

DRAFT

MINUTES

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

BOARD OF COMMISSIONERS
WEDNESDAY, OCTOBER 19, 2016

The Henderson County Board of Commissioners met for a regularly scheduled meeting at 9:00 a.m. in the Commissioners' Meeting Room of the Historic Courthouse on Main Street, Hendersonville.

Those present were: Chairman Tommy Thompson, Vice-Chairman Charlie Messer, Commissioner Grady Hawkins, Commissioner Mike Edney, Commissioner William Lapsley, County Manager Steve Wyatt, Assistant County Manager Amy Brantley, Attorney Russ Burrell and Clerk to the Board Teresa Wilson.

Also present were: Management Assistant Megan Powell, Director of Business and County Development John Mitchell, Finance Director J. Carey McLelland, Fire Marshal Rocky Hyder, HR Director Jan Prichard, Soil & Water Conservation District Director Jonathan Wallin, Central Services and Construction Manager David Berry Environmental Programs Coordinator Rachel Kipar and PIO Kathy Finotti – videotaping, and Deputy Jacob Tipton as security.

CALL TO ORDER/WELCOME

Chairman Thompson called the meeting to order, welcomed all in attendance.

INVOCATION

The invocation was provided by Pastor Jimmy Spence of Upward Christian Fellowship.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Commissioner Hawkins.

PUBLIC HEARINGS

Public Hearing for Consideration of Economic Development Incentives “Project Roan”

Commissioner Messer made the motion to go into public hearing. All voted in favor and the motion carried.

At the conclusion of the public hearing, the Board may choose to take action, delay action to a subsequent meeting, or take no action.

Attorney Russ Burrell stated notice was given pursuant to N.C. Gen. Stat. §158-7.1 that the Henderson County Board of Commissioners would hold a public hearing at a regular meeting on October 19, 2016, at 9:00 a.m., or as soon thereafter as the Board can consider the matter, to consider the request of Norafin (Americas) Inc., for economic development incentives.

Norafin is contemplating the location of a manufacturing operation at a new site in Henderson County.

Under the project as proposed, the public benefit to be derived from the capital project is a total taxable capital investment by Norafin of at least \$4,500,000.00 in real property (not including any land acquisition costs), and \$13,600,000.00 in business personal property (equipment). The project would result in the creation of forty-six (46) jobs at this site, at an average wage in excess of the average wage in Henderson County for full-time employment, plus other benefits. The contemplated incentives would be calculated over a period of seven (7) years. Based on the new investment, the number of new employees, and the Board's incentives guidelines, the maximum amount of incentives to be considered in this grant would be \$434,372.00

Henderson County will consider granting assistance toward actual start-up expenditures incurred in the investment of Norafin.

If approved, the request would be funded through the general property tax revenue.

DATE APPROVED:

Brittany Brady of the Partnership for Economic Development stated the company is currently located in Germany but has a small office in the United States. They are considering North Carolina and South Carolina. The company is looking for a 75,000 sq. ft. facility and prefer a site in the Mills River area which has recently been rezoned to industrial. Average wages are \$35,437.00.

Norafin's General Manager Stuart Smith stated their interest in this area is due to the quality of water, demographics very similar to Germany, and it just feels right.

Public Input:

There was none.

Commissioner Messer made the motion that the Board grants economic development incentives to Norafin (Americas), Inc., on the terms set out in the notice published for this hearing. All voted in favor and the motion carried.

Public Hearing for Consideration of Economic Development Incentives "Project Emerald"

A public hearing has been scheduled on 19 October 2016 in the above matter.

At the conclusion of the public hearing, the Board may choose to take action, delay action to a subsequent meeting, or take no action.

Russ Burrell stated notice was given pursuant to N.C. Gen. Stat. §158-7.1 that the Henderson County Board of Commissioners would hold a public hearing at its regular meeting on October 19, 2016, at 9:00 a.m., or as soon thereafter as the Board can consider the matter, to consider the request of Elkamet, Inc. ("Elkamet"), for economic development incentives.

Elkamet is a manufacturing concern located inside and outside the United States (and also within Henderson County) contemplating expansion at its site in Henderson County.

Brittany Brady of the Partnership for Economic Development stated under the project as proposed, the public benefit to be derived from the capital project is a total taxable capital investment by Elkamet of at least \$4,500,000.00 in real property (not including any land acquisition costs), and \$2,000,000.00 in business personal property (equipment). The project would result in the creation of twenty-five (25) new jobs, at an average wage of \$35,628, which is in excess of the average wage in Henderson County for full-time employment, plus other benefits. The contemplated incentives would last for a period of seven years. The first year's contemplated incentive, if granted, would be not more than \$22,600.00, based on the schedule of investments, the number of new employees, and the Board's incentives guidelines. The maximum amount of incentives to be considered in this grant over the seven years would be \$185,320.00.

As a part of the proposed arrangement, the County may convey an interest in real property as a part of this transaction. The property to be conveyed is 10.62 acres, more or less, on the former "fairgrounds" property in the East Flat Rock area of the County, at a price of \$38,376 per acre, which the County believes is the fair market value of the property, and which is greater than the \$31,503 per acre tax value of the property.

Henderson County will consider granting assistance toward the investment of Elkamet. If approved, the request would be funded through the general property tax revenue.

Plant Manager Brent Coston stated the company has been in existence since 2000 and have remained through rough times with 12% growth each year. They have a 557% growth percentage with 208 current employees. New capacity is a must for future growth.

Public Input:

There was none.

Commissioner Lapsley asked Attorney Russ Burrell if the County would get a first deed of trust on the Linimar 52 acres. Russ Burrell stated yes. He also noted this as a "monumental day", with the last parcel of

the Fairground's tract being utilized after being on the market for so many years.

Commissioner Hawkins made the motion that the Board find that the fair market value for the land described in the notice published for this hearing is as published in that notice, convey the land to Elkamet on terms consistent with the notice published for this hearing, and grant economic development incentives to Elkamet, Inc., on terms consistent with the notice published for this hearing. All voted in favor and the motion carried.

Public Hearing for Final Approval of the Financing Contract for the Innovative High School Project

A public hearing has been scheduled on 19 October 2016 in the above matter.

At the conclusion of the public hearing, the Board may choose to take action, delay action to a subsequent meeting, or take no action.

Finance Director Carey McLelland stated notice of this public hearing was published on October 5, 2016, stating that the Board would hold a public hearing at 9:00 a.m. on October 19, 2016 to receive public comments on the proposed execution and delivery by the County of (1) an installment financing contract in a principal amount not to exceed \$21,500,000 (the "Contract"), the proceeds of which would be used to finance (a) the acquisition, construction and equipping of an innovative high school in Flat Rock, North Carolina to be used jointly by the Henderson County Board of Public Education and Blue Ridge Community College (the "Innovative High School") and (b) the acquisition of approximately 52 acres of land located in Ferncliff Industrial Park in the Town of Mills River, North Carolina for economic development purposes (the "Land Acquisition" and, collectively with the Innovative High School, the "Project"), and (2) a deed of trust, security agreement and fixture filing (the "Deed of Trust") under which the County would grant a lien on the County's fee simple interest in the real property on which the Innovative High School will be located, together with the improvements thereon, as may be required for the benefit of the entity providing the funds to the County under the Contract.

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on October 19, 2016 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Chairman Thomas H. Thompson presiding.

The following members were present: Thomas Thompson, Charlie Messer, J. Michael Edney, Grady Hawkins, and Bill Lapsley.

The following members were absent: None.

Officials of the County of Henderson, North Carolina (the "County") reported to the Board of Commissioners of the County (the "Board") that notice of a public hearing was published on October 5, 2016, stating that the Board would hold a public hearing at 9:00 a.m. on October 19, 2016 to receive public comments on the proposed execution and delivery by the County of (1) an installment financing contract in a principal amount not to exceed \$21,500,000 (the "Contract"), the proceeds of which would be used to finance (a) the acquisition, construction and equipping of an innovative high school in Flat Rock, North Carolina to be used jointly by the Henderson County Board of Public Education and Blue Ridge Community College (the "Innovative High School") and (b) the acquisition of approximately 52 acres of land located in Ferncliff Industrial Park in the Town of Mills River, North Carolina for economic development purposes (the "Land Acquisition" and, collectively with the Innovative High School, the "Project"), and (2) a deed of trust, security agreement and fixture filing (the "Deed of Trust") under which the County would grant a lien on the County's fee simple interest in the real property on which the Innovative High School will be located, together with the improvements thereon, as may be required for the benefit of the entity providing the funds to the County under the Contract.

The Chairman of the Board then announced that the Board would hear anyone who wished to be heard on the questions of the proposed Contract, the Deed of Trust and the Project to be financed thereby.

Public Input:

There was none.

Commissioner Hawkins made the motion to go out of public hearing. All voted in favor and the motion carried.

After the closing of the public hearing, *Commissioner Hawkins moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted, by reading the title thereof (further reading waived without objection):*

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON,
NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND
PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

WHEREAS, the County of Henderson, North Carolina (the "*County*") is a political subdivision validly existing under the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina, to (1) purchase real and personal property, (2) enter into installment purchase contracts to finance the purchase or improvement of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased or improved to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the "*Board*") has previously determined that it is in the best interest of the County to enter into an Installment Financing Contract dated as of December 1, 2016 (the "*Contract*") with the Henderson County Governmental Financing Corporation (the "*Corporation*") in order to (1) finance (a) the acquisition, construction and equipping of an innovative high school in Flat Rock, North Carolina to be used jointly by the Henderson County Board of Public Education and Blue Ridge Community College (the "*Innovative High School*") and (b) the acquisition of approximately 52 acres of land located in Ferncliff Industrial Park in the Town of Mills River, North Carolina for economic development purposes (the "*Land Acquisition*" and, collectively with the Innovative High School, the "*Project*"), and (2) pay certain costs incurred in connection with the execution and delivery of the Project;

WHEREAS, to secure its obligations under the Contract, the County will execute and deliver a Deed of Trust, Security Agreement and Fixture Filing dated as of December 1, 2016 (the "*Deed of Trust*"), granting a lien on the County's fee simple interest in the real property on which the Innovative High School will be located, together with the improvements thereon;

WHEREAS, the Corporation will execute and deliver an aggregate principal amount not to exceed \$21,500,000 of its Limited Obligation Bonds, in one or more series (collectively, the "*Bonds*"), each evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the Contract) pursuant to the Contract;

WHEREAS, in connection with the sale of the Bonds to PNC Capital Markets LLC and Robert W. Baird & Co. (collectively, the "*Underwriters*"), the Corporation will enter into a Contract of Purchase to be dated on or about December 14, 2016 (the "*Purchase Contract*") between the Corporation and the Underwriters relating to the Bonds, and the County will execute a Letter of Representation to the Underwriters (the "*Letter of Representation*");

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the "*Instruments*"), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract; (2) the Deed of Trust; (3) an Indenture of Trust dated as of December 1, 2016 (the "*Indenture*") between the Corporation and U.S. Bank National Association, as trustee; and (3) the Letter of Representation.

WHEREAS, to make an offering and sale of the Bonds, there will be prepared a Preliminary Official Statement with respect to the Bonds (the "*Preliminary Official Statement*"), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official Statement (together with the Preliminary Official Statement, the "*Official Statement*"), which Official Statement will contain certain information regarding the County;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the Board has conducted a public hearing on this date to receive public comment on the proposed Contract and the transactions contemplated thereby; and

WHEREAS, the County has filed an application to the LGC for approval of the Contract;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Ratification of Instruments.*** All actions of the County, the Chairman of the Board (the "*Chairman*"), the Clerk to the Board (the "*Clerk*"), the County Manager, the Finance Director, the County Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. ***Authorization of the Official Statement.*** The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and of the final Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager and the Finance Director are each hereby authorized and directed, individually and collectively, to deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as each may approve.

Section 3. ***Authorization to Execute the Contract.*** The County approves the financing of the Project in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Contract are hereby in all respects authorized, approved and confirmed, and the Chairman, the Clerk, the County Manager and the Finance Director and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Contract, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Contract presented to the Board. From and after the execution and delivery of the Contract, the Chairman, the Clerk, the County Manager and the Finance Director are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 4. ***Authorization to Execute the Deed of Trust.*** The County approves the form and content of the Deed of Trust, and the Deed of Trust is in all respects authorized, approved and confirmed. The Chairman, the Clerk, the County Manager, the Finance Director and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Deed of Trust, including necessary counterparts, in substantially the form and content of the Deed of Trust presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Deed of Trust presented to the Board. From and after the execution and delivery of the Deed of Trust, the Chairman, the Clerk, the County Manager and the Finance Director are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 5. **Letter of Representation.** The form and content of the Purchase Contract are hereby approved in all respects, and the County Manager or the Finance Director is authorized to execute the Letter of Representation for the purposes stated therein.

Section 6. **County Representative.** The Chairman, the County Manager and the Finance Director are hereby designated as the County's Representative to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Preliminary Official Statement, and the Chairman, the County Manager and the Finance Director are authorized, individually and collectively, to proceed with the transactions contemplated by the Contract in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated by this Resolution as required by law. The County's representatives or designees are in all respects authorized on behalf of the County to supply all information pertaining to the County for use in the Official Statement and the transactions contemplated by the Instruments or the Preliminary Official Statement. The County's representatives or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents which they, in their discretion, deem necessary or appropriate to consummate the transactions contemplated by the Instruments or the Preliminary Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution. Without limiting the foregoing, the Finance Director is hereby authorized and directed to select one or more financial institutions to serve as an additional Underwriter for the Bonds if the Finance Director determines, in his discretion, that such an appointment is necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 7. **Severability.** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. **Repealer.** All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 9. **Effective Date.** This Resolution is effective on the date of its adoption.

On motion of Commissioner Hawkins, the foregoing resolution entitled "RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS" was duly adopted by the following vote: AYES: 5 NAYS: 0

INFORMAL COMMENTS

1. Ken Fitch – Mr. Fitch recently attended a meeting on the I-26 proposal and is concerned that plans are being considered from Fletcher to Flat Rock but not yet funded. He stated Raleigh made the plans, not our local DOT. A couple will lose their home, the overpass to Parkridge Hospital is to be replaced and another route will have to be used or maybe a temporary bridge used, and at the intersection of Highway 64 and Four Seasons Boulevard, a cloverleaf will be replaced with traffic lights. This is being reviewed by the local DOT at this time. He asked the Board to request more public meetings, as we must live with the impact of the plan.

Discussion/Adjustment of Consent Agenda

Commissioner Hawkins made the motion to approve Consent Agenda minus Item C "Construction Manager at Risk Preconstruction Services", pulled by Commissioner Lapsley for discussion. All voted in favor and the motion carried.

CONSENT AGENDA consisted of the following:

Minutes

Draft minutes were presented for board review and approval of the following meeting(s):

October 3, 2016 - Regularly Scheduled Meeting

Tax Collector's Report

Collections Specialist Luke Small had presented the Tax Collector's Report to the Commissioners dated October 6, 2016 for information only. No action was required.

Bureau of Justice Assistance - State Criminal Alien Assistance Program Grant Award

Henderson County Sheriff's Office Detention Facility has participated in the annual Bureau of Justice Assistance State Criminal Alien Assistance Program based upon its reporting of incarceration records. SCAAP provides federal payments to states and localities that incurred correctional officer salary costs for incarcerating undocumented criminal aliens who have at least one felony or two misdemeanor convictions for violations of state or local law, and who are incarcerated for at least 4 consecutive days during the reporting period. SCAAP funds must be used for correctional purposes only. Jurisdictions receiving SCAAP awards will be asked to report the projected use of these funds at the time the award is accepted. The FY 16 award for Henderson County is \$16,361.00.

Motion:

I move that the Henderson County Sheriff's Office accept the FY 16 grant award from the Bureau of Justice Assistance State Criminal Alien Assistance Program.

DISCUSSION/ADJUSTMENT OF DISCUSSION AGENDA

Commissioner Messer made the motion to adopt the discussion agenda with the addition of "Construction Manager at Risk Preconstruction Services". All voted in favor and the motion carried.

NOMINATIONS

Nominations

1. Equalization and Review, Henderson County Board of – 2 vac.

There were no nominations at this time and this item was rolled to the next meeting.

2. Juvenile Crime Prevention Council – 2 vac.

There were no nominations at this time and this item was rolled to the next meeting.

3. Library Board of Trustees – 1 vac.

There were no nominations at this time and this item was rolled to the next meeting.

4. Nursing/Adult Care Home Community Advisory Committee – 6 vac.

Chairman Thompson nominated Sharon Hanson for position #4. *Chairman Thompson made the motion to accept the appointment of Sharon Hanson to position #4 by acclamation. All voted in favor and the motion carried.*

5. Senior Volunteer Services Advisory Council – 1 vac.

There were no nominations at this time and this item was rolled to the next meeting.

BLUE CROSS BLUE SHIELD – AFFORDABLE CARE ACT (OBAMACARE) DESIGN CHANGE OPT-OUT

County Manager Steve Wyatt stated Henderson County has received notice from Blue Cross Blue Shield that Section 1557 of the Affordable Care Act (ObamaCare) requires benefit design changes that include the removal of the categorical exclusion for gender reassignment services. In other words, sex change surgery and related drug therapy are required to be covered. This change is scheduled to take effect on January 1, 2017. This does not change anything we currently cover, and Mr. Wyatt is unaware of any request of this nature over the last 5 years. There is no indication of a fee change.

However, Administrative Services Only (ASO) groups with greater than 250 members, which applies to Henderson County's plan, are allowed to opt out of this coverage, but are required to execute an exception

document to indemnify, hold harmless, and defend BCBSNC against any subsequent costs, judgments and damages resulting from the exception.

Commissioner Hawkins made the motion that the Board opts out of the plan change coverage, and authorize staff to execute the required exception documentation. All voted in favor and the motion carried.

MOUNTAIN VALLEYS RESOURCE CONSERVATION & DEVELOPMENT (RC&D) COUNCIL UPDATE

Jessica Hocz, Executive Director of Mountain Valleys Resource Conservation and Development presented an update on current projects.

The RC&D Council is a 501(c)3 non-profit, action-oriented organization which provides help in obtaining the resources needed to plan and/or implement projects that support natural resource conservation and/or economic development. After a measure is adopted by the Council, the Council may seek private or public grants, and may also secure technical assistance from private or public sources for its implementation. Most of the RC&D goals are achieved through the combination of cooperative efforts from private citizens, groups, businesses and local, state, and federal units of government or agencies.

The original four county RC&D area, comprised of Madison, Buncombe, Henderson, and Transylvania Counties, was authorized for United States Department of Agriculture (USDA) assistance by the Secretary of Agriculture in 1976. An additional four counties, McDowell, Polk, Rutherford, and Cleveland, were included in an expansion plan approved by the leadership of the local sponsors and USDA in 1997. The local sponsors are the Boards of County Commissioners and Soil and Water Conservation Districts in the eight counties plus the Land of Sky Regional Council and Isothermal Regional Council of Governments.

Current Projects

- Cost-Share Assistance on fencing, watering systems, and fertilizer is available to farms participating as a demonstration site, or to landowners who are interested in leasing their pasture land.

They are connecting western North Carolina farmers and small businesses with grants and other resources to fund projects like: LED lighting, greenhouse insulation, solar PV and other renewable energy systems, energy-efficient equipment and heating systems, and more.

- Pasture Reclamation – The WNC Pasture Network can help cost-share on the infrastructure required to lease your farmland.
- Workshops covering technique and planning, fencing and water solutions are offered with field experiences on mountain pasture.
- Septic Repairs & AG BMP – Grant assistance from EPA319 to address fecal waste.
- Adopt-a-Stream – Clean up events that totaled over 90 tires and 97 bags of litter.
- Outreach – newsletters, website, newspaper articles, presentations, and 4 awards.
- Water Quality Monitoring – On-going monitoring that demonstrates work to be done.
- Kids in the Creek – Educational water quality programs with school & community groups.

GUARANTEED MAXIMUM PRICE – INNOVATIVE HIGH SCHOOL

John Mitchell, Business and Community Development Director stated in order for school to begin on time for the Fall 2017 term, Beverly Grant/Barnhill was hired as Construction Manager at Risk for the Innovative High School project.

The Construction Manager at Risk (CMR) process includes a Guaranteed Maximum Price (GMP). The GMP is determined by a series of attachments added to the Construction Manager at Risk Contract. There are two GMP for this project. The Board approved the initial contract at the July 20th meeting, which

included the structural steel package (GMP-1) Early Steel Package \$1,413,777.00.

The final GMP (GMP-2) is the total building package and includes the remainder of the work. GMP #2 – Remaining Bid Packages \$11,580,905.00.

Beverly Grant/Barnhill is recommending the selection of the lowest responsible bidders across the packages. The final GMP is within the accepted Total Project Budget.

Beverly-Hanks/Barnhill, a 50/50 Joint Venture submitted the Guaranteed Maximum for the Innovative High School in the amount of \$12,994,682.00.

Commissioner Messer made the motion that the Board of Commissioners approves and accept the GMP-2, and direct staff to continue with the project. All voted in favor and the motion carried.

CONSTRUCTION MANAGER AT RISK PRECONSTRUCTION SERVICES – Moved to Discussion

John Mitchell stated at the August 17 meeting of the Board of Commissioners, the Board approved Cooper Construction as the Construction Manager at Risk for the Emergency Services Headquarters project (EMSHQ).

Clark Nexsen and staff have negotiated the fee for the Preconstruction Services portion of the project with Cooper Construction. The fee is \$90,000 and is within our approved budget.

Commissioner Lapsley pulled the item for discussion because he feels this project can be done at a less expensive cost, and doesn't support the entire project.

Commissioner Edney made the motion that the Board approves the fee for Preconstruction Services for the Emergency Services Headquarters project. The motion passed 4-1 with Commissioner Lapsley voting nay.

ADJOURN

Commissioner Lapsley made the motion to adjourn at 10:00 a.m. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

Thomas H. Thompson, Chairman

EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on October 19, 2016 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Chairman Thomas H. Thompson presiding.

The following members were present: Chairman Thomas H. Thompson, Vice Chairman Charlie Messer, J. Michael Edney, Grady Hawkins and William Lapsley

The following members were absent: None.

* * * * *

Officials of the County of Henderson, North Carolina (the "*County*") reported to the Board of Commissioners of the County (the "*Board*") that notice of a public hearing was published on October 5, 2016, stating that the Board would hold a public hearing at 9:00 a.m. on October 19, 2016 to receive public comments on the proposed execution and delivery by the County of (1) an installment financing contract in a principal amount not to exceed \$21,500,000 (the "*Contract*"), the proceeds of which would be used to finance (a) the acquisition, construction and equipping of an innovative high school in Flat Rock, North Carolina to be used jointly by the Henderson County Board of Public Education and Blue Ridge Community College (the "*Innovative High School*") and (b) the acquisition of approximately 52 acres of land located in Ferncliff Industrial Park in the Town of Mills River, North Carolina for economic development purposes (the "*Land Acquisition*" and, collectively with the Innovative High School, the "*Project*"), and (2) a deed of trust, security agreement and fixture filing (the "*Deed of Trust*") under which the County would grant a lien on the County's fee simple interest in the real property on which the Innovative High School will be located, together with the improvements thereon, as may be required for the benefit of the entity providing the funds to the County under the Contract.

The Chairman of the Board then announced that the Board would hear anyone who wished to be heard on the questions of the proposed Contract, the Deed of Trust and the Project to be financed thereby.

[No one spoke at the public hearing.]

Commissioner Hawkins moved that the public hearing be closed. The motion was unanimously adopted.

After the closing of the public hearing, Commissioner Hawkins moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted, by reading the title thereof (further reading waived without objection):

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON,
NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND
PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

WHEREAS, the County of Henderson, North Carolina (the "*County*") is a political subdivision validly existing under the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina, to (1) purchase real and personal property, (2) enter into installment purchase contracts to finance the purchase or improvement of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased or improved to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the "*Board*") has previously determined that it is in the best interest of the County to enter into an Installment Financing Contract dated as of December 1, 2016 (the "*Contract*") with the Henderson County Governmental Financing Corporation (the "*Corporation*") in order to (1) finance (a) the acquisition, construction and equipping of an innovative high school in Flat Rock, North Carolina to be used jointly by the Henderson County Board of Public Education and Blue Ridge Community College (the "*Innovative High School*") and (b) the acquisition of approximately 52 acres of land located in Ferncliff Industrial Park in the Town of Mills River, North Carolina for economic development purposes (the "*Land Acquisition*" and, collectively with the Innovative High School, the "*Project*"), and (2) pay certain costs incurred in connection with the execution and delivery of the Project;

WHEREAS, to secure its obligations under the Contract, the County will execute and deliver a Deed of Trust, Security Agreement and Fixture Filing dated as of December 1, 2016 (the "*Deed of Trust*"), granting a lien on the County's fee simple interest in the real property on which the Innovative High School will be located, together with the improvements thereon;

WHEREAS, the Corporation will execute and deliver an aggregate principal amount not to exceed \$21,500,000 of its Limited Obligation Bonds, in one or more series (collectively, the "*Bonds*"), each evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the Contract) pursuant to the Contract;

WHEREAS, in connection with the sale of the Bonds to PNC Capital Markets LLC and Robert W. Baird & Co. (collectively, the “*Underwriters*”), the Corporation will enter into a Contract of Purchase to be dated on or about December 14, 2016 (the “*Purchase Contract*”) between the Corporation and the Underwriters relating to the Bonds, and the County will execute a Letter of Representation to the Underwriters (the “*Letter of Representation*”);

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the “*Instruments*”), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract;
- (2) the Deed of Trust;
- (3) an Indenture of Trust dated as of December 1, 2016 (the “*Indenture*”) between the Corporation and U.S. Bank National Association, as trustee; and
- (3) the Letter of Representation.

WHEREAS, to make an offering and sale of the Bonds, there will be prepared a Preliminary Official Statement with respect to the Bonds (the “*Preliminary Official Statement*”), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official Statement (together with the Preliminary Official Statement, the “*Official Statement*”), which Official Statement will contain certain information regarding the County;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the Board has conducted a public hearing on this date to receive public comment on the proposed Contract and the transactions contemplated thereby; and

WHEREAS, the County has filed an application to the LGC for approval of the Contract;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Ratification of Instruments.*** All actions of the County, the Chairman of the Board (the “*Chairman*”), the Clerk to the Board (the “*Clerk*”), the County Manager, the Finance Director, the County Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. ***Authorization of the Official Statement.*** The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and of the final Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager and the Finance Director are each hereby authorized and directed, individually and collectively, to deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as each may approve.

Section 3. ***Authorization to Execute the Contract.*** The County approves the financing of the Project in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Contract are hereby in all respects authorized, approved and confirmed, and the Chairman, the Clerk, the County Manager and the Finance Director and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Contract, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Contract presented to the Board. From and after the execution and delivery of the Contract, the Chairman, the Clerk, the County Manager and the Finance Director are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 4. ***Authorization to Execute the Deed of Trust.*** The County approves the form and content of the Deed of Trust, and the Deed of Trust is in all respects authorized, approved and confirmed. The Chairman, the Clerk, the County Manager, the Finance Director and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Deed of Trust, including necessary counterparts, in substantially the form and content of the Deed of Trust presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Deed of Trust presented to the Board. From and after the execution and delivery of the Deed of Trust, the Chairman, the Clerk, the County Manager and the Finance Director are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 5. ***Letter of Representation.*** The form and content of the Purchase Contract are hereby approved in all respects, and the County Manager or the Finance Director is authorized to execute the Letter of Representation for the purposes stated therein.

Section 6. ***County Representative.*** The Chairman, the County Manager and the Finance Director are hereby designated as the County's Representative to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Preliminary Official Statement, and the Chairman, the County Manager and the Finance Director are authorized, individually and collectively, to proceed with the transactions contemplated by the Contract in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated by this Resolution as required by law. The County's representatives or designees are in all respects authorized on behalf of the County to supply all information pertaining to the County for use in the Official Statement and the transactions contemplated by the Instruments or the Preliminary Official Statement. The County's representatives or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents which they, in their discretion, deem necessary or appropriate to consummate the transactions contemplated by the Instruments or the Preliminary Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution. Without limiting the foregoing, the Finance Director is hereby authorized and directed to select one or more financial institutions to serve as an additional Underwriter for the Bonds if the Finance Director determines, in his

discretion, that such an appointment is necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 7. *Severability.* If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. *Repealer.* All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 9. *Effective Date.* This Resolution is effective on the date of its adoption.

On motion of Commissioner Hawkins, seconded by Commissioner Edney, the foregoing resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** was duly adopted by the following vote:

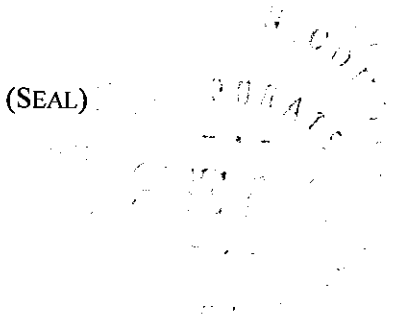
AYES: ALL MEMBERS

NAYS: NONE

STATE OF NORTH CAROLINA)
)
COUNTY OF HENDERSON) SS:

I, TERESA WILSON, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, *DO HEREBY CERTIFY* that the foregoing is a true and exact copy of a resolution entitled “RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS” adopted by the Board of Commissioners of the County of Henderson, North Carolina at a meeting held on the 19th day of October, 2016.

WITNESS my hand and the corporate seal of the County of Henderson, North Carolina, this the 19th day of October, 2016.



Teresa L. Wilson
Teresa Wilson
Clerk to the Board of Commissioners
County of Henderson, North Carolina

Office of the Henderson County Tax Collector

200 NORTH GROVE STREET, SUITE 66

HENDERSONVILLE, NC 28792

PH: (828) 697-5595 | FAX: (828) 698-6153

Henderson County Board of Commissioners
1 Historic Courthouse Square, Suite 1
Hendersonville, NC 28792

Thursday, October 06, 2016

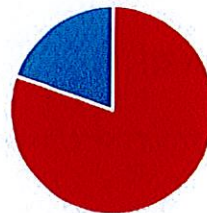
Re: Tax Collector's Report to Commissioners - Meeting Date October 19, 2016

Please find outlined below collections information through October 5, 2016 for the 2016 real and personal property bills scheduled to be mailed out on August 8, 2016. Vehicles taxes are billed monthly by NC DMV.

Henderson County Annual Bills (Real and Personal Property):

| | |
|-------------------------------|------------------------|
| 2016 Beginning Charge: | \$68,484,077.42 |
| Discoveries & Imm. Irreg.: | \$275,286.58 |
| Releases & Refunds: | (\$101,337.19) |
| <u>Net Charge:</u> | <u>\$68,658,026.81</u> |
| Unpaid Taxes: | \$55,080,253.12 |
| Amount Collected: | \$13,577,773.69 |

Paid
19.78%



Unpaid
80.22%

Henderson County Registered Motor Vehicles (As Collected by NC DMV):

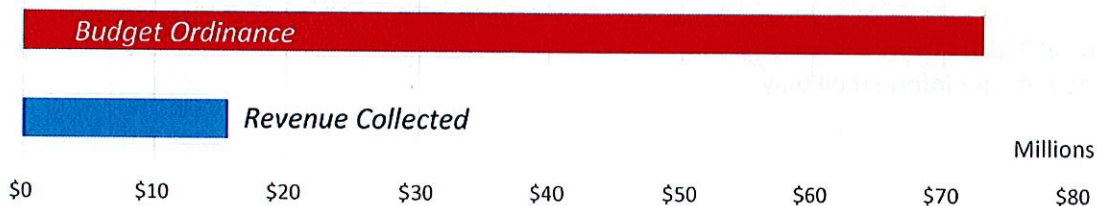
| | |
|--------------------------|-----------------------|
| Net Charge: | \$1,592,019.34 |
| Unpaid Taxes: | \$10,128.25 |
| Amount Collected: | \$1,581,891.09 |

99.36%

Henderson County FY17 Budget Analysis:

| | <u>Budget Ordinance</u> |
|----------------------|-------------------------|
| Ad Valorem: | \$71,500,676.00 |
| Prior Years: | \$1,575,000.00 |
| Budget Total: | \$73,075,676.00 |

| | <u>Revenue Collected</u> |
|---------------------|--------------------------|
| Ad Valorem: | \$15,159,664.78 |
| Prior Years: | \$481,963.02 |
| YTD Revenue: | \$15,641,627.80 |



Respectfully Submitted,

Luke Small
Deputy Tax Collector

Darlene Burgess
Tax Administrator