

**MACON COUNTY BOARD OF COMMISSIONERS
CONTINUED SESSION
APRIL 18, 2013 – 6 P.M.
MINUTES**

The members of the Macon County Board of Commissioners, the members of the Macon County Board of Education and their respective staff members shared a meal prior to holding a joint meeting.

Chairman Corbin reconvened the meeting of the county commissioners – as recessed from the April 12, 2013 continued session – at 6:42 p.m. at the Macon Bank Corporate Center, located at 220 One Center Court in Franklin, NC. All Board Members, the County Manager, Deputy Clerk, Finance Director, County Attorney, interested citizens and members of the news media were present. All members of the Board of Education were present, as were Interim Superintendent Dr. Jim Duncan, Administrative Assistant/Board Clerk Renee Burt and Finance Officer Angie Cook, as well as a number of other school system personnel.

The County Manager said that board action was needed on an application to draw down lottery funds from the state, and the Finance Director explained that the county must make application to the Public School Building Capital Fund of the North Carolina Education Lottery in order to draw down \$304,646.15. The money is earmarked for either school construction or debt payment, and the application is a joint request from the county commissioners and the board of education. Board of Education Chairman Jim Breedlove said the school board would act on the request at its regular meeting on Monday the 22nd. Upon a motion by Commissioner Haven, seconded by Commissioner Tate, the board voted unanimously to request release of the lottery funds as presented, and a copy of the application (**Attachment 1**) is attached and is hereby made a part of these minutes.

The County Manager told the board that in regard to the Qualified Zone Academy Bond (QZAB) loan for the Highlands School renovations, bids

would be opened on Monday the 22nd and the county was preparing to close on the loan on Friday the 26th. However, due to the effects of the federal sequester, there would be no subsidy for the interest on the QZAB loan. He said that in discussions with BB&T, the bank had offered a proposal to fund the project using tax credits that would accrue to BB&T, thus having the same effect as a zero percent interest rate. The County Attorney then handed out a copy of the BB&T proposal, and said that if the board wished to accept it, it would need to authorize the Finance Director to sign it and to authorize him to e-mail it back to BB&T. The term of the loan would remain at 10 years, and although the taxable rate would be 4.25 percent, the effective rate to the county would be zero. After further discussion, and upon a motion by Commissioner Beale, seconded by Commissioner Tate, the board voted unanimously to approve the proposal as presented, a copy of which is attached (Attachment 2) and is hereby made a part of these minutes.

Commissioner Beale requested that the board hold a brief closed session following the end of the joint meeting in order to consult with the attorney.

Chairman Corbin then recognized Chairman Breedlove, who turned the meeting over to Dr. Duncan for an update on the school board's proposed budget. Dr. Duncan began by reviewing the school's capital outlay requests for FY 2013-2014, which totaled \$297,035. He noted that at the top of the list was \$40,000 in "district wide security measures" as discussed in more detail at the last joint meeting. During discussion, the County Manager asked that the board again separate the items by priority into categories.

Dr. Duncan then presented a PowerPoint presentation that outlined the school board's draft budget for the upcoming year, including costs for direct school expenses, utilities, insurance, information technology, local transportation, maintenance and central office and school board expense. In order to meet anticipated needs, Dr. Duncan said that the school system will need an additional \$1,969,773 from the county over and above last year's county funding in order to operate at current levels. He also provided the county with a list of expenditures paid from local funds for each school.

Commissioner Higdon questioned why the school system did not cut back if it knew that a fiscal "cliff" was coming, and Chairman Breedlove responded that the system had made a concerted effort to do so, but the state's "reversion" of funding amounting to more than \$1-million annually over the past few years had hurt that effort. He also said that if

the commissioners tell the school board that the system will get the same amount of money it got from the county last year, “we will send people to the house.” School board member Stephanie McCall told the commissioners that “we need your help more this year than we ever will.” Commissioner Beale said that the county has been put in the position of having to pick up the state’s responsibility. Commissioner Higdon questioned the amount of money being spent per pupil. Following further discussion on this and other topics, no action was taken, and the joint session with the board of education ended at 8:37 p.m.

At 8:45 p.m., and upon a motion by Commissioner Haven, seconded by Commissioner Tate, the board voted unanimously to go into closed session for the purpose of consulting with the attorney. At 8:59 p.m., and upon a motion by Commissioner Beale, seconded by Commissioner Haven, the board voted unanimously to come out of closed session. No action was taken.

With no other business, at 9:00 p.m., upon a motion by Commissioner Higdon, seconded by Commissioner Tate, the board voted unanimously to recess the meeting until Tuesday, April 23, 2013 at 6 p.m. at the Boiler Room Steak House in Franklin, NC.

Jack Horton, County Manager
Clerk to the Board

Kevin Corbin
Board Chairman