

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

FEBRUARY 15, 2023
OTHERS PRESENT

Gordon Powell
C. Derrick Sims
Kyle W. Puryear
Charlie Palmer
Jason Thomas

Katherine M. Cathey, County Manager
Brenda B. Reaves, Clerk to the Board

The Board of Commissioners for the County of Person, North Carolina, met in special-called session on Wednesday, February 15, 2023 at 6:00pm in the Person County Office Building Auditorium located at 304 S. Morgan St., Roxboro, NC. The purpose of the special-called meeting was to meet jointly with the Board of Education to discuss the needs and funding of Person County Schools.

Board of Education Chair Freda Tillman and Chairman Powell called the joint session meeting to order noting all members of each governing body were present. Harriett Tillett, a member of the Board of Education, asked the group for a moment of silence and led the group in the pledge of allegiance.

In attendance, representing Person County, were Chairman Powell, Vice Chairman Sims and Commissioners Puryear, Thomas and Palmer. Also present were County Manager Katherine Cathey, Assistant County Manager Brian Hart, Finance Director Amy Wehrenberg and Clerk to the Board Brenda Reaves.

In attendance, representing the Board of Education, were Chair Freda Tillman, Vice-Chair Phillip Gillis, and school board members Margaret Bradsher, Harriett Tillett, and Jason Torian. Superintendent Dr. Rodney Peterson, Assistant Superintendent of Finance Julie Masten, Chief Operations Officer Chris Clayton and Clerk to the Board of Education Candice Pulliam were also present.

Ms. Tillman requested the status from the Board of Commissioners related to the needs and funding requests of Person County Schools that were jointly discussed, first in November 2018, following the facilities assessment study, then again with the consultants in February 2020 and most recently, last October 2022, mainly focusing on deferred maintenance for ADA and safety needs.

Chairman Powell and Vice Chairman Sims both asked for the Board of Education's final desired plan, noting through the many discussions with both boards, there was talk of the ADA and safety needs and there was discussion of new construction for an elementary school, noting commissioners wanted to hear the Schools' plan to move forward.

February 15, 2023

Dr. Peterson stated if the Board of Commissioners was entertaining a new elementary school at this time, that he would not devote any funds for ADA and safety at any school that may be considered for closure or consolidation. He added if a new elementary school was not possible at this time, he would submit that the \$38.6M in identified ADA and safety needs would be the desired plan. Dr. Peterson said when he met with the Bond Attorney and debt consultants in September 2022 and learned the steps to meet the deadline for a summer 2023 financing for issuance of debt for the ADA and safety needs, he hired an architect to identify the projects and complete the bid phase to submit to the Local Government Commission. However, in early January 2023 when Dr. Peterson spoke with County Manager Katherine Cathey, he said she conveyed that the Board of Commissioners has not taken official action so he immediately paused the architect's work. Dr. Peterson stated that further discussion was warranted related to a new elementary school and the impact of such on other schools possibly being consolidated before the final proposal was in place. At the very minimum, Dr. Peterson stated the issuance of debt would address the ADA and safety accessibility issues.

Dr. Peterson stated if the Board of Commissioners takes action to move forward, the timeline would now be into the next fiscal year for the financing as the architect was no longer working on the Person County Schools' projects.

Chairman Powell said that he and the commissioners did not doubt the needs for the schools but wanted to convey that the County would have to establish a plan over a time period to issue debt incrementally noting other pending county considerations, i.e. Duke Energy's Carbon Reduction Plan, noting the closure of the coal-fired plants, the largest taxpayer in the County, and pending interest and investment in the Mega Site to bring economic development to the County. With all things before the County, Chairman Powell reiterated uncertainty in the future of the County.

County Manager Katherine Cathey gave the group a handout outlining the steps involved with a financing schedule as well as Debt Model Projections for Schools' needs with some funding options. She noted agreement with Chairman Powell's comments related to the uncertainty of the Carbon Plan and its effect on Person County, noting replacement regeneration of energy is what County officials are requesting and putting efforts toward, the costs associated with the Mega Site projects, retention and recruitment of the County's workforce, and the County's debt and revenue streams.

Ms. Cathey stated the handout outlined options as discussed with Dr. Peterson and noting the debt consultants have run each option in the debt model and further discussion would take place at the Board of Commissioners' upcoming retreat.

COUNTY OF PERSON, NORTH CAROLINA
SERIES 2023 LIMITED OBLIGATION BONDS



MARCH 2023						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL 2023						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY 2023						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE 2023						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

FINANCING SCHEDULE

<u>DATE</u>	<u>EVENT</u>	<u>PARTICIPANT</u>
May X	Advertise Construction bids (need bid schedule from schools)	County
July 3	Send Joint Legislative Letter	County; BC
Wk of July 3	LGC Kick off	County; FA; LGC
July X	Documents distributed	BC; UC
NLT July 30	Construction bids received	County
August 7	County adopts Preliminary Resolution; Calls public hearing	County; BC
NLT August 10	Publish notice of public hearing in newspaper	County; BC
August X	Document review X:XXam Dial-in: 866.390.5250 Passcode: 7355668	All
NLT August 11	Submit LGC application	County
NLT August 15	All major State permits obtained	County
August 21	County holds public hearing; County accepts construction contracts	County; BC
Wk of August 21	Rating Agency calls	County; FA
September 4	County adopts Approving Resolution	County; BC
September 8	Receive Ratings	County; FA
September 12	LGC Approval	LGC
September 12	Finalize documents	BC; UC
September X	Post POS	UW; BC; UC
September X	Pricing (TBD)	All
September X	Sign BPA	County
October 4	Closing	All

Participants:

County County of Person, NC
 FA Financial Advisor - DEC Associates Inc.
 BC Bond Counsel -- Parker Poe

UW
 UC
 LGC

Underwriter -- PNC
 Underwriter Counsel -- ??
 Local Government Commission

DEC Associates, Inc.
 Defining Emerging Concepts

v3

February 15, 2023

**Person County
Debt Model Projections for Schools**

(2/15/2023 Joint BOE/BOC Meeting)



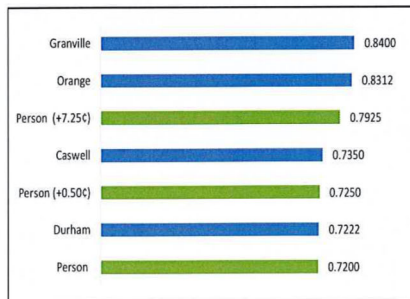
Option #	¢ Needed	2023 PHS Project	2024 New School and Other Sch Improvements	2025 Other Sch Improvements	2027 Other Sch Improvements	Total Projects	Comments
1	0.00	\$ 12,745,000				\$ 12,745,000	BOC to commit for PHS only
2	0.00	\$ 12,745,000		\$ 11,350,000	\$ 12,060,000	\$ 36,155,000	Partial request based on Oct 2021 estimates
3	0.25	\$ 12,745,000		\$ 11,715,000	\$ 13,795,000	\$ 38,255,000	Partial request based on Oct 2021 estimates
4	0.50	\$ 12,745,000		\$ 12,085,000	\$ 14,155,000	\$ 38,985,000	Based on Schools' Request Oct 2021
5	7.25	\$ 12,745,000	\$ 45,265,000	\$ 15,135,000	\$ 15,480,000	\$ 88,625,000	Based on Schools' Request Oct 2022

Notes: Assumptions for all options include a \$300K cost per issuance, 5% interest rate, 20-year term, and the issuance to occur after June of each of the calendar years reported in the column headers.

Options #1-#4 include financing 5% contingency, with other 10% supported by County local dollars as necessary.

Option #5 is based on School's request in October 2022 to include construction of a new school and Stories Creek build-out and is distributed between 4 issuances (calculated based on cashflow schedule that the Schools provided). Due to the significant issuance level, this option includes financing 15% contingency.

2022-2023 County Tax Rates



Impact on Annual Tax Bill

Median value: \$146,900	Person County	Property	Fire	Total	Increase
Options 1 & 2 (no increase)	Tax Rate	0.7200	0.0500	0.7700	\$ -
	Total Taxes	\$1,057.68	\$73.45	\$1,131.13	
Option 3 (+0.25¢)	Tax Rate	0.7225	0.0500	0.7725	\$ 3.67
	Total Taxes	\$1,061.35	\$73.45	\$1,134.80	
Option 4 (+0.50¢)	Tax Rate	0.7250	0.0500	0.7750	\$ 7.35
	Total Taxes	\$1,065.03	\$73.45	\$1,138.48	
Option 5 (+7.25¢)	Tax Rate	0.7925	0.0500	0.8425	\$ 106.50
	Total Taxes	\$1,164.18	\$73.45	\$1,237.63	

February 15, 2023

Dr. Peterson addressed questions related to capacity issues noting Numerix, LLC, a company Person County Schools has been working with to assist with forecasting student enrollment, to determine elementary attendance boundaries with consolidation of schools in mind noting the high school and two middle schools have capacity but it was the elementary schools that are experiencing capacity issues, mainly, South, Oak Lane, Helena and maybe Woodland. He added that redistricting was deemed not a choice by Numerix due to the lack of space.

Commissioner Palmer asked school officials to explain the Terrell School Fund to which Julie Masten, explained it is an endowment where the principal amount was reinvested every year with the schools receiving the interest earned annually. She said the annual amount of interest earned yielded approximately \$17,000.

Dr. Peterson stated there was a critical need for window replacement at schools. He said some windows are not made of the standard rated for schools' use. He estimated the cost of replacement windows for the high school at \$1.8M (this is in addition to the \$12.7M in ADA and safety needs).

Vice Chairman Sims asked about safety needs related to metal detectors to which Dr. Peterson noted the high school and two middle schools will have a weapons detection system installed and elementary schools will have cameras installed. Dr. Peterson said the schools have aging windows, doors and the locking mechanisms are outdated noting key locks are not best practice and locking systemically is now preferred.

Chairman Powell stated student and staff safety is a top priority for the Board of Commissioners. Commissioners affirmed further discussion at the Retreat.

ADJOURNMENT:

A **motion** was made by Commissioner Puryear and **carried 5-0** to adjourn the meeting at 7:02pm.

Brenda B. Reaves
Clerk to the Board

Gordon Powell
Chairman

February 15, 2023