



MINUTES

**Town of Weaverville
State of North Carolina**

**Town Council Special Called Meeting
Tuesday, July 24, 2018**

The Town Council for the Town of Weaverville met for a special called meeting on Tuesday, July 24, 2018, at 6:00 p.m. in Council Chambers within Weaverville Town Hall at 30 South Main Street, Weaverville, North Carolina.

Council members present were: Mayor Al Root, Vice Mayor/Councilman Doug Jackson, Councilman Jeffrey McKenna, Councilwoman Dottie Sherrill, Councilman Andrew Nagle and Councilman Patrick Fitzsimmons.

Staff present was: Town Manager Selena Coffey, Town Attorney Jennifer Jackson, Town Clerk Derek Huninghake, Water Treatment Plant Supervisor Trent Duncan and Public Works Director Dale Pennell.

1. Call to Order

Mayor Root called the meeting to order at 6:02 p.m.

2. Sale of Old Bus Garage

Town Manager Selena Coffey informed Town Council that we have received an offer for the former bus garage for \$350,000, along with a deposit of \$17,500. The bus garage is listed for \$550,000.

Town Attorney Jennifer Jackson mentioned that with Council proceeding under NCGS 160A-269, when the Town receives an offer, we advertise it and have an upset bid period. So the next steps for getting the upset bid period started are Town Council would propose to accept the offer, advertise the offer and then there are 10 days from the publication date to submit sealed qualifying bids to the Town Clerk. Once the 10 day period is up, the Town Clerk will open the sealed bids and advertised the new highest bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time Council may accept the offer and sell the property to the highest bidder or reject all offers.

Town Council had discussions about the offer being low compared to the listing price and that it had only been on the market for about a month. However, if they propose to accept the offer then it will get the ball rolling and allow the upset bid period to start, so that more qualifying bids can be submitted. Council always has the final option at the end to reject or accept the offer.

Councilman Jackson made a motion to propose to accept the offer received with a cash price of \$350,000, direct that a notice of said offer be published as set forth in NCGS 160A-269, and direct the town clerk to re-advertise any qualifying upset bids received until 10-day upset bid period elapses without any new bids being received, at which time Town Council will consider acceptance of the offer and sale to the highest bidder. Councilman Nagle seconded the motion. The motion passed by a unanimous vote of Council. Motion carries on 5-0 vote.

3. Water Treatment Plant Expansion

Mayor Root noted that Council and staff have been reviewing the best options for expansion of the Water Treatment Plant for a long time and he agrees with Dennie Martin from WR-Martin, that the plant expansion is the most desirable approach. Mayor Root also believes a good case was made for proceeding in two phases and to move ahead with directing staff to pursue the USDA grant/loan application.

Council discussed the possible interest rates on the USDA loan, if they would have to place assets as collateral during the loan process and if they were locked in to the USDA loan once it was submitted.

Alice Briggs, Grant Manager for WR-Martin, mentioned that she would be working with the Town on putting the application together if they choose that option. USDA adjusts their rates every quarter and the current quarter rate through September 30 is 3.875%. These rates could increase after this quarter, but the rates are locked in once the application is received.

Steven Miller, Financial Strategist for WR-Martin, mentioned that initially during the construction period the Town would have an interim bank loan with the assets being pledged as collateral for the bank. Once the construction is complete, the bank loan is paid off by USDA and the debt is converted to revenue bonds secured only by the anticipated revenue within the public enterprise fund.

Town Manager Selena Coffey noted that this would be a USDA loan, instead of a grant since the Town wouldn't qualify for the grant because of their median household income. However, a positive about the USDA loan is it can extend for 40 years, as opposed to a traditional bank loan that goes for only 15 or 20 years. Also, the Town can pay it off early without penalties. Town Manager Coffey reminded Council that right now the USDA funds are available, but we don't know going forward with the new federal budget whether the program will continue to be funded.

Town Attorney Jennifer Jackson mentioned that once the application is submitted, Council can always decide to go another route without being locked in to the USDA loan.

Council determined that with a critical date of October 1, 2018, they need to hurry to get the USDA application in before interest rates increase and to make sure that there are still funds available in the budget before the new federal fiscal year begins.

Councilman Jackson made a motion to authorize staff, with the assistance of WR-Martin, to proceed with preparing a USDA grant/loan application for the line extension project following the Ollie Weaver route for anticipated submission by the October 1, 2018, USDA application deadline. Councilman Fitzsimmons seconded the motion. The motion passed by a unanimous vote of Council. Motion carries 5-0.

4. Adjournment

Councilman Nagle made the motion to adjourn; Councilman McKenna seconded and all voted to adjourn the Council's meeting at 6:30 p.m.

Derek K. Huninghake

Derek K. Huninghake, Town Clerk