

**NOTICE OF A SPECIAL MEETING OF THE
ASHEBORO CITY COUNCIL**

Tuesday, May 20, 2014

5:30 p.m.

Notice of a special meeting of the Asheboro City Council is hereby given. This meeting will be held on Tuesday, the 20th day of May, 2014, at 5:30 p.m. in the Asheboro City Hall Council Chamber, 146 North Church Street, Asheboro, North Carolina 27203.

This special meeting has been called for the purpose of enabling the governing board to conduct the following business:

1. Consideration of a request from the Asheboro ABC Board for authorization to set aside up to \$40,000 per year from the Asheboro ABC system's gross receipts for a Future Facility Fund that has been proposed by the ABC Board. After receiving comments from representatives of the Asheboro ABC Board, the City Council may adopt a resolution granting the requested authorization.
2. The proposed budget, along with a budget message, for fiscal year 2014-2015 will be submitted to the governing board. Mayor Smith and the members of the City Council will then participate in a budget workshop led by the City Manager and the Finance Director.

This notice is issued on the 16th day of May, 2014, in accordance with the laws and ordinances of the State of North Carolina and the City of Asheboro.

/s/ David H. Smith
David H. Smith, Mayor
City of Asheboro, North Carolina

#

**SPECIAL MEETING
ASHEBORO CITY COUNCIL
COUNCIL CHAMBER, MUNICIPAL BUILDING
TUESDAY, MAY 20, 2014
5:30 p.m.**

This being the time and place for a special meeting of the Asheboro City Council, a meeting was held with the following elected officials and city staff members present:

- David H. Smith) – Mayor Presiding
- Talmadge S. Baker)
- Clark R. Bell)
- Edward J. Burks)
- Linda H. Carter) – Council Members Present
- Michael W. Hunter)
- Walker B. Moffitt)
- Charles A. Swiers)

- John N. Ogburn, III, City Manager
- Tamela D. Garner, Permit Technician / Deputy City Clerk
- Michael L. Leonard, P.E., City Engineer
- Trevor L. Nuttall, Community Development Director
- Deborah P. Reaves, Finance Director
- Jonathan M. Sermon, Recreation Services Superintendent
- Jeffrey C. Sugg, City Attorney

1. Call to order.

A quorum thus being present, Mayor Smith called the meeting to order for the transaction of business and business was transacted as follows.

2. Consideration of a request from Asheboro ABC Board.

Mr. Ogburn introduced Steve Knight, Asheboro ABC Board Member, and Rodney Johnson, General Manager for the Asheboro ABC Board. Mr. Ogburn presented a resolution for the Approval of the Asheboro ABC Board's request to set aside, when available, a certain amount of gross receipts for a future facility fund.

Upon motion by Mr. Bell and seconded by Mr. Baker, Council voted to approve the following resolution by reference. Council Members Baker, Bell, Burks, Hunter, Moffitt and Swiers voted in favor of the motion, and Council Member Carter voted no.

RESOLUTION NUMBER 11 RES 5-14

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

APPROVAL OF THE ASHEBORO ABC BOARD'S REQUEST TO SET ASIDE, WHEN AVAILABLE, A CERTAIN AMOUNT OF GROSS RECEIPTS FOR A FUTURE FACILITY FUND

WHEREAS, the Asheboro ABC Board (the "Board") has engaged in a long-term planning process with the goal of finding the best way to support future operational needs and goals of the Board while assuring a reliable stream of revenue to the City of Asheboro (the "City"); and

WHEREAS, during the Board's meeting on May 5, 2014, the Board identified the need to begin funding for future facility requirements and related capital improvements; and

WHEREAS, with the identification of this need in mind, the Board concluded that the establishment of a Future Facility Fund would grow capital and reduce the reliance on debt financing to meet future capital improvement requirements; and

WHEREAS, when distributing revenue, the Board must comply with the statutory guidance found in Section 18B-805 of the North Carolina General Statutes; and

WHEREAS, pursuant to this statutory guidance, the Board must first pay all operational costs and make specified tax, alcohol treatment, and law enforcement distributions before setting aside, within limits set by the North Carolina ABC Commission, a working capital cash fund and then distributing the remaining revenue to the City; and

WHEREAS, in pertinent part, Section 18B-805(d) of the North Carolina General Statutes provides as follows: "With the approval of the appointing authority for the board, the local board may also set aside a portion of the remaining gross receipts as a fund for specific capital improvements;" and

WHEREAS, based upon its analysis of sales histories and expected revenues, the Board has concluded that it can direct a portion of revenues into a proposed Future Facility Fund without reducing the monthly distribution of fifteen thousand five hundred dollars (\$15,500) per month that the Board currently makes to the City; and

WHEREAS, the Board, by means of a letter signed by the Board's Chair and dated May 8, 2014, has requested approval from the City Council to set aside up to forty thousand dollars (\$40,000) per year from gross receipts to fund the Future Facility Fund; and

WHEREAS, in the above-referenced letter of May 8, 2014, the commitment was made that, if in any year the Board's net revenue is not sufficient to both fund the Future Facility Fund and continue the current level of monthly distributions to the City, the monthly distributions to the City would be preserved as a higher priority than contributing to the Future Facility Fund;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro, North Carolina that, so long as the Board's net revenue is sufficient to continue the current level of monthly distributions of fifteen thousand five hundred dollars (\$15,500) per month to the City, approval is hereby granted to the Asheboro ABC Board to set aside a maximum of forty thousand dollars (\$40,000) per year from gross receipts to fund the Future Facility Fund; and

BE IT FURTHER RESOLVED that the approval granted by this Resolution is effective as of July 1, 2014, and shall not expire unless and until another Resolution is adopted by the Asheboro City Council to revoke the approval granted herein.

