

# FORSYTH COUNTY

## BOARD OF COMMISSIONERS

MEETING DATE: JANUARY 25, 2016

AGENDA ITEM NUMBER: 5

**SUBJECT:**

- A. RESOLUTION RATIFYING AND AUTHORIZING JOINT APPLICATIONS BY FORSYTH COUNTY AND THE WINSTON-SALEM/FORSYTH COUNTY SCHOOLS FOR \$3,725,300.00 FROM THE PUBLIC SCHOOL BUILDING CAPITAL FUND (EDUCATION LOTTERY FUND) TO RETIRE A PORTION OF THE COUNTY'S SCHOOL BOND INDEBTEDNESS
  
- B. AMENDMENT TO STATE PUBLIC SCHOOL BUILDING CAPITAL FUND TO APPROPRIATE EDUCATION LOTTERY PROCEEDS TO RETIRE A PORTION OF THE COUNTY'S SCHOOL BOND INDEBTEDNESS

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS: Recommend Approval

**SUMMARY OF INFORMATION:**

Joint applications will be submitted by Forsyth County and the Winston-Salem/Forsyth County Schools to the State for approval of lottery proceeds in the amount of \$3,725,300.00 from the Public School Building Capital Fund (Education Lottery Fund) to pay debt service on the 2007A and 2008 School Bond Issues.

ATTACHMENTS:  YES  NO

SIGNATURE: J. Dudley Watts, Jr. / ckh

COUNTY MANAGER

DATE: January 20, 2016

**RESOLUTION RATIFYING AND AUTHORIZING JOINT APPLICATIONS BY  
FORSYTH COUNTY AND THE WINSTON-SALEM/FORSYTH COUNTY  
SCHOOLS FOR \$3,725,300.00 FROM THE PUBLIC SCHOOL BUILDING CAPITAL  
FUND (EDUCATION LOTTERY FUND) TO RETIRE A PORTION OF THE  
COUNTY'S SCHOOL BOND INDEBTEDNESS**

**WHEREAS**, N.C.G.S. 18C-164 provides that forty percent of the net revenue of the Education Lottery Fund is to be distributed to the Public School Building Capital Fund, which was created to assist county governments in meeting their public school building capital needs; and

**WHEREAS**, monies in the said Public School Building Capital Fund are to be used for capital outlay projects and in the event the county does not need all or part of the funds allocated to it for capital outlay projects, the unneeded funds may be used to retire any indebtedness incurred by the county for public school facilities; and

**WHEREAS**, on December 8, 2015, the Winston-Salem/Forsyth County Board of Education adopted a Resolution indicating that \$3,725,300.00 in North Carolina Education Lottery proceeds have been allocated to Forsyth County which are unnecessary for the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings, for the purchase of land for public school buildings or for equipment to implement a local school technology plan, and recommends that the funds be used to retire a portion of the indebtedness incurred by the County for public school construction projects arising from the 2006 School Bonds; and

**WHEREAS**, the Winston-Salem/Forsyth County Schools are therefore willing to submit a joint application with Forsyth County to the Public School Building Capital Fund (Education Lottery Fund) to receive \$3,725,300.00 to be used to retire a portion of the County's 2006 School Bond indebtedness.

**NOW, THEREFORE, BE IT RESOLVED** that the Forsyth County Board of Commissioners hereby authorizes the Chairman and the County Manager and the Clerk to the Board to execute the necessary documents, on behalf of Forsyth County, to submit joint applications with the Winston-Salem/Forsyth County Schools to the Public School Building Capital Fund (Education Lottery Fund) to receive \$3,725,300.00, which is not needed for capital outlay projects and can be used to retire a portion of the County's 2006 School Bond indebtedness, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

**BE IT FURTHER RESOLVED** that this resolution ratifying interlocal cooperation between Forsyth County and the Winston-Salem/Forsyth County Board of Education is hereby spread upon the minutes of the Forsyth County Board of Commissioners.

Adopted this the 25<sup>th</sup> day of January 2016.

**FORSYTH COUNTY, NORTH CAROLINA  
AMENDMENT TO  
STATE PUBLIC SCHOOL BUILDING CAPITAL FUND**

**FROM: BUDGET & MANAGEMENT**

**MEETING DATE: January 25, 2016**

**EXPLANATION:** This State Public School Building Capital Fund amendment reflects the transfer of lottery proceeds from the Public School Building Capital Fund (Education Lottery Fund). The funds are needed for debt service payments on the 2007A and 2008 School Bond Issues arising from the 2006 School Construction Bonds.

**BE IT ORDAINED BY THE FORSYTH COUNTY BOARD OF COMMISSIONERS THAT THE STATE PUBLIC SCHOOL BUILDING CAPITAL FUND IS HEREBY AMENDED AS FOLLOWS:**

<p><b>INCREASE:</b> SECTION 1. REVENUES</p> <p>Lottery Proceeds</p> <p>Debt Service 2007A School Bonds</p> <p>Debt Service 2008 School Bonds</p>	<p>677,800.00</p> <p>3,047,500.00</p> <p><b>\$ 3,725,300.00</b></p>
<p><b>INCREASE:</b> SECTION 2. AUTHORIZATION FOR PROJECTS AND APPROPRIATION OF FUNDS.</p> <p>Transfer to General Fund</p> <p>Debt Service 2007A School Bonds</p> <p>Debt Service 2008 School Bonds</p>	<p>677,800.00</p> <p>3,047,500.00</p> <p><b>\$ 3,725,300.00</b></p>

**NATURE OF TRANSACTION:**

- Additional Revenue Available
- Transfer within Accounts of Same fund
- Other:

**APPROVED BY BOARD OF COUNTY COMMISSIONERS AND ENTERED ON MINUTES DATED \_\_\_\_\_**  
**AGENDA ITEM NUMBER \_\_\_\_\_**

RESOLUTION  
OF THE  
WINSTON-SALEM/FORSYTH BOARD OF  
EDUCATION

WHEREAS, with the inception of the North Carolina Education Lottery, the County of Forsyth, has received education lottery proceeds;

WHEREAS, the lottery has a yearly forecast of projected sales and deposits into the school accounts;

WHEREAS, the estimated 2015-2016 lottery distribution is \$3,725,300 and remaining balance of 2014-15 is \$58,505.81.

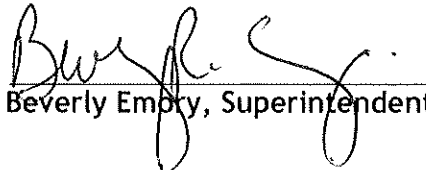
WHEREAS, the Department of Public Instruction allows the Winston-Salem/Forsyth County Board of Education to obligate the estimated lottery distribution to the County of Forsyth, while the County of Forsyth may only make withdrawals up to the amount in the Fund; and

WHEREAS, in accordance with N.C.G.S. § 18C-164. The Winston-Salem/Forsyth County Board of Education believes \$3,725,300 of lottery funds should be used as funds become available to retire school bond indebtedness from the 2007A-2008 school bonds (all part of the 2006 school bond referendum) to minimize property tax increases.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE WINSTON-SALEM/FORSYTH COUNTY BOARD OF EDUCATION that it hereby request the sum of \$3,725,300 be used by the County of Forsyth to retire indebtedness incurred by the County for public school facilities arising from the 2007A and 2008 school bonds.

Adopted by the Winston-Salem/Forsyth County Board of Education; this, the 8<sup>th</sup> day of December 2015.

By:   
Dana Caudill Jones, Chair

Attest:   
Beverly Emory, Superintendent

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Forsyth County  
LEA: Winston-Salem/Forsyth County Sch  
Address: 475 Corporate Sq, Winston-Salem, N

Contact Person: Paul L. Fulton, Jr  
Title: Chief Financial Officer  
Phone: 336-703-2050

Project Title: Debt Service 2008 School Bonds

Location: \_\_\_\_\_

Type of Facility: \_\_\_\_\_

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

- (3) No county shall have to provide matching funds...
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. **Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.**

Short description of Construction Project: FY 15/16 Debt Service 2008 School Bonds

**Estimated Costs:**

Purchase of Land	_____	\$	_____
Planning and Design Services	_____		_____
New Construction	_____		_____
Additions / Renovations	_____		_____
Repair	_____		_____
Debt Payment / Bond Payment	_____		3,047,500.00
<b>TOTAL</b>	_____	<b>\$</b>	<b>3,047,500.00</b>

Estimated Project Beginning Date: 07/01/2015 Est. Project Completion Date: 06/30/2016

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 3,047,500.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners) \_\_\_\_\_ (Date) \_\_\_\_\_  
 (Signature — Chair, Board of Education) Dana Caudill Jones 12-8-15  
 \_\_\_\_\_ (Date) \_\_\_\_\_

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Forsyth County

Contact Person: Paul L. Fulton, Jr

LEA: Winston-Salem/Forsyth County Sch

Title: Chief Financial Officer

Address: 475 Corporate Sq, Winston-Salem, N

Phone: 336-703-2050

Project Title: Debt Service 2007 A School Bonds

Location: \_\_\_\_\_

Type of Facility: \_\_\_\_\_

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(4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.

(5) A county may not use monies in this Fund to pay for school technology needs.

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Short description of Construction Project: FY 15/16 Debt Service 2007A School Bonds

Estimated Costs:

Purchase of Land	_____	\$	_____
Planning and Design Services	_____		_____
New Construction	_____		_____
Additions / Renovations	_____		_____
Repair	_____		_____
Debt Payment / Bond Payment	_____		677,800.00
<b>TOTAL</b>	_____	<b>\$</b>	<b>677,800.00</b>

Estimated Project Beginning Date: 07/01/2015

Est. Project Completion Date: 06/30/2016

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 677,800.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners)

(Date)

(Signature — Chair, Board of Education)

Dana Cundi'ill Jones

12-8-15

(Date)

Form Date: July 01, 2011

December 8, 2015

Mr. Paul Fulton  
Forsyth County Finance Director  
Forsyth County Government Center  
201 North Chestnut Street  
Winston-Salem, NC 27101

Re: North Carolina Education Lottery Proceeds

At its meeting on December 8, 2015 the Winston-Salem/Forsyth County Board of Education unanimously passed the enclosed Resolution requesting the County of Forsyth us \$3,725,300 of lottery funds to retire indebtedness incurred by the County of Forsyth for public school facilities arising from 2008 school bonds. In accordance with N.C.G.S. § 18C-164 and N.C.G.S. § 115C-546.2, the Board of Education believes this amount to be unnecessary for the planning, construction, reconstruction, enlargement, improvement, repair or renovation of public school buildings, for the purchase of land for public school buildings or from equipment to implement a local school technology plan.

Also enclose are two completed and executed Applications for Public School Building Capital Fund North Carolina Education Lottery. Should you have any questions or wish to discuss this matter, please do not hesitate to contact me.

Sincerely yours,  
Winston-Salem/Forsyth County Board of Education



Allison C. Tomberlin  
General Counsel

Enclosures

cc: Beverly Emory, Superintendent (w/out encl.)  
Chick Plunkett, Director of Financial Services (w/out encl.)  
Darrell Walker, Assistant Superintendent for Operations (w/out encl.)

*srs P drive: Education Lottery 2014-15*

**Board of Education**

Dana Caudill Jones, Chair • Jeannie A. Metcalf, Vice Chair • Robert Barr • Lori Goins Clark •  
Mark Johnson • Victor Johnson, Jr. • Elisabeth Motsinger • David Singletary • Deanna Taylor

Dr. Beverly Emory, Superintendent