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FAYETTE COUNTY LEGISLATIVE BODY

JUNE 7, 2011

BE IT REMEMBERED that the Fayette County Legislative Body met in a special called session at the Bill G. Kelley Criminal Justice Complex in Somerville, Tennessee, on the 7th day of June, 2011. Present and presiding was Chairman Rhea Taylor. Also present were the following: Sue W. Culver, County Clerk, and James R. "Bobby" Riles, Sheriff; and the following County Commissioners: Ed Allen, Joann Allen, Steve Anderson, Charles Brewer, Odis Cox, Lee "Sissy" Dowdle, Ronald Harris, Reggie Howard, Judy Karcher, Bill Kelley, Terry Leggett, David Lillard, Sylvester Logan, Claude Oglesby, Steve Reeves, Raymond Seals, Myles Wilson, and Larry Watkins.

Commissioner Willie German, Jr. was absent. A quorum was met with eighteen (18) Commissioners present.

The meeting opened with Chairman Taylor giving a brief summary of the items on the agenda, stating that items 7 and 8 had been addressed in the May regular session. The only item to be considered is item 5, consideration, discussion, and a vote on the mediated proposal for the Construction of a school building for the Fayette County School System.

Commissioner Oglesby moved that the following "Resolution To Ratify The School Mediation Agreement For New School Construction" be approved as presented. The motion was seconded by Commissioner Anderson, and a roll call vote was taken with the following results:

Voting "YES" : Commissioners Ed Allen, Joann Allen, Anderson, Brewer, Cox, Dowdle, Harris, Howard, Karcher, Kelley, Leggett, Lillard, Logan, Oglesby, Reeves, Seals, Wilson, and Watkins (18)

There were no opposing votes, so the resolution passed as follows:

WHEREAS, Approved representatives of the Fayette County Commission and the Fayette County School Board met on May 24, 2011, to mediate a request to build a new school that is associated with the ongoing federal lawsuit, *McFerrer et al. & United States of America v. County Board of Education of Fayette County, Tennessee*, Civil Action No. C-65-136; and

WHEREAS, The request for mediation was by the Fayette County School Board. Their representatives were Chairman Robert Redditt, Director of Schools Dr. Cedric Gray, School Board Attorney Tom Minor, and Assistant Director of Schools Dr. Lorene Essex. The Fayette County Commission agreed to the mediation and sent as their representatives County Commissioner Claude Oglesby, County Mayor Rhea Taylor, County Attorney Richard Rosser, Attorney Trey Jordan, and Attorney Steve Shields; and

WHEREAS, The mediation was guided throughout the day by retired Court of Appeals Judge Joe Riley, and was successfully completed with an agreed upon proposal to present to both the Fayette County Commission and the Fayette County School Board;

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Fayette County, meeting in special session on this 7th day of June, 2011, that the attached Mediated Proposal, Exhibit A, shall be adopted by reference and implemented once all parties mentioned in the agreement approve, and the proposal is implemented in an order with the appropriate federal court.

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

JOHN MCFERREN, JR., ET AL,
AND
UNITED STATES OF AMERICA,

Plaintiffs

VS.

CIVIL ACTION NO 65-136

COUNTY BOARD OF EDUCATION OF
FAYETTE COUNTY, ET AL,

Defendants.

MEDIATION AGREEMENT

Pursuant to the mediation as conducted by representatives of both the County Commission and the County School Board, represented by counsel, the Honorable Joe Riley, retired judge presiding, the parties have reached an agreement to be submitted to their respective bodies as to a basis to resolve certain issues currently pending in Federal Court to the benefit of the citizens of Fayette County. The representatives believe that the proposals made during mediation and agreed to in principal to serve the interest of all citizens of Fayette County and therefore it is their intent to recommend without modification or amendment the following:

1. That the Fayette County School Board shall retain possession of Jefferson Elementary for the principal purposes of the relocation of the alternative school and for such other purposes as to maximize utilization of that facility.

2. The Fayette County Commission shall upon formal request from the Fayette County School Board seek issuances of a bond so as to fund construction of an elementary school in the amount not to exceed Ten Million Five Hundred (\$10,500,000.00) Dollars. The Fayette County Commission will service the debt on Eight Million (\$8,000,000.00).

3. The Fayette County School Board shall assist in the service of the debt by contributing annually ^{no more than} ~~One Hundred Forty~~ ^{Security - 2007} ~~Thousand~~ ²⁵ ~~(~~ ^{1m} ~~)~~ (\$171,000.00) Dollars for a period of twenty-five (25) years. However, This amount will be reduced to the extent the total construction cost is less than Ten million Five Hundred (\$10,500,000.00) Dollars. (-e.g. The County Commission will pay 8 Million Dollars (\$8,000,000.00) but if the constructuion amount equals Ten Million (\$10,000,000.00) Dollars- The Five Hundred Thousand (\$500,000.00) Dollars in savings will be attributed to the Board of Education). The Board of Education will then only service the debt on Two Million(\$2,000,000.00) Dollars and their annual payment will be adjusted accordingly downward.

4. That Fayette County School Board shall instruct and shall seek to have the Court order that the annual contributions of One Hundred seventy-one

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OR THE LESSER SUM AS DEFINED HEREINAFTER & HEREINAFTER

Thousand (\$171,000.00) Dollars shall be made from funds including but not limited to BEP funds which are otherwise directed to the School Board through the County Trustee.

5. The Fayette County School Board shall instruct their attorney of record to insure that all necessary language is incorporated into a Consent Order to insure that the Court explicitly understands that the County requests and that the Court orders the County Trustee to deduct One Hundred seventy-one Thousand (\$171,000.00) Dollars annually from funds received by the County Trustee which would otherwise be directed to the County School Board.

6. That upon deduction of One Hundred Seventy-One Thousand (\$171,000.00) Dollars annually the County Trustee shall direct said funds to the County Commission to the explicit purpose of payment on the bond debt.

7. The County School Board shall by quitclaim deed or such legal instrument as required by Fayette County or as may be required surrender to the County Commission approximately fifteen (15) acres from the "North Campus" property with said property to be utilized by the County Commission at its discretion; it is anticipated that the fifteen (15) acres will be utilized for the Public Works Department.

8. The School Board to insure that the children of Fayette County are properly served with adequate facilities has requested and secured certain

“triggers” which would, if occurring, require the expansion of the new facility. The “trigger” for the expansion for the new elementary school would occur only when the percent utilization of the Central Elementary School and the New School to be built reach the level of occupation of 520 for the new school and 350 for Central Elementary School for at least two consecutive years. If Central Elementary is closed by the School Board, the trigger herein as defined above shall be deemed void and shall not serve to compel expansion of the New School. The parties agree that the trigger is necessary only to require expansion at the new school as would be necessary to accommodate the natural school population expansion in the area being served by the new school without regard to the core size of the construction of the new school, if the trigger is met, the expansion to the new school would only serve to expand the number of classrooms in a number not to exceed additional classrooms to accommodate no more than 200 students. To the extent that this provision is incompatible with any TN law it shall be deemed void and unenforceable regarding the funding rights and duties of the County commission.

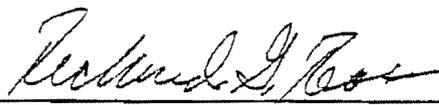
9. This agreement is contingent and subject to approval and agreement of the Fayette County Commission, The Fayette County Board of Education, the Department of Justice of the United States, The Legal Defense Fund and the Court.

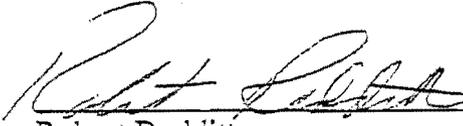
FAYETTE COUNTY, TENNESSEE

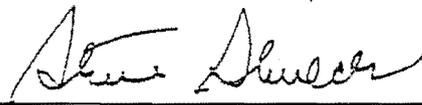
BY: 
RHEA TAYLOR, MAYOR

FAYETTE COUNTY BOARD OF EDUCATION

BY: 


RICHARD G. ROSSER #6689
ATTORNEY FOR FAYETTE COUNTY
102 EAST COURT SQUARE
SOMERVILLE, TENNESSEE 38068
(901) 465-5624


Robert Redditt



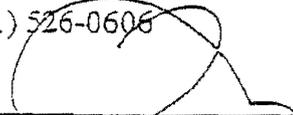
Witnessed By:

STEVE SHIELDS
ATTORNEY FOR FAYETTE COUNTY
260 GERMAN OAK DRIVE
MEMPHIS, TENNESSEE 38018

~~_____~~


LOYA A. JORDAN #1
ATTORNEY FOR FAYETTE COUNTY
119 SOUTH MAIN STREET, SUITE 400
MEMPHIS, TENNESSEE 38103
(901) 526-0606


CLAUDE D. OGLESBY


THOMAS M. MINOR, #10812
ATTORNEY FOR COUNTY BOARD OF

EDUCATION OF FAYETTE COUNTY,
TENNESSEE
124 EAST MARKET STREET
SOMERVILLE, TENNESSEE 38068

Commissioner Dowdle stated "I'm disappointed that the School Board did not keep up their end of the negotiation settlement. If they had, we would be voting on funding a request for a new school tonight."

With no further business before the Board, Commissioner Dowdle moved that the meeting be adjourned. The motion was duly seconded and passed unanimously.

Rhea Taylor, Mayor

Sue W. Culver, County Clerk