

**TOWN OF LELAND
SPECIAL COUNCIL MEETING
FRIDAY, NOVEMBER 2, 2007
11:00 A.M.**

ASSEMBLY

The Town of Leland Council held a special meeting on Friday, November 2, 2007 at 11:00 a.m. at Leland Town Hall for the purpose of a conducting a public hearing for the consideration of the financing contract for the real property purchase of parcel #s 038AA016 and 038AA015 and the consideration of a resolution awarding the financing contract.

Present were: Walter Futch, Mayor; Councilmen: Brenda Bozeman, Gordon Hobbs and Jimmy Medlin.

Also present were: Bill Farris, Town Manager; Carol Ann Floyd, MMC, Town Clerk and Landon Barker, Executive Assistant.

Absent was: Councilman Wallace.

11:01:43 AM CALL TO ORDER, INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Futch called the meeting to order at 11:01 a.m. Councilman Medlin gave the invocation. A quorum was present. Everyone stood and gave Pledge of Allegiance to the Flag of the United States of America.

11:02:40 AM PUBLIC HEARING – CONSIDERATION OF THE FINANCING CONTRACT FOR THE REAL PROPERTY PURCHASE – PARCEL #S 038AA016 & 038AA015

Mayor Futch opened the public hearing at 11:02 a.m.

Mr. Farris stated that these are the parcels located at Town Hall Drive and Old Fayetteville Road. Mr. Farris stated that we have signed purchase agreements on one(1) parcel and a pending purchase agreement on the other parcel. Mr. Farris stated they we have completed the due diligence on both properties except for the title search on the parcel with the pending contract. Mr. Farris stated that we have submitted all of the necessary information except for the resolution awarding the finance contract to the Local Government Commission and it will be on their agenda for approval at their December 5th meeting. Mr. Farris stated that we have solicited and received proposals from six(6) banks for financing. Mr. Farris stated that we asked for proposals for ten(10), fifteen(15) and twenty(20) year terms. Mr. Farris stated that we looked at the various proposals and there are two(2) that are quite close. Mr. Farris stated that they are BB&T and RBC Centura. Mr. Farris stated that the financing rates for BB&T are slightly higher than RBC Centura. Mr. Farris stated that closing cost for RBC Centura's are \$5,000 and BB&T's are \$1,900. Mr. Farris stated that BB&T has no pre-payment penalties and there is a fairly complicated arrangement with RBC Centura. Mr. Farris stated that RBC uses a formula on how much would be lost for pre-payment of a loan with a minimum of a ½ percent pre-payment penalty. Mr. Farris stated that we need to balance between the annual debt service payments and the possibility of needing to pre-pay this loan. Mr. Farris stated that if we develop a town hall at some point down the road then it might be necessary to pre-pay this loan in order to make that happen. Mr. Farris stated that we are suggesting go for the fifteen(15) years which provides a good balance between the annual debt service and the possibility of paying it off. Mr. Farris stated that given the cost of the loan plus the pre-payment penalty that the best deal is with

