

The Alleghany County Board of Commissioners met in special session on Tuesday, May 15, 2007, at 5:30pm in the Commissioners Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina. The purpose of this meeting is to discuss school facilities.

Present: Chair Ken Richardson, Vice-Chair Warren Taylor, Commissioner Randy Miller, Commissioner Doug Murphy, Commissioner Milly Richardson, County Manager Don Adams, and Clerk to the Board Karen Evans. County Attorney Donna Shumate was absent.

Chair Ken Richardson called the meeting to order.

Commissioner Milly Richardson made a motion to approve the agenda for this May 15, 2007, meeting. Commissioner Doug Murphy seconded the motion. Vote 5:0.

AGENDA
Monday, May 15, 2007
5:30 PM

- 5:30 Meeting Called To Order
Motion on Agenda for May 15, 2007, meeting
- 5:35 County Business
 - 1. Discussion regarding School FacilitiesAdjourn

County Manager Don Adams asked Dr. Jeff Cox to speak regarding the request coming before the Board.

Dr. Jeff Cox, Superintendent, came before the Board to discuss Qualified Zone Academy Bonds (QZAB) funding. He explained that they can apply for funding in the amount of between \$500,000 and \$2,000,000 for renovations. He stated that his understanding is that the Commissioners won't be able to fund all of the schools capital requests. He talked about this QZAB funding is financed interest free for 14 years, meaning that if \$2,000,000 is received the annual payments would be around \$146,000. He referred to information that was provided to the Commissioners that stated since this funding is interest free it could save up to 50% of the costs of projects if the interest had to be paid back. He stated that the application must be postmarked by May 30. He further stated that the Board of Education met late last week. He reviewed a list of projects that could qualify for the QZAB funding at all four schools. He reminded everyone that this funding is strictly for renovations and has nothing for new construction or renovations at the auditorium building at Sparta School.

County Manager Don Adams and Dr. Cox talked about this funding would take care of a lot of needs that has been cut out of the budget. Dr. Cox stated that it wouldn't cut out all of it because this money cannot be used for computers, and he believes everything on the list qualifies and would have to apply for the funding to make sure. They further talked about taking care of capital requests in the proposed budget, and this being a perfect way to fix the Piney Creek Elementary School gym.

Chair Ken Richardson and Dr. Cox talked about a timeline. Dr. Cox talked about this requires a private 10% match and how the application process works. Dr. Cox talked about the 10% match could be in-kind donations and things such as tutoring would qualify.

Commissioner Warren Taylor asked if the QZAB funding is primarily for high poverty schools. Dr. Cox agreed and explained that the schools must be in qualified zones or 35% of students on free or reduced lunch. Dr. Cox continued to explain that each school must qualify; which they do.

Commissioner Warren Taylor asked about picking which projects to do. Dr. Cox stated they can because it will be four separate applications and the need for business partners in each of the qualified zones.

Chair Ken Richardson stated that this is not a gift and must be paid back over a period of 14 years. He asked how this would affect the County's debt.

County Manager Don Adams stated that he has called the Local Government Commission, and QZAB funding is handled the same way as normal debt is handled.

Dr. Cox reiterated that the QZAB has 0% interest.

County Manager Don Adams continued describing how this would affect the County's debt including it would be handled like an installment-purchase loan and would have the normal application and attorney fees.

Chair Ken Richardson asked if the most Allegheny County could receive is \$2,000,000, but it could be less. Dr. Cox agreed and stated that priority is given to systems that haven't been funded in the past. They talked about this being federal funding and the ability to apply again next year.

County Manager Don Adams stated that the only recommendation he has is regarding how to do the financing but the decision to go forward with this project is up to the Board. He talked about assuming that we get notification quickly, there could be one or two payments before the end of the next budget year or the payments could end up in the following year's budget depending on the timing.

Commissioner Warren Taylor asked how this impacts the upcoming budget.

County Manager Don Adams stated that until he knows for sure, he must plan for the full payment amount. He asked about budgeting the full amount, and keeping it within a revenue-neutral rate. He talked about putting it in or leaving it out to let the Commissioners debate it during the budget discussions.

Chair Ken Richardson stated that it sounds like both the County Manager and the Superintendent agree that a lot of the \$1,300,000 capital needs will be taken out of the budget request.

Dr. Cox agreed.

Commissioner Milly Richardson and County Manager Don Adams talked about his recommendation of the mandated amount of \$575,000. Dr. Cox talked about putting aside the \$575,000 and taking care of the other needs with this QZAB funding.

Commissioner Milly Richardson asked if the Board is committing to \$575,000 mandated monies and \$146,000 for the next 14 years.

Chair Ken Richardson stated that his recommendation for the County Manager is to come up with a revenue-neutral rate then let the Commissioners decide on the \$146,000.

Commissioner Doug Murphy made a motion to move forward in granting permission to pursue the application for the interest-free monies.

Commissioner Milly Richardson added keeping with the revenue-neutral tax rate for the budget.

Commissioner Warren Taylor seconded the motion. He talked about all of these needs are needed.

Commissioner Milly Richardson talked about this is contingent upon keeping the revenue-neutral rate.

County Manager Don Adams stated that he is hearing two different things.

Chair Ken Richardson stated that needs to be a separate motion.

The Board voted on the motion on the floor. Vote 5:0.

Dr. Cox thanked the Commissioners for their support.

Commissioner Milly Richardson asked Dr. Cox to send congratulations to all of the graduating seniors.

Dr. Cox and Chair Ken Richardson talked about year-end activities at the schools. Dr. Cox stated that all of the Commissioners are invited to attend any of the functions.

Clarence Crouse addressed the Board about clarifying the Board of Education will need to come back for formal approval.

Chair Ken Richardson stated that with the motion that was made the Chair or County Manager can sign the application.

Clarence Crouse talked about working hard on long-range needs and these

projects reflect back to their long-range plans. He further talked about they think the Commissioners need to be kept abreast of their long-range plans.

Chair Ken Richardson agreed with Betsy Dillon about the two boards getting together more often as long as the meetings are productive.

Chair Ken Richardson talked about striving for a revenue-neutral budget and then look at approving \$146,000 for the next 14 years.

Commissioner Milly Richardson agreed that is what she is talking about.

Commissioner Doug Murphy talked about before committing anything tonight, the need for the Board to look at the budget.

Commissioner Milly Richardson talked about finding the money.

Chair Ken Richardson stated that the County Manager can create a revenue-neutral budget.

Commissioner Randy Miller stated that it is the Commissioners' responsibility to find the money.

Commissioner Milly Richardson stated that she will find ways.

Commissioner Warren Taylor stated that he would like to see the areas where the money would be coming from.

Commissioner Milly Richardson talked about finding the money and keeping the revenue-neutral rate.

Commissioner Randy Miller and Chair Ken Richardson talked about the transfer tax.

Commissioner Doug Murphy agreed that the Commissioners need to look at this during budget time.

Commissioner Milly Richardson mentioned that Commissioner Doug Murphy pursued this funding avenue, went above and beyond in working with Dr. Cox about this funding and should be commended.

Being no further business, Commissioner Milly Richardson made a motion to adjourn at 6:05pm. Commissioner Warren Taylor seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans
Clerk to the Board

Attest:

Ken Richardson
Chairman