

MINUTES – APRIL 18, 2011

The Caswell County Board of Commissioners met with The Caswell County School Board in special session at the Whitley Administration Building in Yanceyville, North Carolina at 5:00 p.m. on Monday, April 18, 2011. Members present from the Board of Commissioners: Nathaniel Hall, Chairman, Erik D. Battle, Jeremiah Jefferies, and Cathy W. Lucas. Absent: Kenneth D. Travis, Vice-Chairman, William E. Carter, and Gordon G. Satterfield. Members present from the School Board: June Dailey, Chair, Gladys Garland, Vice-Chair, Mel Battle, David Byrd, Ross Gwynn, Sylvia Johnson and Betty Sartin. Also present: Kevin B. Howard, County Manager, Gwen Vaughn, Caswell County Finance Director, Scott Powell, School Board Finance Director and Angela Evans representing The Caswell Messenger. Paula P. Seamster, Clerk to the Board, recorded the minutes.

Chair Dailey called the Caswell School Board to order.

Chairman Hall called the Caswell County Board of Commissioners to order.

MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

DISCUSSION AND COMMENTS

ADM and Lottery Funds

Chairman Hall thanked the School Board for inviting the Commissioners over to the Central Office for this meeting. He stated that one of the pressing issues was that of the ADM and Lottery Funds. The state is “grasping at straws” for money. ADM and Lottery Funds have been taken by the state in the past. Chairman Hall added that the state is trying to push responsibilities down to the counties that the state has handled in the past. He asked Mr. Howard, County Manager, to explain the concerns of the county regarding the ADM and Lottery Funds.

Mr. Howard stated that the larger counties pay their school bonds with the ADM and Lottery Funds. He stated that he hoped that the School Board would agree to use these funds to pay the school bonds in Caswell and to hold on the sales tax funds. The sales tax funds are used now to pay the school bonds. The ADM and Lottery Funds can only be used on school projects.

Mr. Byrd asked what was going to keep the state from taking these funds. Chairman Hall responded they could not take the money twice. If the money was allocated to the school bonds it could not be taken by the state.

Mr. Mel Battle asked how much the bond payment is. Ms. Vaughn responded that there is one more payment for the North and South Elementary Schools and that is \$436,000.00 and the next payment for Dillard is \$373,400.00. Mr. Battle asked if the Commissioners were talking about

paying the bond for Dillard. Mr. Howard responded that the commissioners were talking about this year's bond payments.

Commissioner Lucas asked if the sales tax were tracking. Ms. Vaughn responded that sales tax were up from last year about \$20,000.00.

School Board Chair Dailey ask what would be the difference between using sales tax dollars versus ADM and Lottery Funds. Mr. Howard responded it is how you spend them. With the Lottery Fund there has to be a match for the monies and it can only be used on school projects.

Commissioner Battle asked how long the bond was for Dillard. Ms. Vaughn responded until 2021. Ms. Vaughn added that in order to use the ADM Funds an application would have to be filed. It would have to be sent in for approval from the state.

Dr. Barker asked if the county had a match for the Lottery Fund. Mr. Howard responded yes. Mr. Byrd asked if the money would be sent to the School Board. Mr. Howard responded no, that it would go into the county fund.

Mr. Mel Battle asked how much was in Article 40 and Article 42. Mr. Powell responded right at one million dollars. Chairman Hall asked how much the county had roughly. Ms. Vaughn responded around \$500,000.00. Ms. Vaughn added the ADM Fund has \$1,735,845.00 and the Lottery Fund has \$1,228,006.00 as of June.

Mr. Byrd stated that with Article 40 and 42 the county would have the money to pay the bond but the county wants to switch out the money. Mr. Howard responded that this was correct but the money was being switch so the school could spend the money where they saw fit. Chair Dailey had concerns about how long it would take the Article 40 and 42 to build back up for the school to use the money. She stated that the School Board had major projects that were coming up. Chairman Hall added that the board was just trying to head off Raleigh from taking the ADM and Lottery Funds to balance the state's budget.

Dr. Barker stated so the county wants to preserve the \$436,000.00. Mr. Howard responded that this was correct. Mr. Byrd asked if this was a "one shot deal" that would be done between now and June 30th. Mr. Howard responded that this is all the county can do. Chairman Hall added this is to preserve Caswell County dollars. He stated that if this issue comes up in Raleigh the County would be able to preserve the dollars that had already been designated.

Chair Dailey asked what the balance was for Dillard's bond. Ms. Vaughn did not have the number with her but she thought it was around \$2.6 million.

Mr. Mel Battle asked how long it would take to get the application approved. Mr. Howard responded that both boards would have to vote. Ms. Vaughn added it would take a couple of weeks.

Chairman Hall stated that the commissioners did not expect a response tonight but that he hoped that both boards would consider it and get back with the finance offices on the decision.

Dr. Barker asked how much Dillard's two bond payments were for next year. Ms. Vaughn responded the first payment would be for interest only and it would be for \$29,600 and the second payment would be for interest and principal and that it would be \$29,600 plus \$314,000. Commissioner Lucas asked what the original amount was. Ms. Vaughn responded a little over \$4 million.

Chairman Hall recommended getting the School Board a payment schedule for the life of the bond and for the balance.

Dr. Barker stated that the School Board may not have communicated well with the county what the monies are used for. The School Board is anticipating on having to replace the roofs on North and South Elementary Schools. Both of these schools also need gymnasiums. The School Board has been trying to let this money grow so they could do these projects.

Redistricting

Chairman Hall stated that in the 1980's there was a change in the way elected officials were districted. There has to be two majority minority districts in Caswell County. After each census is taken the county has to review the ratio of the black/white population. Before the census in 2010 the black population was at 42%. After the 2010 census the black population is at 34%. The county will have to redistrict. The process has already begun. The county manager has gotten with the School of Government to get some assistance with this. Chairman Hall stated that every ten years after the census is done the county is required to go through this process and redraw the district lines when necessary. This will have to be presented to the Justice Department and approved by Jan 2012.

Ms. Sartin asked which two districts were involved. Chairman Hall responded Districts 3 & 4. Ms. Sartin asked for the percentages. Chairman Hall responded that both districts have to be majority black. Chair Dailey asked if the population had dropped in certain areas of the county. Mr. Howard responded that two areas fell below 10%. Chair Dailey asked if the prisoners were included in these numbers. Chairman Hall responded that they were not included. Dr. Barker asked how soon the numbers would be in. Mr. Howard responded within the next couple of weeks. Chair Dailey asked if the information would be shared with the School Board. Mr. Howard responded that the information would be shared and that he had already been discussing this information with Dr. Barker.

Dr. Barker asked what would happen if the percentages continued to drop and if it would at some point become impossible to redraw the districts. Chairman Hall responded it would then have to go before the federal court.

Chair Dailey stated that a public hearing would have to take place to change districts. Mr. Howard added that there would have to be several public hearings.

CLOSING REMARKS

Chair Daily mentioned that the School Board had been working on the budget. The School Board is only requesting the bare minimum. She stated that there were lots of needs but the School Board did not want to put the state cuts on the county's back.

ADOURNMENT

At 5:47 p.m. both boards adjourned.

Commissioner Battle moved, seconded by Commissioner Jefferies to adjourn the meeting. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Nathaniel Hall
Chairman
