the entire match has been met already?

**Mr. David Moore:** Yes. When the \$5 million became available, we were required to put up the 5% to obligate that. We are totally paid in with the match and the money obligated. We are still seeking to get credit for the road which we are looking to get maybe \$1 million to \$2 million or somewhere in that range. When that happens, there will be some cash component. We had some discussion about all of those type pieces, but the one that we really wanted to get a foot-hold with was the road because it was such a large project. The road cost roughly \$3 million.

**Mr. Ron Peters:** How many square feet is the Ridgeview High School site?

**Superintendent Robinson:** Ridgeview is roughly 284,843 square feet.

**Mr. Ron Peters:** The reason I am asking that question is during the 2011 negotiations it was stated that the square footage would be 224 thousand square feet.

**Mr. Freddie Mullins:** That was the minimum. That is what we had to build for the contract. Whatever we could use to build more than that we were allowed to do in the lump sum. But it had to be at least 224 thousand.

**Mr. Ron Peters:** I understand. So the extra 60 thousand square feet came out of the project money?

**Mr. Freddie Mullins:** Yes, Sir.

**Superintendent Robinson:** All of it did. We were able to do that because we were a lump sum contract. The cost per square foot at Ridgeview was \$197.30.

**Mr. Freddie Mullins:** That was construction cost not project cost.

**Chairman, Mrs. Susan Mullins:** Does that include the Career Center?

**Superintendent Robinson:** Yes, ma'am, it does.

**Chairman, Mrs. Susan Mullins:** I know we have been talking recently about 120 square feet per student. Was that an obligation at that point too for Ridgeview?

**Mr. Freddie Mullins:** They followed the guidelines for the Virginia School Board on that.

**Chairman, Mrs. Susan Mullins:** Was that more or less for Ridgeview?

**Superintendent Robinson:** I think for the high school students it is maybe more. Please don't quote me on that. I think I heard Mr. Osborne say that for the middle and high school students it is maybe more. I will find out for you. Something else that we have been asked about is if the synthetic turf, the brick veneer of the stadium, the parking lot, the additional bleacher seating and the extended roof warranty are considered betterments or upgrades. The reason that we were able to do any of those things was because we had the lump sum contract. If we had used betterments strictly, we would have built a building for say \$140 million and the Corps would only have given us \$110 million. I can tell you that the Group of Five was so scared that we could not go over because the Corps said if you build it and it costs more, it is up to you. It is your fault. And all of us would have to face all of you and say that "oops" we didn't do this correctly.

**Mr. Ron Peters:** What did those things cost? Do you have those itemized at all?

**Mr. Freddie Mullins:** You need a little bit of history here. At the time the bids went out for construction was whenever the Corps decided to have the dispute with us about what the lump sum meant. It scared all of us, quite frankly. So we went through the engineering session, and we took out certain components in order to bring the bid down. We had to bring the bill down in case we lost the lump sum. All of these things were things that were originally contained as bid items. The base contract was \$56,200,000. The synthetic turf was \$202,000. The brick veneer at the field stadium was \$5,000. The additional paving of the stadium was \$5,000. The additional bleacher seating was \$18,000. There was an extension on the roof warranty for \$100,000. Those were actually things that were change orders. By the time we actually got the bids, we won the lump sum argument. So we were able to put those back in there.

**Mr. Ron Peters:** So it all came out of the project funding?

**Mr. Freddie Mullins:** Yes, sir. Other than the first monies that we borrowed, all of this came out of the project funding.

**Mr. Scott Mullins:** I am opening up a can of worms, and I can't give you good information on it. At the time it was a big deal for us. When we first opened the bids, Branch left a bunch of money on the table. Leman, was it ½ million dollars? We were so blessed because at that time construction work was hard to find. There were hungry contractors. Now after the hurricanes and everything, contractors had plenty of work. At that time everyone had a sharp pencil. So everyone told us that we came along at the right time as far as getting bids.

**Superintendent Robinson:** If you will remember Branch slashed their bid right there before they turned it in.

**Mr. Leman Kendrick:** I might add that once you start the bidding process, you are basically on the time clock. There are so many days after you open the bids that you close the bids. This really complicated things because you had the Corps say that it was what they thought it was which was actually reimbursable. It was a pretty tense time for several months.

**Mr. Ron Peters:** The total funding for the elementary was stated up front and 6-8 would transition to the middle school. How much money was part of that transition?

**Mr. Leman Kendrick:** There is a breakdown in the contract. It will be in the relocation contract.

**Superintendent Robinson:** I will share this. The first line is the high school and middle school. The second line is the elementary school. The third line is demolition. Is that right? This is the March 6, 2013 recodification to the contract.

**Chairman, Mrs. Susan Mullins:** We would all like to know the numbers.

**Mr. Freddie Mullins:** Okay, I'm sorry. In the modified contract that Mrs. Robinson read to you, and you have to remember, there are two contracts; the is the Ridgeview contract and

what we call the Clinchco contract. This is the contract that covers Sandlick, Ervinton and the buildings at Haysi. The total amount for the high school/middle school was \$80,149,017. For the elementary school \$21,271,823. There was an amount for demolition. That is the amount covered by that contract. Under the Clinchco contract it was essentially \$3.5 million toward the new elementary school and \$3.5 would go to the high school/middle school. The reason for that is that you were splitting your elementary school population since you never had a middle school before.

**Mr. David Moore:** There was another million for demolition. There was the high school, middle school, and demolition in both contracts. You add those two together to sort of establish your budgets for each category. It was exactly \$3,500,390 which was half to the elementary school and half to the high school.

**Mr. Ron Peters:** Would it be safe to say that \$11 million was the middle school portion?

**Mr. Freddie Mullins:** Those things were in together.

**Mr. Ron Peters:** The reason I ask that is that the information was \$38 million in the early days for an elementary. I realize and understand that you have to factor in the middle school piece.

**Mr. Freddie Mullins:** Yes, you are losing three grades. We can get you that information because I don't have it here in front of me. Leman and I figured that out one day, and it is pretty well per square foot comes out to what the numbers are now.

**Superintendent Robinson:** Are there any other questions?

**Mr. Scott Mullins:** I know that some of this was as clear as mud, but this was a long process, and it was a fluid process of how we were negotiating. At the time everything seemed clear, but at this point when it is done it makes you look back. This is what I think more than anything else some of you have questions, and we want to be able to answer those questions. So if you have questions ask them and if we aren't answering them, make us.

**Mr. Talbert Bolling:** Today, from the contract to the initial cost to what we have spent, what is the difference? We can't underbid on that, right?

**Mr. Freddie Mullins:** Are you talking about monies left over that hasn't been spent? This includes all of the money that would be used for QSCB payment so you don't need to think that there is money sitting there unobligated. That is really what we were doing tonight. The total amount sitting there is about \$9.5 million. A portion is for QSCB payback. You may wonder why we want to invest that instead of going ahead and paying it back. The reason being is that QSCB were issued from the Virginia Public School Authority. They have a very strict schedule for repayment. We could repay them now but we would pay about a million-dollar penalty. What we want to do is invest those monies in order to cover the interest.

**Chairman, Mrs. Susan Mullins:** How long have we had this money?

**Mr. Freddie Mullins:** We have had the money since July 16. You are talking about the money from the Corps?

**Chairman, Mrs. Susan Mullins:** Yes. I was just wondering why we didn't invest sooner because we could have made more money.

**Mr. Scott Mullins:** Another thing to remember is you can't take free money and invest it. That is the reason we had to get qualified people like Davenport and the law firm and people to guide us through it. It is not something that we can do casually.

**Mr. David Yates:** Starting a new project will require new obligations, new budget and new everything. There isn't anything left from this project to accommodate anything on the new project other than the investment thing that we talked about. Is that correct?

**Mr. Freddie Mullins:** You mean as far as monies?

**Mr. David Yates:** Yes. I'm talking about any money we had left from Ridgeview.

**Mr. Jason Compton:** I think what he is talking about is the amount of money we owe on QSCB. How much is it right now?

**Mr. Freddie Mullins:** This is not much of an answer, but the principal amount is \$8.2 million and whatever 7% is of the interest. The interest amount we didn't budget for because it happened after was about ½ million dollars. That is money that we hadn't paid that we didn't know we would have to pay. That is the purpose of the investment. There will be other money that is going to come back. The road funding will be issued in the form of credit. There won't be any extra money, but there will be some money left. I don't have the exact amount right now that would be left over from what I consider the Ridgeview project.

**Mr. Jason Compton:** Are we going to apply that to the elementary project?

**Mr. Freddie Mullins:** That will be up to the will of the Board.

**Mr. David Moore:** The columns of money will be left in the pocket. What you have to understand is that Ridgeview has not closed out. Ridgeview still has some line items with balances in them that are going to be due because Branch has still not successfully completed all of their obligations.

**Mr. Jason Compton:** So that will be money that will be returned to us?

**Mr. Freddie Mullins:** They aren't going to issue those in terms of money. It would just be credited toward some other county project.

**Mr. Jason Compton:** The road project?

**Mr. Freddie Mullins:** Yes, sir. If we are lucky enough to get credit that would go into what we call our bank with the Corps whenever something comes up like the municipal buildings at Haysi. If they give us that credit, we will probably already met our match.

**Mr. Scott Mullins:** Another thing. Just from going up another several feet and looking down on this, talk a little bit about the audit of the funds and the safeguards that we have in place for the funds.

**Mr. David Moore:** I have been asked if there should be an audit of the project itself. The project is audited as part of the county's audit because the county and the School Board are audited in conjunction with the Social Services. The county audit is comprehensive with that. The IDA has a separate auditing with a CPA. There are actually two separate auditors looking at the school. I know I have spent weeks at a time going through school construction audits. They do site audits.

**Ms. Mitzi Sykes:** Our audit is very extensive when it comes to the school project. There are several hours.

**Mr. David Moore:** Particularly the IDA. We spend a lot of time with the auditors.

**Ms. Mitzi Sykes:** We also have to have a special audit because of Rural Development.

**Superintendent Robinson:** The school division also does an audit. I appreciate all of you being here, and I know you would rather be doing other things. Speaking personally, I guess one of the greatest joys that I have had in my professional life has been to work with each of the Boards, to work with this Group of Five and to work together so that Ridgeview could be built for the children of Dickenson County. I think the reason that we wanted to come before the three Boards and for you to be allowed to ask us questions is we are all very proud of Ridgeview. I would say for four or five years we lived it, breathed it and everything. We wanted to make sure that you knew that we had done everything the best way and the correct way. There is not a smoking gun or a "gotcha" moment because none of us would participate in it. We understood that this project was not about us. We think that if we failed, we would fail all three Boards and more importantly we would fail the children of Dickenson County. That was a huge responsibility. I just want to thank you for the opportunity of letting us come and talk with you about this project. If you have questions, please email us and let us know, and we will get the answers to you. Thank you. (Applause!)

**Mrs. Shelbie Willis:** Thank you all for what you do. I know it was a hard job. It was the most important decision I have ever had to make on this Board.

**Chairman, Mrs. Susan Mullins:** I would just like to follow up with that by saying that you guys were always underappreciated because you were always under attack. I have read about it on Social Media and all of that. But I personally want to thank you because I know there were countless hours that you were away from your families and the time was spent for what you thought was best for our County. I don't know anybody who would have that kind of commitment. I appreciate all that you have done.

**Mr. Larry Yates:** The IDA feels the same way. We appreciate all of your hard work. You have a lot of sweat equity in this project. Great job!

**Superintendent Robinson:** It was a labor of love.

**Mr. Scott Mullins:** I will just say that it has been an honor to work with these guys. When we started with this, if it hadn't of been for Lemman and his ability to see what we couldn't see, it wouldn't be there. (Applause!) We said that when everybody was criticizing, we would say that it was Lemman's idea. (Ha, Ha!) The thing that I would say is I remember people passionately coming to us and saying we should put that school on the side of a strip bench. Most of us couldn't envision what it took to have a Ridgeview Campus. I think now that we look at it we see what Lemman saw. Thank goodness somebody could see it and tell us about it because left to our own devices; I don't think we could have ever done that.

**Superintendent Robinson:** We give Lemman a hard time because the only name that is up there is his plaque.

**Mr. Scott Mullins:** Mr. Chair, is it okay if we adjourn our meeting? Our Agenda is sort of limited to what we have done tonight.

**ADJOURNMENT:**

*Chairman Susan Mullins: Okay, we need a motion to adjourn. Mr. Shanghai Nickles: So be it. Mr. Rocky Barton seconded the motion. All votes aye.*

Adjourned: 6:26 p.m.

**Susan Mullins**

CHAIRMAN

**Approved: February 28, 2018**

**Reba McCowan**

CLERK