

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

MEETING DATE: TUESDAY, MAY 30, 2017

MEETING TIME: 6:00 P.M.

**LOCATION: CITY OF ASHEBORO
PUBLIC WORKS FACILITY,
1312 N. FAYETTEVILLE STREET,
ASHEBORO, NORTH CAROLINA**

Notice is hereby given that, at 6:00 p.m. on Tuesday, May 30, 2017, the Asheboro City Council will convene for a special meeting. This special meeting will be held in the main conference room at the City of Asheboro Public Works Facility, 1312 North Fayetteville Street, Asheboro, North Carolina 27203.

City Manager John N. Ogburn, III and Finance Director Deborah Reaves will present an overview of the budget proposed for the city government's upcoming fiscal year. During and after this presentation, the elected officials will actively participate in a budget workshop. In addition to the budget workshop, the city council will consider and take any action necessary to facilitate the conveyance of the properties commonly known as McCrary Ballpark and the Acme-McCrary Gymnasium to the City of Asheboro.

Anyone who wishes to attend this open meeting of the city's governing board is welcomed. This special meeting notice is issued on the 25th day of May, 2017.

/s/ Edward J. Burks

Edward J. Burks, Council Member

/s/ Linda H. Carter

Linda H. Carter, Council Member

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MINUTES OF A SPECIAL MEETING OF THE ASHEBORO CITY COUNCIL

**CITY OF ASHEBORO PUBLIC WORKS FACILITY
1312 NORTH FAYETTEVILLE STREET**

6:00 PM ON TUESDAY, MAY 30, 2017

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 management team members present:

David H. Smith) – Mayor Presiding

Clark R. Bell)
Edward J. Burks)
Linda H. Carter) – Council Members Present
Jane H. Redding)
Katie L. Snuggs)
Charles A. Swiers)

Walker B. Moffitt) – Council Member Absent

John N. Ogburn, III, City Manager
John L. Evans, Assistant Community Development Director
Michael L. Leonard, PE, City Engineer
Trevor L. Nuttall, Community Development Director
Michael D. Rhoney, PE, Water Resources Director
Deborah P. Reaves, Finance Director
Jonathan M. Sermon, Recreation Services Superintendent,
Jeffrey C. Sugg, City Attorney
Tammy M. Williams, Deputy City Clerk

1. Call to order.

Mayor Smith called the meeting to order and welcomed everyone in attendance.

2. Acceptance of the Donation of Real Property to the City of Asheboro.

The city manager updated the mayor and the city council on the finalization of the decision by Acme-McCrary Corporation and the related non-profit corporation known as Acme-McCrary Corporation/Sapona Manufacturing Company, Incorporated Employees' Fitness Center to add to

a legacy of generously contributing to the Asheboro community. The current contribution by this long-standing corporate citizen is the donation of a recreation facility and ballpark for public ownership and use.

In furtherance of the closure of the proposed land transaction, the city manager asked the city council to approve a resolution prepared by the city attorney. After considering the city manager's report, Mr. Bell moved, and Ms. Carter seconded the motion, to approve the said resolution by reference. Council members Bell, Burks, Carter, Redding, Snuggs, and Swiers voted unanimously in favor of the motion to approve the following resolution. The city is expected to receive the keys to the gymnasium on June 1, 2017.

RESOLUTION NUMBER 17 RES 5-17

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION ACCEPTING AND EXPRESSING APPRECIATION FOR THE UNCONDITIONAL DONATION OF THE ACME-McCRARY GYMNASIUM AND McCRARY BALLPARK TO THE CITY OF ASHEBORO

WHEREAS, during a joint public hearing conducted by the Randolph County Board of Commissioners and the Asheboro City Council on March 20, 2017, an economic development project involving the purchase and expansion of certain manufacturing assets by MAS US Holdings, Inc. from Acme-McCrary Corporation ("McCrary") was discussed and approved; and

WHEREAS, subsequent to the announcement of this economic development project, corporate officers with McCrary began discussing with City of Asheboro ("City") officials the possibility of continuing the long history of McCrary's contributions to the greater Asheboro community by transferring recreation facilities currently owned by McCrary and a related non-profit corporation to the City for public ownership and operation; and

WHEREAS, Section 160A-353(3) of the General Statutes of North Carolina authorizes the acquisition of real property by the City "for parks and recreation programs and facilities by gift, grant, purchase, lease, exercise of the power of eminent domain, or any other lawful method;" and

WHEREAS, McCrary currently owns a recreation facility, including without limitation a gymnasium and indoor swimming pool, on North Street in Asheboro (the "Gymnasium") that the corporation is offering to convey to the City without the payment of consideration by the City, the said Gymnasium property is shown as New Lot A on a plat of survey recorded in the Office of the Randolph County Register of Deeds in Plat Book 152, Page 20; and

WHEREAS, the Acme-McCrary Corporation/Sapona Manufacturing Company, Incorporated Employees' Fitness Center (the "Fitness Center") owns McCrary Ballpark (the "Ballpark"), which has been leased and maintained by the City as a baseball facility for a significant number of years; and

WHEREAS, the Fitness Center is offering to convey the said Ballpark to the City without the payment of consideration by the City, the Ballpark property is identified by Randolph County Parcel Identification Number 7751347980 and is more specifically described in a deed recorded in the Office of the Randolph County Register of Deeds in Book of Record 1882, Page 607; and

WHEREAS, the Asheboro City Council has concluded that the acceptance of these offers to convey the described real property to the City would strengthen the City's recreation services programming and thereby enhance the quality of life for Asheboro's citizens;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the conveyances offered by McCrary and the Fitness Center are hereby accepted; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the mayor, city manager, and any other necessary City officials are hereby authorized to execute the legal instruments needed to successfully conclude the conveyance of the described properties to the City, specifically including without limitation the Agreement for the Proration of Property Taxes that is attached to this Resolution as EXHIBIT 1 and is hereby incorporated into this Resolution by reference as if copied fully herein; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that, upon delivery of properly executed and acknowledged North Carolina Special Warranty Deeds conveying the described Gymnasium and Ballpark properties to the City, such instruments of conveyance are to be promptly recorded in the Office of the Randolph County Register of Deeds; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the municipal corporation's governing board extends its gratitude to the Acme-McCrary Corporation and the Acme-McCrary Corporation/Sapona Manufacturing Company, Incorporated Employees' Fitness Center for their continuation of McCrary's tradition of positive engagement with the community as a corporate citizen striving to enhance the quality of life of its employees and the community where they live.

This Resolution was adopted by the Asheboro City Council in open session during a special meeting held on the 30th day of May, 2017.

/s/ David H. Smith
David H. Smith, Mayor

ATTEST:

/s/ Tammy M. Williams
Tammy M. Williams, Deputy City Clerk

EXHIBIT 1

STATE OF NORTH CAROLINA

**AGREEMENT FOR THE PRORATION
OF PROPERTY TAXES**

COUNTY OF RANDOLPH

THIS AGREEMENT FOR THE PRORATION OF PROPERTY TAXES (the "Agreement") is made by and between **ACME-McCRARY CORPORATION**, a North Carolina corporation, ("McCrary"), **ACME-McCRARY CORPORATION/SAPONA MANUFACTURING COMPANY, INCORPORATED EMPLOYEES' FITNESS CENTER**, a North Carolina non-profit corporation, (the "Fitness Center"), and the **CITY OF ASHEBORO**, a North Carolina municipal corporation, (the "City").

WITNESSETH:

WHEREAS, effective June 1, 2017, McCrary will convey to the City, without consideration, a recreation facility with, among other things, a gymnasium and indoor swimming pool (the "Gymnasium") that occupies a portion of the parcel of land identified by Randolph County Parcel Identification Number 7751739310, the specific portion of the parcel to be conveyed to the City is shown as New Lot A on a plat of survey recorded in the Office of the Randolph County Register of Deeds in Plat Book 152, Page 20; and

WHEREAS, effective June 1, 2017, the Fitness Center will convey to the City, without consideration, a baseball facility known as McCrary Ballpark (the "Ballpark") that is located on a parcel of land identified by Randolph County Parcel Identification Number 7751347980, this conveyance will be inclusive of the entirety of the parcel of land that is described in a North Carolina General Warranty Deed recorded in the Office of the Randolph County Register of Deeds in Book of Record 1882, Page 607; and

WHEREAS, Section 39-60 of the General Statutes of North Carolina provides as follows: "Unless otherwise provided by contract, property taxes on the real property being sold shall be prorated between the seller and buyer of the real property on a calendar-year basis;"

NOW, THEREFORE, in consideration of the mutual benefits afforded to the parties by clarifying the proration of property taxes after the conveyance of the Gymnasium and the Ballpark to the City on June 1, 2017, the parties to this Agreement hereby agree as follows:

Section 1. The following valuation has been assigned to the Gymnasium property that is to be acquired by the City from McCrary on June 1, 2017:

Land	\$189,700
Gymnasium Building	\$657,770
Asphalt Paving	\$3,110
Swimming Pool	<u>\$4,680</u>
Total Value	\$855,260

On the basis of this valuation, the total amount of 2017 ad valorem taxes for the Gymnasium portion of Parcel Number 7751739310 will be \$12,550.94. The portion for January 1, 2017 through May 31, 2017 will be \$5,229.56. The amount owed for the remaining seven months will be \$7,321.38.

Section 2. The 2017 ad valorem taxes for the Ballpark will be \$2,194.79. The portion for January 1, 2017 through May 31, 2017 will be \$914.49. The amount owed for the remaining seven months will be \$1,280.30.

Section 3. McCrary will pay to the Randolph County Tax Collector, prior to delinquency, the prorated amount of \$5,229.56 for the portion of the 2017 ad valorem taxes attributable to the Gymnasium property during the time period of January 1, 2017 through May 31, 2017. The City will pay to the Randolph County Tax Collector, prior to delinquency, the prorated amount of \$7,321.38 for the remainder of the calendar year.

Section 4. On behalf of the Fitness Center, McCrary will pay to the Randolph County Tax Collector, prior to delinquency, the prorated amount of \$914.49 for the 2017 ad valorem taxes attributable to the Ballpark property during the time period of January 1, 2017 through May 31, 2017. The City will pay

to the Randolph County Tax Collector, prior to delinquency, the prorated amount of \$1,280.30 for the remainder of the calendar year.

Section 5. McCrary, the Fitness Center, and the City agree that the above-stated tax prorations are based on the rates for the prior tax period. All of the parties to this Agreement will act in good faith to adjust the above-stated tax prorations for the identified properties on the basis of the actual ad valorem tax bills for 2017 when such bills are rendered. McCrary and the Fitness Center will forward copies of the applicable tax bills to the City immediately upon receipt of such bills from the tax office.

Section 6. The City is not representing that the tax rates or the real estate values used in the proration calculations will be the actual rates or values for 2017.

Section 7. Iran Divestment Act Compliance: In order to comply with statutorily mandated contracting procedures that are applicable to the City as a North Carolina municipal corporation, an Iran Divestment Act certification must be obtained from entities attempting to enter into contracts with the City. Therefore, in compliance with Section 147-86.59 of the General Statutes of North Carolina, McCrary and the Fitness Center hereby certify that (i) neither entity is listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to Section 147-86.58 of the General Statutes of North Carolina, and that (ii) neither entity will utilize any contractor/subcontractor identified on the Final Divestment List to perform work in connection with this Agreement and the associated conveyances of real property to the City. The Final Divestment List can be found on the North Carolina State Treasurer's website with resources related to the Iran Divestment Act (www.nctreasurer.com/Iran). The Final Divestment List will be updated every 180 days.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement for the Proration of Property Taxes as of the dates written below.

ACME-MCCRARY CORPORATION

By: _____
Signature of Authorized Official Date

Print Name

Title

ACME-MCCRARY CORPORATION/SAPONA MANUFACTURING COMPANY, INCORPORATED EMPLOYEES' FITNESS CENTER

By: _____
Signature of Authorized Official Date

Print Name

Title

CITY OF ASHEBORO, NORTH CAROLINA

By: _____
John N. Ogburn, III, Date
Asheboro City Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Deborah P. Reaves, Finance Officer Date

3. The Proposed Budget for Fiscal Year 2017-2018.

City Manager John Ogburn utilized a visual presentation in order to provide the mayor and council members with details of the proposed budget for fiscal year 2017-2018. The proposed budget is balanced at \$41,423,602 with the General Fund allocation at \$27,015,647 and the Water and Sewer Fund allocation at \$14,407,955.

For the upcoming fiscal year there are no proposed property tax or water/sewer rate increases. The property tax rate is recommended to remain the same at \$0.665 per \$100.00 valuation. During his presentation, Mr. Ogburn highlighted certain expenses including, but not limited to, the following:

General Fund Expenditure Highlights

- o Code Enforcement Vehicle \$27,407
- o City Hall roof replacement \$175,000
- o 11 Fully equipped Police vehicles \$406,488
- o Electric ventilation system for fire apparatus \$20,550
- o Used fire truck and command vehicle upgrade at the Fire Department \$ 201,350
- o Volunteer Fire Department Contracts \$13,550
- o Heating and air system at Public Works \$75,000
- o Truck in the Operations Department \$ 29,000
- o Two truck for Fleet Maintenance \$56,800
- o Street Sweeper in Street Department \$234,050
- o Side Loading automated garbage truck for Environmental Services Department \$295,000
- o Pay Plan Modifications \$100,000
- o Two service trucks in Facilities Maintenance \$70,000
- o McCrary Gym remodel/roof replacement \$500,000
- o Peninsula Park \$65,000
- o Library books, periodicals and supplies \$107,500
- o Programs at Sunset Theatre \$50,000
- o Summer Concert Series \$21,000
- o Arts Guild \$17,000
- o Senior Adult Center \$33,000
- o Boys and Girls Club \$25,000
- o BBQ cook-off expenses \$40,000

Water and Sewer Fund Expenditure Highlights

- o Hand held replacement – Meter Department - \$8,000
- o Radio read meter replacement approximately 1300 - \$300,000
- o Meter Reading truck - \$29,000
- o North Plant Water Treatment Plant painting - \$427,100
- o Roof Replacement at Water Treatment Plant - \$40,500
- o Filter automation at Water Treatment Plant - \$190,000
- o Maintenance and repair at Water Treatment Plant - \$280,000
- o Lake Lucas intake structure engineering study - \$50,000
- o Digester #1 Cover and mixer at Waste Water Treatment Plant - \$1,100,000
- o Haskett's Creek Bridge repair at Waste Water Treatment Plant - \$600,000
- o Recoat tanks for clarifiers at Waste Water Treatment Plant - \$200,000
- o Chemicals for Water Treatment and Waste Water Plants - \$320,000
- o Utilities for Water Treatment Plant and Waste Water Plant - \$885,000
- o Sludge Management at Waste Water Treatment Plant - \$160,000
- o Contracted maintenance of water tanks - \$230,803
- o Service truck and equipment at Water Maintenance Dept. - \$88,750
- o Slip lining on Lee Street - \$80,000
- o Vehicle for Systems Maintenance Department - \$60,000
- o Generators and flow meters at lift stations - \$75,000
- o Arc flash studies for lift stations - \$16,000
- o Water Quality department equipment and vehicle - \$34,000

A public hearing on the budget will be held during the city council's regular meeting on June 8, 2017. The city council will consider adopting the city's budget for fiscal year 2017-2018 during a special meeting on June 27, 2017 at 6:00 p.m.

A copy of the city's proposed annual budget for fiscal year 2017-2018, as well as the visual presentation utilized by Mr. Ogburn, is on file in the city clerk's office. There was no formal action taken on the budget during this special meeting of the city council.

3. Adjournment.

With no further business to transact, the meeting was adjourned at 7:04 p.m.

/s/Tammy M. Williams
Tammy M. Williams, Deputy City Clerk

/s/David H. Smith
David H. Smith, Mayor