

September 29, 2017

The Washington County Board of Commissioners met in a joint session with the Washington County Board of Education on Friday, September 29, 2017 at 1:00 PM. The meeting was held in the Board of Education Conference Room located at 509 Adams Street in Plymouth, NC. Commissioners Tracey A. Johnson, D. Cole Phelps, Jennifer Riddick and Julius Walker, Jr. were present. Also present were County Manager/County Attorney Curtis Potter and Clerk to the Board Julie J. Bennett. Board of Education members Lois Clark, Ruffin Gill, Jr., Fred Norman and Carlos Riddick were present. Also present were Washington County Schools Superintendent Ms. Yanisha Mann and Clerk to the Board Diane White.

Chair Walker called the Washington County Board of Commissioners to order and Chair Riddick called the Board of Education to order for the September 29, 2017 joint meeting. Chair Walker noted that Commissioner Sexton was unable to attend today. Chair Riddick noted that Commissioner Jerry Phelps was unable to attend today.

Board of Education member Ruffin Gill gave the Invocation and Board of Education member Fred Norman led the Pledge of Allegiance.

Chair Riddick turned the meeting over to Ms. Yanisha Mann, Superintendent. Supt. Mann shared a power point presentation (below) on Washington County High School--New School Planning.

Current Enrollment 2017-2018

Unit 940	Elementary	Middle	High	Total
306-CES	183			
308-CHS		65	78	143
314-Pines	593			
316-PHS			312	
328-WCU		243		
330-WCECHS			31	
Summary	776	308	421	1508
2019-2020 Projected	738	286	451	1475

Financial Points

- Currently we have an operations fund balance of approximately \$360,000. Last year's balance was approximately \$460K- confirmed by our financial audit occurring in October-Dec of 2017.
- Current Capital Outlay Funds
 - Category I (Land, Buildings, Repairs, Etc) \$25,898.53
 - Category II (Furniture and Equipment) \$477,000.00
 - Category III (Motor Vehicles) \$53,000.00
 - Total \$755,898.00

School Buildings

Unit 940	Elementary
306-CES	1939 -Added to gym in Classes, 1993- Multi-purpose and admin offices added, 1959- Cafeteria, modernized in 2000
308-CHS	1993 -built on site of the old school 1939-some buildings on the ground are from the original school
314-Pines	1986 , 2001- New PK added
316-PHS	1958 , 1968-Media center built, 1991-new wing and cafeteria 1995-Teleconference room renovated. (Other renovations-air conditioner, boiler, wing A,)
328-WCU	1953 , 1959-Roper gym, 1994- cafeteria expansion, 2000 multipurpose room
330- WCECHS	2000

Current Buildings



Current Buildings



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What can \$12.2 million and partnerships do?

 <http://www.archdaily.com/353695/edison-high-school-academic-building-darden-architects>



Need: What is our vision for our students?

- For most taxpayers their biggest asset is their home
- For those with children, one of the important reason for looking into moving involves the quality of schools
- How can we rebrand the school and impact the county?

Need

- Nurturing environment that is Healthy, Safe, and Secure for Learning
- Inspiration for High School Career and College Readiness
- Possibility of Community Benefited Facilities
 - Track, Swimming, Science Laboratories, Auditorium Spacing
 - Project based active learning environments
 - Student collaboration focused
 - Team teaching and small group friendly
 - Development of signature programs around STEAM and Global Education
- Consolidated PRIDE in Washington County Schools

Need

- Need for new school high school is not new:
 - Current high schools age
 - Short term replacements/repairs (roof, air conditioning units,
 - Need for rejuvenation of community and student engagement
 - Need to be 21st century oriented and promote career and college readiness
 - Centralized location in county
- Need for school consolidation to decrease spending approximately \$100K to offset school needs from general fund
- Perfect Timing- Needs Based Public School Capital Fund

Needs Based Public School Capital Fund

- The 2017 state budget ([S.L. 2017-57](#)) creates the Needs-Based Public School Capital Fund, a \$30 million fund designed to assist school districts in lower-wealth counties with their critical public school building capital needs. Counties designated as tier one by the NC Department of Commerce have priority for the funding.
- The law requires that the funds are capped at \$15 million per project in tier one counties... as well as a local match of \$1 for every \$3 in grant funds.
- The fund is restricted to new capital projects, and cannot be used for real property acquisition or for operational lease agreements, unless the lease agreement was executed on or before June 30, 2017.
- Furthermore, the county cannot have received more than \$8.75 million from the Public School Building Capital Fund from fiscal years 2012-13 to 2016-17.

Needs Based Public School Capital Fund

- The funds provided by revenue from the state lottery will be a minimum of \$30 million this fiscal year and \$75 million in the 2018-19 fiscal year. Under the law, awards will be based on the following criteria:
 1. Counties designated as development tier 1 areas;
 2. Counties with greater need and less ability to generate sales tax and property tax revenue;
 3. Counties with a high debt-to-tax revenue ratio;
 4. The extent to which a project will address critical deficiencies in adequately serving the current and future student population.
- Applications are available online at www.schoolclearinghouse.org and are due to the Department of Public Instruction by Oct. 11, 2017. Awards will be announced by Nov. 1, 2017.

Dates and Deadlines

	FY 2017-18	FY 2018-19
Timeline:		
Guidance Issued	Sep. 11, 2017	Jul. 31, 2018
Application Deadline	Oct. 11, 2017	Aug. 31, 2018
Awards Announced	By Nov. 1, 2017	By Sep. 30, 2018
County Eligibility:¹	Tier 1 Counties	Tier 1 Counties
	County cannot have received more than \$8.75 M from the Public School Building Capital Fund from FY 2012-13 to FY 2016-17, inclusive. ²	
Project Eligibility:	Projects must be "new capital projects," defined as new facility construction, major facility renovation, or facility rehabilitation. Only projects that address critical deficiencies will be considered.	
Available Funding:	\$30 M	\$75 M
Maximum Award:	\$15 M	\$15 M
Matching Funds Required:	\$1 in local funds for every \$3 in grant funds	

Criteria and Guidelines

For 2017-18, projects will be evaluated based on narrative and budget detail submitted by the applicant and based on the following measures of county characteristics:

Measures	Definition/Calculation/Data Source
Ability to Generate Tax Revenue	Total revenue generated by a one-cent per \$100 valuation increase in the county property tax rate, based on FY 2015-16 tax rates and assessment valuation. (Source: State Treasurer, Analysis of Debt of North Carolina Municipalities 6-30-2016, Revised: 01/26/2017)
Ratio of Existing Debt to Tax Revenue	<u>Debt</u> : Sum of County Debt from [General Obligation Bonds, Installment Purchase Debt, Special Obligation Bonds, QZABs and QSCBs, Certificates of Participation] (Source: State Treasurer, Analysis of Debt of North Carolina Municipalities 6-30-2016, Revised: 01/26/2017) <u>Revenue</u> : Sum of County Revenues from Property Taxes, Other Taxes, and Sales Tax, FY 2015-16 (Source: State Treasurer, County Revenues and Expenditures Financial Profile, 6/30/2016)
Critical deficiency	Project addresses a deficiency identified in the 2015-16 School Needs Survey in the five-year horizon, or other equivalent documentation and an explanation as to why the project was not included in the 2015-16 School Needs Survey

Application Preview

APPLICATION - BUDGET NEEDS-BASED SCHOOL CONSTRUCTION FUND

Date: _____

Estimated Costs:	State	Other	Total
Planning	\$ _____	\$ _____	\$ 0.00
Construction	\$ _____	\$ _____	\$ 0.00
Major Renovation/Rehab	\$ _____	\$ _____	\$ 0.00
Enlargement/Addition	\$ _____	\$ _____	\$ 0.00
Rehab for New Purpose	\$ _____	\$ _____	\$ 0.00
Other Eligible Expense:	\$ _____	\$ _____	\$ 0.00
Total	\$ 0.00	\$ 0.00	\$ 0.00

Match: The matching funds of one dollar of local funds for every three dollars of state funds are from (source):

\$ _____ of the matching funds have been expended for/date/description: _____

Estimated Project Expenditures by Year (show estimated period over which funds will be spent, by year):

	2017-18	2018-19	2019-20	2020-21 or later	Total
Total Expenditures:					\$
Non-State Funds:					\$
Requested Funding*:	\$				\$

Let's take a look

Supt. Mann stated that there is a need to bring our schools into the 21st century. She added that ours date back to 1939 and the students need a better learning environment. Supt. Mann also stated that schools are moving in the direction of STEAM (Science, Technology, Engineering, Arts and Math). She shared that when people are considering coming into the County, they look at the schools. Supt. Mann gave the following example of 810 students in Middle School and High School at one unified campus costing approximately \$45M. Supt. Mann said that citizens in Creswell are not against a consolidated school costing \$12M - \$70M. She also stated that if you are growing your community you have to grow your schools.

Supt. Mann shared that she has made contact with Weyerhaeuser on some of the property they own. She added that with the grant, you can't buy the land, but Weyerhaeuser could donate the land.

Supt. Mann said that on page 8, the signature page, it states that all of the required local funding is available and designated as match for this project.

Commissioner Johnson asked how the County would replace the funds that are used from the Schools Capital Outlay fund. Mr. Potter stated he would check with the Finance Officer to see if we have received and/or used any School Capital Outlay funds.

Commissioner Phelps said he knows that the County designated \$300,000 to the schools and there is also the sales tax money and Article 44 monies. He added the Article 44 monies are restricted for certain uses. Commissioner Phelps asked Supt. Mann what she thinks the local match would be. She responded that the grant indicates \$1 for every \$3 so if we put up \$5M we could get \$15M totaling \$20M.

Commissioner Walker asked what the cost is to run our current high school. Supt. Mann responded by providing the following figures based on a 2014 report:

\$139,000 PHS

\$108,000 CHS

Chair Riddick stated there is a portion of PHS that is unusable and added that there are some classes with 40 kids in them.

Commissioner Johnson asked if the property being looked at has water and sewer. Supt. Mann stated it doesn't, but Roper is trying to update their system and we may be able to tie into that. She said the Board of Education is currently looking at the Mill Pond Road area where it's already cleared.

Chair Riddick stated that they have made great contacts with Weyerhaeuser and thinks they will donate the land.

Chair Walker asked since the Boards are looking at consolidation, is fixing Pines Elementary School (PES) being put on the back burner. Supt. Mann responded by stating she didn't see why they would put \$3M in PES if they were looking at consolidating schools. She added they are looking at consolidating high schools first. She stated that first we need to see about the funding. Mr. Gill asked Supt. Mann if there was any help we could get from Department of Public Instruction. She stated that she didn't work there anymore, but knows they are in favor of us doing this.

Commissioner Phelps asked if Mr. Potter could speak about the financial issues. Mr. Potter shared that \$87,000 is generated by one (1) penny. For every \$1M borrowed, you are looking at a one (1) cent tax increase.

Mr. Potter also mentioned that the County has a substantially depleted fund balance at this point and the Local Government Commission (LGC) is looking into our finances. However,

we could borrow some money and could reduce the rate by doing a bond referendum which would have to pass.

Commissioner Phelps stated that if Bertie County can do it then we should be able to do it. He added that he is a personal friend of Sharon Edmundson of the LGC and could talk to her.

Mr. Potter stated his concern with this application is bullet 2 on page 8, which said we have the local match available (which the County doesn't) and would like to see if we could modify the wording as to when the funds would have to be available. Supt. Mann said she could talk to DPI about this.

Commissioner Phelps shared that Representative Boswell said that we could almost be guaranteed \$15M.

Commissioner Johnson asked if the USDA would assist us. Mr. Potter stated that he would check on it.

Supt. Mann asked how long it would take to get funds from the County. Mr. Potter stated that it depends on the amount being requested.

Commissioner Phelps shared he thought Chair Walker and Chair Riddick should direct staff as to what they could be working on. Chair Walker stated that he has been listening and is concerned more about PES issues rather than rushing into the grant. Chair Riddick said he would like to be able to have enough money to fix PES while building a new high school. Commissioner Walker stated he will ask Mr. Potter to look into the funding. Mr. Potter stated that one of the quotes for fixing PES was close to \$9M and another one was for \$3M. Mr. Norman said he got called the other day that there is still problems at PES. Supt. Mann stated she remembered mold issues when she was principal there.

Mr. Gill shared that he doesn't think that we will ever get a new school without this \$15M grant. Chair Riddick stated that he knows that Supt. Mann will leave out of here and begin making calls. Commissioner Phelps added that he doesn't want this opportunity to get away from us. Commissioner Riddick stated that we have to work together on this.

Mr. Norman said Supt. Mann mentioned that people coming into the County always ask about the schools in this area. Maybe with new schools we could grow businesses. Chair Riddick stated the community needs to know that we are all working together on this.

Supt. Mann said she is planning to have community meetings in each town during the last week of October to discuss the possible consolidation.

Mr. Potter said he will try to get a meeting with Sharon Edmundson in the next week and maybe have her come and talk to the Boards. The County cannot borrow money before the October 11th deadline listed on the grant; however if the wording can be tweaked, that may make a difference. Commissioner Johnson asked Mr. Potter to look into USDA funds.

Supt. Mann stated that we should have continuous meetings on the possible consolidation to work towards the next deadline for applications of August 13, 2018. It was decided that the Clerks will review dates for a future meeting.

Commissioner Walker thanked Supt. Mann for having the meeting. He added that it was conducted in a very concise manner.

At 2:20 PM with no further discussion needed, Commissioner Johnson made a motion to adjourn the Board of Commissioners meeting. Commissioner Riddick seconded, motion carried unanimously. Mr. Gill made a motion to adjourn the Board of Education meeting. Mr. Norman seconded, motion carried unanimously.

Julius Walker, Jr.
Chair

Julie J. Bennett, CMC, NCCCC
Clerk to the Board