

Town of Seven Devils  
Town Council  
Closed Session Minutes  
April 9, 2019

The Seven Devils Town Council met in Closed Session on Tuesday, April 9, 2019 at Town Hall. Present were Mayor Larry Fontaine, Mayor Pro Tem Lambert, Members Tina Bailey, Kay Ehlinger and David Ehmig. A quorum was present. Also, present were Town Attorney Rob Angle, Town Manager Debbie Powers; the General Account and Closed Session minutes were recorded by Town Clerk Hillary Gropp.

Mayor Pro Tem Lambert made a motion to enter Closed Session at 6:12pm, pursuant to G.S. 143-318.11(5) to discuss the Skyline Building Purchase. Member Ehlinger seconded the motion. The members agreed unanimously.

Discussion by all Town Council members occurred about the purchase price to offer and finance options for the Skyline Building at 157 Seven Devils Road.

Manager Powers presented the requirements as given by the North Carolina Local Government Commission. She presented financing options with rates & terms by BBT Bank, PNC Bank and Seller Financing held by Skyline Telephone Membership Corporation. Additional discussion occurred with Town Attorney Angle about the Skyline Purchase Steering Committee and the authority for negotiating a contract.

**Motion 1** – Member Bailey made the motion “To reduce the Skyline Purchase Steering Committee to two Council members of Mayor Larry Fontaine and Mayor Pro Tem Lambert and removing Member Ehlinger from the Skyline Purchase Steering Committee. Mayor Fontaine will continue to have approval to execute any/all documents to procure a valid contract to purchase with Skyline.” Member Ehmig seconded the motion. The members agreed unanimously. Motion carried 5-0

**Motion 2** – Member Bailey made the motion “To give negotiating authority to the Skyline Purchase Steering Committee with a range limit and initial offer of \$950,000 and not to exceed \$1,250,000. Any higher offers will require the Town Council to reconvene.” Member Ehmig seconded the motion. The members agreed unanimously. Motion carried 5-0

**Motion 3** - Member Ehmig made the motion “To set a Special Call Meeting & Public Hearing for Town Council to be held on April 30, 2019 at Town Hall beginning at 5:30pm, pursuant to G.S. 160A-20(a)(g).” Member Bailey seconded the motion. The members agreed unanimously. Motion carried 5-0



**RESOLUTION #2019-04  
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 Seven Devils, North Carolina, desires to purchase the Skyline Building property at 157 Seven Devils Road, Seven Devils, NC (the "Project") to be utilized as a Town Hall, to better serve the citizens of Seven Devils; and

**WHEREAS**, the Town of Seven Devils desires to finance the Project using an installment contract authorized under NCGS 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 NCGS 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 Seven Devils, North Carolina, meeting in regular session on the 9<sup>th</sup> day of April 2019, make the following findings of fact:

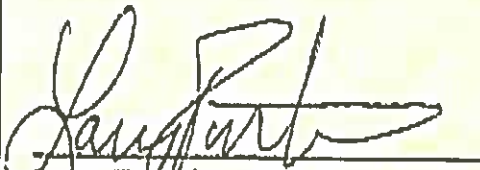
1. The proposed contract is necessary or expedient because the Property has recently been put on the market for sale and has been identified as a desirable property for Town municipal purposes.
2. The proposed contract is preferable to a bond issue for the same purpose because bank financing will be an optimum option for a small municipality.
3. The cost of financing under the proposed contract is less than the cost of issuing general obligation bonds.
4. The sums to fall due under the contract are adequate and not excessive for the stated purpose.
5. The Town of Seven Devils debt management procedures and policies are in compliance with the law. Funds in savings will be used to meet new loan obligations until an existing loan is paid in full in December 2020; at this time the new loan payments will be paid from general funds.
6. There will be no increase in property taxes to meet the obligations of the contract and loan repayments.
7. The Town of Seven Devils is not in default in any of its debt service obligations.
8. The Town Attorney for the Town of Seven Devils 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.

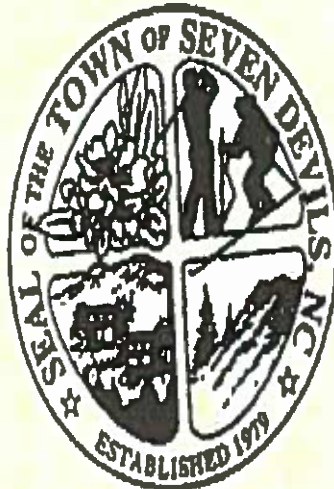
**NOW THEREFORE, BE IT FURTHER RESOLVED** that the Town Manager is hereby authorized to act on behalf of the Town of Seven Devils in filing an application with the NC Local Government Commission for approval of the Project, and the proposed financing contract and other actions not inconsistent with this Resolution.

This Resolution is effective upon its adoption this 9<sup>th</sup> day of April 2019.

The motion to adopt this Resolution was made by Mayor Pro Tem Lambert, seconded

by Member Ehlinger and passed by a vote of 5 to 0.

  
Larry Fontaine, Mayor



ATTEST:

  
Hillary Gropp, Town Clerk

This is to certify that this is a true and accurate copy of Resolution #2019-4, Adopted by the Town Council of the Town of Seven Devils, on the 9<sup>th</sup> day of April 2019.

  
Hillary Gropp, Town Clerk

4/9/2019

Date

**Motion 4** - Member Ehlinger made the motion to approve Resolution #2019-04; Mayor Pro Tem Lambert seconded the motion. The members agreed unanimously. Motion carried 5-0



**RESOLUTION #2019-05**  
**RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE**

**WHEREAS**, the Town of Seven Devils, North Carolina, desires to purchase the Skyline Building property at 157 Seven Devils Road as a new Town Hall building, and

**WHEREAS**, it is the intent of the Town of Seven Devils to finance this Project through suitable financing, and the financing will be obtained as a result of a process involving Local Government Commission oversight and approval by the Town Council, and

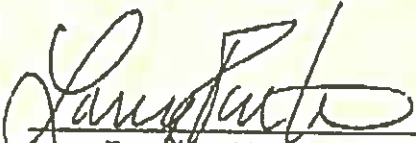
**WHEREAS**, this Resolution and declaration ("Declaration") is made pursuant to the requirements of the US Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section, and

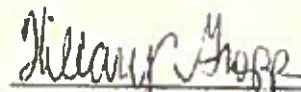
**WHEREAS**, the Town Council of the Town of Seven Devils is authorized to resolve and declare the official intent of the Town of Seven Devils, North Carolina (the "Issuer") with respect to the matters contained herein.

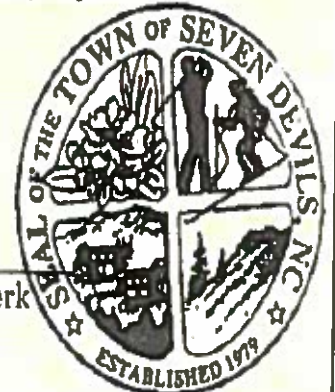
**NOW THEREFORE, BE IT RESOLVED** that the Town of Seven Devils proposes to undertake the Project as described below, to incur the related and necessary project expenditures, and to finance the cost of the Project with the proceeds of debt to be issued by the Town for the project all as described below:

1. **Expenditures to be Incurred.** The Town of Seven Devils (the "Issuer") anticipates incurring maximum expenditures (the "Expenditures") of \$20,000 for professional reports, such as surveys, inspections, appraisal, and others.
2. **Plan of Finance.** The Issuer intends to finance the costs of the Project with the proceeds of bank financing or other suitable form of debt.
3. **Maximum Principal Amount of Debt to be Issued.** The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Project is \$1,250,000.
4. **Declaration of Official Intent to Reimburse.** The Issuer, Town of Seven Devils, NC, hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

Adopted this 9<sup>th</sup> day of April 2019.

  
Larry Fontaine, Mayor

  
Hillary Grupp, Town Clerk




**Motion 5** – Member Ehlinger made the motion to approve Resolution #2019-05; Mayor Pro Tem Lambert seconded the motion. The members agreed unanimously. Motion carried 5-0

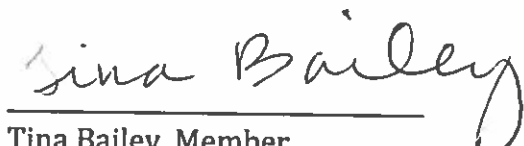


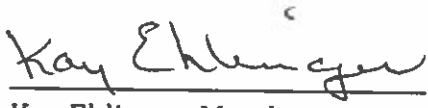
Mayor Fontaine made a motion to end Closed Session at 7:45pm; Member Ehlinger seconded the motion. The members agreed unanimously. ~OPEN~

Closed Session Minutes Approved for Public Record on September 10, 2019


  
Larry Fontaine, Mayor

  
Brad Lambert, Mayor Pro Tem

  
Tina Bailey, Member

  
Kay Ehlinger, Member

  
David Ehmgig, Member

  
Hillary Gropp, Town Clerk