

LEE COUNTY

Committed Today for a Better Tomorrow

RECESSED REGULAR MEETING
OF THE
LEE COUNTY BOARD OF COMMISSIONERS
106 HILLCREST DRIVE
SANFORD, NORTH CAROLINA 27330

APRIL 22, 2010

The recessed regular meeting of the Board of Commissioners for the County of Lee, State of North Carolina, convened at 5 p.m. in the Commissioners' Room, Lee County Government Center, 106 Hillcrest Drive, Sanford, North Carolina, on said date. Commissioners present were Amy M. Dalrymple, Richard B. Hayes, James C. Kelly, Larry "Doc" Oldham, Nathan E. Paschal, Robert T. Reives, and Linda A. Shook.

Chairman Hayes called the meeting to order and the following business was transacted:

County Attorney K. R. Hoyle delivered the invocation.

The pledge of allegiance was recited.

County Manager John Crumpton presented the following summary leading to the resolution under consideration following the public hearing:

"Today's public hearing is for the sole purpose of considering borrowing an additional \$2,697,688 for the Lee County High School construction and renovation project. The Board of Commissioners has already approved using BB&T for the financing of the project and we will place the additional borrowing if approved with them. A total of \$19,980,000 in financing has already been approved by the Lee County Board of Commissioners. Once again, we are here to consider and take public comments on the request by the Lee County Board of Education to borrow the additional amount of money.

The debt service details were handed out at the April 19, 2010 joint work session. It is proposed that the additional funds come from the Recovery Zone Economic Development Bond allocation of \$12,000,000 that Lee County is eligible to borrow. The County has already committed to issuing \$9,302,312 of these bonds. The remaining amount is \$2,697,688 that we are eligible to borrow. It is proposed that the additional borrowing be paid back over a 15-year period. The additional principle and interest payments will total \$3,452,482. Interest payments will be \$754,794 of this total. Combined with the original borrowing

this would bring the total borrowed to \$22,677,688 with the total payments equaling \$26,053,557 over the 15 years. Interest makes up \$3,375,869 of the payback amount. The net interest rate on the additional borrowing will be 3.52 percent. It is proposed the additional ¼-cent sales tax that will start on July 1st be used to pay back this borrowing. \$20.5 million can be used for construction of the additional borrowing if approved and \$17.9 million if the additional amount is not approved”.

At this time, Chairman Hayes opened the public hearing that had been advertised for this date and time to determine whether to enter into one or more installment financing agreements for the purpose of paying the costs of renovating and improving existing facilities and constructing and equipping an addition to Lee County High School.

The following individual spoke in opposition to the additional funding request:

- Mr. Russell Noel, 1413 Cherokee Trail, Sanford

The following individuals spoke in favor of the additional funding request:

- Dr. Lynn Smith, 1502 Gormly Circle, Sanford
- Mr. Chet Mann, 1508 Von Cannon Circle, Sanford
- Mr. David Nestor, 300 N. Steele Street, Sanford
- Mr. Bill Ray, 2200 Cape Jasmine Drive, Sanford
- Mr. Brandon Partridge, 5016 Laurel Ridge Drive, Sanford
- Mr. John Grossfuss, 619 Palmer Drive, Sanford
- Mr. Dylan Westrick, 811 Hayden Avenue, Sanford
- Ms. Denise Abell, 2641 Windsor Place, Sanford
- Ms. Cierra Ferguson, 905 Spring Lane, Sanford
- Ms. Taylor Batten, 7062 Oak Road, Sanford
- Ms. Catherine Utley, 350 Labrador Lane, Sanford
- Mr. Keith Clark, 212 Acorn Drive, Sanford

Chairman Hayes closed the public hearing.

Commissioner Kelly moved to proceed with funding up to \$23,000,000 for the Lee County High School project. Discussion followed –

Chairman Hayes stated, “we will exercise our right as stewards of the taxpayer’s money to reserve the capital funds deemed necessary and appropriate, such as annual lottery or current capital expense allocations to the Board of Education, over the next three to five years, in order to maintain the county’s fiscal soundness in meeting its many other CIP capital obligations, including reimbursement to Lee County’s Capital Reserve Funds which may have been temporarily extended due to this project”.

Commissioner Shook thanked everything in attendance but expressed concerns over the mold issues at the school and broken toilets that don't "just happen overnight". When you build a house you want the best but sometimes have to cut back on certain things. She expressed concerns about the economy, additional layoffs predicted in the county, and no growth in the tax base. Commissioner Shook further stated she was opposed to the request for additional funding and would like to see the Board of Education proceed with funding they have already received.

Commissioner Reives questioned the \$350,000 per year received from lottery sales. He further stated he wants to know what the plan is to repay the project and would like to see the county receive lottery funds for the next three to five years (instead of transferring said amount to the schools).

After further discussion, Commissioner Reives asked Commissioner Kelly to amend the motion to proceed with funding of the Lee Senior High School project up to \$23,000,000, and use lottery proceeds of \$350,000 per year if needed, up to five years, and *Resolution Supplementing and Amending the Resolution Making Certain Findings and Determinations Regarding the Proposed Financing of Public School Improvements for the County Pursuant to an Installment Financing Agreement and Requesting the Local Government Commission to Approve the Financing Arrangement Adopted on April 5, 2010*, a copy of which is attached to these minutes and by this reference made a part hereof. Upon a vote of the amended motion, the results were as follows:

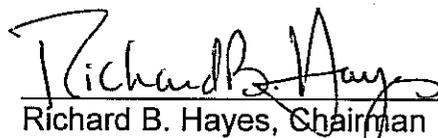
Aye: Dalrymple, Hayes, Kelly, Oldham, and Paschal
Nay: Reives and Shook

The Chairman ruled the motion had been adopted by a six to one vote.

Commissioner Dalrymple moved to adjourn the meeting. Upon a vote, the results were as follows:

Aye: Dalrymple, Hayes, Kelly, Oldham, Paschal, Reives, and Shook
Nay: None

The Chairman ruled the motion had been adopted unanimously and the meeting adjourned at 5:50 p.m.


Richard B. Hayes, Chairman
Lee County Board of Commissioners

