

**TOWN OF BURGAW BOARD OF COMMISSIONERS
SPECIAL MEETING**

DATE: January 25, 2022
TIME: 5:00 PM
PLACE: Historic Train Depot, 115 S. Dickerson Street
BOARD MEMBERS PRESENT: Mayor Olivia Dawson
Mayor Pro-tem Wilfred Robbins
Bill George, James Malloy, Vernon Harrell, Jan Dawson
STAFF PRESENT: James Gantt, Town Manager
Kristin J. Wells, Town Clerk
Zachary Rivenbark, Town Attorney
Wendy Pope, Finance Officer
Cody Suggs, Parks & Recreation Director

The meeting was called to order by Mayor Dawson at 5:00 PM.

Review Proposals for installment financing services from Banks

Mr. Gantt said staff solicited bids for banking services for the installment financing part of the EMS building renovations. He advised we solicited bids from various banks and we had three banks respond with proposals. Said proposals were given to the board for review. Ms. Pope advised the amount that was asked for was \$1.5 million with the possibility of a twenty-year term or a thirty-year term. She advised none of the banks that responded went any higher than a twenty-year term. Ms. Pope briefly explained the differences between the three proposals received from Truist (formally BB&T), Live Oak Bank (USDA financing), and First National Bank.

Commissioner Harrell asked what the total cost of the project would be. Mr. Gantt advised the project has come in for a total around \$1.3 million and that number could fluctuate depending on the costs of materials, etc. during the renovation process. Commissioner Harrell said originally we were talking about \$800k for the project cost.

Public Hearing to discuss entering into a contract for financing as authorized by G.S. 160A-20 involving real property

Mayor Dawson declared the public hearing open at 5:16 PM.

Mr. Gantt said the purpose of the public hearing is to receive comments on proposed installment financing for the renovation of the EMS building located at 108 East Wilmington Street, Burgaw, NC as required of the Local Government Commission (LGC) and to review the bank bids for the installment financing for this project.

Public Comments

Karen Harding, 318 South Walker Street, said it is insanity to spend that much money on a corner of a busy street and asked the board how they can justify it. No comments were made from the board.

Eugene Mulligan, 318 South Walker Street, asked the board to tell him why the town sold a perfectly good building in downtown Burgaw (the old bank building) with a drive-thru for customer service when town hall needed more space. He said it was ridiculous to sell that building and burn money. Mr. Mulligan asked for someone to explain the logic of selling the bank building. No comments were made from the board.

Mayor Dawson declared the public hearing closed at 5:18 PM.

Selection of Financial Institution for installment financing

Commissioner Malloy asked staff for their recommendation. Ms. Pope said she is leaning more towards Truist. One of the reasons is because the town currently has a relationship with them and they are familiar with this type of governmental financing. Ms. Pope also added the twenty-year term helps lessen our annual payment and the interest

rate is good. She said the pre-payment penalty does not concern her too much. Mr. Gantt agreed with Ms. Pope and stated Truist has the best overall package compared to the other two proposals.

Commissioner Harrell said he is really concerned with the price we are looking at; \$1.3 million is a lot of money. He said he does not feel like we should spend this amount of money at this time. Commissioner Harrell said if we wait at least a year, he feels the price will come down significantly. He thanked staff for their work on the project, but said he cannot vote on spending this much money for the building.

Commissioner Robbins said we've been talking about this project for a year and the costs of materials going up. There was discussion regarding costs and interest rates increasing. Comments were made contemplating doing the project now or waiting for at least a year. Commissioner Robbins said if this board wants to do it, we do it. If we don't want to do it, then we need to tear the building down. Comments were made that it would cost more money to build a new building.

Commissioner George said he has been thinking about this project and does not have a good feeling about it.

Commissioner Dawson commented that we do need the facility for parks and recreation activities. She said the town is hungry for parks and recreation and if we are going to do it, we need to do it now.

Commissioner Malloy said he is torn between the two. He said there is a great need for the building, but is it really going to benefit the town. Commissioner Malloy asked Mr. Suggs for his comments regarding the project. Mr. Suggs said the building is a necessity as we see where the town is heading. There is a demand for parks and recreation activities in town.

Karen Harding asked if the intention of the building is for parks and recreation activities, where are people going to park to bring in their children. She said this building doesn't seem to be ideal for this purpose. Commissioner Dawson said the frame of the building is made from steel and is very substantial.

Commissioner Harrell said before we make a selection on the bank, we need to figure out if we are going to move forward with the project. Commissioner Harrell made a motion we do not move forward with the project at this time. The motion was seconded by Commissioner George. Commissioners Malloy, Robbins and Dawson voted "nay." Motion failed.

Commissioner Dawson made a motion to select Truist as the financial institution for installment financing. The motion was seconded by Commissioner Malloy and carried by unanimous vote.

Approval of Resolution 2022-02 Authorizing the filing of an application for approval of a financing agreement authorized by North Carolina General Statute 160A-20.

Commissioner Dawson made a motion to approve Resolution 2022-02 as presented. The motion was seconded by Commissioner Malloy and carried by unanimous vote.

15 Minute Recess

Mayor Dawson called for a fifteen-minute recess at 5:35 PM. Meeting resumed at 5:44 PM.

Approval of the public hearing minutes

Ms. Wells presented the minutes for the public hearing to the board for consideration of approval. Commissioner Robbins made a motion to approve the minutes of the public hearing as presented. The motion was seconded by Commissioner Harrell and carried by unanimous vote.

Commissioner Dawson asked how long the process would take at this point. Mr. Gantt said staff is gathering the required documents for the application packet for the LGC. It is due February 1, 2022 with a review by the LGC at their March 1, 2022 meeting. Mr. Gantt does not see any major concerns. After LGC approval, contracts can be done and move forward with construction.

Commissioner Robbins commented on a discussion held previously regarding the dedication of the building and the placement of a plaques, pictures, etc. in the lobby of the building once construction is complete. Further discussion on this will take place closer to the construction being completed.

Adjournment

Commissioner Harrell made a motion to adjourn the meeting. The motion was seconded by Commissioner George and carried by unanimous vote.

The meeting was adjourned at 5:51 PM.

G. Olivia Dawson, Mayor

Attest: _____
Kristin J. Wells, Town Clerk