Special Called Meeting - Summary of Minutes

May 24, 2016

The Board of Education for the Public Schools of Robeson County convened in a special called meeting on May 24, 2016 at 6:00 P.M. at the Administrative Office Building in Lumberton, North Carolina. The following members were present:

Mike Smith, Chairman

John Campbell, Vice-Chairman

 Loistine DeFreece

 Gary Strickland

 Dwayne Smith

 Peggy Chavis

 Steve Martin

 Dr. Jo Ann C. Lowery

 Randy Lawson

 Mitchell “Bosco” Locklear

 Brenda Fairley-Ferebee

Also in attendance were Tommy Lowry, Superintendent; Dr. Shanita Wooten, Stephen Gaskins, Dr. Elizabeth Younce, Assistant Superintendents, Erica Setzer, Chief Finance Officer, and Attorney Grady Hunt.

**ORDER OF BUSINESS**

1. **Call to Order:** Chairman Mike Smith.

2. **Invocation:** Ms. Brenda Fairley-Ferebee.

3. **Adoption of the Agenda:** Chairman Mike Smith. The Board

approved the agenda.

4. **ACTION ITEM**

A. Schools Consolidation Proposal

Chairman Mike Smith introduced a guest, Mr. Edgar Starnes, Director of Public Policy and Liaison for the North Carolina State Department of Treasurer. Representative Charles Graham said Mr. Starnes wanted to speak with the school board regarding the Pre-Development Agreement Contract and/or Bill #554.

Mr. Starnes said he had some correspondence with Mr. Pait, Robeson County Board of Commissioner’s attorney. He said Mr. Pait sent the Pre-Development Agreement to him. Mr. Starnes presented the school board a packet of information.

Mr. Tony Salario, Director of Public Relations for the State Treasurer’s Office, spoke to the school board about some discussions they had with members of Robeson County’s Legislative Delegation and the need for new schools in Robeson County.

Mr. Starnes said the reason they were in attendance was to talk about state and local government finances. He said his department is responsible for all local and state debt. Mr. Starnes said they oversee all local government finances as well. He said they wanted to discuss the proposal for the new schools and the significant debt for Robeson County.

Mr. Tim Viezer, Debt Manager, with North Carolina Department of State Treasurer, spoke to the school board about lending/leasing/bond/loan, etc. and the obligation of the county to repay. He said his department is to advise and counsel when borrowing money.

Mr. Robbie Ferris, sfL+a said if the legislation does not pass Bill #554, the school system does not owe sfL+a one penny. He said tax credits have not been factored in. He said he disagrees with what has been said by the representatives of the North Carolina Department of Treasurer. Mr. Ferris talked about the energy savings and the guarantee of such savings with any project of construction they have risks, etc. Mr. Ferris said under this delivery model his company can manage construction risk better than any other delivery model out there. He said his firm has designed over 1200 public projects in North and South Carolina. Mr. Ferris also talked about the savings to the school system. He said he feels that the NC Department of Treasurer representatives are here in an attempt to mislead the school board. Mr. Ferris said sfL+a is not here to mislead the school board. He said his firm has 30 years of experience in working with local government finance. Mr. Ferris explained further some of the details of Bill #554 and where the monies would come from with the pre-development proposal.

Attorney Frank Jefco said no one has asked for any details or information regarding this pre-development plan, if so they would have discussed it, and answers would have been given to the questions.

The school board discussed the pre-development percentage versus the leasing/traditional cost method. There were concerns/questions/discussions on the planning process, property tax increase, need time to make decisions, plan was given in short notice, DPI needs to explain in more detail, leasing/borrowing agreement, leasing for 40 years, debt, land will be owned by county, interest incurred, operating expenses, need another facility comparison, DPI depends on PSRC’s facility study, teacher shortages, Robeson County’s current tax rate is 77%, industries look at student achievement, savings with building new schools, K-8 grades in one school, what does DPI offer, state bond, etc.

5. There was a motion and a second to the table meeting for further discussion.

6. There was a substitute motion and a second to table the meeting until the outcome of Bill #554.

7. Board voted and passed the substitute motion to table the decision until the outcome of Bill #554.

8. Motion to adjourn.

Respectfully submitted,

Mike Smith, Chairman

Thomas Lowry, Secretary