

**TOWN OF HOPE MILLS
CLOSED SESSION MINUTES
TUESDAY, OCTOBER 27, 2015**

Mayor Warner called the Closed Session to order at 6:08 p.m.

Mayor Jackie Warner, Mayor Pro Tem Bob Gorman, Commissioners Pat Edwards, Bryan Marley, Jerry Legge were present with Commissioner Edwin Deaver arriving at 7:45 p.m.

Others present were Town Manager John W. Ellis, III, Deputy Town Clerk Deborah Holland, Kevin Lugo of MBP, and Town Attorney T.C. Morphis.

PURPOSE: Closed Session was called pursuant to NCGS 143-318.11 (a) (3) to consult with the attorney and maintain the attorney-client privilege. Mayor Warner commented the closed session will be to discuss the ongoing contract negotiations for the dam project.

Town Manager Ellis reported on the progress of the negotiations and the amount that was given at 5:00 p.m. today by ASI representative Del Shannon. Mr. Ellis gave a brief overview of the funds that would be left if this amount was accepted and his recommendation to the Board to decide the amount they are willing to negotiate to and convey that amount to Del Shannon when he joins them. Mr. Ellis commented Mr. Shannon has a presentation ready for the amount they had been given, but recommended to not have him give it if they are not willing to accept that amount. Mr. Ellis commented the amount they have countered is with the Town taking on certain risks and with a partial clearing of the lake bed, not the additional requested. Mr. Lugo discussed some of the risks that the Town could take that could help bring the GMP down with giving examples such as altering the time table penalties the contract has written in the them and pre-paying of part of the cost by the Town to free the credit limit of ASI and saving them on interest. Discussion by the Board pursued and the consensus of the Board was to forgo the presentation by Mr. Shannon and to present to him the conditions and price they want.

Del Shannon of ASI joined the group in closed session. Mayor Warner commented the Board has decided to not accept the offer and saw no reason for his presentation. Mayor Warner remarked the consensus of the Board is to counter the offer by meeting them half way at 8.5 million with the lake level at 105 feet, clearing of the entire lake area with varying degrees of clearing for the back portion and no risk taken over by the Town. Mr. Shannon remarked they could not do that and Town Attorney Morphis commented Mr. Shannon was not authorized to negotiate any lower and we really needed to get John Bowen, President of ASI on the phone to further negotiate.

John Bowen, President of ASI joined the closed session meeting telephonically. Mayor Warner stated the Board's position and inquired how they can have the things they need for the price they can afford. Mr. Bowen commented on the risks the company is assuming and the scope that has been changed on the plan. Mr. Bowen requested Kevin Lugo to give him a precise language for the clearing requirements. Mr. Bowen commented he would have to research with insurance on the deductibles and limits of coverage in order to assess the risk they would have to carry.

Mr. Bowen remarked the contingency fund also includes an amount for road closings for the work on the walls and the Board agreed to road closing by the Town for the construction. Town Attorney Morphis inquired if the time table penalties amended were a risk the Town may absorb. Mr. Bowen remarked that would be an example of things to help close the gap in the costs. Mr. Bowen commented he would have to speak with Schnabel in reference to the shoring and the costs needed.

Discussion was made with Mr. Bowen by the Board on different aspects of risk the Town could handle and when he would be able to give them a new amount. The consensus of the Board was to have a new amount from Mr. Bowen by Friday, October 30, 2015 and Mayor Warner would have a special meeting at 4:30 p.m. to receive the information in closed session. Mayor Warner reiterated to Mr. Bowen the expectations of the Board and thanked him for his time. Mr. Shannon was excused from the meeting after the phone conversation was concluded and Mr. Shannon stated he had a prior commitment on Friday but would make himself available telephonically if needed.

Mayor Warner and the Board discussed the conversations with Mr. Bowen and Mr. Shannon. The consensus of the Board is to meet on Friday, October 30, 2015 at 4:30 p.m. for a special meeting to conduct a closed session to continue the negotiations of the Lake/Dam Project.

Mayor Warner closed the session at 8:36 p.m.

JACKIE WARNER, MAYOR

ATTEST:

Melissa P. Adams, MMC Town Clerk