



Special Meeting- Minutes 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**

COUNCIL PRESENT:

Mayor Mulhollem
Mayor Pro Tem Castleberry
Council Member Bruton
Council Member Jackson
Council Member Locklear
Council Member Wilson

STAFF PRESENT:

C.L. Gobble, Administrative Consultant
Chip Hewett, Town Attorney
Kim P. Batten, Finance Officer/Town Clerk

COUNCIL ABSENT:

MEDIA PRESENT:

None

1. WELCOME/CALL TO ORDER:

a) Invocation

Mayor Mulhollem called the meeting to order at 6:41 p.m. in the Jeffrey D. Barnes Council Chambers located at 14094 Buffalo Road, Clayton, NC and declared a quorum was present. Council Member Jackson offered the invocation.

b) Pledge of Allegiance

Mayor Mulhollem led the Pledge of Allegiance to the US Flag.

2. PUBLIC HEARING:

(Maximum of 30 minutes allowed, 3 minutes per person)

a) Proposed Installment Financing for Park Land Acquisition

Mayor Mulhollem asked for a motion to Open the Public Hearing at 6:43 p.m. There were no public comments.

Mayor Mulhollem asked for a motion to Close the Public Hearing at 6:44 p.m.

Moved by: Mayor Pro Tem Castleberry
Seconded by: Council Member Jackson
Approved to Open Public Hearing.

CARRIED UNANIMOUSLY

Moved by: Council Member Wilson
Seconded by: Council Member Locklear
Approved to Close Public Hearing.

CARRIED UNANIMOUSLY

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

**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 including the ALVM Grading.
(RESOLUTION# AL2018-06-25a)**

C.L. Gobble shared the proposed timeline for the Town Hall Expansion including the ALVM Grading:

1. Bidding begins in July 2018
2. Resolution along with Application submitted within 2 weeks to the Local Government Commission
3. Town Council will award the contract at August 6th meeting
4. Project is contingent on Local Government Commission approval on August 7, 2018

Discussion followed.

Resolution# AL2018-06-25a Authorizing the Filing of an Application for the Approval of a Financing Agreement Authorized by NC§160A-20 for the Town Hall Expansion including the ALVM Grading appears as follows:

RESOLUTION# AL2018-06-25a TOWN OF ARCHER LODGE RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR THE APPROVAL OF A FINANCING AGREEMENT AUTHORIZED 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. There will be no increase in taxes necessary to meet the sums to fall due under the proposed contract 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 Jackson, seconded by Council member Locklear and passed by a vote of 5 to 0.


Matthew B. Mulhollem, Mayor

ATTEST:


Kim P. Batten, Town Clerk



Moved by: Council Member Jackson
Seconded by: Council Member Locklear

Approved Resolution# AL2018-06-25a Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by NC§160A-20 for the Town Hall Expansion including the ALVM Grading.

CARRIED UNANIMOUSLY

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)

C.L. Gobble explained that this Resolution was needed like in 3.a. for filing an Application to the LGC for land acquisition. No further discussion.

Resolution# AL2018-06-25b Authorizing the Filing of an Application for the Approval of a Financing Agreement Authorized by NC§160A-20 for Park Land Acquisition appears as follows:

**TOWN OF ARCHER LODGE
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION
FOR THE APPROVAL OF A FINANCING AGREEMENT AUTHORIZED
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. There 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 Castleberry, seconded by Council Member Jackson and passed by a vote of 5 to 0.

ATTEST:


Kim P. Batten, Town Clerk




Matthew B. Mulhollem, Mayor

Moved by: Mayor Pro Tem Castleberry
Seconded by: Council Member Jackson

Approved Resolution# AL2018-06-25b Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by NC§160A-20 for Park Land Acquisition.

CARRIED UNANIMOUSLY

c) Discussion and Consideration of Proposed Annual Budget Ordinance for Fiscal Year Ending June 30, 2019

C.L. Gobble explained that the Johnston County Board of Commissioners at their special meeting on June 20, 2018 approved the 2-cents Archer Lodge Fire District Tax increase. Ms. Batten and Budget Officer/Council Member Bruton discussed the changes in the Annual Proposed Budget Ordinance as it related to the approved increase. No further discussion.

The Annual Budget Ordinance for FY 2018~2019 appears as follows:

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 **\$1,155,760** 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



Matthew B. Mulhollem, Mayor



Teresa M. Bruton, Budget Officer

ATTEST:



Kim P. Batten, Town Clerk



Town of Archer Lodge, North Carolina	
<u>ANNUAL BUDGET ORDINANCE</u>	
For the Fiscal Year July 1, 2018 to June 30, 2019	
Revenues and Expenditures	
	Amount
<i>General Fund Revenues:</i>	
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	<u>\$ 1,105,760</u>
<i>General Fund Expenditures:</i>	
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
Transportation - Public Works	
Streets	66,500
Planning and Zoning	98,905
Parks and Recreation	70,000
Debt Service	
Principal and Interest	48,665
Total Expenditures	<u>1,019,760</u>
Revenues Over (Under) Expenditures	<u>86,000</u>
<i>Interfund Transfers</i>	
General Fund Balance Appropriation	25,000
Transfer from Capital Reserve Fund	25,000
Interfund Transfers to Cap Res Fund & Park Res Fund	<u>(136,000)</u>
Total Other Financing Sources (Uses):	<u>(86,000)</u>
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>

Moved by: Council Member Jackson
Seconded by: Mayor Pro Tem Castleberry
Adopted the Annual Budget Ordinance for Fiscal Year Ending June 30, 2019.
CARRIED UNANIMOUSLY

- d) **Discussion and Consideration of Approving an Offer to Purchase and Contract for Land Acquisition**
- Attorney Hewett advised Council to enter into Closed Session to discuss the acquisition of real property as permitted by NC§143-318.11(a)(5). For public notification it's regarding the Smith parcel located on Castleberry Road.**
- Moved by: Council Member Wilson
Seconded by: Council Member Jackson
Approved to enter into Closed Session.
CARRIED UNANIMOUSLY
- Moved by: Council Member Jackson
Seconded by: Council Member Locklear
Approved to return to Open Session.
CARRIED UNANIMOUSLY

e) Reconvened Special Meeting

Mayor Mulhollem asked for a motion to Approve Attorney Hewett to Present an Offer to Purchase and Contract on the Smith Parcel located on Castleberry Road with the following:

- Purchase Price of \$600,000
- Down Payment at Closing of \$200,000
- Seller Financing \$400,000 for 8 Years, 4% Fixed Interest Rate, and Annual Payments beginning August 2019
- Contingent on the Town receiving LGC approval

Moved by: Council Member Locklear

Seconded by: Council Member Jackson

Approved Attorney Hewett to Present an Offer to Purchase and Contract on the Smith Parcel located on Castleberry Road as stated above.

CARRIED UNANIMOUSLY.

4. ADJOURNMENT:

a) No Further Business

Moved by: Council Member Jackson

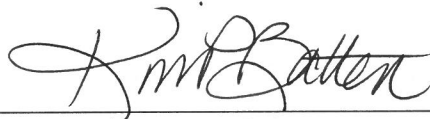
Seconded by: Council Member Bruton

Meeting Adjourned at 7:34 p.m.

CARRIED UNANIMOUSLY



Matthew B. Mulhollem, Mayor



Kim P. Batten, Town Clerk

