

## Commissioners Meeting Minutes

June 26, 2006

The Randolph County Board of Commissioners met in special budget session at 6:00 p.m. in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Holmes, Davis, Kemp, Frye, and Lanier were present.

### **Budget Amendment—Day Reporting Center**

Will Massie, Finance Officer, stated that the Criminal Justice Partnership Program has approved an allocation of discretionary funding for one-time expenses for the Adult Day Reporting Center. They have approved \$23,300 in funds for the Randolph County program and \$17,700 for the Montgomery County program.

*On motion of Kemp, seconded by Frye, the Board unanimously approved Budget Amendment #44, as follows:*

<b>2005-06 GENERAL FUND BUDGET ORDINANCE BUDGET AMENDMENT #44</b>		
<b><i>Revenues</i></b>	<b><i>Increase</i></b>	<b><i>Decrease</i></b>
<i>Restricted Intergovernmental</i>	\$23,300	
<i>Miscellaneous</i>	\$17,700	
<b><i>Appropriations</i></b>	<b><i>Increase</i></b>	<b><i>Decrease</i></b>
<i>Day Reporting Center</i>	\$41,000	

### **Budget Amendment—Cooperative Extension**

Will Massie said that Cooperative Extension has received \$3,000 from the Asheboro Housing Authority to provide a summer program. This program will run from June through August, and it will be held on the Authority's property. Cooperative Extension will hire a part-time temporary employee to coordinate the program.

*On motion of Davis, seconded by Kemp, the Board unanimously approved Budget Amendment #45, as follows:*

<b>2005-06 GENERAL FUND BUDGET ORDINANCE BUDGET AMENDMENT #45</b>		
<b><i>Revenues</i></b>	<b><i>Increase</i></b>	<b><i>Decrease</i></b>
<i>Miscellaneous</i>	\$3,000	
<b><i>Appropriations</i></b>	<b><i>Increase</i></b>	<b><i>Decrease</i></b>
<i>Cooperative Extension</i>	\$ 3,000	

### **Budget Amendments—Schools Construction Capital Projects**

Will Massie said that Randolph County has established capital project ordinances to account for school construction in each of the two public school districts. For these projects, it is necessary to authorize advances of County funds to expedite the construction schedule. However, upcoming invoices (see table below) will exceed the current amount budgeted for advances from the General Fund.

	Randolph County	Asheboro City
Amounts advanced 04-05	\$ 311,530	\$ 78,602
Amounts advanced 05-06 to date	\$1,324,473	\$ -
Estimated June invoices	\$ 275,527	\$ 750,000
Total	\$1,911,530	\$ 828,602
Transfers Budgeted to date	\$1,611,530	\$ 678,602
Amendment Needed	\$ 300,000	\$ 150,000

In order to avoid a deficit fund balance at year end, Mr. Massie requested increasing the ordinances for offsetting transfers to and from the General Fund to cover the amounts advanced. A transfer to the capital projects will be recorded to match the amount advanced through June 30; the reimbursement will be recorded as a transfer back to the General Fund after the debt is issued.

*On motion of Frye, seconded by Davis, the Board unanimously approved Budget Amendment #46 to the General Fund, Budget Amendment #4 to the County Schools Capital Project Fund and Budget Amendment #4 to the City Schools Capital Project Fund, as follows:*

<b>2005-06 GENERAL FUND BUDGET ORDINANCE BUDGET AMENDMENT #46</b>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Appropriated Fund Balance</i>	<i>\$450,000</i>	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Transfer to City Schools Capital Project</i>	<i>\$150,000</i>	
<i>Transfer to County Schools Capital Project</i>	<i>\$300,000</i>	

<b>2005-06 RANDOLPH COUNTY HIGH SCHOOLS CAPITAL PROEJCT ORDINANCE--BUDGET AMENDMENT #4</b>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Transfer from General Fund</i>	<i>\$300,000</i>	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Transfer to General Fund</i>	<i>\$300,000</i>	

<b>2005-06 ASHEBORO CITY SCHOOLS CAPITAL PROJECT ORDINANCE BUDGET AMENDMENT #4</b>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Transfer from General Fund</i>	<i>\$150,000</i>	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Transfer to General Fund</i>	<i>\$150,000</i>	

**Approve Solid Waste Disposal Contract**

*On motion of Kemp, seconded by Frye, the Board voted unanimously to approve a contract for Solid Waste Disposal to Allied Waste for 3 years, with an option to renew for another 3 years.*

**Approve Medical Services Contract for Jail Inmates**

Will Massie stated that the Sheriff’s Department’s requested and proposed budget includes a request for a new plan and agreement to outsource the health care services (medical and dental) for jail inmates; these services would be performed by Southern Health Partners. Such a plan would increase health care costs at the jail by approximately \$46,000 but would add 44 hours of nursing coverage that the County currently does not have, including weekends. In addition, the health care provider would assume malpractice liability costs above \$60,000. If approved, 2 staff positions at the jail would be eliminated; these 2 nurses will then be employed by the contractor.

*On motion of Kemp, seconded by Davis, the Board voted unanimously to approve an agreement with Southern Health Partners to provide health care services for jail inmates.*

**Recognition of Emergency Services Staff**

Interim County Manager Richard Wells recognized Neil Allen, Donovan Davis and the entire Emergency Services staff for all their efforts during the severe weather and flooding event that occurred last Friday evening. He thanked and commended them for their swift attention and dedication to duty in making sure that all of Randolph County’s citizens were safe and their emergent needs taken care of. He further said that Randolph County is very fortunate to have such exemplary professionals in its employ.

**Fire District Tax Rates**

*On motion of Frye, seconded by Davis, the Board voted unanimously to leave all fire district tax rates the same: Bennett, 7¢; Climax, 9.3¢; Coleridge, 7.3¢; Eastside, 7¢; Fairgrove, 6.5¢; Farmer, 7.5¢; Franklinville, 6.5¢; Guil-Rand, 10¢; Julian, 10¢; Level Cross, 10¢; Northeast, 6.8¢; Randleman, 10¢; Seagrove, 9.7¢; Sophia, 10¢; Southwest, 10¢; Staley, 10¢; Tabernacle, 8.7¢; Ulah, 6.1¢; Westside, 9¢.*

**School District Tax Rates**

*On motion of Frye, seconded by Davis, the Board voted unanimously to leave the school district tax rates the same: Asheboro City, 13.85¢; Archdale-Trinity, 8.5¢.*

**Set Tipping Fees at Solid Waste Facility**

*On motion of Davis, seconded by Frye, the Board voted unanimously to increas tipping fees at the Solid Waste Facility from \$38/ton to \$44/ton.*

**Budget Discussion**

The Board discussed the proposed budget.

**Budget Amendment—Special Appropriation**

*On motion of Frye, seconded by Kemp, the Board voted unanimously to approve Budget Amendment #47 from the FY 05-06 Budget, which appropriates \$5,000 to the Central Boys and Girls Club for repairs to their building, as follows:*

<b>2005-06 GENERAL FUND BUDGET ORDINANCE BUDGET AMENDMENT #47</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Investment Earnings</i>	\$5,000	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Other Human Services Appropriations</i>	\$5,000	

### **Adoption of FY 06-07 Budget**

*On motion of Frye, seconded by Lanier, the Board voted unanimously to adopt the FY 06-07 Budget Ordinance (ATTACHED), as proposed, but with the following changes:*

- *Set tax rate at 53.5¢ per \$100 valuation;*
- *Budget \$1.5 million in State Lottery proceeds;*
- *Add new Internal Auditor position in the Finance Office @ \$47,935;*
- *Increase Elections Board members' pay by \$300 each @ \$900;*
- *Increase a part-time Maintenance Dept. position to full-time @ \$18,170;*
- *Add an additional \$10,000 (in addition to the \$30,000 in the Proposed Budget) to the Sheriff's Department Merit fund;*
- *Fund an additional ambulance (2 in the Proposed Budget) for Emergency Services @ \$87,500;*
- *Increase funding to the NC Forest Service by \$3,618;*
- *Fund a gravel road to the Animal Shelter @ \$25,000;*
- *Add a 20-hr. per week office assistant for Veterans Services @ \$11,433;*
- *Increase funding to Randolph County Senior Adults by \$27,085;*
- *Appropriate \$25,000 (1<sup>st</sup> of 3 years) to the Central Girls & Boys Club;*
- *Appropriate \$10,000 to the Randolph Vocational Workshop;*
- *Fund a Librarian III position at the Library @ \$39,724;*
- *Appropriate \$10,000 (one-time only) to the Museum of NC Traditional Pottery;*
- *Increase the 5% proposed pay plan adjustment for employees to 6.4% @ an additional cost of \$361,543;*
- *Appropriate an additional \$200,700 to Randolph County Schools;*
- *Appropriate an additional \$49,300 to Asheboro City Schools;*
- *Appropriate an additional \$75,000 to RCC;*
- *Set aside \$70,000 for the Communities In Schools program for county-wide expansion plans to be dispersed at the discretion of the County.*

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*At 7:50 p.m., the Board recessed.*

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### **Public School Construction Installment Financing (COPS) Agreement Public Hearing and Approval of Authorizing Resolution**

At 8:10 p.m., the Board reconvened and Chairman Holmes stated that this was the hour, day and place fixed for the public hearing for the purposes of (1) considering whether the Board should approve a proposed installment financing agreement under which the County would obtain financing pursuant to G.S. §160A-20 in the maximum principal amount of \$45,000,000 for a portion of the cost of the projects hereinafter described and under which the County would secure the repayment by it of moneys advanced pursuant to such installment financing agreement by granting a lien on some or all of the projects and (2) considering whether the County should acquire from the Randolph County Board of Education a portion of the real property constituting the projects. The projects include (a) the construction and equipping of the new Providence Grove High School, (b) the renovation and expansion of Guy B. Teachey Elementary School, (c) the acquisition of land for a new Archdale-Trinity area high school, and (d) the acquisition, improvement, renovation and equipping of certain other school property and facilities. A notice of the public hearing, which is being held pursuant to Section 160A-20(g) and Section 153A-158.1 of the North Carolina General Statutes, was published in *The Courier-Tribune* on June 12, 2006.

Finance Officer Will Massie said that the projects, as currently proposed, are

Randolph County Schools:

Providence Grove High School	(1,000 students)	\$ 34,400,000
Land for Archdale-Trinity Area High School		915,200

Asheboro City Schools:

Guy B Teachey Elementary (renovation/expansion)		\$ 5,425,000
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Mr. Massie further explained that this financing is through certificates of participation, the same type of debt used in 1995 and 2000 to build schools. This method is authorized under Section 160A-20 of the NC General Statutes. Under this type of financing, the property is owned by Randolph County and serves as collateral for the debt. The County will have title to the Providence Grove and Teachey properties and this will secure the certificates. The County will lease the property back to the School systems for their full use. When the debt is paid off, title will be returned to the school boards. The land for the Archdale-Trinity area high school is not collateral now; it will be used as collateral when we issue debt for the construction of that facility, scheduled for next year. Ownership of the properties will also allow us to claim refunds of sales taxes on construction materials. The following documents are needed to complete the proposed financing: (1) An Installment Financing Agreement to be dated as of August 1, 2006 between the County and County of Randolph Public Facilities Corporation; (2) A Deed of Trust to be dated as of August 1, 2006, from the County to a trustee for the benefit of the Corporation; (3) A Trust Agreement to be dated as of August 1, 2006 between the Corporation and a trustee; (4) Leases to be dated as of August 1, 2006 between the County and the Randolph County Board of Education and the Asheboro City Board of Education; (5) Administrative Agreements to be dated as of August 1, 2006 between the County and the Randolph County Board of Education and the Asheboro City Board of Education; (6) A Preliminary Official Statement relating to Certificates of Participation evidencing proportionate undivided interests in revenues to be received by the Corporation under the Contract; (7) A Contract of Purchase between the Underwriters named therein and the Corporation; and (8) A Letter of Representation from the County to the Underwriters, all of which are available for review.

Chairman Holmes announced that the Board would hear anyone who wished to speak on the proposed financing.

Clerk to the Board Cheryl Ivey stated that no written statement had been received related to the proposed financing.

Chairman Holmes asked for further comments by the Board on the proposed financing and, hearing none, authorized the proceeding of the proposed financing of the projects, to acquire the aforementioned real property and to lease it back to the Randolph County Board of Education and the Asheboro City Board of Education.

Chairman Holmes closed the public hearing.

*Commissioners Frye introduced a resolution titled RESOLUTION (1) AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING AGREEMENT AUTHORIZED BY SECTION 160A-20 OF THE NORTH CAROLINA GENERAL STATUTES, (2) APPROVING SUCH INSTALLMENT FINANCING AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH, AND (3) APPROVING THE ACQUISITION OF REAL PROPERTY TO BE USED BY THE COUNTY OF RANDOLPH BOARD OF EDUCATION and moved for its adoption. Following Commissioner Kemp's second, the Board voted unanimously to adopt the following resolution:*

**WHEREAS**, financing pursuant to Section 160A-20 of the North Carolina General Statutes must be approved by the Local Government Commission of North Carolina and will only be approved if the findings of Section 159-151(b) of the North Carolina General Statutes are met;

**WHEREAS**, the Board of Commissioners of the County duly conducted a public hearing on June 26, 2006 regarding an installment financing agreement to finance the projects;

**WHEREAS**, the Board of Commissioners of the County duly conducted a public hearing on June 26, 2006 regarding the acquisition by the County, for use by the Randolph County Board of Education, of a portion of the real property constituting the projects;

**WHEREAS**, there have been available at this meeting drafts of the forms of the following:

(1) An Installment Financing Agreement to be dated as of August 1, 2006 (the "Contract") between the County and County of Randolph Public Facilities Corporation (the "Corporation");

(2) A Deed of Trust to be dated as of August 1, 2006 (the "Deed of Trust"), from the County to a trustee for the benefit of the Corporation;

(3) A Trust Agreement to be dated as of August 1, 2006 (the "Trust Agreement") between the Corporation and a trustee (the "Trustee");

(4) Leases to be dated as of August 1, 2006 (the "Leases") between the County and the Randolph County Board of Education and the Asheboro City Board of Education;

(5) Administrative Agreements to be dated as of August 1, 2006 (the "Administrative Agreements") between the County and the Randolph County Board of Education and the Asheboro City Board of Education;

(6) A Preliminary Official Statement (the "Preliminary Official Statement") relating to Certificates of Participation evidencing proportionate undivided interests in revenues to be received by the Corporation under the Contract (the "2006 Certificates");

(7) A Contract of Purchase (the "Purchase Contract") between the Underwriters named therein (the "Underwriters") and the Corporation; and

(8) A Letter of Representation (the "Letter of Representation") from the County to the Underwriters.

**WHEREAS**, the Board of Commissioners of the County wants to approve the Contract and the sale of the 2006 Certificates and to authorize other actions in connection therewith; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the County as follows:

1. The Board hereby finds and determines in connection with the proposed installment financing agreement that (a) such proposed installment financing agreement is necessary or expedient to the County, (b) such proposed installment financing agreement, under current circumstances, is preferable to a bond issue of the County for the same purpose, (c) the sums estimated to fall due under such proposed installment financing agreement are adequate and not excessive for its proposed purpose, (d) the County's debt management procedures and policies are good and its debt will continue to be managed in strict compliance with the law, (e) any increase in taxes necessary to meet the sums estimated to fall due under such proposed installment financing agreement will not be excessive and (f) the County is not in default regarding any of its debt service obligations.

2. The Board hereby requests the Local Government Commission of North Carolina to approve such proposed installment financing agreement under Article 8 of Chapter 159 of the General Statutes of North Carolina.

3. The Interim County Manager and the Finance Officer are hereby designated as representatives of the County to file an application for approval of such proposed installment financing agreement with the Local Government Commission of North Carolina and are authorized to take such other action as may be advisable in connection with the negotiation of such proposed installment financing agreement and the development of the related financing; and all actions heretofore taken by the Interim County Manager and the Finance Officer relating to such matters are hereby approved, ratified and confirmed.

4. Each of the Contract, the Deed of Trust, the Purchase Contract, the Lease, the Administrative Agreement and the Letter of Representation, in the form submitted to this meeting, is hereby approved, and the Chairman of the Board, the Interim County Manager, the Finance Officer and the Clerk to the Board are each hereby authorized and directed to execute and deliver each of those documents, on behalf of the County, with such changes, insertions or omissions as each may approve, the execution thereof by any of them to constitute conclusive evidence of such approval.

5. The Trust Agreement, in the form submitted to this meeting, is hereby approved in substantially such form, with such changes, insertions or omissions as appropriate.

6. *The Preliminary Official Statement, in the form submitted to this meeting, is hereby approved, in substantially such form, with such changes, insertions and omissions as appropriate, and the use thereof in connection with the public offering and sale of the 2006 Certificates is hereby authorized. The Chairman of the Board, the Interim County Manager and the Finance Officer are each hereby authorized and directed to execute and deliver on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as each may approve, the execution thereof by any of them to constitute conclusive evidence of such approval.*

7. *The Chairman of the Board, the Interim County Manager, the Finance Officer, the Clerk to the Board, the County Attorney and the Associate County Attorney are each hereby authorized to take any and all such further action and to execute and deliver such other documents as may be necessary or advisable to carry out the intent of this Resolution and to effect the installment financing pursuant to the Contract. Without limiting the generality of the foregoing, the Finance Director is authorized to approve all details of the financing, including without limitation, the amount advanced under the Contract (which shall not exceed \$45,000,000), the annual principal payments under the Contract, the term of the Contract, the discount below or premium above the principal amount of the 2006 Certificates at which the 2006 Certificates are sold to the Underwriters, if any, and the insurer of the financing and the details related thereto. Execution of the Contract by the Chairman of the Board, the Interim County Manager or the Finance Officer shall conclusively evidence approval of all such details of the financing.*

8. *The Board hereby approves the acquisition of a portion of the real property constituting the projects.*

9. *All actions of the County effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the documents referred to above.*

10. *This Resolution shall become effective immediately upon its adoption.*

### **Adjournment**

*At 8:20 p.m., on motion of Frye, seconded by Lanier, the Board voted unanimously to adjourn.*

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Phil Kemp

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Robert B. Davis

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Arnold Lanier

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Cheryl A. Ivey, Clerk to the Board