

# Town of Meggett Council Meeting Minutes

**Date:** June 11, 2018      **Time:** 6:00PM      **Location:** SCPA Building, 4770 Hwy 165

<b>Call to Order</b>	Mayor Buster Herrington
<b>Type of Meeting</b>	Special Town Council Meeting
<b>Facilitator</b>	Mayor Buster Herrington
<b>Minutes</b>	Ali Ravenel, Town Clerk

<b>Roll Call:</b>	Mayor Herrington	P	Angela Watts	P
A = Absent	Tommy Butler	A	Andy Gowder	P
P = Present	Tom Hutto	P	Stephanie Smith	P
	Keith McCarty	P		

**Prayer Given By:** Mayor Buster Herrington

**Pledge of Allegiance Led By:** Mayor Buster Herrington

## | Discussion to Acquire TMS# 192-00-00-018 |

*Mayor Herrington introduced Mr. Brent Jeffcoat to Council; Mr. Jeffcoat is a Bond Attorney and will be serving as Bond Counsel and Municipal Advisor to the Town for the financing of TMS# 192-00-00-018.*

*Following the introduction, the Mayor invited Mr. Jeffcoat to address Council and explain the bond proceedings.*

*Mr. Jeffcoat first summarized the transaction by explaining that the Town would be seeking a General Obligation Municipal Bond, which is a debt security issued to a governing body to finance capital expenditures. Principal and interest are secured by the full faith and credit of the issuer and are usually supported by either the issuer's taxing power. Municipal Bonds are awarded special status by Section 103 of the Internal Revenue Code, which provides that the interest earned by the financing institution on such bonds are exempt from gross income. Because of this special status, investors usually allow lower interest rates and flexible terms, making this an attractive solution for a municipality.*

*In regards to the Town's bond, Mr. Jeffcoat explained that he would be approaching roughly three local financial institutions to "shop" the bond. Once he received the offers from each bank, he would present the offers to Council for final selection. To give Council an idea of the rates and terms available, Mr. Jeffcoat explained that the terms could be anywhere from five to 12 years, with a rate somewhere below 4.25%. Payments are flexible and can usually be arranged on monthly, quarterly, or bi-annual payment schedule.*

*Mr. Jeffcoat then asked the Mayor and Council to elaborate on several points: what did they envision for the future usage of the property, did they have any preferences on the payment schedule, and if they were interested in putting any money down on the current purchase price of \$700,000. The Mayor explained*

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*that the Town was primarily looking to protect the parcel and further enhance the Town's Gateway District. In the very extended future the Town may look to sell a very small portion of the parcel to recoup some of the investment, but the overall idea is to retain as much of the parcel under Town ownership as possible. After a brief discussion, Council decided that they would be interested in quarterly loan payments at a fixed rate and would like to put around \$200,000 cash towards the overall purchase price.*

## **| 1<sup>st</sup> Reading of Ordinance |**

*Mayor Herrington read the Ordinance to Authorize Bonding Indebtedness to Acquire Real Property of TMS# 192-00-00-018. With no further discussion, Mayor Herrington asked for a motion to approve the passage of the 1<sup>st</sup> Reading of the Ordinance. Council Member Keith McCarty motioned to accept and the motion was seconded by Council Member Angela Watts.*

## **| Public Comments |**

*None available.*

**Meeting adjourned 7:09 PM**