

**Walter M. Gardner, Jr.**  
Mayor

**Robert F. Davie**  
Town Administrator

## **TOWN OF WARRENTON**

*“Historically Great - Progressively Strong”*

P. O. Box 281

Warrenton, NC 27589-0281

PHONE (252) 257-3315 FAX (252) 257-9219

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Finance Committee Meeting  
Wednesday, February 6, 2013

The Finance Committee meeting was called to order Wednesday, February 6, 2013 by Commissioner Hunter with Committee members Al Fleming, Kimberly Harding, Robert Davie, Town Administrator and Bettie Davis, Finance Clerk attending. Commissioner Hunter explained the purpose of the meeting was to begin finance preparation for Town Hall construction. Mrs. Hunter turned meeting over to Mr. Davie. Mr. Davie explained Rick Seekins, Economic Coordinator of Kerr-Tar Regional Council of Government had been in touch with Iris Payne, the Grant Coordinator for the NC Catalyst Fund, regarding the town's request for \$500,000 for town hall renovation. Ms. Payne has reviewed the town's initial proposal as relayed by Mr. Seekins and offered positive feedback with interest in visiting Warrenton. Upon visiting, Ms. Payne will require a renovation and financing plan that would complement the grant if awarded. Commissioner Fleming inquired if the Town would have to repay the Grant. Mr. Davie reiterated this is a Grant for \$500,000 not a loan therefore it does not have to be paid back. All agree the Grant is a great idea and there is no reason not to apply. The application must be submitted by April/May 2013 with the notification of the award in the fall of 2013. Mr. Davie noted that there is a \$1500 fee associated with loan approval by the Local Government Commission (LGC). Commissioner Harding suggested construction in a phased approach. Commissioner Fleming asked if proceeding with a separate roof repair would affect the grant application. Mr. Davie stated not to his knowledge. However, Mr. Davie would like to confirm the scope of the project prior to the visit of Ms. Payne.

Commissioner Hunter stated the NC Catalyst Fund can award \$500,000, a portion of \$500,000 or nothing at all to Warrenton. Commissioner Harding asked if Warrenton should be applying for other monies at this time. All agree now is the time to begin any financial applications. Mr. Davie has acquired a preliminary quote from BB&T for \$500,000 with payback over 20 years at 3.93% interest. The monthly payment would be \$3,032 or approximately \$36,000 a year. If Warrenton borrows \$250,000, the monthly payment would be \$1,526 a month or \$18,312 a year. Either payment would be manageable for Town per Mrs. Davis. (Warrenton currently receives income from 3 accounts that would make the payment very doable). Commissioners Hunter and Harding inquired if any current line items would suffer in making additional payments. Mr. Davie and Mrs. Davis have reviewed the Budget and explain there has been an increase in revenue from franchise taxes; plus the cell contract is being negotiated. As well, 25% of the loan cost would be come from the water-sewer department. When the availability fee is implemented additional income will be received.

Commissioner Hunter stated tax credits had been discussed in prior conversations and can become quite a complex issue with rent going to one entity while loan payments go to another entity. Commissioner Hunter reiterated the point of this meeting is to make a recommendation to the Board, whether to acquire a loan or go the tax credit route. Commissioner Fleming asked if tax credits could be utilized along with the NC Catalyst grant. Mr. Davie stated to his knowledge the Committee did not care as long as a plan is in place for deeding purposes. All agreed Warrenton needs to know for certain. Mr. Davie contacted Rick Seekins by phone who

confirmed that utilizing tax credits would probably work in favor of the town. When considered by the NC Catalyst Fund tax credits would show public/private partnership and be advantageous. Commissioner Harding asked how much more will Town save using tax credits. Mr. Davie reiterated the complexity and stated tax credits may not be advantageous as a third party would be involved with possible rent, building maintenance, insurance and taxes to be paid. Commissioner Fleming suggested contacting local banks (BB&T, First Citizens and Southern Bank and Trust) for best available rate.

A partnership with Plummer Hook and Ladder was discussed as they have a proposed utilizing the majority of space on the 1<sup>st</sup> floor of the building. Commissioner Fleming stated he is in favor of museums but believes Warrenton, with all its history, needs more than just a fire museum. Commissioner Harding believes there is enough merit in the history of African American firefighters to have the museum. The Committee questioned whether Plummer Hook and Ladder Museum would have a share in financing. Plummer Hook and Ladder Museum would be eligible for grants that could assist in paying off loan. Plummer Hook and Ladder Museum is currently applying for 501-C3 status. Because the Museum has been a part of the Town, 501-C3 status has not been needed to date. A suggestion was made that Museum possibly utilize Preservation Warrenton's tax identification number on a temporary basis to obtain grants.

Commissioner Fleming made a motion with second by Commissioner Hunter, to recommend to the Board, that the Town of Warrenton apply for a loan of up to \$500,000 from a local bank to cover the additional costs associated with Town Hall renovation and in conjunction with the NC Catalyst Grant. The vote was unanimous. This recommendation will be presented to the Board of Commissioners. Commissioner Harding still believes roof is priority that needs to be handled as soon as possible. A motion was made by Commissioner Fleming with second by Commissioner Hunter to appoint a Construction Steering Committee to oversee renovation of town hall. The vote was unanimous. The Committee should include the mayor, town administrator, a commissioner, a contractor, and an experienced citizen. This committee will report to the BOC on construction updates.

With no further business, meeting adjourned.