



March 18, 2019

**SPECIAL MEETING  
TOWN OF DAVIDSON BOARD OF COMMISSIONERS**

The Town of Davidson Board of Commissioners held a special meeting on Monday, March 18, 2019 at Town Hall, 216 South Main Street, Davidson, NC. Present were Mayor Rusty Knox and Commissioners Jane Campbell, Matthew Fort, Jim Fuller, Autumn Rierson Michael, and David Sitton. Staff included Town Manager Jamie Justice, Town Attorney Cindy Reid, Finance Director Pieter Swart, and Town Clerk Betsy Shores.

- **CALL TO ORDER**

Mayor Knox called the meeting to order at 6:00 p.m.

- **CLOSED SESSION - Consult with Attorney NCGS 143-318.11. (a) (3) - Attorney-client privilege**

*Commissioner Fuller made a motion to move to closed session. The motion passed unanimously (5-0).*

The Board returned from closed session at 6:20 p.m.

Town Manager Jamie Justice read the following statement:

Tonight we will discuss beginning the process to sell Continuum. Continuum, formerly known as MI-Connection, is the broadband/cable company owned by the towns of Mooresville and Davidson.

One of the Davidson Board of Commissioners' goals from the 2018-2019 Strategic Plan has a focus on sound financial management and examining future options for Continuum. The town board has been very deliberate and intentional in this examination. The board has heard loud and clear from citizens regarding their interest in seeing a better arrangement with Continuum in order to improve the town's financial picture.

A recent review of Continuum has motivated the elected officials of Mooresville and Davidson to put the successful company on the market. The towns are initiating the sale process based on the ongoing success of Continuum and our desire to have the financial flexibility to invest in needed new infrastructure and other projects.

Continuum's potential customer base is growing fast and the network has never performed better. The business is in excellent shape and overall market conditions are highly favorable. We expect there will be vibrant competition to purchase Continuum. That said, market conditions

can change and it is possible we will not receive a satisfactory offer. If Continuum doesn't sell, then it will continue to grow and become an even stronger community asset. Both towns share the goal to make the proper decision that is in the best interest of our citizens.

The towns of Mooresville and Davidson will retain RBC Capital Markets as its exclusive financial advisor for the sale. RBC has a robust process for outreach and marketing to potential buyers and negotiation of an agreement.

Continuum is a growing asset and has continued to make significant investments in its infrastructure and service offerings. As a result, we expect it to achieve a very strong valuation. The value of the business will be determined by an active, full bidding process, and we expect many interested buyers. We will be soliciting bids from many parties, including service providers similar to Continuum, as well as financial investors. We expect a high level of interest from both categories.

The anticipated date of the completed transfer of ownership is the end of November 2019. Per state statute, any potential sale will need to be approved by the voters in both Mooresville and Davidson through referenda on November 5, 2019.

In the meantime, during this process, Continuum customers will continue to receive their voice, Internet and video services as they are accustomed.

I will now explain the purpose of this evening's meeting:

In order to start the process, both towns need to take some actions. The action before the board tonight is two-part: 1) approve the fifth amendment to the interlocal agreement between the Town of Mooresville and the Town of Davidson which approves the cost share of the process expenses and; 2) approve a resolution that engages the strategic partner attorneys that specialize in certain areas that will support the towns in this process. The attorneys are Troutman Sanders, Robinson Bradshaw, and Parker Poe. This resolution also authorizes the manager to execute the agreement with RBC.

The cost share of the expenses related to the sale process will be split between the two towns commensurate with its ownership share - 70% for Mooresville and 30% for Davidson. The town of Davidson has a project fund for Continuum that was created anticipating the potential need to fund expenses such as this.

RBC will work on behalf of both towns as the co-owners. In the event of a sale, the expenses associated with RBC's work will be paid at the closing.

The actions needed tonight can be taken with two motion/votes. The motions can be as follows:

- 1) Motion to approve the fifth amendment to the interlocal agreement as presented.
- 2) Motion to approve Resolution 2019-10 as presented.

After approval:

A news release and list of frequently asked questions will be sent out informing the public of this effort. The town will create a section on the website where public information related to this process will be housed.

Please be aware that there will be certain information related to the sale that is not public due to the confidential and proprietary nature of the business and to protect the integrity and success of the sale process.

I want to thank all those that have worked on this effort to date and note that we do still have a long way to go. But we are confident we are heading in the right direction and are hopeful for a successful outcome.

Congratulations to the staff and volunteers at Davidson Lands Conservancy for achieving national recognition, joining over 400 accredited land trusts across the country and 15th in the state of North Carolina. The Land Trust Accreditation Commission inspires excellence, promotes public trust and ensures permanence in the conservation of open lands by recognizing organizations that meet rigorous quality standards and strive for continuous improvement.

***Commissioner Fuller made a motion to approve the Fifth Amendment to the interlocal agreement as presented. The motion passed unanimously (5-0).***

***Commissioner Fort made a motion to approve Resolution 2019-10. The motion passed unanimously (5-0).***

- **ADJOURN**

***Commissioner Fort made a motion to adjourn. The motion passed unanimously (5-0).***

The meeting adjourned at 6:36 p.m.

**Attest:**

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Elizabeth K. Shores  
Town Clerk

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Rusty Knox  
Mayor