

MINUTES
King City Council
Regular Session
February 4, 2019

The King City Council met in regular session at King City Hall on Monday, February 4, 2019, at 7:00 p.m. Present were: Councilman Charles Allen, Councilman Brian Carico, Councilman Wesley Carter, Mayor Pro Tempore Rick McCraw, Mayor Jack Warren, City Manager Homer Dearmin, City Clerk Tammy Hatley, Director of Planning and Inspections Todd Cox, Director of Finance and Personnel Susan O'Brien, Director of Public Utilities Robert Pettitt, Director of Public Works Ricky Lewis, Water Plant Superintendent Ben Marion, Fire Chief Steven Roberson, Interim Chief of Police Jordan Boyette, City Engineer Scott Barrow, Senior Center Director Suzan Garner, Detective Benny Haynes, Lt. Dallas Hale, Captain Tanner Hairford, Officer Ian Tedder, and Chaplain Tracey Collins.

Mayor Warren called the meeting to order and led the *Pledge of Allegiance*.

The invocation was offered.

ANNOUNCEMENTS

- King Chamber of Commerce Business before Hours: Wednesday, February 6, 2019, 7:30-9:00 a.m., King Public Library, Hosted by King Rotary Club
- King Economic Development Committee, Called Meeting: Wednesday, February 6, 2019, 8:30 a.m., King City Hall
- Parks & Recreation Advisory Board, Regular Meeting: Thursday, February 7, 2019, 7:00 p.m., King Recreation Acres Community Building
- King Succession Planning Committee, Called Meeting: Thursday, February 21, 2019, 9:00 a.m., King City Hall
- King Planning Board, Regular Meeting: Monday, February 25, 2019, 7:00 p.m., King City Hall

City Clerk Hatley announced that a Community Shred Day would be held at the City's Public Parking Lot located directly across from City Hall on Thursday, February 21, 2019, from 1-4 p.m.

ADJUSTMENTS TO AGENDA

It was the consensus of the Council to add *Consideration of Resolution 2019-03* to the Public Hearing for Installment Financing for Capital Asset as requested by the City Manager.

PUBLIC COMMENT

Mayor Warren opened the floor to receive public comment.

Mr. Stephen Brown of 453 Winchester Drive, King, NC; Mr. Jeff Hauser of 132 Lynne Avenue, King, NC; and Mr. Ellis Lineberry of 110 Sheraton Court, King, NC addressed the Mayor and Council during the Public Comment section of the meeting.

Action

Councilman Carico moved to grant Mr. Brown's request to dispose of one vulture with the caveat that staff contact Raleigh to obtain the permit at the City's expense. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

Councilman Carico moved “To instruct the City Attorney to find out what the City’s rights are with Town & Country, if they’re still in existence, to handle Sheraton Court paving as promised years ago and the City make sure that we see it through and anything we can help the residents with during that process to do so” Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

Being no one else present wishing to speak, Mayor Warren closed the public comment portion of the meeting.

CONSENT AGENDA

Action

Councilman Allen moved to approve the consent agenda as presented. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0. Items approved were: (1) January 7, 2019, Regular Meeting Minutes; (2) January 23, 2019, Called Meeting Minutes; (3) Set public hearing at King City Hall on Monday, March 4, 2019, 7:00 p.m. for refinancing belt filter press loan; (4) Ordinance 2019-01, an ordinance declaring a road closure for special events co-sponsored by the King City Council; (5) Water Shortage Response Plan

PUBLIC HEARING – INSTALLMENT FINANCING FOR CAPITAL ASSET

Mayor Warren opened the public hearing on *Installment Financing for Capital Asset*.

Finance Director O’Brien informed the Mayor and Council that financing bids were solicited for purchase of real property located at 621 Ingram Drive, King, NC and recommended that the Council award the financing bid to BB&T at an interest rate of 3.5% for a 15-year loan term with a total cost (principal, interest, and fees) of \$1,152,000.00 and approve Resolutions 2019-01 and 2019-03.

Being no one else present wishing to speak, Mayor Warren closed the public hearing on *Installment Financing for Capital Asset*.

Action

Councilman Carter moved to award financing of the property located at 621 Ingram Drive, King, NC to BB&T at an interest rate of 3.5% for a 15-year loan term with a total cost (principal, interest, and fees) of \$1,152,000.00 and approve Resolutions 2019-01, which is incorporated within the body of the minutes below. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

Bidder	Interest Rate	Loan Term	Total Cost (principal, interest, and fees)
BB&T	3.500%	15 years	\$1,152,000.00
Capital Bank	3.684%	15 years	\$1,187,529.15
Capital Bank	3.850%	20 years	\$1,306,939.22
Wells Fargo	No quote received		
First Citizens Bank	No quote received		
First Citizens Bank	No quote received		

CITY OF KING
RESOLUTION 2019-01
A Resolution Approving Financing Terms

WHEREAS, the City of King “City” has previously determined to undertake a project for purchase of real property at 621 Ingram Drive “the Project” and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED AS FOLLOWS:

1. The City hereby determines to finance the Project through Branch Banking and Trust Company “BB&T”, in accordance with the proposal dated January 23, 2019. The amount financed shall not exceed \$900,000.00, the annual interest rate (in the absence of default of change in tax status) shall not exceed 3.50%, and the financing term shall not exceed fifteen (15) years from closing.
2. All financing contracts and all related documents for the closing of the financing “the Financing Documents” shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer’s satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer’s final approval of the Document’s final form.
4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as “qualified tax-exempt obligations” for the purpose of Internal Revenue Code Section 265(b)(3).
5. The City intends that the adoption of this resolution will be a declaration of the City’s official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The City intends that funds that have been advanced, or that may be advanced, from the City’s general fund, or any other City fund related to the project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

IN WITNESS WHEREOF, this resolution was adopted this the day 4th day of February 2019.

Mayor Pro Tempore McCraw moved to approve Resolution 2019-03, which is incorporated within the body of the minutes below. Councilman Allen seconded the motion which carried by a unanimous vote of 4-0.

**CITY OF KING
RESOLUTION 2019-03**

**A Resolution Approving the Filing of an Application for Approval of a Financing Agreement
Authorized by North Carolina General Statute 160A-20**

WHEREAS, the City of King desires to purchase real property located at 621 Ingram Drive, King, NC (the Project); and

WHEREAS, the City of King desires to finance the Project by use of an installment contract authorized under North Carolina General Statute 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 North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract:

NOW, THEREFORE, BE IT THEREFORE RESOLVED that the City Council of King, North Carolina, meeting in regular session on the fourth day of February, 2019, make the following findings of fact:

7. The proposed contract is necessary or expedient because the installment funding will provide the means to purchase needed real property.
8. The proposed contract is preferable to a bond issue for the same purpose because the cost to issue general obligation bonds would be greater and the amount of the proposed contract is too small to be considered for general obligation bonds.
9. The sums to fall due under the contract are adequate and not excessive for the proposed purpose.
10. The City of King's debt management procedures and policies are carried out in accordance with North Carolina law. Examination of the audit reports for the past three (3) fiscal years of the City of King reflect that the City's debt management policies are in compliance with regulations and sound fiscal policies.
11. It is not anticipated that any increase in taxes will be needed to fund the debt service requirements.
12. The City of King, North Carolina is not in default in any of its debt service obligations.
13. The attorney for the City of King 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 City Manager and/or Director of Finance and Personnel are hereby authorized to act on behalf of the City of King in filing an application with the North Carolina 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 4th day of February, 2019.

PUBLIC HEARING – AMENDMENT TO NOISE ORDINANCE

Mayor Warren opened the public hearing for *Amendment to Noise Ordinance*.

Interim Police Chief Boyette informed the Mayor and Council that during a recent charge of the current ordinance staff was instructed by a District Court Judge that the wording needed to be changed for enforcement purposes, could only be for issues between the hours of 11 p.m. and 7 a.m., and should include wording to address any willful harassment or annoyance.

Being no one else present wishing to speak, Mayor Warren closed the public hearing for *Amendment to Noise Ordinance*.

Action

Mayor Pro Tempore McCraw moved to approve the proposed text amendment to Section 12-103 (3) *Enumeration of loud, disturbing and unnecessary noises (3) Radios, phonographs, loudspeakers, sound devices or musical instruments.* as presented, which is incorporated within the body of the minutes below. Councilman Allen seconded the motion which carried by a unanimous vote of 4-0.

Sec. 12-103 – Enumeration of loud, disturbing and unnecessary noises.

(3) Radios, phonographs, loudspeakers, sound devices or musical instruments. The use or operation either stationary or mobile, of any radio, phonograph, loudspeaker, sound amplifying device or any musical instrument in such a manner or with such volume, between the hours of 11:00 p.m. and 7:00 a.m., as to annoy or disturb the quiet, comfort or repose of any person in any dwelling, hotel, or other type of residence in the vicinity thereof.

It shall be unlawful for any individual, at any time, to intentionally harass or annoy another by the use or operation, either stationary or mobile, of any radio, phonograph, loudspeaker, sound amplifying device or any musical instrument in such a manner or with such volume, or as to annoy or disturb in such a manner as renders the same a public nuisance.

PUBLIC HEARING – AMENDMENT TO PUBLIC CONSUMPTION ORDINANCE

Mayor Warren opened the public hearing for *Amendment to Public Consumption Ordinance.*

Interim Police Chief Boyette informed the Mayor and Council that the wording in this ordinance would only allow a charge if the charging officer saw someone consuming/drinking only, not an open container.

Being no one else present wishing to speak, Mayor Warren closed the public hearing for *Amendment to Public Consumption Ordinance.*

Action

Mayor Pro Tempore McCraw moved to approve the proposed text amendment to Section 18-1 *Public consumption of malt beverages or unfortified wine; penalty for violation of section* as presented, which is incorporated within the body of the minutes below. Councilman Carico seconded the motion which carried by a unanimous vote of 4-0.

Sec. 18-1 – Public consumption of malt beverages or unfortified wine; penalty for violation of section

No person shall consume malt beverages or unfortified wine on the public streets of the City of King or on property owned, occupied or controlled by the City of King.

No person shall possess an open container of malt beverages or unfortified wine on public streets in the City of King or on property owned, occupied or controlled by the City of King.

City Council may regulate or prohibit the possession of malt beverages and unfortified wine on public streets, alleys, or parking lots which are temporary closed to regular traffic for special events upon an affirmative vote of a majority of City Council members following written application filed with the City Clerk not less than 60 days prior to the date of the special event and upon such other terms and conditions as City Council deems appropriate.

Violation of this section shall be a misdemeanor punishable, upon conviction, in accordance with Section 1-8.

REPLACEMENT OF EMERGENCY GENERATOR

Manager Dearmin informed the Mayor and Council that during the most recent ice storm, the emergency backup generator that furnishes power to the maintenance shop, fuel facility, and police department failed. This generator has served the City of King/King Water and Sewer District since the 1970's. An estimate for replacement of this equipment exceeds the threshold for informal bidding requirements in NC, which is \$30,000.

Action

Councilman Allen moved to authorize staff to procure bids for a new generator, and move forward with the lowest responsible bid. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

CONSIDERATION OF BUDGET AMENDMENT 2018-02.06

Councilman Carter moved to approve Budget Amendment 2018-02.06 as presented. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

CONSIDERATION OF PROPOSED DESIGN ADDITION FOR "WELCOME TO KING" SIGN

Councilman Carter moved to approve the fabrication and installation of four aluminum truss archways with the City's logo "Gateway to the Foothills" on the City's *Welcome* signs and to add \$7,000 to the Community Appearance Commission's budget. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

CONSIDERATION OF AUDIT CONTRACT

Councilman Allen moved to approve the audit contract with Cannon and Company at a cost of \$25,900 for Fiscal Year 2018-2019 to be paid in Fiscal Year 2019-2020. Mayor Pro Tempore McCraw seconded the motion which carried by a unanimous vote of 4-0.

UPDATE ON REQUEST BY FORSYTH COUNTY TO OVERLAY A SERVICE DISTRICT OVER THE CITY LIMITS OF KING IN FORSYTH COUNTY FOR COUNTY FIRE PROTECTION

Councilman Carico moved to approve the three recommendations by Chief Roberson: (1) Approve to pay Forsyth County for emergency communications at a rate not to exceed \$0.0077 of the City of King/Forsyth County tax value; (2) Rescind the request to change from a fire tax district to a fire service district in the rural portion of the King Fire District; and (3) Direct that a letter be forwarded to the appropriate Forsyth County Officials to inform them of Council's decision to rescind their previous decision. Councilman Allen seconded the motion which carried by a unanimous vote of 4-0.

DEPARTMENTAL REPORTS

Councilman Carico had questions concerning the bids for the emergency generator which were answered by Manager Dearmin.

ITEMS OF GENERAL CONCERN

Councilman Carter: Nothing at this time

Councilman Carico:

- Commented on how respectfully the King Police Officers handled a noise situation he had recently observed and thanked the Department staff.

Mayor Pro Tempore McCraw:

- Thanked everyone for coming out tonight
- Thanked the staff for the good work they did during the storms we have had recently

Councilman Allen:

- Stated that he had an occasion to use the Fire Department a few weeks ago and appreciated everything those guys did.
- Staff did a great job of keeping the roads clear during the recent ice storm

Mayor Warren:

- Asked City Clerk Hatley to recount a recent phone call she had received call from a citizen whose husband had to be transported to the hospital over the weekend. Mrs. Hatley stated that the citizen called to thank our Fire Department staff for the professionalism they showed; stated that she couldn't say enough kind things about their response and the fact that they arrived on the scene so much quicker than the EMS, which was needed for an ambulance transport.
- Thanked everyone for the job they do
- Thanked Council for all they do

ADJOURNMENT

Mayor Pro Tempore McCraw moved to adjourn the meeting. Councilman Carter seconded the motion which carried by a unanimous vote of 4-0. The meeting stood adjourned at 8:28 p.m.

Approved by:

Attest:

Jack Warren
Mayor

Tamara H. Hatley, MMC, NCCMC
City Clerk