

COLUMBUS COUNTY BOARD OF COMMISSIONERS
JOINT MEETING with
COLUMBUS COUNTY SCHOOLS BOARD of EDUCATION
Tuesday, August 15, 2017
6:30 P.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time at Southeastern Community College, 4564 Chadbourn Highway, Whiteville, North Carolina 28472, in the T-Building, Room 120, for the purpose of holding a joint meeting with Columbus County Schools Board of Education.

COMMISSIONERS PRESENT:

James E. Prevatte, **Chairman**
Amon E. McKenzie, **Vice Chairman**
P. Edwin Russ
Trent Burroughs
Ricky Bullard
Charles T. McDowell

APPOINTEES PRESENT:

William S. Clark, **County Manager**
Mike Stephens, **County Attorney**
June B. Hall, **Clerk to Board**
Bobbie Faircloth, **Finance Officer**

COMMISSIONER ABSENT:

Giles E. Byrd

COLUMBUS COUNTY BOARD OF EDUCATION:

Monte L. Herring, Chairman
Barbara Yates-Lockamy, Vice Chair
Randy Coleman
Worley T. Edwards
Junior Dew

STAFF PRESENT:

Alan Faulk, Superintendent
Jonathan Williams, Assistant Super.
Bill Phipps, School Attorney
Tim Ward
Terry Dudney

PRESS PRESENT:

Allen Turner
Deuce Niven
Carol Edwards

Agenda Item #1 and #2: Meeting Called to Order and Invocation:

At 6:30 P.M., Chairman James E. Prevatte called the August 15, 2017 Joint Meeting with the Columbus County Schools Board of Education to order. The invocation was delivered by Vice Chairman Amon E. McKenzie.

EVENING MEAL:

At 6:35 P.M., the meeting was recessed for the evening meal.

Agenda Item #3: INTRODUCTION of ATTENDEES (NAME and TITLE):

At 6:55 P.M., the meeting resumed after the meal. Chairman Prevatte requested that each attendee state their name and title, beginning with the **Columbus County Schools Board Members and Staff Members**, and followed by the **Columbus County Board of Commissioners and Staff Members**.

Agenda Items #4 and #5: PURPOSE OF JOINT MEETING and RECOMMENDED PROCEDURE:

Chairman James E. Prevatte stated the following:

1. The press is asking when do we plan to meet with the school systems;
2. When our budget process was over, we stated that we would come back to you, and listen to how you plan to use the money, not the specifics, but what your priorities would be and plan to do with the money that we could give to you from our Fund Balance, money that you would be able to give from your funds, and the money we would be able to borrow; **and**

3. After that, we will have an informal discussion, we will be presenting you with some alternatives of how that money can be paid back that we borrow.

Agenda Item #6: DISCUSSION:

Chairman Prevatte stated the following:

1. We are looking at approximately \$41 million inclusive of County funding and school funding;
2. We need to know what your priorities are; **and**
3. Commissioner Byrd requested that you consider using the plans from the State for construction to save money on architect fees.

Alan Faulk: Based on the aging and ADM of the schools, it would be beneficial to close and combine some of the schools.

Commissioner Burroughs: Due to the age and condition of some of the schools, they need to be demolished.

Vice Chairman McKenzie: stated the following:

1. We have a great undertaking ahead of us;
2. We have promised this whole County to do something, everyone is observing our actions, and we need to come up with some plans;
3. We are letting you know the position we are in, the finances we have available to work with; **and**
4. During the public meetings for the citizens relative to the original plans, the citizens in the Chadbourn area were very upset, and I am recommending that you consider a position between Chadbourn and West Columbus.

Commissioner Bullard: stated the following:

1. The problem that exists with the schools is that they don't have enough finances to pay their portion of the debt;
2. The schools have been cut by the State funds and the lottery funds are down; **and**
3. We need to come up with a way to help the schools.

Vice Chairman McKenzie: stated the following:

1. During the NCACC Conference, it was discussed that the lottery funds for school construction may move from 17% to 27%; **and**
2. Tier I and Tier II counties are supposed to get a larger amount of the lottery funds.

Commissioner Burroughs: we need to know the funds that General Assembly gives can be taken away.

Commissioner McDowell: \$35 Million special money has been set aside for school construction on a first come, first served basis.

Commissioner Russ: Do you plan to do these schools one a time or all together? Alan Faulk replied stating the answer to that question is funds being available.

Chairman Prevatte: We do not have the tax money to pay for the needed school construction, and it would take an increase to a \$1.50 tax rate. William S. Clark, County Manager, presented the proposed school debt funding as follows:

Option 1:

Funding Option Utilizing 75% Article 40 and 42 Sales Tax and 100% of Article 44

TOTAL COST:	41,550,000		
County Funding Towards New Schools*	9,000,000		
School Funding Towards New Schools	1,000,000		
Amount to be Financed	31,550,000		
	41,550,000		

Debt Amount	31,550,000		
Interest Rate	2.75%		
Terms	40 Years		
Estimated Yearly Debt Payment	See Attached		
Possible Sources for Debt Payments	1st Year Debt Payment	2nd Year Debt Payment	3rd Year Debt Payment
	1,656,375.00	1,634,684.38	1,612,993.75
Estimated New Article 44 Sales Tax Allocated to County Schools	966,759.00	966,759.00	966,759.00
Current Articles 40 and 42 Sales Tax	689,616.00	667,925.38	646,234.75
	1,656,375.00	1,634,684.38	1,612,993.75
*Payout of \$3,000,000 over a 3 year period			
Remainder of funds allocate for other capital needs			
Lottery Funds	404,420.00		
Capital Outlay from County	548,533.00		
Articles 40 and 42 remainder	269,412.00		
Fines and Forfeitures	149,907.00		
	1,372,272.00		
Articles 40 and 42 Debt Payment 16/17	301,345.00		

Option 2:**Funding Option Utilizing 50% Article 40 and 42 Sales Tax and 100% of Article44**

TOTAL COST:	40,000,000		
County Funding Towards New Schools*	9,000,000		
School Funding Towards New Schools	1,000,000		
Amount to be Financed	30,000,000		
	40,000,000		
Debt Amount	30,000,000		
Interest Rate	2.75%		
Terms	40 Years		
Estimated Yearly Debt Payment	See Attached		
Possible Sources for Debt Payments	1st Year Debt Payment	2nd Year Debt Payment	3rd Year Debt Payment

	1,575,000.00	1,554,375.00	1,533,750.00
Estimated New Article 44 Sales Tax Allocated to County Schools	966,759.00	966,759.00	966,759.00
Current Articles 40 and 42 Sales Tax	608,241.00	587,616.00	566,991.00
	1,575,000.00	1,554,375.00	1,533,750.00
*Payout of \$3,000,000 over a 3 year period			
Remainder of funds allocated for other capital needs			
Lottery Funds	404,420.00		
Capital Outlay from County	548,533.00		
Articles 40 and 42 remainder	358,657.22		
Fines and Forfeitures	149,907.00		
	1,461,517.22		
Articles 40 and 42 Debt Payment 17/18	293,471.78		

Chairman Prevatte stated this is what we can do for your consideration. Once you have reached your decision on your plans, let us know and we are ready to proceed.

Agenda Item #7: ADJOURNMENT:

At 7:37 P.M., Chairman Prevatte stated the meeting was adjourned.

APPROVED:

JUNE B. HALL, Clerk to Board

JAMES E. PREVATTE, Chairman