

**Scotland County Board of Commissioners and Board of Education joint session
February 15, 2016, A.B. Gibson Center, 322 South Main Street, Laurinburg, NC**

Commissioners present: Chair Carol McCall, Vice Chair Whit Gibson and Commissioners John Alford, Bob Davis, Betty Blue Gholston and Guy McCook. Commissioners not present: Commissioner Clarence McPhatter. Staff present: County Manager Kevin Patterson, Finance Officer Beth Hobbs, County Attorney Ed Johnston and Clerk to the Board Ann Kurtzman. School Board members present; Vice Chair Darrel Gibson, Pat Gates, Jamie Sutherland, Charles Brown, Dr. Summer Stanly, Raymond Hyatt and Wayne Cromartie. Not present: Chair Jeff Byrd. School staff present: Superintendent Ron Hargrave, Finance Officer Jay Toland, Facilities Supervisor Roger Ammons, Attorney Nick Sojka and Administrative Assistant Nancy Baker.

At 5 p.m. Chair McCall reconvened the meeting for the purpose of the joint session. The Board of Education meeting convened, and Vice Chair Darrel Gibson delivered the invocation.

Motion was made by Vice Chair Gibson and duly seconded by Commissioner Alford to approve the February 15, 2016, joint session agenda as presented. Vote: Motion unanimously approved.

Mr. Patterson provided an overview of debt service along with a brief summary on Article 39/40/42 sales taxes and the current outstanding General Obligation Bonds, which will be paid off the summer of 2020. Mr. Patterson discussed the restricted sales taxes and lottery proceeds and how they are to be used.

Mr. Patterson discussed HB97 that adds additional services to sales taxes with a specific amount to go to low wealth counties. Mr. Patterson said \$601,000 would go to Scotland County in the next year for community colleges, public schools or economic development. He said there is no distinction on how the funds should be used in any of the three areas and there is not a non-supplant clause. The County Manager said it leaves a lot of options the way HB97 is written.

Mr. Patterson said general obligation bonds are the best and cheapest way to go with debt finance. Mr. Patterson discussed the referendum process and the timeline involved for issuing General Obligation Bonds.

School Facilities Director Roger Ammons discussed consolidation at Sycamore Lane and how it has been received thus far. Mr. Ammons provided a proposed timeline for further consolidation. Covington Street would close and students would move to Sycamore Lane, which would require an additional 15 classrooms. Sycamore Lane would then have 850 students. Completion timeline would be August 2017. SEARCH students would be located at Covington Street.

North Laurinburg School would close and the students moved to Laurel Hill for a student population of 810. This would require 15 additional classrooms and a new gymnasium. Completion timeline would be August 2018. I.E. Johnson would close and the students moved to South Scotland where there would be a new facility and a student population of 820.

Completion timeline would be August 2020. Wagram Primary would remain as it is with no change.

Mr. Ammons said the school district would end up with four elementary schools reduced from eight. The consolidated schools would better reflect community diversity. Mr. Ammons said schools now being built in the State are for student populations of 850 to 900, which is the new normal. Class sizes would remain at a minimum even though there are more students in a school.

Commissioner McCook asked if SEARCH could be located at the high school since the student population there is down. Dr. Hargrave said current high school programs were expanded into the high school space. Dr. Hargrave suggested it would be better to contain students for an early college experience in a building by itself. Mr. Ammons said the early college population is expected to grow and Covington Street can accommodate the growth. Mr. Ammons said it helps that SEARCH is in the general vicinity of RCC.

Mr. Toland discussed the cost and the savings that result from combing two schools due to reductions in staff, utilities, custodial services and transportation, which he described as economies of scale. Mr. Toland estimated the above-described consolidations and new school construction could be accomplished with an annual debt payment of \$2.8 million over 20 years.

Commissioner Alford said he is concerned about the cost because he would not want to agree to anything that might raise the tax rate.

Mr. Randy Baker of Pinnacle Architecture discussed a bond referendum and certificates of participation (COPs) as payment options with the latter similar to a bond referendum only it does not involve public vote and has a higher interest rate. SFL&A CEO Robert Ferris discussed high performance leased schools compared to a County-owned school financed by USDA. In both cases it's structured as an operating lease. Mr. Ferris provided an example of a high performance systems school, Sandy Grove Middle School in Hoke County. He compared cost under a traditional delivery model and a leased delivery model. Mr. Ferris said leasing saves time and money and reduces risk.

Mr. Sutherland said the School Board has no intention of asking for additional money to build a school and the School Board bears responsibility to help the Commissioners decrease the tax rate.

The Board of Education adjourned.

Motion was made by Vice Chair Gibson and duly seconded by Commissioner McCook to recess to 1 p.m. Wednesday, February 17, 2016, to the Emergency Operations Center for a mid-year retreat. Vote: Motion unanimously approved.

Carol McCall
Chair

Ann W. Kurtzman
Clerk to the Board