

MINUTES**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON****BOARD OF COMMISSIONERS
August 4, 1998**

The Henderson County Board of Commissioners met for a special called meeting at 5:30 p.m. in the Commissioners' Conference Room of the Henderson County Office Building.

Those present were: Chairman Bob Eklund, Vice-Chair Grady Hawkins, Commissioner Vollie G. Good, Commissioner Renee Kumor, Commissioner Don Ward, County Manager David E. Nicholson, Staff Attorney Jennifer O. Jackson, Budget Analyst Selena Coffey, and Clerk to the Board Elizabeth W. Corn.

Also present were all the members of the Public Board of Education as well as Superintendent, Dr. Dan Lunsford: Chairman Linda Hawk, Jackie Hornsby, Bill Barnwell, Ervin Bazzle, Brenda Brock, Allen Combs, and Tom Pryor.

CALL TO ORDER/WELCOME

Chairman Eklund called the meeting to order and welcomed all in attendance. He informed those in attendance that this was a joint meeting between the Board of Commissioners and the Board of Public Education. He stated that one item for discussion was the swap of land with the Town of Fletcher. Fletcher representatives were present and needed to leave to attend another meeting so Chairman Eklund called on Mayor Bob Parrish.

LAND SWAP with Town of Fletcher

Mayor Bob Parrish, Town of Fletcher, discussed a 31 acre parcel of land that the Town of Fletcher would swap the Board of Education for the Fletcher School property. School Officials have visited the site and walked the property. Mayor Parrish said that the Town of Fletcher would have to spend \$300,000 to \$400,000 to get the present school property in shape for the town's use.

Craig Hunnicutt, Town Manager, stated that the Town of Fletcher and the School Board have been working on this project for over a year now. He stated that the Town Council wants to make sure that the Fletcher Elementary School remains in the town limits of Fletcher. This is one of their main concerns. Abutting the 31 acre parcel will be a \$1.25 million park which is only the first phase of the park. He briefly discussed some items in the draft lease agreement, part of which was that during school hours the school would have use of the soccer field and softball field as well as open access to all walking trails and use of the amphitheatre. The

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Town of Fletcher would also be responsible for the maintenance of the park

Mr. Hunnicutt explained how the Town hopes to utilize the current school property:

- Cafeteria for a community center
- Gym for recreation
- Upstairs - try to recruit Blue Ridge Community College
- Downstairs - for Town Hall
- Classrooms in back - Police Dept.
- Library - Council Chambers

Mr. Hunnicutt stated that they hope to use the proceeds from the sale of their current Town Hall to pay for renovations to the current School Property.

Approximately 13 of the 31 acres is in the floodplain but is not wetlands.

CHAIRMAN LINDA HAWK, Board of Public Education

Mrs. Hawk thanked the Commissioners for meeting with the Board of Public Education. She stated that Bill Barnwell would present a Facilities Plan for replacement of the older school facilities and will also do a presentation on student growth on Henderson County.

Mrs. Hawk briefly discussed the formation of a Facilities Committee to work through the proposed plan. She stated that the Committee should be made up of representatives of the two Boards. Both Boards are elected by the public and therefore are accountable to the public. She proposed that the School Board select three members, one being Bill Barnwell, and the County Commissioners select two members to serve on this committee. The community will be involved in giving input into the process starting with the League of Women Voters Forum on October 3.

Chairman Hawk read from the hand-outs regarding School Laws:

NCGS 115C-426.1(f)

No contract for the purchase of a site shall be executed nor any funds expended therefore without the approval of the Board of Commissioners as to the amount to be spent for the site;

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and in case of a disagreement between a board of education and a board of county commissioners as to the amount to be spent for the site; the procedure provided in G.S. 115C-431 shall, insofar as the same may be applicable, be used to settle the disagreement.

NCGS 153A-158.1(b) Acquisition and improvement of school property in certain counties.

Construction or Improvement by County. - A county may construct, equip, expand, improve, renovate, or otherwise make available property for use by a school administrative unit within the county. The local board of education shall be involved in the design, construction, equipping, expansion, improvement, or renovation of the property to the same extent as if the local board owned the property.

NCGS 115C-517. Acquisition of sites.

Case Notes - Discretion of School Authorities -

The question of changing the location of a schoolhouse, as well as the selection of a site for a new one, is vested in the sound discretion of the school authorities, and their action cannot be restrained by the courts, unless it is in violation of some provision of the law, or the authorities have been influenced by improper motives, or there has been a manifest abuse of discretion on their part.

NCGS 115C-518(a). Disposition of school property; easements and rights-of-way.

When in the opinion of any local board of education the use of any building site or other real property or personal property owned or held by the board is unnecessary or undesirable for public school purposes, the local board of education may dispose of such according to the procedures prescribed in General Statutes, Chapter 160A, Article 12, or any successor provisions thereto.

Chairman Hawk stated that the plan Mr. Barnwell will present is a plan to replace or renovate the three oldest elementary schools: Etowah, Balfour, and Fletcher. The School Board's position is that they are equal in priority.

In terms of growth, stated Mrs. Hawk, Marlow is being built to accommodate the elementary growth on the northern end of the county.

BILL BARNWELL, Board of Public Education
A Plan for Improvements of Older Facilities

Mr. Barnwell reviewed the following time-line for the next five years:

- 1a. Draft enabling legislation for Lease/Purchase for public buildings
- 1b. Agreement between Commissioners, Board of Public Education and Town of Fletcher for school property and Howard Gap Road site exchange.
- 1c. Purchase a site for Balfour Elementary
- 1d. Acquire additional property adjacent to the present Etowah Elementary site
2. Build Fletcher Elementary through Lease/Purchase
3. Build Balfour Elementary through Lease/Purchase
4. Build Etowah Elementary through Lease/Purchase
- 5a. During 2,3 and 4 above, prepare for bond referendum for remodeling and additions to Hendersonville Middle, additions to Hillandale Elementary, and replacements and remodeling to Mills River Elementary
- 5b. Call for bond referendum vote
- 6a. Remodel Hendersonville Middle and build additional spaces
- 6b. Build additions and renovate Hillandale Elementary
- 6c. Build additions and renovate Mills River Elementary
- 6d. Move Alternative School to current Balfour Elementary site and make provisions for cafeteria and multipurpose room after demolition of 1920's building

(Items 6a, 6b, 6c, and 6d above are contingent upon passage of bonds)

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- 7a. Build a new Bus Garage at Fairground property and relocate
- 7b. Build new Maintenance and Food Service at Fairground property and relocate
- 7c. Sell current Bus Garage, U.S. Highway 25 and U.S. Highway 176 property, current Maintenance/Food Service (Upward Road), and Tuxedo property
- 7d. Investigate road frontage at Balfour Elementary for possible sale

Population Growth in Henderson County Public Schools

Mr. Barnwell stated that using 1993-1994 as the base year, the population in the Henderson County Public Schools has increased 994 pupils - an average of 200 students per year. This is enough students for two 500 pupil schools.

During this period, no new classrooms have been constructed. All new students have been housed in mobile classrooms or retrofitted teacher work space. This five year period is the longest period since 1950 that there has not been classroom construction in the county.

He stated that at the present growth and with no construction schedule, we will have over two thousand students in mobile classrooms or retrofitted work spaces by 2003.

With an increase of only 25 students in Kindergarten each year, at the end of six years (the time the first Kindergartner becomes a middle schooler), we will need six new classrooms or mobile classrooms for this group only.

The Schools with growth not involved in the old building replacements are:

- Atkinson - 1993-94 to 1997-98 increase of 23 students.
- Dana - 1993-94 to 1997-98 increase of 116 students
Dana also has a 1935 building still being used.
- Edneyville - 1993-94 to 1997-98 increase of 76 students

Hendersonville Elem.	-	1993-94 to 1997-98 increase of 31 students
Upward	-	1993-94 to 1997-98 increase of 70 students
Apple Valley Middle	-	1993-94 to 1997-98 increase of 83 students
Hendersonville Middle	-	1993-94 to 1997-98 increase of 18 students
Rugby Middle	-	1993-94 to 1997-98 increase of 55 students

Mr. Barnwell stated that based on the MGT Study dated October 6, 1997, our elementary schools will have a projected enrollment in the year 2006 of 6,173 students and we have the capacity currently of 5,050 students.

When Marlow School is ready it will affect Balfour, Fletcher, and Mills River and possibly Edneyville and Dana.

Henderson County's birth rate is down but the influx of non-birth residents in Henderson County in new subdivisions affects the projections greatly.

There are 53 portable classroom units in the County and Mr. Barnwell gave a breakdown of where they are located.

Redistricting will readjust the districts to create a balance of student population. The Board of Education should have the final redistricting plan information by November 1998.

SCHOOL FUNDING

David Nicholson gave the financing options to pay for schools:

1. Bonds (voter approved and 2/3 net debt reduction)
2. Certificates of Participation (COPS)
3. Installment Contract
 - a) Schools - General Assembly Approval
 - Interlocal Agreement
4. Pay-As-You-Go

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Installment Contracting is what the Commissioners would like to use for funding school facilities. Ten million dollars in debt is allowed per fiscal year. It is competitive to bonds cost-wise and you must hold a public hearing. General Assembly approval is required.

Of the 100 counties in North Carolina, 58 currently have the capability of doing installment contracting. He encouraged the Boards to go to both the House and the Senate to get a similar Bill introduced on both sides.

Mr. Nicholson discussed cash flow currently available:

ADM fund, Capital Reserve Fund, Balance - End of FY 99,
and Annual Cash Flow.

Mr. Curry

Mr. Curry stated that he had called the BB & T Government Leasing Division in Charlotte today and found that 15 year and 20 year amortizations are possible.

Mr. Curry handed out a copy of 1997 SESSION S.L. 1997-409 regarding acquisition and improvement of school property in certain counties. This Bill passed the Assembly last August adding two counties, Camden and Burke to the lease purchase authorization.

He stated that he had called some of the local legislators to see if it is still possible to get a local act through the General Assembly.

Mr. Nicholson stated that Henderson County has the reputation of building and paying off debt service in the shortest time possible. If you go a longer time, you will pay a premium for it.

Mr. Nicholson gave the following information to both Boards:

ADM FUND

ADM Fund Balance	\$2,454,764
Less New Application	-1,766,215
Add FY98-99 Contribution	+ 512,472
Balance-End of FY98-99	\$1,201,021

CAPITAL RESERVE FUND

Capital Reserve Balance	\$1,166,138
Less New Application	- 20,782

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Add FY 98-99 Contribution+ 769,500
 Balance-End of FY 98-99 \$1,914,856

BALANCE-END OF FY 99 \$3,115,877

ANNUAL CASH FLOW \$1,281,972

SCHOOL PROJECTS

Fletcher \$10,400,000
 Etowah 8,400,000
 Balfour 750,000

DEBT PAYMENTS

ADM \$512,000 @6% Interest
 10 yrs - 3.85 Million
 7 yrs - 2.9 Million
 5 yrs - 2.2 Million

Capital Reserve \$769,500 @ 6% Interest
 10 yrs - 5.7 Million
 7 yrs - 4.3 Million
 5 yrs - 3.2 Million

Combination ADM & Capital Reserve \$1,281,500 @ 6%
 10 yrs - 9.5 Million
 7 yrs - 7.2 Million
 5 yrs - 5.4 Million

COURTHOUSE REPAYMENT

September of 2000 \$1,026,397 @ 6%
 10 yrs - 7.6 Million
 7 yrs - 5.7 Million
 5 yrs - 4.3 Million

Mr. Nicholson informed those in attendance that the Board of Commissioners adopted a Resolution (August 3) entitled "Reallocation of Debt Payment from Courthouse to Schools Capital Projects". This Resolution suggests to future Boards that as the Courthouse is paid off, to pledge that debt payment to school projects.

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Commissioner Hawkins commented that if the Board of Public Education could look for savings, that money could remain in the Capital pot of money also.

It is hoped and planned that a new school will be funded in 1999, 2000, and 2001, meaning three new schools will be built in the next three years if a new bond referendum passes.

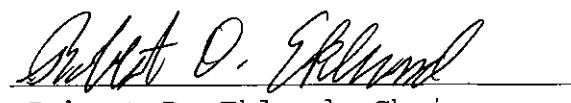
Following much discussion, Chairman Eklund requested that the two Staff Attorneys start drafting the proposed new legislation for installment contract approval.

The two Boards agreed to appoint the new Facility Committee, three members from the Board of Public Education and two members from the Board of Commissioners.

There being no further business to come before the Board, the meeting was adjourned.

Attest:


Elizabeth W. Corn, Clerk


Robert D. Eklund, Chairman

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