



## REQUEST FOR BOARD ACTION

ITEM NO. 7

**DATE OF MEETING:** January 4, 2016

**REQUESTED BY:** Katherine C. Brafford, Finance Director

**SHORT TITLE:** Approval of a FY 2015-2016 Budget Ordinance Amendment to Budget the Revenues and Expenditures Associated with the Rural Economic Development Loan Grant (REDLG), which was Filtered through Four County EMC to the County and Subsequently to Acme Smoked Fish Corporation (Acme) as an Economic Development Incentive for Acme to Locate in Pender County.

**BACKGROUND:** On June 22, 2015 the Board of Commissioners adopted a Budget Ordinance for FY 2015-2016. The County had previously entered into an Incentive Agreement whereby Acme agreed to locate in Pender County and the County would facilitate interest-free loans to Acme. Four County EMC is the conduit through which USDA makes interest free loans for economic development incentives. USDA made a \$2 million loan to Four County EMC; Four County EMC made a \$2 million loan to the County; and the County made a \$2 million loan to Acme. Acme is repaying the loan to the County in monthly installments of \$16,666.67 (for a total of 120 payments over a period of five years); and the County is repaying the loan to Four County EMC in similar monthly installments of \$16,666.67 (for a total of 120 payments over a period of five years). This Budget Amendment updates the budget to reflect both the loan transaction and the ten (10) payments that will be paid/repaid in this fiscal year. There is no "net expense" to the County from these transactions.

**SPECIFIC ACTION REQUESTED:** To consider approving a budget ordinance to budget the revenues and expenditures associated with the \$2 million interest free loan from Four County EMC to the County and from the County to Acme Smoked Fish Corporation for an economic development incentive.

The foregoing Ordinance, upon motion of Commissioner \_\_\_\_\_ and second by  
Commissioner \_\_\_\_\_, and having been submitted to a roll call vote and received the  
following votes: YES Votes: \_\_\_\_\_ NO Votes: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_  
was approved \_\_\_\_\_ denied \_\_\_\_\_ on this the 4<sup>th</sup> day of January 2016.

\_\_\_\_\_  
George R. Brown, Jr., Chairman

ATTEST:

\_\_\_\_\_  
Melissa Pedersen, Clerk to the Board

**BUDGET ORDINANCE AMENDMENT TITLE:** Record Budget for REDLG/Four County EMC/Acme Smoked Fish Loan

Introduced by: Randell Woodruff, County Manager Date: 2016-01-04 Item #: \_\_\_\_\_

Fund: General Department: \_\_\_\_\_ Division: \_\_\_\_\_



**PENDER COUNTY, NORTH CAROLINA**

FY 2015-2016 Budget Amendment # 2016-54 Date Approved: \_\_\_\_\_  
 Appropriations

REVENUES		EXPENDITURES	
Increase: <input checked="" type="checkbox"/> Decrease: <input type="checkbox"/>		Increase: <input checked="" type="checkbox"/> Decrease: <input type="checkbox"/>	
Account # and Title	Amount	Account # and Title	Amount (leave off \$ sign)
10-335203: REDLG Loan	\$2,000,000.00	652-402000: Industrial Incentive	\$2,000,000.00
10-396200: Acme Loan Re-payments	\$166,670.00	664-408112: Debt Service - REDLG	\$166,670.00
<b>Total:</b>		<b>Total:</b>	
	\$2,166,670.00		\$2,166,670.00

Reason and Justification for Request:  
 To record the transaction for the \$2 million interest-free USDA loan which was made to Four County EMC (Four County EMC was the conduit through which USDA makes economic development incentive loans). Four County EMC then made the loan to the County and the County made the loan to Acme Smoked Fish Corporation as an incentive to locate in Pender County. The loan is to be repaid by Acme to the County, and subsequently by the County to Four County EMC, in monthly payments of \$16,666.67 for 120 months (a total of five years). This BA records the entire loan from Four County to Pender County, the loan to Acme Smoked Fish by the County, and the ten (10) payments and re-payments which will be made in FY 2016.

Dept Mgr. Approval: _____ Date: _____	Finance Officer Approval: _____ Date: _____	Budget Officer Approval: _____ Date: _____
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Board Approval (When Applicable)    Item # \_\_\_\_\_    Date of Minutes \_\_\_\_\_