

MINUTES – SEPTEMBER 22, 2008

The Caswell County Board of Commissioners met in special session at the Whitley Administrative Building in Yanceyville, North Carolina at 5:30 p.m. on Monday, September 22nd, 2008. The purpose of the meeting was for LINC Energy Services, Inc. to make their presentation in a joint meeting with the Board of Education and answer questions and concerns. Members present: Chairman George Ward, Vice Chairman Jeremiah Jefferies, C. Hester Vernon, III, William E. Carter, Larry G. Hamlett, and Kenneth Travis. Absent: Nathaniel Hall. Board of Education members present: Chairman June Dailey, Vice Chairman Gladys Garland, Sylvia Johnson, David Byrd, Ross Gwynn and Mel Battle. Others present: County Manager, Kevin B. Howard, Superintendent Dr. Douglas Barker and Angela Evans from the Caswell Messenger. Ms. Connie Kimrey, Administrative Assistant, Caswell County Schools, recorded the minutes in the absence of Ms. Wanda P. Smith, Clerk to the Board of Commissioners.

CALL TO ORDER

Chairman June Dailey called the meeting of the Caswell County Board of Education to order.

Vice Chairman Jeremiah Jefferies called the meeting of the Caswell County Board of Commissioners to order.

TOPICS OF DISCUSSION

Superintendent Dr. Douglas Barker introduced Brian Hamm of LINC Energy Services, Inc. to the group and turned the meeting over to Mr. Hamm at this time.

Brian Hamm introduced colleagues Bill Maurer and Phil Scarborough and presented a PowerPoint presentation to the group. Mr. Hamm explained their services could reduce annual energy and operational costs, dramatically improve learning environment, fund infrastructure upgrades through energy and operational savings and their solutions are good for the environment. LINC has surveyed the schools in Caswell County and found similar situations at each school which include lighting, older HVAC equipment, air compressor issues, network wiring issues, lack of control system, indoor and air quality issues as well as other minor areas. LINC's study revealed that the cost of inaction could mean energy expenses rise by as much as \$98,520 in the coming year, if a 15 percent increase in utilities occurs, where newer, more energy efficient equipment could keep costs the same despite a rate increase. This would allow the county to fund the capital improvements necessary to fix problems LINC identified without using capital funds.

This project will cost \$1.8 million, the savings it generates through lowering and/or maintaining energy costs pays for the projects capital improvements. The next step in the process is for LINC to run their proposal by the Local Government Commission (LGC) in Raleigh for its approval, but first, the Board of Education wanted to make the Board of Commissioners aware that while the project wouldn't require funds from the county, it would require continued support and any increases to the utilities budget that would normally be incurred with a rate increase. The Board of Education wanted to be clear that they would be

requesting the same funding as in prior years plus increase by the utility companies, but with the money being saved other areas would be improved in schools with this additional money.

County Manager Kevin Howard questioned how many years was the payback? Mr. Hamm stated payback was just under 15 years. Commissioner Travis questioned if LINC does the work internally. Mr. Hamm stated all work internally is local, some is sub-contracted and all engineering is done in-house. Commissioner Jefferies asked if the Board of Education is supportive of moving forward. Chairman Dailey responded that the Board of Education is ready to move forward but had concerns with the support from the Commissioners on the funding requests if they were to move forward and wanted everyone to be on the same page with the backing from the Commissioners.

Superintendent Dr. Barker noted that once commitment is made from both groups we cannot back up. This is a 15-year commitment and most likely some of the members here today will not be sitting here in 15 years to discuss this.

Once approval from the LGC in Raleigh, work could begin as early as October. Dr. Barker stated with the upcoming holidays in November and December for students this would be convenient times for work to take place as well. Since the contract doesn't start until work is complete, work done in October, November and December would likely cause savings before payments begin to be made on the project.

Commissioner George Ward asked the representatives to explain how the financing works. Bill Maurer responded that it was similar to a home equity loan. It's set up off the utility budget and there are numerous options to finance. LINC doesn't lend money but will recommend lenders to the schools and loans are considered non-arbitration leases, which will not hinder the system's ability to borrow money for other needs. Maurer stated that at the end of 15 years we shake hands and hopefully we've done a good job and we're out, there are no ties to us. County Manager asked if the lease would be through the school system or the county. Mr. Maurer said the lease is done through the schools, but the county usually co-signs.

Dr. Barker stated that the Board of Education was waiting for support from the County Commissioners before we pursued the financing portion and will need to research this to determine how we want to proceed. Dr. Barker stated when LINC first made their presentation it appeared "too good to be true," however, with continued follow-up from LINC, the Board of Education feels this is a major step in improving our school system. Dr. Barker suggested that Chairman Ward and Chairman Dailey get back together to discuss any issues that they have and meet again once more details have been clarified or if any questions need to be answered so that we can follow-up with LINC.

Dr. Barker thanked LINC for coming out and making this presentation and thanked the County Commissioners for attending and supporting this project.

ADJOURNMENT

Sylvia Johnson made a motion to adjourn the Board of Education meeting at 6:15 p.m. Gladys Garland seconded the motion and it carried unanimously.

Jeremiah Jefferies made a motion to adjourn the Board of Commissioners meeting at 6:15 p.m. C. Hester Vernon, III seconded the motion and it carried unanimously.

Wanda P. Smith
Clerk to the Board

George W. Ward, Jr.
Chairman
