

MINUTES – MAY 16, 2016

The Board of Aldermen of the Town of Gibsonville met at 7:00 pm for an agenda 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. Town Public Works Director Rob Elliott, Police Chief Ron Parrish, Finance Officer Chad Coble, and several citizens were in attendance.

Public Comments

Mayor Williams stated a Walnut Crossing resident who was at the last Board meeting, questioned the way the Board adjourned the meeting. He stated he contacted the Institute of Government and was told any motion made should be recognized by the Mayor. He stated before a Board member makes a motion to adjourn, he or she should wait for the Mayor to call for a motion to adjourn.

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 the Town had received three financing proposals on 5-12-16 from area banks for the Interim Financing/ Construction Loan for the Community Center. He presented proposals from Select Bank, BB&T, and Fidelity. He recommended the financing proposal be awarded to BB&T at an interest rate of 1.60%.

Alderman Pleasants asked why all the proposals were not for twelve months.

Mr. Baxley stated he was not sure, but eighteen months was not a problem, they could ask for twelve months. He stated there was no prepay penalty.

Alderman Shepherd, seconded by Alderman Owen, made a motion to approve the Resolution Approving Financing Terms with BB&T. The motion passed unanimously.

Resolution Approving Financing Terms

WHEREAS: The Town of Gibsonville (the "Town") has previously determined to undertake a project for a new community center, (the "Project"), and the Finance Officer 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. The amount financed shall not exceed \$1,213,000.00, 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) months 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 parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 16th day of May, 2016.

Mayor

Attest:

Town Clerk

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 this was a Public Hearing. He stated the Financing Agreement was with BB&T at a 1.6% interest rate in the amount of \$1,213,000 for the construction of a Community Center. He stated financial assistance had been approved by USDA.

Alderman Shepherd, seconded by Alderman Pleasants, made a motion to open the Public Hearing to hear input on the Community Center Interim Financing Agreement.

Alderman Shepherd, seconded by Alderwoman Revels, made a motion to close the Public Hearing.

There were no public comments.

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.

Alderwoman Revels asked was the difference between Items 3 Resolution Approving Interim Financing/Construction Loan Proposal for Community Center and 5 Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement for Community Center.

Mr. Baxley stated Item 3 was approving Interim Financing/Construction Loan with BB&T and Item 5 was approving the filing of the application as required by the LGC.

Alderman Pleasants, seconded by Alderman Owen, made a motion approving the Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement for Community Center.

RESOLUTION No. 2016 – 2

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 \$1,213,000 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 16th day of May, 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 \$1,213,000 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 \$1,951,000 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 estimates 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 16th day of May, 2016.

The motion to adopt this resolution was made by Alderman Pleasants, seconded by Alderman Owen, and passed by a vote of 5 to 0.

Mayor

ATTEST:

Town Clerk

FY 2016-2017 Budget Update

Ben Baxley, Town Manager, stated the recommended FY 2016-2017 Budget was presented at the May 2, 2016 meeting. He stated he had received the following input from the Board on the recommended FY 2016-2017 Budget: reduce the FY 2016-2017 sewer rate increase from **11%** (8% increase plus Burlington's 3% increase) to **8%** (5% increase plus Burlington's 3% increase), amend the employee raises from a 4% across-the-board-salary adjustment to a 2% across-the-board-salary adjustment and up to a 2% performance pay, and reduce the amount allocated to the "Saturdays At Seven" Concert Series from \$4,000 to \$2,000. He stated he was seeking the board's input to see if they were agreeable to incorporate these items into the FY 2016-2017 budget and to see if there were additional items that they would like to incorporate into the budget.

Mayor Williams asked how did the employee raises measure up to other towns our size.

Mr. Baxley stated his goal was in two years to with the 2% cola and 2% merit. He explained the 4% recommendation this year was to catch up because they did not do a cola last year; the town implemented the new pay study last year and did not give a cola. He stated he was trying to follow a trend of 2% and 2%. He stated Haw River was 5% merit, Burlington up to 4% merit, Jamestown 1% cola and 2% cola, Elon a 1% to 2% market adjustment and 1% to 2% performance, Graham implementing new pay study with 2.5% increase, and Mebane 2% merit.

Mayor Williams stated he felt merit would give employees initiative to work harder.

Alderman Revels asked if since the Town had implemented a new Personnel Policy, had the department heads had training and could they give out merits fairly.

Mr. Baxley stated yes, but it was always different for each department.

Alderman Pleasants stated he felt they were never accurate and he recommended 4%.

Alderman Shepherd agreed with 4%.

Mr. Baxley stated he would continue to do evaluations; be in November or December.

Alderwoman Revels stated she thought they had to reward people that worked harder than others.

Mayor Williams asked the Board how many were in favor of a 4%.

It was the consensus of the board to do a 4% salary adjustment.

Alderman Owen asked the Town Manager is he could work with a 5% sewer increase.

Mr. Baxley stated he could make this work; this would be 5% in addition to Burlington's 3% sewer increase. He explained this would be over a three year period. He asked the Board about reducing the Saturday Concert Series funding to \$500 a concert: four concerts at \$500 each instead of recommended \$1,000 as last year.

Alderwoman Revels asked what this money was used for.

Mr. Baxley stated the cost of the Concert Series was \$8,000. He stated the \$500 each would go towards music, sound, and advertising.

Alderman Shepherd stated the town had been contributing half the cost.

Mayor Williams stated they had to balance what they did for the community. He stated they needed to look at things like the sidewalks in the community. He stated he was in favor of reducing the concert series funding.

Mr. Baxley stated Town personnel also assisted; like Police and Public Works.

Alderman Pleasants stated if you added what services the Town provided it would be more than \$1,000; paying overtime to the Police and Public Works personnel.

Mayor Williams asked the Town Manager to include this in the budget.

Set Public Hearing for FY 2016-2017 Budget Ordinance

Ben Baxley, Town Manager, recommended the Board set the Public Hearing for approval of the FY 2016-2017 Budget Ordinance for the June 6, 2016 meeting.

Alderman Shepherd, seconded by Alderman Owen, made a motion to set the Public Hearing for approval of the FY 2016-2017 Budget Ordinance for the June 6, 2016 meeting. The motion passed unanimously.

Reports

a. Manager

Ben Baxley, Town Manager, stated there would be a Puppet Show and the Depot Stage this weekend. He stated Market Days and the Concert Series would kick off on June 4, 2016. He stated Town Hall Day was June 8, 2016 and asked if any Board member would like to go. He stated the July meeting fell on the Independence Day Holiday.

Mayor Williams recommended have the July meeting on July 5, 2016.

Mr. Baxley referred to a memo he had forwarded board members in reference to the Alamance County Animal Services. He stated the facility was currently being based on per capita and they were asking all municipalities in Alamance county to share with the cost of the new animal facility using the sales tax method; Town's part would be \$59,749 upfront and additional \$79,000 (could finance or pay one time). He stated the proposed cost of the new animal facility is 4.5 million dollars. He stated they were preparing a memo of understanding; still preliminary; and planning to meet with area elected officials.

Mayor Williams stated he felt this was a rip off. He stated he understood that Guilford County was looking at building a new building and were not asking for anything from the Town. He stated Alamance County did not have to pay anything but if you lived in Gibsonville on the Alamance County side they were asking Gibsonville to pay; he did not think this was fair.

Alderman Pleasants recommended the Town not finance whatever they did.

b. Mayor

Mayor Williams stated he went to the League meeting on April 21st. He stated he was told the sales tax issue would not affect Gibsonville. He stated there was an event to be held on the town greens this Saturday by the LGB group from 10:00 am to 2:00 pm. He asked everyone that did not agree with this group not to come downtown.

c. Board Members

Alderman Dean stated someone had contacted him about trees on Main St. in need of trimming; someone had gotten hit in the face by a tree limb.

Ben Baxley, Town Manager, stated he would look into this and have them trimmed.

Alderman Shepherd, seconded by Alderman Pleasants, made a motion to adjourn. The motion passed unanimously. The meeting adjourned at 7:55 pm.

Mayor

Attest:

Town Clerk

**MINUTES - MAY 26, 2016
SPECIAL MEETING**

The Board of Aldermen of the Town of Gibsonville met at 6:30 pm for a Special Meeting in the Town Hall. The Special 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.

Mayor Williams stated this was a Special Called Meeting to set a Public Hearing for the purpose of discussing an interim financing contract for the Gibsonville Community Center.

Approval of Agenda

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

Set Public Hearing for Community Center Interim Financing Agreement

Ben Baxley, Town Manager, stated this was a Special Called Meeting of the Board to set a Public Hearing for the purpose of discussing an interim financing contract for the Gibsonville Community Center. He stated the Town received four bids for the construction of the community center on Thursday, May 19th and the low bid was Central Builders, Inc. of Mebane with a bid of \$1,884,000. He stated the bid exceeded the estimated construction costs included in the USDA Rural Development loan application by \$202,000. He stated he spoke with Allen Hart and Katrina Travis with the USDA Rural Development and they are okay with the Town borrowing the additional \$202,000 (said increase will bring the loan amount from \$1,213,000 to \$1,415,000). He stated USDA Rural Development would provide required paperwork for the additional financial assistance for the board to approve at the June 6, 2016 meeting. He stated the \$202,000 increase would increase the annual debt service payment from approximately \$51,423 to \$59,986 (borrowing \$1,415,000 at a 2.875% interest rate for a term of 40 years).

He stated after speaking with the Local Government Commission (LGC) about the increase in the amount of money the Town needs to borrow, he was advised to have another public hearing for the interim financing and appropriate financing resolutions that relate to the new financing amount. He recommended the Public Hearing be set for June 8, 2016 at 7:00 p.m.

Alderman Shepherd asked would the interest rate change.

Mr. Baxley stated the interest rate would not change.

Mayor Williams stated there would be three meetings in June; June 6, 8, and 20, 2016.

Alderman Shepherd, seconded by Alderwoman Revels, made a motion to the Public Hearing for June 8, 2016 for the purpose of discussing an interim financing contract for the Gibsonville Community Center. The motion passed unanimously.

Alderman Pleasants, seconded by Alderman Owen, made a motion to adjourn. The motion passed unanimously. The meeting adjourned at 6:37 pm.

Mayor

Attest:

Town Clerk