

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: FEBRUARY 13, 2017 AGENDA ITEM NUMBER: 15-A&B

SUBJECT:


- A. RESOLUTION RATIFYING AND AUTHORIZING JOINT APPLICATIONS BY FORSYTH COUNTY AND WINSTON-SALEM/FORSYTH COUNTY SCHOOLS FOR STATE 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 GRANT PROJECT ORDINANCE

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS: Recommend Approval

SUMMARY OF INFORMATION:

Joint applications will be submitted by Forsyth County and Winston-Salem/Forsyth County Schools to the State for approval of lottery proceeds in the amount of \$3,694,842.00 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:  DATE: February 8, 2017
COUNTY MANAGER

**RESOLUTION RATIFYING AND AUTHORIZING JOINT APPLICATIONS BY
FORSYTH COUNTY AND WINSTON-SALEM/FORSYTH COUNTY SCHOOLS
FOR STATE 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 North Carolina State Lottery Fund is to be distributed to the State 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 State 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 13, 2016, the Winston-Salem/Forsyth County Board of Education adopted a Resolution indicating that \$3,694,842.00 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, Winston-Salem/Forsyth County Schools are therefore willing to submit a joint application with Forsyth County to the State Public School Building Capital Fund (Education Lottery Fund) to receive \$3,694,842.00 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 Winston-Salem/Forsyth County Schools to the State Public School Building Capital Fund to receive \$3,694,842.00 in Education Lottery Funds, which are not needed for public school 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 13th day of February 2017.

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

FROM: BUDGET & MANAGEMENT

MEETING DATE: February 13, 2017

EXPLANATION: This grant project ordinance amendment reflects the transfer of lottery proceeds from the State 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 GRANT PROJECT ORDINANCE IS HEREBY AMENDED AS FOLLOWS:

<p>INCREASE: SECTION 1. REVENUES</p> <p style="padding-left: 20px;">Lottery Proceeds</p> <p style="padding-left: 20px;">Debt Service 2007A School Bonds</p> <p style="padding-left: 20px;">Debt Service 2008 School Bonds</p>	<p>1,783,500.00</p> <p>1,961,342.00</p> <p>\$ <u>3,744,842.00</u></p>
<p>INCREASE: SECTION 2. AUTHORIZATION FOR PROJECTS AND APPROPRIATION OF FUNDS.</p> <p style="padding-left: 20px;">Transfer to General Fund</p> <p style="padding-left: 20px;">Debt Service 2007A School Bonds</p> <p style="padding-left: 20px;">Debt Service 2008 School Bonds</p>	<p>1,783,500.00</p> <p>1,961,342.00</p> <p>\$ <u>3,744,842.00</u></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 _____

**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 Schools

Title: CFO

Address: 475 Corporate Sq. Winston-Salem

Phone: 336-703-2050

Project Title: Debt Service 2007A 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 16-17 Debt Service 2007A School Bonds


Estimated Costs:

Purchase of Land	_____	\$	_____
Planning and Design Services	_____		_____
New Construction	_____		_____
Additions / Renovations	_____		_____
Repair	_____		_____
Debt Payment / Bond Payment	_____		1,783,500.00
TOTAL	_____	\$	1,783,500.00

Estimated Project Beginning Date: 07/1/2016 Est. Project Completion Date: 06/30/2017

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 \$ 1,783,500.00 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.

 _____ (Date)

_____ (Date)

(Signature — Chair, Board of Education)

**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: CFO

Address: 475 Corporate Sq. Winston-Salem

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 16-17 Debt Service 2008 School Bonds

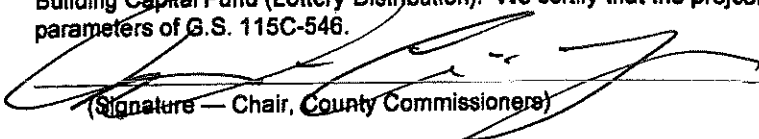
Estimated Costs:

Purchase of Land _____	\$ _____
Planning and Design Services _____	_____
New Construction _____	_____
Additions / Renovations _____	_____
Repair _____	_____
Debt Payment / Bond Payment _____	1,961,342.00
TOTAL _____	\$ 1,961,342.00

Estimated Project Beginning Date: 07/1/2016 Est. Project Completion Date: 06/30/2017

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 \$ 1,961,342.00 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) (Date)

January 31, 2017

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

RE: North Carolina Education Lottery Proceeds

Dear Mr. Fulton:

At its meeting on December 13, 2016, the Winston-Salem Forsyth County Board of Education unanimously passed the enclosed Resolution requesting the County of Forsyth use \$3,694,482 of lottery funds to retire indebtedness incurred by the County of Forsyth for public school facilities arising from 2008 school bonds. In accordance 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 for equipment to implement a local school technology plan.

Also, enclosed 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,



Dionne Jenkins
General Counsel
Winston-Salem/Forsyth County Board of Education

Enclosures

C: Beverly Emory, Superintendent
Kerry Crutchfield, Budget Director
Darrell Walker, Assistant Superintendent, Operations

Board of Education

Dana Caudill Jones, Chair • Robert Barr, Vice Chair • Lori Goins Clark • Lida Calvert Hayes
Mark Johnson • Victor Johnson, Jr. • Elisabeth Motsinger • David Singletary • Deanna Taylor

Dr. Beverly Emory, Superintendent

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;

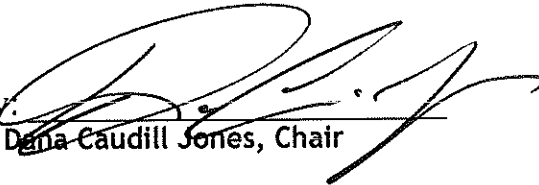
WHEREAS, the estimated 2015-2016 lottery distribution is \$3,694,842 and remaining balance of 2015-16 is \$50,000.

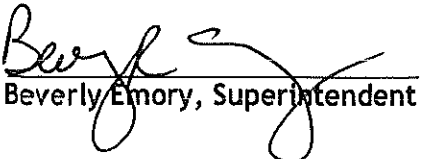
WHEREAS, the Department of Public Instruction allows the Winston-Salem/Forsyth County Board of Education to obligate the estimated lottery distribution to the County of Forsyth, while the County of Forsyth may only make withdrawals up to the amount in the Fund; and

WHEREAS, in accordance with N.C.G.S. § 18C-164. The Winston-Salem/Forsyth County Board of Education believes \$3,694,842 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 \$3,694,842 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 13th day of December 2016.

By: 
Dana Caudill Jones, Chair

Attest: 
Beverly Emory, Superintendent

**WINSTON-SALEM/FORSYTH COUNTY BOARD OF EDUCATION
WINSTON-SALEM, NORTH CAROLINA**

AGENDA TITLE: Education Lottery Funding School Bond Debt Service

AGENDA TOPIC: Approval and authorization of Education Lottery Funds for payment Debt Service 2007A and 2008 School Bond Debt.

BACKGROUND INFORMATION:

Since its inception in 2006, the County of Forsyth has received \$47,699,298.32.06 from the North Carolina Education Lottery. The Board of Education has previously approved the sum of \$44,014,794.06 to be allocated to debt service as requested by Forsyth County.

As a result of the passage of the 2008 Bond Issue, the County proposes the WS/FCS allocation be used to reduce the County's debt service and minimize property tax increases. The following is a breakdown:

Unallocated Lottery Fund Balance-Oct. 2015	\$ 50,000.00
Estimated Lottery Distribution 2015-16	<u>\$ 3,694,842.00</u>
Total Available	\$ 3,744,842.00

Current Request of Funds for Debit Service \$ 3,694,842.00

SUPERINTENDENT'S RECOMMENDATION:

That the Board of Education approve the use of Education Lottery Funds for payment of 2007A and 2008 Bond Debt Service as indicated.