

TOWN OF BISCOE
BOARD OF COMMISSIONERS MEETING

07.08.13

AGENDA

1. CALL TO ORDER
2. CONSENT AGENDA
 1. APPROVAL OF MINUTES 06.10.13
 2. APPROVAL OF MINUTES 06.27.13
 3. JUNE MONTHLY FINANCIAL REPORT
3. PROJECT UPDATES
 1. SEWER TO THE MEGAPARK
 2. MAJOR SEWER PROJECTS
4. PUBLIC HEARING:
 1. SKYFALL COMMUNITY BLOCK DEVELOPMENT GRANT
5. PUBLIC FORUM
6. ADJOURNMENT

2. CONSENT AGENDA

TOWN OF BISCOE BOARD OF COMMISSIONERS MEETING June 10, 2013

The Town of Biscoe Board of Commissioners met in a regular session on June 10, 2013 at 7:00 pm in the Municipal Building.

Present were: Mayor Michael Criscoe, Mayor Pro-Tem Jerry Smith, Commissioners, Gene Anderson, Jimmy Blake, and John Beard. Jimmy Cagle was absent. Town Manager Brooks Lockhart and Town Clerk Laura Morton were also present.

Call to Order

Mayor Michael Criscoe called the meeting to order at 7:00 pm.

Consent Agenda

A motion was made by Commissioner Blake, seconded by Commissioner Cagle, and so the motion carried unanimously to approve the following consent agenda items:

- a) Approval of Minutes 05-13-13
- b) April/May Monthly Financial Report

**Town Clerk Laura Morton informed to the Board that with the new software conversion, the accounts have not been reconciled monthly as before because of changes. The software company is working on getting the conversion amounts correct so bank reconciliations can be caught up and back on schedule to be done monthly.*

Community Design Workshop Report from Center for Creative Economy/Design Link

Margaret Collins and Jason Eppley facilitated this presentation on the successful results of the Community Design Workshop Report from Center for Creative Economy/Design Link.

Closed Session – Re: Economic Development

A motion was made by Commissioner Cagle, seconded by Commissioner Smith, and so the motion carried unanimously to recess the regular session and go into closed session to discuss Economic Development. This motion was made in accordance with NC General Statute 143-318.11 (4).

The Board reconvened out of closed session with nothing to report.

A motion was made by Mayor Pro-tem Smith, seconded by Commissioner Anderson, and so the motion carried unanimously to reconvene the regular session and adjourn the closed session.

Public Hearings

Skyfall Incentives

A motion was made by Commissioner Blake, seconded by Mayor Pro-Tem Smith, and so the motion carried unanimously to open the public hearing on Economic Incentives to be considered for Skyfall Incentives.

Town Manager Lockhart said he would like the board to note that Jordan lumber has rescinded their request for incentives. They are still moving forward with production and are currently employing many within their facility in Biscoe.

Below is an excerpt from the public notice published on May 29 and June 5 in the Montgomery Herald.

The Town proposes to provide an economic development incentive grant to a company. The grant amount would be determined as a percentage of ad valorem taxes on real and personal property paid by the company. The grant amount would be paid annually for a period of five years and would be equal to a rate of 55% of ad valorem taxes paid, should the company reach predicted investment and job creation benchmarks.

In consideration of the incentive grant, the company will invest at least \$6,000,000 in real and personal property and employ up to 40 permanent full-time (or full-time equivalent) jobs.

The source of the monies to fund the economic development incentive grant will come from the tax revenues paid by the company.

All action to be taken by the Town of Biscoe and will be in accordance with North Carolina General Statute 158-7.1 as an economic development project. The Mayor and Board of Commissioners believe this offer will result in the Company locating in the County, resulting in job growth for the county and region, and increasing the Town of Biscoe's current tax base.

The following is the estimated calculation of the value of the incentive, as provided by our current policy:

$6,000,000/100 = 60,000 \times .56 = \$33,600$ taxes paid to Biscoe $\times 5$ years = $\$168,000 \times .55$ incentive = $\$92,400$ (total for 5 years); $\$18,480$ annually.

A motion was made by Commissioner Blake, seconded by Mayor Pro-tem Smith, and so the motion carried unanimously to accept the proposed economic incentive for Skyfall.

New Economic Development Incentive Policy

Town Manager Lockhart provided the new Economic Development Incentive Policy which was adopted by Montgomery County is shown below. It is important that our policy can remain congruent with the policy of the County because it is less confusing for businesses coming in to the County/Biscoe.

Mayor Criscoe recessed the regular session and called to order the Public Hearing to receive comments regarding the proposed Economic Development Incentive Policy.

A motion was made by Commissioner Beard, seconded by Commissioner Cagle, and so the motion carried to close the public hearing and reconvene the regular session.

A motion was made by Commissioner Blake, seconded by Commissioner Beard, and so the motion carried unanimously to approve the following Economic Development Incentive Policy for the Town of Biscoe.

Town of Biscoe Economic Development Incentive Policy

In accordance with the authority provided by North Carolina General Statute 158-7.1, the Town of Biscoe Board of Commissioners considers it beneficial to incentivize economic development that results from job creation and capital investment by new and existing businesses. The objective of this policy is to encourage job creation and expansion of the ad valorem tax base. In arriving at the amount of incentives a project receives, the Board may consider the expected increase in the ad valorem tax base, prospective increase in sales tax receipts and the economic contribution of additional wages to the local economy. For all projects, the Board must consider the viability and sustainability of the project and the extent to which providing incentives will serve the public purpose. In all cases covered herein, the Board must determine that the business location, retention or expansion would not occur but for the incentives.

All appropriations and expenditures pursuant to this policy shall be subject to the provisions of the Local Government Budget and Fiscal Control Acts of North Carolina General Statutes for counties and shall be listed in the annual financial report the county submits to the Local Government Commission. At the end of each fiscal year, the total expenditure for economic development incentives may not exceed one-half of one percent (0.5%) of the outstanding assessed property tax valuation for the county as of January 1 preceding the beginning of the fiscal year. Any appropriation or expenditure pursuant to this policy must be approved by the Board of Commissioners after a public hearing. The county shall publish notice of the public hearing at least ten days before the hearing is held.

The guidelines herein are not binding and may be modified by the Board of Commissioners in evaluating individual projects.

New or existing businesses may qualify to receive a financial incentive grant based on the actual value, schedule and payment of ad valorem taxes paid for a period up to five tax years. The tax year is the calendar year. Businesses that do not pay ad valorem taxes will not qualify for any Town of Biscoe financial incentive program under this policy.

The Board of Commissioners considers that capital investment in real and business personal property and the creation of qualifying jobs will benefit the county through increasing the population, taxable property, agricultural or manufacturing industries or business prospects of the county. The Board will consider whether the project meets the public purpose test of providing jobs for displaced workers, attracting better paying and more highly skilled jobs, enlarging the tax base and diversifying the economy, and whether failure to provide incentives may result in the business choosing another location. Therefore, these guidelines may be applicable to a broad spectrum of businesses, regardless of the North American Industrial Classification System (NAICS) code; including, but not limited to, industrial, agricultural, commercial and energy production.

A business may be eligible for incentives under one or more of the following circumstances:

- Capital investment accompanied by creation of qualifying jobs.
- Creation of qualifying jobs without capital investment.
- A partnership between a landlord and tenant business where the landlord provides new capital investment in real property and the tenant provides accompanying qualifying jobs.
- A partnership between a landlord and a new tenant who creates jobs in a building that has been unoccupied for twelve months or more.

These guidelines are not binding on the county, but may be used as the basis for a contract between the business and the county or the business, landlord and county, which, when executed, will be binding on all parties. Such contract shall clearly state the respective responsibilities of the county and the party/parties being incentivized, including provisions regarding remedies for a breach of responsibilities on the part of any participating party.

The Town of Biscoe Economic Development Corporation, in close cooperation with county staff, shall act as the agent for the county in developing incentive agreements recommended for approval by the Board of Commissioners. A cost-benefit analysis will accompany each recommendation.

When a business wishes to apply for incentives, a baseline will be established for the ad valorem tax value of the applicant's applicable real and business personal property and the base employment level. These values will be obtained from the Town of Biscoe Tax Office and the North Carolina Department of Commerce. The base figures will be established for an agreed upon effective date in the base year of the agreement. Incentive awards will then be calculated on each anniversary of the effective date. When an existing business is retained or expanded through its purchase by a new owner, incentive eligibility for additional jobs or capital investment may be based on the ad valorem tax values of real and business personal property and the employment level existing at the selling company at the time of sale.

In all cases, the county will require the business to pay in full annually total ad valorem taxes due. If the business has met specific criteria as outlined in the formal agreement, an economic development incentive grant, based on a percentage of ad valorem taxes paid, will be paid to the business. No incentives will be paid unless the business is ongoing and progressing toward accomplishment of its investment and employment goals.

The amount of the incentive grant will be computed each year by comparing the company's ad valorem tax valuation to the base valuation; and comparing the number of qualifying jobs that have been in place for at least one year with the base employment level. The amount and period of the incentive grant will be based on actual values achieved and actual taxes paid in full.

Capital Investment with Job Creation:

The amount of capital investment shall be calculated as the net increase in the tax valuation of property. For companies purchasing buildings that have been vacant for

one or more years, the incentive for capital investment may consider the entire ad valorem tax valuation of the property or the actual purchase price, whichever is less, as new investment.

Grants will be paid for a five year period. The minimum threshold for new capital investment with job creation is \$100,000 with one job, which would qualify for an incentive grant equal to 25% of the ad valorem taxes paid on new investment. The incentive grant will be pro-rated up to a maximum equal to 80% of the ad valorem taxes paid for an investment of \$10,000,000 or more and 100 or more new jobs created.

| Number of New Jobs Created | | | |
|----------------------------|-----|------------|-------------------|
| New Investment | 1-5 | 6-24 | 25 to 100 or More |
| \$100,000 of More | 25% | 26% to 49% | 50% to 80% |

For example, a new investment of \$2M with 30 jobs created would receive an incentive grant equal to 52% of the ad valorem taxes paid on the \$2M each year for a period of five years, assuming the additional jobs are maintained.

Job Creation with No New Capital Investment:

The threshold for receiving incentives for job creation is one net additional qualifying job located in Town of Biscoe that remains in place for a minimum of one year (twelve month period). A qualifying job is one that is full time with a salary equal to or greater than the average wage for comparable positions in the county as reported by the North Carolina Department of Commerce, and with benefits that include the payment by the employer of at least 50% of medical insurance for the employee. The grant for job creation will be limited to \$1,000 per job or the following designated percentage of the ad valorem taxes paid, whichever is less.

| Number of Net New Jobs | Percentage of Tax as Grant | Number of Years Paid |
|------------------------|----------------------------|----------------------|
| 1 to 5 | 10% to 19% | 3 |
| 6 to 10 | 20% to 29% | 4 |
| 11 to 25 | 30 % to 39% | 5 |
| 26 or more | 40% | 5 |

Note: The number of jobs is computed each year and compared with the base year to determine the amount of incentive due, and the period for which it will be paid. The percentage of tax as a grant will be prorated based on the number of jobs created. For example, should a company be credited with a net increase of 20 jobs over the base employment level in any given year, the incentive would be 36% of the ad valorem taxes paid for that year, or \$20,000, whichever is less, and for a period of up to five years.

Landlord/Tenant Partnerships:

- a) Should a landlord construct a building or make capital improvements to a building that enables a tenant to add jobs, the landlord and tenant may enter into an agreement for sharing economic development incentives based on the total ad valorem taxes paid for newly invested capital by both the landlord and tenant and the number of jobs created by the tenant. For example, should a landlord erect an addition or make improvements to a tenant occupied building for a capital

investment of one million dollars that results in the tenant creating an additional 10 jobs, an incentive grant equal to 31% of the additional ad valorem taxes paid would be shared for a period of five years by the partnership. The grant could be higher if either party also invests in additional business personal property.

- b) In the case of a new business leasing a landlord owned building that has been vacant for a period of twelve months or more, the incentive grant to the landlord/tenant partnership may consider the total assessed value of the building.

2013-2014 Budget Hearing

Town Manager Brooks Lockhart said presented the following Budget Message to the Board:

Town of Biscoe
Post Office Box 1228
Biscoe, NC 27209

Mayor and Commissioners:

Presented to you is your Proposed Budget for 2013/2014. This year's budget message reflects impact of last year's reassessment of real property. Towards the end of budget planning for fiscal year 2012/2013, we reduced our tax levy a two cent to a rate of \$0.56 per \$100. This fiscal year we intend to maintain this same tax rate.

Once again, the proposed budget for the general fund features greater expenditures than our anticipated revenue stream. Much of this imbalance can be attributed one time capital outlays, increased expenditures to replenish our LEO fund and an unexpected decrease in real property values. This imbalance in the General Fund is not sustainable in the long term and will need to be addressed in the near future. A sizable increase in anticipated expenditures is planned for the Powell Bill in the coming fiscal year as we implement a ten-year resurfacing schedule for all Town owned roads.

There are major changes within the Water and Sewer Fund. First, Montgomery County Water System will be increasing our water purchase rate. This rate increase will be need to be passed through to our customers. This rate increase will not be added to our base rate or our sewer rates. We will also be purchasing a new backhoe, budgeted at \$88,000. In the upcoming year, we are hoping that large-grant driven investments in capital will result in efficiencies and a reduction of costs to our overall operations. One grant, already underway, is an Inflow and Infiltration study to locate rain water entering our collections (sewer) system. By fixing I&I issues in our collections system, we should be able to reduce our cost of treatment. We will be taking strides to repair over \$300,000 in needed repairs identified by the I&I study. We have received a grant in the which will focus on rehabilitation and creating redundancies at our 30 year old wastewater treatment plant. Both projects represent a significant expenditure of capital funds but more over represent huge potential savings for the future.

We are planning for a cost of living increase for all staff of 2.5% and may consider some model of merit increase for future budgets.

Below is a brief overview of the Proposed Budget:

Proposed Budget

| | | |
|--------------|---|--------------|
| General Fund | - | \$1,537,878 |
| Powell Bill | - | \$ 133,222 |
| Leo | - | \$ 30,620 |
| Water/Sewer | - | \$1,245,700 |
| | | |
| Total Budget | - | \$2,947,419 |
| Tax Rate | - | \$.56/\$100 |

Respectfully submitted this 10^h day of June 2013,

Brooks Lockhart
Budget Officer

Mayor Criscoe recessed the regular session and called to order the Public Hearing to receive comments regarding the proposed 2013-2014 Budget Hearing.

A motion was made by Commissioner Beard, seconded by Commissioner Smith, and so the motion carried to close the public hearing and reconvene the regular session.

CWMTF Grant

Town Manager Lockhart said as shared with the board on May 28th, our 2012 CWMTF application has been approved. Following our discussion, we requested altering our application to eliminate our drying bed rehabilitation and add in a generator for redundancy. The CWMTF staff was agreeable to these revisions as they fell within the purview of our initial application. I tasked our engineering firm to devise a cost break out of the revisions and they are provided below.

Attached is an excel file reflecting 3 separate "Opinions of Probable Cost" (as noted on the bottom tabs) dated 1/26/12, 1/28/13 and 5/17/13 for the Biscoe WWTP upgrade. The CWMTF current offer appears to be based upon our original application from the 1/26/12 opinion of cost. The 1/28/13 reflects an update of cost used in the application submitted this year.

The probable costs for the respective dates are summarized as follows:

| <u>Date</u> | <u>Probable Cost</u> | |
|------------------|----------------------|--|
| 1/26/12 split | \$1,168,000 | Original CWMTF Application with \$584,000 between CWMTF & Town |
| 1/28/13 small | \$1,214,000 | Updated cost submitted this year reflecting cost adjustment for inflation |
| 5/17/13 beds | \$1,225,000 | Revised scope with deletion of sand drying |

and sampler and addition of generator/ATS)

As you will note on the most recent 5/17/13 opinion of cost, this cost reflects the 1/28/13 cost opinion with adjustments to add the emergency generator/automatic transfer switch and delete the effluent sampler and sand drying bed repairs from the project. While this is only a very preliminary estimate, the Town will be required to assume responsibility for the cost in excess of the \$584,000 grant by the CWMTF now projected to be \$640,000.

If the Town chooses to recover the cost of the sampler as part of the funding, this cost should be added to the potential cost obligation of the Town.

I should also note, the sand drying beds will eventually need to be addressed and Sam Stewart has pointed out an immediate need to provide the sludge storage tank with mixing/aeration in order to permit removal of waste solids from the storage tank. This is an operational issue that will need to be addressed outside of the CWMTF project.

NC Highway 24/27 Scenic By-Way Designation

Town Manager Lockhart explained there has been a lot of interest lately in the Scenic By-Way designation of NC Highway 24/27 within the city limits of Biscoe.

Part of the provisions of the Scenic By-Way designation is that "off-Premise" Signs are prohibited; Off-Premise refers to any sign that is not physically located at the business in question. Additionally, this would mean directional signs would not be allowed. Signs like shopping center signs are allowed, as they are located at the shopping center. The Town owned signs at Industrial Drive and Coggins Road are technically out of compliance. It was discussed that these signs are both located on Town owned property and are serving a public purpose. We have not received a request from NCDOT to remove our current signage. This "loophole" was requested to be applied to a new sign for our Sedberry Industrial park. NCDOT officials in Raleigh denied this request.

Two of our largest employers have recently requested signs to assist people in finding their businesses (both have had recent Expansions/re-locations). Requesting the removal of the scenic by-way within the Town will allow us to have local control over our signage. Since this is not a safety issue I feel no ethical conflict in requesting this local legislation. Following removal of the designation, the town ordinance measures for regulating signage will need to be updated.

The Board discussed the possibility of a Sign Ordinance for the Town and that changing the Scenic By-Way Designation may open a can of worms. The possibility of a Land Use Committee was also discussed.

A motion was made by Commissioner Blake, seconded by Commissioner Beard, and so the motion carried unanimously to table this discussion until a later date.

Project Updates

Sewer to the Megapark

Town Manager Brooks Lockhart said we have run into a problem with one of our easements on one of the final sections of the force main project. One of our existing easements from around 1970 was drafted as a 7.5 foot easement on both sides with a temporary construction easement of 15 feet. The existing easement would be difficult to

navigate and place the new force main within. This lacking easement should have been discovered and addressed as part of the design phase of the project. Lucky, there is plenty more project to complete which gives us time to remedy this concern.

The property owner in question was approached about selling additional easement to the town for more than double the market rate for that area. A title search was performed and the current owner does not hold clear title. Additionally, the property owner became upset when family was contacted by our attorney in regards of the title search. The property owner has made claims that our existing line is not within the easement (it is) and has demanded 4 times the property value to access any easement. As such, our attorney advised us to consider going around this 200 foot section of property; it will likely be the cheaper alternative rather than dealing with the property owner in question. Our engineer is working with the attorney to put this new direction together. At this time we do not have a set date on the bore. As noted last month, weather dependent, there will be a bore pit in Aileen Avenue, to allow crossing of Old US Highway 220. This bore pit will mean a different traffic pattern, which will be in effect until completion. As a firm date approaches, we will be notifying the board via email.

Public Works Director Sam Stewart said that the bore machines have been moved to and back into Skeen-Miller, so they should begin within the next few days.

Voluntary Annexations: Martin Street

Town Manager Brooks Lockhart said we are still lacking some signatures. We will continue to work on this item. At this point we should wait until we have all the signatures, re-advertise and hold a new public hearing. If it is the pleasure of the board, this item will be removed from the agenda until all signatures are obtained.

Scheduling of a Budget Meeting for Fiscal Year 2012-2013 Amendments and Approval of the 2013-2014 Budget

Town Manager Brooks Lockhart said we need to schedule a meeting for our 2012-2013 budget amendments and possibly approval of the 2013-2014 budget. It would be ideal to hold short meeting at the end of the last week in June.

In a motion made by Commissioner Beard, seconded by Commissioner Anderson, and so the motion carried unanimously to schedule a meeting for June 27, 2013 at 6:30 p.m. to approve Fiscal Year 2012-2013 Amendments and also to approve of the 2013-2014 budget

Public Forum

Mayor/Commissioner/Department Head Reports

Commissioner Blake said he appreciates the nice equipment the Town has. He said he used the new tractor to aerate the ball field at the middle school. He said it is good to have good equipment. He said he also appreciate the guys. Public Works Director Sam Stewart said on behalf of the Public Works staff, he wanted to say thank you to the Board for allowing him to purchase a new dump truck. He said K-M is working on the sides.

Commissioner Blake said he also spoke with Mr. Eppley the presenter of the Design Workshop and he said he would have the final report complete in 2 weeks.

Mayor Criscoe asked Town Clerk Laura Morton to go through the 8K profit report. It was found that Wal-Mart gave a \$2,000 (\$1,000 for the race and \$1,000 for the Veterans' Monument) and Laura said she would look to see which account the money was applied to and get this corrected.

8K Proceeds

A motion was made to Commissioner Beard, seconded by Commissioner Anderson, and so the motion carried unanimously to request the FOP and Explorers to be at the July Town Board meeting to make the presentation.

Adjournment

There being no further business to bring before the Board, Commissioner Beard made the motion to adjourn, and Mayor Pro-tem Smith made the second. All voted in favor. Meeting adjourned at 9:00 p.m.

Mayor

Deputy Clerk

**TOWN OF BISCOE
BOARD OF COMMISSIONERS MEETING
June 27, 2013**

A Special meeting of the Town of Biscoe Board of Commissioners was held on June 27, 2013 at 6:30 p.m. The purpose of the meeting was to approve a year-end budget amendment, to hold a Public Hearing for the Town of Biscoe 2013-2014 Fiscal Year Budget, and to approve the Town of Biscoe 2013-2014 Fiscal Year Budget.

Present were: Mayor Michael Criscoe, Commissioners Jimmy Blake, Gene Anderson, John Beard, Jimmy Cagle, Town Manager Brooks Lockhart and Town Clerk Laura Morton. Absent was: Mayor Pro-tem Jerry Smith.

Call to Order

Mayor Criscoe called the meeting to order.

Budget Amendments for Fiscal Year 2012-2013

A motion was made by Commissioner Blake, seconded by Commissioner Cagle, and so the motion carried unanimously to approve the following Budget Amendment 1, Budget Amendment 2 (optional if needed), and Budget Amendment 3 (optional if needed):

ORDINANCE ADOPTING THE BUDGET OF

***THE TOWN OF BISCOE
FOR FISCAL YEAR 2012-2013***

AMENDMENT 1

The Financial Officer recommends the following:

Increase the following budget line items by the amount shown:

| Acct # | Department | Acct Name |
|---|----------------------|------------------------------------|
| 10-3832-100 | General Revenues | Fire Dept. Donations |
| 10-3832-000 | General Revenues | Music in the Park (former Palooza) |
| 10-3833-820 | General Revenues | Veteran's Monument Donations* |
| 10-3833-840 | General Revenues | Donations |
| 10-3991-000 | General Revenues | Fund Balance Appropriation |
| Total Increase in General Revenues | | |
| 10-4120-450 | Administration | Insurance and Bonding |
| 10-4260-354 | Building and Grounds | Beautification Projects |
| 104340-991 | Fire Department | Contingency |
| 10-4340-999 | Fire Department | Fire Dept. Checking |
| 10-6120-290 | Parks and Recreation | Dept. Supplies |
| 10-6120-299 | Parks and Recreation | Chemicals |
| 10-6120-499 | Parks and Recreation | Miscellaneous |
| 10-6120-991 | Parks and Recreation | Contingency |
| Total Increase of General Expenditures | | |
| Balanced Transaction-General Fund | | |
| 73-3431-000 | Leo Separation Trust | Municipal Contribution |
| Total Increase in Leo Revenues | | |
| 72-4300-121 | Leo Separation Trust | LEO Benefits |
| Total Increase in Leo Expenditures | | |
| Balanced Transaction-General Fund | | |

Respectfully submitted the 27th day of June, 2013

Brooks Lockhart
Town Manager

ORDINANCE ADOPTING THE BUDGET OF

***THE TOWN OF BISCOE
FOR FISCAL YEAR 2012-2013***

AMENDMENT 2

The Financial Officer recommends the following:

Increase the following budget line items by the amount shown:

| Acct # | Department | Acct Name | Amount |
|--|-----------------|--|-----------------|
| Revenue | | | |
| 21-3991-000 | Capital Reserve | Fund Balance Appropriation | \$84,457 |
| Expenditure | | | |
| 21-9810-200 | Capital Reserve | Transfer to Capital Project-OSFM-51 and 54 | \$84,457 |
| Overall Change in Capital Reserve | | | \$84,457 |

Respectfully submitted the 27th day of June, 2013

Brooks Lockhart
Town Manager

**ORDINANCE ADOPTING THE BUDGET OF
THE TOWN OF BISCOE
FOR FISCAL YEAR 2011-2012**

AMENDMENT 3

The Financial Officer recommends the following:
Increase the following budget line items by the amount shown:

| Acct # | Department | Acct Name | Amount |
|--------------------|-------------------|--|--------------------|
| Revenue | | | |
| 60-9810-055 | Water and Sewer | Fund Balance Appropriation | \$1,126,854 |
| Expenditure | | | |
| 60-9810-055 | Water and Sewer | Transfer to Golden Leaf** | \$1,126,854 |
| | | Overall Change in Capital Reserve | \$1,126,854 |

Respectfully submitted the 27th day of June, 2013
Brooks Lockhart
Town Manager

***Transfer to Golden LEAF would be receivable on line 55-3986-980*

Public Hearing for the Town of Biscoe 2013-2014 Fiscal Year Budget

Mayor Criscoe recessed the regular session and called to order the Public Hearing for the Town of Biscoe 2013-2014 Fiscal Year Budget. Town Manager Brooks Lockhart said our Fiscal Year 2013-2014 Budget is larger than last fiscal year because of items budgeted in Powell Bill and repairs to the sewer system. No one spoke during the public hearing.

A motion was made by Commissioner Beard, seconded by Commissioner Anderson, and so the motion carried unanimously to close the public hearing and reconvene the regular session.

Approval of the Town of Biscoe 2013-2014 Fiscal Year Budget

A motion was made by Commissioner Beard, seconded by Commissioner Blake, and so the motion carried unanimously to close the public hearing and reconvene the regular session.

Public Forum

Commissioner Blake said the Summer Tennis program is going well.

Clean Water Management Trust Fund Grant

A motion was made by Commissioner Beard, seconded by Commissioner Cagle to and to the motion carried unanimously to approve the signing of the contract.

Adjournment

A motion was by Commissioner Beard, seconded by Commissioner Cagle, and so the motion carried unanimously to adjourn the meeting at 7:00 p.m.

Mayor

Town Clerk

TOWN OF BISCOE
Monthly Financial Report

Reconciled Balances as of June 30, 2013

| FIRST BANK ACCOUNTS | Interest Rate | Balance | Status |
|---|---------------------------------|-------------------------------------|---|
| Town of Biscoe - Public Funds Money Market 03 | 0.20% | \$1,138,087.82 | <i>unreconciled</i> |
| Fund 10 - General Fund | | | |
| Town of Biscoe - CD 54 | 0.30% | \$434,083.80 | <i>unreconciled</i> |
| Fund 21 - Capital Reserve | | | |
| Town of Biscoe - CD 59 | 0.30% | \$662,253.47 | <i>unreconciled</i> |
| Town of Biscoe - CD 49 | 0.35% | \$207,554.54 | <i>unreconciled</i> |
| Fund 60 - Water/Sewer Fund | | | |
| Town of Biscoe - CD Water/Sewer 42 | 0.30% | CLOSED-OUT | <i>transferred to First Bank Money Market</i> |
| Town of Biscoe - CD Water/Sewer 65 | 0.30% | CLOSED-OUT | <i>transferred to First Bank Money Market</i> |
| Town of Biscoe - CD Water/Sewer 67 | 0.30% | CLOSED-OUT | <i>transferred to First Bank Money Market</i> |
| Fund 72 - Leo Separation | | | |
| Town of Biscoe - Leo Separation CD 30 | 0.30% | \$80,804.74 | <i>unreconciled</i> |
| FIRST BANK TOTAL | | <u>\$2,522,784.37</u> | |
| FIDELITY BANK ACCOUNTS | | | |
| Town of Biscoe - Central Depository | 0.15% | 455,605.99 | <i>unreconciled</i> |
| Town of Biscoe - Payroll Account Regular Checking | not an interest bearing account | \$64,428.29 | <i>unreconciled</i> |
| Town of Biscoe - Powell Bill Fund | 0.25% varies | 152,116.13 | <i>unreconciled</i> |
| FIDELITY BANK TOTAL | | <u>\$672,150.41</u> | |
| GRAND TOTAL OF ALL ACCOUNTS | | <u><u>\$3,194,934.78</u></u> | |

*Respectfully Submitted by Town Clerk Laura B. Morton
For the July 8, 2013 Town Meeting*

3. PROJECT UPDATES

SEWER TO THE MEGAPARK

AT THE TIME OF OUR JULY MEETING WE HAVE NOT HAD OUR MONTHLY REVIEW MEETING FOR JUNE. JUNE HAS BEEN AN EXTREMELY WET MONTH FOR US. IT IS WITH SOME LEVEL OF CERTAINTY THAT WE WILL HAVE NUMEROUS RAIN DAYS GRANTED FOR JUNE. THESE ALLOWED DATES WILL IMPACT THE PROJECT COMPLETION DATE. FORTUNATELY, WE HAD BUDGETED IN A MONTH WORTH OF ADDITIONAL TIME FOR COMPLETION OF THIS PROJECT AND WE ANTICIPATE NOT HAVING ANY TROUBLE WITH THE GRANTING AGENCY.

WE HAVE BEEN WORKING ON RESOLVING THE EASEMENT CONCERN NOTED ON LAST MONTH'S AGENDA. WE HOPE TO HAVE IT RESOLVED WITHIN THE NEXT WEEK OR TWO.

MAJOR SEWER PROJECTS

PER THE DIRECTION OF THE BOARD AT OUR JUNE MEETINGS, STAFF HAS BEEN REVIEWING OUR OPTIONS TO SECURE LOANS TO MAKE OUR MATCH FOR THE CWMTF GRANT AND FOR OUR I&I REPAIRS.

THE CLEAN WATER MANAGEMENT STATE REVOLVING LOAN FUND HAS AN APPLICATION DEADLINE FOR EACH QUARTER; THE MOST RECENT WAS JULY 1ST. THESE WERE THE FUNDS RECOMMENDED FOR USE ON OUR I&I PROJECT. THIS RECOMMENDATION SEEMS TO FIT THE SCOPE THIS PROJECT BEST.

WE NEED TO MOVE FORWARD WITH THE CWMTF GRANT IMMEDIATELY; STAFF IS STILL REVIEWING OPTIONS. WE MAY NEED TO HOLD AN ADDITIONAL MEETING PRIOR TO OUR AUGUST MEETING TO MAKE A DECISION.

4. PUBLIC HEARING

SKYFALL COMMUNITY BLOCK DEVELOPMENT GRANT

WE WILL BE HOLDING A FIRST OF TWO PUBLIC HEARINGS REGARDING A COMMUNITY DEVELOPMENT BLOCK GRANT FOR SKYFALL. THIS HEARING HAS BEEN DULY ADVERTISED IN THE MONTGOMERY HERALD. OUR LAST CDBG GRANT BENEFITED CENTRAL CAROLINA HOSIERY AND THE MONTGOMERY MAKES PROGRAM BY GRANTING THEM \$250,000, WHICH PRIMARILY WENT INTO KNITTING MACHINES.

THIS CDBG GRANT IS FOR \$750,000 TOWARDS BUILDING REUSE WHICH WILL BE MATCHED BY INVESTMENT FROM SKYFALL. AS WITH OUR PRIOR CDBG GRANT, THE TOWN IS THE APPLICANT AND IS RESPONSIBLE FOR THE SUCCESSFUL COMPLETION OF THIS GRANT. AS SUCH, WE WILL BE SEEKING SOME FORM OF COLLATERAL; LIKELY IN THE FORM OF A PROMISSORY NOTE FROM THE COMPANY TO ENSURE THE TOWN REMAINS WHOLE.

THERE HAS BEEN INTEREST IN HOLDING THE SECOND HEARING PRIOR TO OUR AUGUST 12, 2013 MEETING. IF WE INTEND TO DO SO, WE WILL NEED TO ADVERTISE AN ADDITIONAL MEETING TWO WEEKS PRIOR TO HOLDING ONE. IT MIGHT BE BENEFICIAL TO CONSIDER SCHEDULING FOR SUCH A MEETING AT OUR 7.08 MEETING.

5. PUBLIC FORUM

6. ADJOURNMENT