

**GATES COUNTY BOARD OF COMMISSIONERS
WORK SESSION MEETING MINUTES
FEBRUARY 15, 2016**

The Gates County Board of Commissioners met in Special Work Session at 4:00 p.m. Monday, February 15, 2016 in the Gates County Cooperative Extension Building, 112 Court Street, Gatesville. Commissioners Hofler, Owens, Jordan, and Felton were present. Also present was County Manager, Natalie Rountree and Finance Officer, Sandy Pittman.

Commissioner Jordan led in prayer and the Pledge of Allegiance.

Chairman Hofler called the meeting to order.

Central Middle School Discussion

Natalie Rountree, County Manager, stated this discussion is to follow up with the tabled discussion from the January 20th meeting. The Board is present to discuss how they wish to move forward with Central Middle School. Ms. Rountree provided the Board with information on various funding sources for school renovation and construction.

Chair Hofler explained the major concern for the Board is where the money is going to come from no matter if it is for renovation or construction.

Ms. Rountree shared information gathered from other counties that have recently had school construction. Currituck has built several schools recently including a middle school. The middle school and high school were built with bonds. Currituck has a sinking fund in which they put aside money each year for school construction. The county manager cautioned if the board goes with a bond referendum and the bond is voted down but the board decides to move forward anyways you are likely to receive a higher interest rate. When building the elementary schools Currituck used plans that were on the DPI website. Ms. Rountree contacted a county that has built a leased school and their county manager felt leasing was not the best option. They felt leasing is not the way to go because it is very hard to determine exactly how much the school costs in the end. Another county manager that has been involved with school construction recommended if the Board decided to move forward with construction to jointly pick an architect with the Board of Education.

Commissioner Jordan stated the School Board has provided a lot of information but the Commissioners are in a situation where they are asked to build a school but have no control in determining if a new school is needed, how a school is maintained and what is selected in a school. It is not a secret that a school must be maintained. The Commissioners don't know for sure that everything is being done that needs to be done to make sure the schools are being maintained appropriately. Commissioner Jordan feels the Board needs to request the School Board to petition the Commissioners to send a request for a referendum so that the public can have an opinion on the building of a school. There will be a lot of public input and information that will surface through public hearings and the November ballot. Chair Hofler asked if we are asking the Board of Education to determine if it will be a referendum to build or renovate. Commissioner Jordan stated if the Board of Education really wants to build a new school they should petition the Board of Commissioners for new school construction. We have heard from a few citizens but we need to hear from more citizens so everyone can be involved in the decision making.

Chair Hofler stated if we move in the referendum direction we need to have a price tag associated with the project and the necessary increase of taxes so that citizens are well informed. Commissioner Jordan stated he ran some preliminary numbers which came out to about a thirteen cent tax increase.

Commissioner Owens verified that Commissioner Jordan is recommending asking the Board of Education to make the petition and asking the Board of Education to set the general cost associated with the construction costs. Commissioner Jordan stated we have been doing things informally but a resolution needs to be approved and submitted to the

Board of Election to be applied to the ballot. Commissioner Jordan read an example of what the ballot may read.

Sandy Pittman, Finance Director, stated it takes about a 1/2 cent tax increase to finance \$1 million for thirty years at three percent.

Commissioner Owens said for the property owner that has \$300,000 of taxable property they will have an increase of \$390 in taxes. Chair Hofler reminded the Board if the referendum fails the result will be higher interest rates.

Commissioner Jordan stated the Board needs to take a stand and expect nothing less than first class from every department that request money. If we build a new school there needs to be an expectation that maintenance will be a top priority.

Commissioner Owens clarified that one cent generates \$92,000 and we have used 3% for 30 years for preliminary calculations. Commissioner Owens asked if we used this information for \$16 million the payment would be what per year? Ms. Pittman stated it would be about \$800,000 per year which would be about .a nine cent tax increase. Commissioner Owens feels the County should finance the entire project with debt and not reduce the general fund at all because we know we have other needs. Commissioner Owens stated the public keeps tossing around a fifteen cent tax increase but that number has never been stated, there are still too many variables to provide a firm tax increase number.

Commissioner Jordan feels 30 years is a bit much to finance the project, realistically we should finance for 15 or 20 years.

Ms. Pittman reminded the Board the library will be paid off but we are also faced with tax revaluation. The Board discussed the possible repercussions of revaluation.

Commissioner Owens and Chair Hofler agreed that we need numbers that are concrete. The Board reviewed various quotes that have been given up to this point for school construction and the possible savings by using a DPI standard plan.

Chair Hofler stated it is a good possibility the referendum could be voted down due to the number of people that do not have children in school. Commissioner Owens reiterated that some people can not vote for it because if they vote for it they can't pay the extra tax burden. Some people will reject it based on the pure number they see listed and some will reject it on the theory they are not in favor of anything the government is in favor of.

Commissioner Jordan explained the School Board could facilitate information sessions to inform citizens of the concerns.

The Board shared concerns about all of school and the many issues that are occurring at the high school, TS Cooper and Buckland specifically. Commissioner Jordan said because there are so many concerns the citizens need to be informed and make a decision and if it is not favorable then another plan needs to be put in place to improve conditions at all schools.

The Board discussed the ages and conditions of all the schools and the amount of acreage that is available at Central Middle School. Commissioner Owens explained the approximate 23 acres that are available could possibly be a big benefit. With the new state building codes the required parking is likely to triple the current parking. The current request have been for 90,000 square feet for a core capacity of 600.

Ms. Rountree stated the School Board will still need to put out a RFP or a RFQ to solicit full bids and proposals. The Board discussed the timeline to be able to submit to the Board of Elections 90 days prior to the Election.

Commissioner Owens asked fellow Board members how much the Board of Commissioners desires to be involved in the project and at what capacity. Ms. Rountree stated the School of Government puts out a formula and a method that can be used to do a construction project jointly.

Commissioner Owens asked Commissioner Jordan to restate his initial statement for the Board to consider.

Commissioner Jordan stated the Board of Commissioners should ask the School Board to formally submit a request or petition to build a new school and based on the petition the Board of Commissioners would develop a resolution to go to the Board of Elections to have it added to the ballot as a referendum. The Board of Education could facilitate information sessions to give voters enough information to make informed decisions.

Commissioner Felton feels what Commissioner Jordan is saying is valid and whether it is required by law or not there needs to be several public meetings for citizens to learn and be informed and express their concerns. It would be a way for citizens to ask questions and get answers. The meetings could be called town hall meetings and can be conducted at various locations around the County.

Commissioner Jordan reminded the Board we have not raised taxes since the last revaluation which has been 6 years ago.

FY 2016-17 Budget Discussion

Chair Hofler opened the discussion by asking Board members where they see priorities for the budget.

Commissioner Jordan said knowing all the big items that are in front of us we would like to see taxes remain revenue neutral however we may need to look at a 2% increase on the operational budget.

Commissioner Jordan asked the likelihood of additional funds going into the fund balance this year. Ms. Pittman feels we are going to be pretty close to a breakeven which would mean that we will not have a large amount of left over funds to go into fund balance.

Commissioner Owens brainstormed the items expected to increase that we have no control over such as insurance, cost of living and retirement benefits.

Ms. Rountree stated there is currently just under \$1 million in debt services. Currently department heads have been told to hold their budget where it is and if an increase is needed there needs to be really good justification for the increase.

Commissioner Jordan stated even if the tax referendum doesn't pass something is going to have to be done about the schools and serious funds will have to be spent. Ms. Rountree presented information on how the Board of Commissioners can allocate where funds for the school are to be spent. The Board agreed that a 5 year and a 10 year plan for the schools should be required.

The Board discussed putting a plan in place to set aside a certain amount of dollars each year to be spent on school capital expenditures.

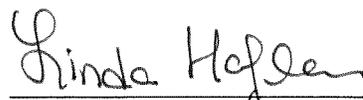
The Board discussed interest earned on fund balance in comparison to other counties.

Commissioner Jordan brought up the possibility of the additional funds that may be needed for EMS Services. The Board discussed ways to determine how the EMS fee would be distributed to all citizens evenly and the need to require more detailed quarterly reports and budget reports from EMS and fire departments.

Ms. Rountree asked if there are capital projects that are of concern. Commissioner Owens feels the lawn at the library should be a priority. Specifically how much it would cost to place a layer of topsoil and then turf. Commissioner Jordan would like to see the contributions that were made to several organizations remain the same if they can't go up.

Adjournment

Commissioner Owens made a motion to recess until March 2, 2016 at 10 a.m..
Commissioner Felton seconded the motion; motion passed without opposition.



Linda Hofler, Chairman



Melissa C. Lawrence, Clerk

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