MINUTES – MARCH 8, 2019

The Caswell County Board of Commissioners met in special session at the Caswell County Historic Courthouse in Yanceyville, North Carolina at 2:00 p.m. on Friday, March 8, 2019. Members present: Rick McVey, Chairman, Jeremiah Jefferies, Vice-Chairman, Sterling Carter, Nathaniel Hall, Steve Oestreicher and David Owen. Absent: William E. Carter. Also present: Bryan Miller, County Manager. Paula P. Seamster, Clerk to the Board recorded the minutes.

CALL TO ORDER

Chairman McVey called the meeting to order.

MOMENT OF SILENT PRAYER

Chairman McVey opened the meeting with a moment of Silent Prayer.

PLEDGE OF ALLEGIANCE

The Board of Commissioners and all the guests in the audience recited the Pledge of Allegiance.

COOPERATIVE AGREEMENT REGARDING THE IMPROVEMENT, RENOVATION, CONSTRUCTION AND EQUIPPING OF BARTLETT YANCEY HIGH SCHOOL

Chairman McVey thanked the Board for coming today and stated that reason for the meeting some of the Board members were not present at Monday’s meeting due to the legislative meetings in Washington, DC, and School Board presented this Board with an amended MOU with a lot of significant changes. He added that he and Dr. Carter met Wednesday afternoon along with the county manager and he thought it was a very productive meeting to come up with a mutual agreement. Chairman McVey stated that it seems like every time the Board sends something to the School Board it gets rejected and sent back and he wanted the School Board to know that the last MOU that the Board sent was based on a motion made by Commissioner Jefferies with a unanimous vote. He added that some of the major things that the School Board wants to change from his conversation with Dr. Carter is the part with the County have a monitor that follows up on the project on behalf of the Board of Commissioners and the second thing being the sales tax issue which was the most important issue. Chairman McVey stated that the School Board wants a percentage of that sales tax money to come back to them with a 47%/53% split. He added that the School Board wants the 47% to come off the $15 million that they put in and the 53% the County would get back on the $18.5 million that will be borrowed. Chairman McVey stated that on two different occasions Dr. Carter mentioned a concession/field house and to the best of his recollection the Board cut this portion out of the project to drop the amount of money needed for the project. He added that on the same day a school board member called him and asked if he had met with Dr. Carter and where the agreement stood and this member mentioned the concession/field house and how desperately this was needed. He asked the school board member if they needed the academic portions or the field house because he thought this was for the academic buildings and field houses and other items would come later. Chairman McVey asked that the Board keep this in mind.

Commissioner Hall asked how much more the field house would cost. Chairman McVey responded that he did not know but the one he was involved with in Chapel Hill cost around $1 million. Chairman McVey asked the county manager if he left anything out. Mr. Miller responded that the one correction he would make is the School Board is to bring $16.6 million ($15 million from the grant and $1.6 million and the Lottery funds) and the County will bring $18.6 million from the referendum. Commissioner Hall stated that the School Board wants to get back the sale tax dollars on the money that they are bringing to the table. Chairman McVey responded that this is what he understands. Commissioner Hall added that there is no provision for the School Board to get a sales tax refund so what they want is for the county to give them more money and that is pretty slick. Chairman McVey responded that this is what he understands and he asked the county manager to correct him if he is wrong.

Chairman McVey stated that at this point he stated that the County would not give up the project monitor and it was said that if the school board has a project manager he or she would get paid out of their 47% and the County’s project monitor would be paid out of the County’s 53%. Chairman McVey stated that he wanted to get the Board’s feelings on this and in what direction the Board wants to go before the county attorney spends more time rewriting the MOU.

Commissioner Oestreicher asked if the School Board wanted to eliminate the County’s project monitor. Mr. Miller responded that it was not in the discussion but it was reflected in the MOU and that there is no reporting to the County but the project manager would report strictly to the superintendent. He added that from the discussion with Dr. Carter the project manager would still report to the superintendent and School Board and the project monitor would report to the county manager and Board of Commissioners. Mr. Miller stated that Dr. Carter stated that she had no problem with the project monitor.

Chairman McVey stated that the next item is the sales tax refund. Mr. Miller stated that Commissioner Jefferies has stated many times that this is not a traditional build a school project because in years past the Board of Commissioners would give the money to the school system and the school system would build the facility and in this situation the school system would be entitled to receive the sales tax money back because they are spending the money. He added that in this situation the county is going through USDA financing and USDA requires the County to make the payments and the grant also indicates that the $15 million comes to the County and the County expends that money to build the high school.

Commissioner Jefferies asked why the project monitor is needed. Chairman McVey responded that the project monitor would stay on top of the project on behalf of the county and taxpayers. Mr. Miller added that the project monitor would handle a lot of the paperwork and reporting back to the USDA as well as handling the sales tax refund.

Chairman McVey asked the Board how it would like to proceed with the MOU that was sent by the School Board. He asked if the Board wanted to go along with the changes in the MOU or not. Commissioner Oestreicher responded that the balance of the project needs to go towards the balance to buy down the debt.

Commissioner Hall asked for clarification from the county manager, he stated that the county manager mentioned that the $15 million grant has to come to the county. Mr. Miller responded that this is correct. Commissioner Hall then asked if the grant money comes to the county how that entitles the school board to any sales tax rebate. Mr. Miller responded that he did not know that it does and he is not trying to make the case that it entitles the school board but he stated that the school board, superintendent and staff wrote the grant, applied for the grant and through their efforts the $15 million was brought to the table for this project along with $1.6 million to form $16.6 million. Commissioner Hall asked where the $1.6 million come from. Mr. Miller responded from the Board of Education’s fund balance. Chairman McVey responded it came from the lottery funds.

Commissioner Oestreicher stated that the $1.6 million was earmarked for school security for the high school. Mr. Miller responded that the school security was $1.4 million. Commissioner Oestreicher stated that this was for the other schools. Mr. Miller responded that this was correct and the Board had already approved that. Commissioner Oestreicher stated that the $1.6 million was the Bartlett Yancey High School upgrades. Mr. Miller responded the Bartlett Yancey project yes.

Commissioner Hall stated that the ADM and lottery funds are used for capital items and this Board helps decide how that money is used.

Commissioner Owen stated that he is still at the same point when the motion was made, any money that is refunded or whatever is left over goes to pay the project off. He added that he is tired of looking at the agreement and it going back and forth but he thinks any money received should go towards paying off the debt because the taxpayers agreed to a certain project and that was the building at the high school and they did not approve anything else. Chairman McVey responded that this was the reason why he mentioned that the concession stand/field house had been mentioned to him.

Commissioner Oestreicher asked if the MOU was going to be changed to reflect the concession stand/field house. Chairman McVey responded that the Board did not agree with the concession stand/field house originally because it was cut out of the original price that was given by the school board. Chairman McVey added that the school board did not say that this was what they were going to do but it was mentioned and it makes him feel like they are headed in that direction.

Commissioner Owen stated that any money that comes back to the county should be paid on the debt because the people of Caswell County were sold on a certain project and that project was the building and that is what the people voted on.

Commissioner Oestreicher stated that the sales tax rebate is like found money. Commissioner Hall responded that this money is not found money; the county gets back sales tax dollars. Commissioner Hall stated that his position is to keep the project as pure as possible and when the project is complete this Board can sit down with the school board if they want to meet to discuss if there are any monies left over on the project. He added that the field house is not educational and he said again that his vote is to keep the project pure. Commissioner Hall stated that he would not vote for any 47% to anybody right now but at the end of the project this can be discussed.

Commissioner Jefferies stated that it was in the motion that if anything was left that it would go back to the taxpayers and it was voted on unanimously. Chairman McVey responded that this was Commissioner Jefferies motion.

Chairman McVey asked for suggestions on how to direct Mr. Ferrell on how to proceed with the agreement. Commissioner Owen responded that he agrees with Commissioner Hall that the agreement should stay as it is and at the end if there is any money left over or refunded if the Board wants to sit down with the school board we can but he still thinks the money needs to go towards paying down the debt.

Commissioner Oestreicher stated that the project manager and monitor would be paid as originally proposed which was out of contingency. Chairman McVey responded that this was his thinking. Commissioner Hall responded that he is not 100% sold on the monitor but that was the discussion in the past.

Chairman McVey stated that it is the Board’s turn to send a MOU back to the school board so the Board needs to the direct the county manager on what Mr. Ferrell needs to do with the MOU. Commissioner Hall suggested that the Board send back the original agreement that was sent before.

Commissioner Owen stated that the original agreement does not include anything about the sales tax. Commissioner Hall responded to send the original agreement back with a new date on it.

Commissioner Oestreicher stated that the original one had the project monitor reporting to the superintendent and the county manager. Commissioner Hall asked if there was anything wrong with this. Chairman McVey responded that he did not have any problem with this. Commissioner Oestreicher responded that he did not have a problem with it.

Commissioner Oestreicher stated that the only thing that needs to be added to the agreement is the disposition of the sales tax rebate would be discussed at the conclusion of the project. Commissioner Jefferies responded that there was a motion made that any monies left over would go to pay off the debt and he not understand why anything would have to be paid to the school board. He stated that this was the motion made and he is not going to change it and they can take it or leave it.

Commissioner S. Carter stated “I am sticking with what we determined at the last meeting. I am kind of at a loss as to why we are sitting here because that is what we decided.”

Commissioner Hall stated that he is good with Commissioner Jefferies’ motion. He added that the Board can send the agreement back in its original form and state that the Board met and discussed it and the Board is not agreeable to any changes. Commissioner Jefferies agreed.

Commissioner Owen moved, seconded by Commissioner Hall to send the original Cooperative Agreement Regarding the Improvement, Renovation, Construction and Equipping of Bartlett Yancey High School.

Commissioner Oestreicher asked if any of the definitions would be changed per the new agreement which was very confusing. Chairman McVey responded that this was not in the motion and it is also not in the motion to discuss the sales tax refund at the conclusion of the project. Commissioner Oestreicher stated that this is not in the motion.

Chairman McVey asked for the motion again.

Commissioner Owen moved, seconded by Commissioner Hall to send the original Cooperative Agreement Regarding the Improvement, Renovation, Construction and Equipping of Bartlett Yancey High School that was approved by the Board of Commissioners on January 30, 2019 and emailed to the Ron Bradsher, Board of Education attorney, as well as copied to Paul Jacobson, Bryan Miller and Paula Seamster on January 31, 2019. The motion carried unanimously.

Commissioner Oestreicher suggested that the minutes be attached to the agreement when sent to the school board.

ADJOURNMENT

At 2:40 p.m. Commissioner Oestreicher moved, seconded by Commissioner Owen to adjourn. The motion carried unanimously.

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Paula P. Seamster Rick McVey

Clerk to the Board Chairman

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