

Randolph County Board of Commissioners Minutes

Joint Closed Session--June 9, 2008

At 4:32 p.m., the Randolph County Board of Commissioners and the Asheboro City Council adjourned to closed session to discuss matters relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Kemp, Lanier and Holmes were present. Also present were Will Massie, Finance Officer; Aimee Scotton, Associate County Attorney; Cheryl Ivey, Clerk to the Board; and Amanda Varner, Deputy Clerk to the Board; Asheboro City Council members Talmadge Baker, Eddie Burks, Linda Carter, Keith Crisco, Walker Moffitt, Archie "Mack" Priest, Mayor David Jarrell and Mayor Pro Tem - David Smith, as well as John Ogburn, City Manager; Jeff Sugg, City Attorney and Holly Doerr, City Clerk. Randolph County EDC was represented by Bonnie Renfro and Harry Lane.

Bonnie Renfro, said that Kennametal has operated a manufacturing facility in Asheboro since acquiring Cleveland Twist Drill in the mid-nineties. Kennametal-Asheboro employs 175 people with an annual payroll of \$6 million. Kennametal's current investment at the Asheboro site is \$2.34 million in real property and \$6.62 million in personal property. A portion (up to 50%) of the existing equipment will be removed from the Asheboro plant as they remove some of their lower value commodity lines. The company is considering an expansion of the Asheboro facility to bring a new high value precision tool line that will create 70 new jobs at average wages of \$35,263 and will invest more than \$20 million in new and relocated equipment. Other Kennametal sites are also under consideration. Should another site be chosen, Asheboro will lose 175 jobs. Key factors for the company are cash incentives and the ability to find new workers. Training from RCC will be crucial.

Ms. Renfro proposed the following performance-based incentive package:

City of Asheboro	\$162,500 over 5 years
Randolph County	\$162,500 over 5 years
Randolph County EDC grant (Progress Energy)	\$25,000
One NC Fund	<u>\$150,000</u>
Total Package:	\$500,000

Ms. Renfro said that she, Chairman Holmes, Mayor Jarrell, Harry Lane and Don Childers from RCC will be traveling to Latrobe, Pennsylvania to meet with company officials on June 17. The company will make a decision in July.

Both Boards discussed the importance of keeping Kennametal in Asheboro and authorized Ms. Renfro to offer the proposed incentives package to the company.

At 4:59 p.m., on motion of Frye, seconded by Kemp, the Board voted unanimously to end closed session and return to regular session.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Cheryl A. Ivey, Clerk to the Board