

**MINUTES – JUNE 13, 2016**  
**SPECIAL MEETING**

The Board of Aldermen of the Town of Gibsonville met at 7:00 pm for a special meeting in the Town Hall. The meeting was called to order by Mayor Williams. Alderpersons Shepherd, Revels, Owen, Pleasants, and Dean were present. Ben Baxley, Town Manager, and Laurie Yarbrough, Town Clerk, were present. Mike Dupree, Recreation Director, was in attendance

**Public Comments**

No public comments.

**Approval of Agenda**

Alderman Shepherd, seconded by Alderman Owen, made a motion to approve the agenda. The motion passed unanimously.

**Resolution Approving Interim Financing/Construction Loan Proposal for Community Center**

Ben Baxley, Town Manager, stated he had received a bid from BB&T for the financing/construction loan on the Community Center; the bid was awarded to BB&T on May 16, 2016 for 1,213,000 at 1.60%. As the Board is aware, the construction bid exceeded the estimated construction cost by \$202,000. This Resolution reflects the increase. He recommended approval of the resolution approving interim financing/construction loan proposal for the Community Center with BB&T at \$1,415,000 at 1.60% financing for an eighteen month period.

Alderman Shepherd, seconded by Alderman Owen, made a motion to approve the Resolution Approving Interim Financing/Construction Loan Proposal for Community Center. The motion passed unanimously.

**Resolution Approving Financing Terms**

**WHEREAS:** The Town of Gibsonville, North Carolina (the "Town") has previously determined to undertake a project for a new community center, (the "Project"), and the Town Manager has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The Town hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated May 12, 2016 along with the May 25, 2016 Addendum to Proposal. The amount financed shall not exceed \$1,415,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.60%, and the financing term shall not exceed eighteen (18) month from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or part thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 13<sup>th</sup> day of June, 2016.

By: \_\_\_\_\_  
(Town Clerk)

By: \_\_\_\_\_  
(Mayor)

SEAL

**Public Hearing for Community Center Interim Financing Agreement**

Ben Baxley, Town Manager, stated the Local Government Commission required a Public Hearing be held for the approval of the Interim Financing /Construction Loan Agreement for the Community Center. He stated the loan amount would be \$1,415,000 with a forty year term with USDA. He stated the interim financing term would be 1.60% for eighteen months. He stated the Town would be contributing \$738,000 and the total cost of the project would be \$2,153,000. He stated this Public Hearing was needed due to the increase of \$202,000 in the construction bid.

Alderman Shepherd, seconded Alderman Owen, made a motion to open the Public Hearing. The motion passed unanimously.

Mayor Williams asked for public comments.

Mike Dupree, Recreation Director, stated he supported the construction of the Community Center.

Alderman Shepherd, seconded Alderman Owen, made a motion to close the Public Hearing. The motion passed unanimously.

**Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement for Community Center**

Ben Baxley, Town Manager, stated the Local Government Commission required approval of a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement for the Community Center. He stated this was a Revised Resolution that reflected the \$202,000 increase in the construction bid; a similar Resolution was approved on May 16, 2016. He

Mayor Williams asked when would they look at this.

Mr. Baxley stated July 12, 2016; but by July 18, 2016. He stated the plan was to start the project in August; with a twelve month completion date.

Alderman Shepherd, seconded by Alderman Owen, made a motion to approve the Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement for Community Center. The motion passed unanimously.

**RESOLUTION No. 2016 – 3**

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20**

WHEREAS, the Town of Gibsonville, North Carolina desires to construct a community center in the Town (the "Project") to better serve the citizens of Gibsonville and is seeking interim financing for the Project (the United States Department of Agriculture Rural Development has approved the Town's application for financial assistance in the form of a loan in the amount of \$1,415,000 with a term of 40 years); and

WHEREAS, The Town of Gibsonville desires to finance the Project by the use of 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 Board of Aldermen of Gibsonville, North Carolina, meeting in regular session on the 13<sup>th</sup> day of June, 2016, make the following findings of fact:

1. The proposed contract is necessary or expedient because the Town desires to provide an adequate emergency shelter and community meeting and fitness facility to the citizens of Gibsonville.
2. The proposed contract is preferable to a bond issue for the same purpose because the cost of issuance in the amount of \$1,415,000 is significantly less expensive than a bond issue and will result in a more reasonably priced project. The loan is necessary because the entire Project cannot be paid from current available appropriations and an unappropriated fund balance. The estimated cost of the Project is \$2,153,000 and the Town has committed \$738,000 of General Fund money towards this Project.
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose based on bids received by the architectural firm.
4. The Town of Gibsonville's debt management procedures and policies are good because policies are carried out in strict compliance with the law and adequate debt management will continue to be provided as directed by the Local Government Commission.
5. The increase in taxes necessary to meet the sums to fall due under the proposed contract will be 0 cents per \$100 valuation and is not deemed to be excessive.
6. The Town of Gibsonville is not in default in any of its debt service obligations.

- 7. The attorney for the Town of Gibsonville has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Town Manager is hereby authorized to act on behalf of the Town of Gibsonville 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 13<sup>th</sup> day of June, 2016. The motion to adopt this resolution was made by Alderman Shepherd, seconded by Alderman Owen and passed by a vote of 5 to 0.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

This is to certify that this is a true and accurate copy of Resolution No. 2016 – 3 Adopted by the Gibsonville Board of Aldermen on the 13<sup>th</sup> day of June, 2016.

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Date

**Reports**

**a. Manager**

Ben Baxley, Town Manager, stated the next Board meeting would be June 20, 2016; agenda meeting.

**b. Mayor**

Mayor Williams stated he hoped to have something by Monday on the animal services.

Alderman Shepherd, seconded by Alderman Owen, made a motion to adjourn. The motion passed unanimously. The meeting adjourned at 7:11 pm.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Town Clerk