

*Scotland County Board of Commissioners reconvened meeting
July 22, 2009, 1405 West Boulevard, Laurinburg*

**MINUTES
Scotland County Board of Commissioners
Reconvened Meeting, July 22, 2009
Scotland County Complex, 1405 West Boulevard, Laurinburg NC**

At 5 p.m. Chairman J. D. Willis reconvened the meeting. Commissioners in attendance: Chairman Willis, Vice Chair Betty Blue Gholston and Commissioners John Alford, Bob Davis and Guy McCook. Commissioners not in attendance: Joyce McDow and Clarence McPhatter. Staff in attendance: County Attorney Ed Johnston, County Manager Kevin Patterson and Deputy Clerk to the Board Timothy Martin.

Chairman Willis gave the floor to Mr. Johnston, County Attorney. Mr. Johnston explained the Memorandum of Understanding to the Board.

Commissioner McCook voiced concern over who would pay the upfront cost or administrative cost to start the project.

Mr. Johnston informed the Board that all administrative costs are the responsibility of the schools to pay.

County Attorney Ed Johnston introduced the following memorandum the title of which was read and copies of which had been previously distributed to each Commissioner:

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (hereinafter the "Memorandum"), made and entered into the ____ day of July, 2009, by and between the SCOTLAND COUNTY BOARD OF COMMISSIONERS (hereinafter referred to as "Board of Commissioners"), and the SCOTLAND COUNTY BOARD OF EDUCATION (hereinafter referred to as the "Board of Education");

W I T N E S S E T H:

WHEREAS, the Qualified School Construction Bonds (QSCB) Program was established as a part of the American Recovery and Reinvestment Act of 2009; and

WHEREAS, the Board of Education has by resolution of July 13, 2009 identified projects for which it will seek QSCB funds in the amount of \$3,000,000.00; and

WHEREAS, the projects ("Projects") for which funding from QSCB are sought are as follows:

Construction of a new classroom wing at Wagram Elementary School to allow relocation of Grades 4 and 5 from Shaw School back to Wagram Elementary School, and renovation and updating of Shaw School and its conversion to the Alternative Learning Academy, to allow closure of East Laurinburg School. The anticipated start date for construction is on or about February 1, 2010, with anticipated completion on or about April 1, 2011; and

WHEREAS, the Board of Education has requested the Board of Commissioners to endorse the Projects and the Board of Education's related application for the QSCB \$3,000,000.00 loan; and

WHEREAS, the Board of Commissioners has agreed to the request of the Board of Education subject to the conditions and provisions stated herein;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein, the parties agree as follows:

1. The Board of Education shall pursue QSCB loan funds in the amount of \$3,000,000.00 for the Projects.
2. The Board of Commissioners endorses the Projects as well as the Board of Education's efforts to secure QSCB loan funds in the amount of \$3,000,000.00.

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3. The Board of Commissioners' endorsement is subject to the following conditions and provisions:
 - a. The Board of Education and the Board of Commissioners hereby designate unrestricted lottery revenues to make the payments upon the QSCB bond debt incurred in connection with the Projects (the "Debt").
 - b. If unrestricted lottery revenues are not sufficient to cover the Debt payments for any year during the term of the Debt, the Board of Education will request a transfer from current expense to its capital fund in an amount which is sufficient to cover the shortfall up to the QSCB Debt payment amount.
 - c. Any transfer from the Current Expense budget to the Capital budget shall not reduce the base amount of the Current Expense for calculating funding for subsequent years unless otherwise approved by the Board of Education and Board of Commissioners.
 - d. This agreement shall remain in effect until the Debt has been satisfied.
 - e. Although the County Manager has projected that school funding, especially that from or through the State of North Carolina, is likely to substantially decrease in upcoming fiscal years (starting in fiscal year 2009-2010) and the Board of Education is aware of the Manager's Projection, it is the intention and expectation of each party hereto that the successor boards to each respective party honor and comply with the provisions hereof.

Each party hereto has executed this Memorandum of Agreement after due consideration and the adoption of a resolution by each approving its execution by its respective officers and officials.

Motion was made by Commissioner Alford and duly seconded by Commissioner McCook to accept the Memorandum of Agreement. Vote: Motion unanimously approved.

Mr. Patterson updated the Board on the status of refinancing the current bonds. The bonds have been refinanced at a savings of 4%.

Motion was made by Commissioner Alford and duly seconded by Commissioner Gholston to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 5:10 p.m.

Timothy L. Martin
Deputy Clerk to the Board

J.D. Willis
Chairman