

**COLUMBUS COUNTY BOARD OF COMMISSIONERS
JOINT MEETING with WHITEVILLE CITY SCHOOLS
BOARD of EDUCATION**

Thursday, August 17, 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 Whiteville City 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

WHITEVILLE CITY SCHOOLS BOARD OF EDUCATION:

Coleman Barbour, Chairman
Carlton Prince, Vice Chairman
David Flowers
Kandle Rogers
Greg Merritt

STAFF PRESENT:

Kenny Garland, Superintendent
Annette Hamilton, Finance Officer

PRESS PRESENT:

Allen Turner

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

At 6:30 P.M., Chairman James E. Prevatte called the August 17, 2017 Joint Meeting with the Whiteville City Schools Board of Education to order. The invocation was delivered by David Flowers.

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 6:51 P.M., the meeting resumed after the meal. Chairman Prevatte requested that each attendee state their name and title, beginning with the **Columbus County Board of Commissioners and Staff Members**, and followed by the **Whiteville City Schools Board Members and Staff Members**.

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

Chairman James E. Prevatte stated the following:

1. Several months ago, we started talking to you about your needs and went through studies;
2. We looked at amounts of money that we could afford to borrow;
3. We discovered that our needs exceeded what we were able to borrow;
4. We discovered that if we tried to pay with the county's property tax, we would have to increase the tax rate from \$.805 to \$1.50;
5. We met with both boards to see if we could pay our portion if you could pay a portion from your sales tax;

211

6. We came up with an idea of giving Whiteville City Schools \$3 million from our Fund Balance and asking Whiteville City Schools to pay \$333,000 from your Fund Balance;
7. The amount to be financed is \$13,500,00; **and**
8. We need for you to bring us a priority list for the stated amount of money.

William S. Clark, County Manager presented the following two (2) options for the proposed School Debt Funding for the Whiteville City Schools.

Option 1:

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

Estimated Cost of Construction at Whiteville High School	14,833,000		
County Funding Towards Construction of School*	3,000,000		
School Funding Towards Construction of School	333,000		
Amount to be Financed	11,500,000		
	14,833,000		
Debt Amount	11,500,000		
Interest Rate	2.75%		
Terms	40 Years		
Estimated Yearly Debt Payment	See Attached		
Possible Sources for Debt Payments	1st Year Debt Payments	2nd Year Debt Payments	3rd Year Debt Payments
	603,750.00	595,843.75	587,937.50
Estimated New Article 44 Sales Tax Allocated to County Schools	357,569.00	357,569.00	357,569.00
Current Articles 40 and 42 Sales Tax	246,181.00	238,274.75	230,368.50
	603,750.00	595,843.75	587,937.50
*Payout of \$1,000,000 over a 3 year period			
Yearly Estimated Allocation			
Lottery Funds	152,055.00		
County’s Capital Outlay Allocation	133,617.00		
Current Articles 40 and 42 Sales Tax	251,685.00		
Fines and Forfeitures	55,352.00		
	592,710.00		

Option 2:

Funding Option Utilizing 75% Article 40 and 42 Sales Tax and 100% of Article44

Estimated Cost of Construction at Whiteville High School	16,833,000		
County Funding Towards Construction of School*	3,000,000		
School Funding Towards Construction of School	333,000		
Amount to be Financed	13,500,000		
	16,833,000		
Debt Amount	13,500,000		
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
	708,750.00	699,468.75	690,187.50
Estimated New Article 44 Sales Tax Allocated to Whiteville City Schools	357,569.00	357,569.00	357,569.00
Current Articles 40 and 42 Sales Tax	351,181.00	341,900.00	332,618.50
	708,750.00	699,469.00	690,187.50
*Payout of \$1,000,000 over a 3 year period			
Yearly Estimated Allocation			
Lottery Funds	152,055.00		
County's Capital Outlay Allocation	133,617.00		
Current Articles 40 and 42 Sales Tax	146,686.00		
Fines and Forfeitures	55,352.00		
	487,710.00		

-Taking the 50% and 75% Funding Option would be our recommendation; **and**

-The decision will be yours to make to let us know where to go to from here.

Agenda Item #6: DISCUSSION:

Kenny Garland, Superintendent: stated the following:

1. I would like to thank you for the meeting and the nice meal;
2. It is always nice to discuss how you can improve your county;
3. From the information and figures we have received in February and April of this year, our priority would be Whiteville High School; **and**
4. When you receive this information from us, we will meet again and discuss this.

Chairman Prevatte: stated the following:

1. We want to know what your priorities are and not the specifics;

2. Commissioner Byrd requested that I state the State Department of Public Instruction has a lot of blueprints, and you may be able to use them free of charge;
3. The figure we have quoted includes demolition and architect fees; **and**
4. The sooner you decide, we are here to move on your decision.

Kenny Garland: stated the following:

1. In the last session of General Assembly, there was a lot of legislation passed regarding Tier I economic counties, with a potential 3 to 1 match;
2. From all that I have been told and heard, we have to have an Plan of Action before we can present that to the State Board of Education, and the State Department of Public Instruction Superintendent will make the final call on that;
3. If I am reading correctly, the county can participate in \$5 million in a Tier I economic county;
4. This is what I would encourage this Board and the County to work together because we have a right to receive that money;
5. We are one of the top five Tier One counties and we have significant building needs; **and**
6. The money has been established for year 1 and year 2.

Chairman Prevatte: stated there would be a Meet and Greet Meeting on August 31, 2017 at Lake Waccamaw for Representative Brendon Jones and Senator Johnny Britt, and I encourage you and your Board to attend.

Kenny Garland: stated the following:

1. I have been told the lottery funds distribution will eventually be increased from 17% to 28% to 40%, but may be 2028 or 2029 before this happens; **and**
2. There is \$8 billion of school needs across the state.

Chairman Prevatte: Will you be able to make a call on this in thirty (30) days? Mr. Garland replied stating they would have to go back to the Board and re-evaluate.

Vice Chairman McKenzie: stated the following:

1. I attended the Lottery Session at the NCACC Conference, and the attendance was heavy;
2. Everyone is aware that we are only getting 17% of the lottery proceeds for education;
3. They have conceded the lottery proceeds would move up to 27%;
4. As soon as the legislators get together and decide, this will be done; **and**
5. The diversion of the lottery proceeds is being classified as education.

Chairman Prevatte: stated the following:

1. Let's work together as a team to seek the grants and lottery money we need for our schools for our children;
2. Let's put any differences aside and think only of the benefit for the children; **and**
3. We need to get this done as quickly as we can.

Commissioner McDowell: stated the following:

1. When we first met in late winter or early spring with all of these attendees present, we were all comfortable to speak; **and**
2. We all need to communicate well and thoroughly to get things accomplished.

Kenny Garland: We would like to invite you to our opening day breakfast on Tuesday, August 22, 2017, at 8:00 A.M. We have invited Senator Britt and Representative Jones, and they have agreed to come.

Agenda Item #7: ADJOURNMENT:

At 7:25 P.M., Chairman Prevatte stated the meeting was adjourned.

APPROVED: