Town of Archer Lodge

AGENDA

Special Meeting for the Purposes of:

1) Public Hearing for Installment Financing for Park Land Acquisition; 2) and 3) Discussion and Possible Consideration of Approving Two Resolutions Authorizing Filing an Application with LGC to Approve a Financing Agreement for the Town Hall Expansion Project and Park Land Acquisition; 4) Adoption of the Annual Budget Ordinance for Fiscal Year Ending June 30, 2019; & 5) Discussion and Consideration of Approving an Offer to Purchase and Contract for Land Acquisition

Monday, June 25, 2018 @ 6:40 PM

Jeffrey D. Barnes Council Chambers

Page		
	1.	**WELCOME/CALL TO ORDER:**
	1.a.	Invocation
	1.b.	Pledge of Allegiance
	2.	**PUBLIC HEARING:**
		(Maximum of 30 minutes allowed, 3 minutes per person)
	2.a.	Proposed Installment Financing for Park Land Acquisition
	3.	**DISCUSSION AND POSSIBLE ACTION ITEMS:**
2 - 3	3.a.	Discussion and Consideration of Approving a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by NC§160A-20 for the Town Hall Expansion Project. (RESOLUTION# AL2018-06-25a) AL2018-06-25a Resolution for LGC Application for Financing Agreement - Town Hall Expansion
4 - 5	3.b.	Discussion and Consideration of Approving a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by NC§160A-20 for Park Land Acquisition. (RESOLUTION# AL2018-06-25b) AL2018-06-25b Resolution for LGC Application for Financing Agreement - Park Land Acquisition
6 - 7	3.c.	Discussion and Consideration of Proposed Annual Budget Ordinance for Fiscal Year Ending June 30, 2019 Annual Budget Ordinance FY2019 - PROPOSED
	3.d.	Discussion and Consideration of Approving an Offer to Purchase and Contract for Land Acquisition
	4.	**ADJOURNMENT:**

TOWN OF ARCHER LODGE
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR THE APPROVAL OF A FINANCING AGREEMENT AUTHROIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS the Town of Archer Lodge, North Carolina desires to expand the Town Hall, located at 14094 Buffalo Rd., Clayton, NC and construct a foundation for a Veteran's Memorial (the "Project") to better serve the citizens of the Town of Archer Lodge; and

WHEREAS, the Town of Archer Lodge, North Carolina desires to finance the Project using an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Archer Lodge, North Carolina, meeting in a special session on the 25th day of June 2018, make the following findings of fact:

1. The proposed contract is necessary or expedient because the Town has outgrown its current Town Hall. The Town of Archer Lodge needs to expand to a larger Town Hall and instead of looking to purchase a new tract and build a new Town Hall, obtaining financing to build on land already owned by the Town will be more expedient to the Town. Additionally, the loan is necessary to build a foundation for a Veteran's Memorial next to Town Hall.

2. The proposed contract is preferable to a bond issue for the same purpose because of the cost of the referendum, underwriting, and legal fees necessary for general obligation bond sales. The loan amount (**$405,000.00**) makes it relatively impractical to issue general obligation bonds. The loan is necessary because the project cannot be paid from current available appropriates and available unappropriated fund balances. The proposed financing gives the Town the ability and time to grow and accumulate more revenue to service the loan.

3. The cost of financing under the proposed contract is lower than the cost of issuing general obligation bonds. The Town can forgo the cost of the referendum, underwriting, and legal fees necessary for general obligation bond sales. A competitive interest rate has been negotiated and no new taxes or a tax increase will be necessary for repayment of the loan.

4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the Town currently owns the property on which the Project is to take place so additional funds will not be required to purchase new land as well as construct a larger Town Hall.

5. The Town of Archer Lodge, North Carolina's debt management procedures and policies are good because the Town has the highest debt management rating from auditors on a yearly basis. The Town carries out its debt management policies in strict compliance with state law, and the Town remains far below the statutory debt ceiling.

6. The will be no increase in taxes necessary to meet the sums to fall due under the proposed contract will and is therefore not deemed to be excessive.

7. The Town of Archer Lodge, North Carolina is not in default in any of its debt service obligations.

8. The attorney for the Town of Archer Lodge, North Carolina has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be extended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Mayor of the Town of Archer Lodge is hereby authorized to act on behalf of the Town of Archer Lodge in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this **25th** day of **June 2018.**

The motion to adopt this resolution was made by Council Member________________________, seconded by Council member ______________________________ and passed by a vote of _________ to ___________.

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Matthew B. Mulhollem, Mayor

ATTEST:

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Kim P. Batten, Town Clerk

TOWN OF ARCHER LODGE
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR THE APPROVAL OF A FINANCING AGREEMENT AUTHROIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the Town of Archer Lodge, North Carolina desires to purchase real property located at 2743 Castleberry Road, Clayton, NC 27527 to develop a park for the Town of Archer Lodge (the "Project") to better serve the citizens of the Town of Archer Lodge; and

WHEREAS, the Town of Archer Lodge, North Carolina desires to finance the Project using an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Archer Lodge, North Carolina, meeting in a special session on the 25th day of June 2018, make the following findings of fact:

1. The proposed contract is necessary or expedient because large tracts of farmland are highly sought by developers in the Archer Lodge area. The Town of Archer Lodge and surrounding areas is a quickly growing community. This tract of land was sought by multiple interested parties and entering into a private contract with seller financing was necessary for the Town to obtain this tract of land to develop a park.

2. The proposed contract is preferable to a bond issue for the same purpose because there was not adequate time to pursue a bond referendum. As stated above, this tract of land was highly sought after and time was of the essence in obtaining a contract with the seller. Additionally, the Town can forgo paying bank fees and other associated costs such as the cost of the referendum, underwriting, and legal fees necessary for general obligation bond sales. The loan amount ($**400,000.00**) makes it relatively impractical to issue general obligation bonds. The loan is necessary because the project cannot be paid from current available appropriates and available unappropriated fund balances. The proposed financing gives the Town the ability and time to grow and accumulate more revenue to service the loan.

3. The cost of financing under the proposed contract is lower than the cost of issuing general obligation bonds. The seller financed contract contains a competitive interest rate and eliminates fees associated with a traditional bond loan. The Town has been planning for and budgeting for the purchase of park land for years and has reserved $0.03 of their

tax rate into a Park Reserve Fund to help pay for the eventual land purchase and park development. The funds for repayment are already being collected by the Town and will not require an additional increase in taxes to the residents of the Town.

4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the Town has budgeted and planned for a park for numerous years. A reserve of $0.03 of their tax rate is in a Park Reserve Fund for park land acquisition and for park development. Additionally, a competitive interest rate was negotiated with seller for the purchase of the property. The Town has also been awarded grants to assist with repayment of the loan to seller.

5. The Town of Archer Lodge, North Carolina's debt management procedures and policies are good because the Town has the highest debt management rating from auditors on a yearly basis. There is an adequate source of funding for repayment of the debt through an existing tax. The Town has budgeted and planned for the purchase of the park over numerous years. The Town remains far below the statutory debt ceiling.

6. The will be no increase in taxes necessary to meet the sums to fall due under the proposed contract will and is therefore not deemed to be excessive.

7. The Town of Archer Lodge, North Carolina is not in default in any of its debt service obligations.

8. The attorney for the Town of Archer Lodge, North Carolina has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be extended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Mayor of the Town of Archer Lodge is hereby authorized to act on behalf of the Town of Archer Lodge in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this **25th** day of **June 2018.**

The motion to adopt this resolution was made by Council Member________________________, seconded by Council Member _____________________________ and passed by a vote of _________ to __________.

ATTEST:

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Matthew B. Mulhollem, Mayor

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Kim P. Batten, Town Clerk

TOWN OF ARCHER LODGE

Annual Budget Ordinance

FY 2018~2019

Pursuant to G.S. 159-17, be it ordained by the Town Council of the Town of Archer Lodge that: (1) Departmental Expenditures for the Fiscal Year shall not exceed the estimated departmental totals as depicted on the following page, the total being **$1,105,760** and (2) Revenues for Fiscal Year 2018~2019 shall equal total Expenditures; and (3) Revenues from the Ad Valorem property tax shall be levied in the amount of **$0.22** per $100 evaluation.

Adopted this 25th day of June 2018

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Matthew B. Mulhollem, Mayor

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Teresa M. Bruton, Budget Officer

ATTEST:

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Kim P. Batten, Town Clerk

Town of Archer Lodge, North Carolina
ANNUAL BUDGET ORDINANCE
For the Fiscal Year July 1, 2018 to June 30, 2019

Revenues and Expenditures

		Amount
General Fund Revenues:		
Ad-Valorem Property Taxes	$	654,600
State Sales Tax Distributions		164,010
Unrestricted Intergovernmental Revenues		200,000
Restricted Intergovernmental Revenues (PEG Media)		52,000
Permits and Fees		3,000
Fee in Lieu of Recreation		20,000
Investment Earnings		12,000
Miscellaneous Revenues		150
Total Revenues	$	1,105,760
General Fund Expenditures:		
General Government		
Governing Body	$	37,320
Administration		248,730
Tax Collections		18,000
Legal		15,000
Property Tax		100
Public Buildings		74,040
PEG Media Partners		52,000
Public Safety		
Law Enforcement		29,000
Animal Control		3,500
Archer Lodge Fire Department		258,000
Transporation - Public Works		
Streets		66,500
Planning and Zoning		98,905
Parks and Recreation		70,000
Debt Service		
Principal and Interest		48,665
Total Expenditures		1,019,760
Revenues Over (Under) Expenditures		86,000
Interfund Transfers		
General Fund Balance Appropriation		25,000
Transfer from Capital Reserve Fund		25,000
Interfund Transfers to Cap Res Fund & Park Res Fund		(136,000)
Total Other Financing Sources (Uses):		(86,000)
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$	-