

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
LOCAL GOVERNMENT COMMISSION
MINUTES**

March 7, 2023

The meeting was called to order by Chair Dale R. Folwell at 1:30 p.m. on the above date. The meeting was conducted in person and by use of simultaneous communication by GoToWebinar™. Members present in person: Chair Folwell, Secretary of State Elaine Marshall, Secretary of Revenue Ronald Penny, and John Burns. Members present virtually: Vida Harvey, Nancy Hoffmann, Paul Butler, and Mike Philbeck (joined at 1:39 p.m.).

Members Absent: State Auditor Beth Wood

A quorum was present for the entire meeting.

Other DST participants present in person: Sharon Edmundson, Jennifer Wimmer, Debbie Tomasko, Cindy Aiken, and Jason Sass.

Others attending in person: Victoria Bledsoe (DST staff); Bill Toole (Secretary of State Office); Shadi Eskaf, Victor D'Amato, and Jennifer Haynie (DEQ Staff); Lee Carter and Jay Rivers (NC Capital Management Trust); Leighanna Worley (Wilson's Mills); and Todd Taylor (Wake County).

Chair Folwell asked those members present if they had any actual, potential, or the appearance of a conflict of interest regarding the matters on the agenda. No conflicts were reported.

Secretary Penny made a motion that the minutes of the February 7, 2023 meeting be approved. Mr. Burns seconded the motion, and the minutes were approved by a vote of 7-0 (Absent: Wood, Philbeck).

Chair Folwell called the members' attention to the OPEB & Pension Liabilities report attached to these minutes and labelled "**Exhibit 1**".

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TOWN OF BLOWING ROCK

Secretary Marshall made a motion to adopt the following resolution:

**RESOLUTION CONCERNING THE PRIVATE SALE OF A NOT TO
EXCEED \$1,695,000 TOWN OF BLOWING ROCK, NORTH CAROLINA
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES
2023**

WHEREAS, the Town of Blowing Rock, North Carolina (the "Town") applied to the North Carolina Local Government Commission (the "Commission") pursuant to the Local Government Bond Act, as amended, for approval of the issuance by the Town of up to \$13,000,000 of Town general obligation bonds to pay capital costs of water, sewer, street and parks and recreation facilities improvements in the Town (the "Bonds") pursuant to bond orders adopted by the Town's Town Council on July 29, 2014 (the "Bond Orders"), which application was approved by the Commission on September 9, 2014, and at a referendum held on November 4, 2014 a majority of the qualified voters of the Town voting on the questions approved each of the Bond Orders; and

WHEREAS, on March 2, 2021 the Commission entered its Order Approving Extension of Time Requested By Town of Blowing Rock for Issuing Bonds approving the application of the Town for a three-year extension of time to issue Bonds under the Bond Orders to November 4, 2024, and the Town thereafter adopted bond orders for such an extension of time and published notice of the same, and no action or proceeding questioning the validity of such action has been brought; and

WHEREAS, the Town desires to issue its general obligation Public Improvement Bond in the maximum amount of \$1,695,000 (the "2023 Bond") to pay capital costs of water, sewer, street and parks and recreation facilities improvements in the Town, such 2023 Bond has not received a rating by any rating agency and Section 159-123 of the North Carolina General Statutes authorizes the Commission to sell such 2023 Bond at private sale upon such terms and conditions, and according to such procedures as the State Treasurer may prescribe; and

WHEREAS, JPMorgan Chase Bank, N.A. (the "Purchaser"), in its response to the Town's Request for Proposals for financing, has offered to purchase the 2023 Bond from the Town, such 2023 Bond to be designated as the Town's General Obligation Public Improvement Bond, Series 2023, and the Town Council of the Town (the "Town Council") has determined that such offer of the Purchaser provides a combination of the lowest fixed rate and most advantageous prepayment provisions of any proposal received by the Town in response to such Request for Proposals; and

WHEREAS, the Town has requested the Commission to sell the 2023 Bond at private sale without advertisement in accordance with Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, the Commission desires to approve such request and the Commission desires to accept the offer of the Purchaser to purchase the 2023 Bond upon the terms and conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission:

Section 1. The sale of the 2023 Bond to the Purchaser at private sale without advertisement is hereby approved, such sale being subject to the approval of the Town and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the 2023 Bond shall not exceed \$1,695,000, and the purchase price for the 2023 Bond shall be equal to the par amount of the 2023 Bond.

Section 3. The 2023 Bond shall bear interest at an interest rate of 3.29% per annum except in the case of default or an event of taxability.

Section 4. The final maturity of the 2023 Bond shall not be later than March 1, 2038.

Section 5. The Commission hereby determines that the sale of the 2023 Bond in the manner and for the price as provided in this resolution is in the best interest of the Town, provided that such sale shall be approved by the Town, including one or more persons designated by resolution of the Town Council for such purpose.

Section 6. The Secretary of the Commission or any Deputy Secretary is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution, and the Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such details of the 2023 Bond as shall be satisfactory to him or her, to approve the forms of other documents relating to the 2023 Bond, to execute and deliver such documents on behalf of the Commission and to provide for the execution and delivery of the 2023 Bond in accordance with the resolution adopted by the Town Council.

Section 7. This resolution shall be effective immediately upon its passage.

Ms. Hoffmann seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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TOWN OF BLOWING ROCK

Secretary Marshall made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR A NOT TO EXCEED \$1,695,000 TOWN OF BLOWING ROCK, NORTH CAROLINA GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2023

WHEREAS, the Town of Blowing Rock, North Carolina (the “Town”) has requested that the North Carolina Local Government Commission (the “Commission”) approve their selection of the following financing team members for the upcoming issuance of its General Obligation Public Improvement Bond, Series 2023 (the “2023 Bond”):

Bond Counsel:	Sands Anderson PC
Purchaser:	JPMorgan Chase Bank, N.A.
Purchaser’s Counsel:	Womble Bond Dickinson (US) LLP
Financial Advisor:	First Tryon Advisors

WHEREAS, based upon the information and evidence received by the Commission, the Commission is of the opinion that the request by the Town should be approved;

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved for the issuance of the 2023 Bond.

This resolution shall be effective immediately upon its passage.

Ms. Hoffmann seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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CITY OF HICKORY

Mr. Burns made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF HICKORY FOR THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, the City of Hickory, North Carolina (the “*City*”) has determined that it is in the best interests of the City to enter into an installment financing contract (the “*Contract*”) with Truist Commercial Equity, Inc. (the “*Bank*”) in order to (1) finance the costs of further expansion, renovations and improvements to the Hickory Metro Convention Center (the “*Project*”) and (2) pay certain costs related to the execution and delivery of the Contract;

WHEREAS, the principal amount to be advanced by the Bank to the City under the Contract will not exceed \$14,165,000;

WHEREAS, the City will repay the advance of the Contract in semi-annual payments of interest and annual payments of principal at an interest rate not to exceed 3.83% per annum;

WHEREAS, the final maturity date of the Contract may not extend beyond 2043;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the City has made proper application to the Local Government Commission of North Carolina (the “*Commission*”) for approval of the proposed financing; and

WHEREAS, the Secretary of the Commission has determined that the unit has complied with Section 159-149 of the General Statutes of North Carolina, as amended; and

WHEREAS, the Commission, pursuant to Section 159-151 of the General Statutes of North Carolina, as amended, upon information and evidence received, finds and determines as follows:

- (1) the Contract is necessary or expedient for the City;
- (2) the Contract, under the circumstances, is preferable to a bond issue by the City for the same purposes;
- (3) the sums to fall due under the Contract are adequate and not excessive for its proposed purposes;
- (4) the City's debt management procedures and policies are good;
- (5) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (6) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application for approval of the Contract and planned financing of the Project is hereby approved under the provisions of Section 160A-20 of the General Statutes, as amended, Article 8 of Chapter 159 of the General Statutes, as amended, and relevant resolutions of the Commission."

Ms. Harvey seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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CITY OF HICKORY

Mr. Burns made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF HICKORY, NORTH CAROLINA INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20

WHEREAS, the City of Hickory, North Carolina (the “City”) has requested that the Local Government Commission of North Carolina (the “Commission”) approve its selection of the following financing team members for the above-referenced installment financing contract:

Special Counsel:	- Parker Poe Adams & Bernstein LLP
Bank:	- Truist Commercial Equity, Inc.
Bank's Counsel:	- Pope Flynn, LLC
Financial Advisor:	- FHN Financial Municipal Advisors

WHEREAS, based on the information and evidence received by the Commission, the Commission is of the opinion that the City's request should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above-referenced financing team is hereby approved for the above-referenced installment financing contract."

Ms. Harvey seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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BEGINNING OF CONSENT AGENDA

PITT COUNTY

Secretary Penny made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF PITT, NORTH CAROLINA FOR THE FINANCING OF A SHERIFF'S ADMINISTRATION BUILDING FOR SAID COUNTY THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the County of Pitt, North Carolina (the "County") has determined that it is necessary and expedient to pay the costs of acquiring, constructing and equipping a new sheriff's administration building for the County (the "Project"); and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to finance the Project pursuant to an Installment Financing Agreement (the "Agreement") between the County and TD Bank, N.A. (the "Lender"), whereby the Lender shall advance moneys to the County, and the County, subject to its right of nonappropriation, shall repay the advancement with interest in installments; and

WHEREAS, the aggregate principal amount of the Agreement shall not exceed \$17,287,000 with annual principal and semi-annual interest payments with a term of approximately fifteen (15) years (final maturity not to exceed March 1, 2038) at a rate of 3.55% per annum, subject to adjustment as provided in the Agreement.

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the County has made proper application to the North Carolina Local Government Commission (the "Commission") for approval of the proposed financing; and

WHEREAS, the Secretary of the Commission has determined that the unit has complied with Section 159-149 of the General Statutes of North Carolina; and

WHEREAS, the Commission, pursuant to Section 159-151 of the General Statutes of North Carolina, upon information and evidence received, finds and determines as follows:

- (i) that the Agreement is necessary or expedient for the County;
- (ii) that the Agreement, under the circumstances, is preferable to a bond issue for the same purpose;
- (iii) that the sums to fall due under the Agreement are adequate and not excessive for its proposed purpose;
- (iv) that the County's debt management procedures and policies are good;
- (v) that the County is not in default in any of its debt service obligations;
- (vi) that the increase in taxes, if any, necessary to meet the sums to fall due under the Agreement will not be excessive.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Agreement and the financing contemplated thereby is hereby approved under the provisions of Section 160A-20 of the General Statutes of North Carolina and relevant resolutions of the Commission.

Secretary Marshall seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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WAKE COUNTY

Secretary Penny made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF WAKE, NORTH CAROLINA FOR THE ISSUANCE OF NOT TO EXCEED \$83,700,000 GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, the County of Wake, North Carolina (the "County") has applied to the North Carolina Local Government Commission (the "Commission") pursuant to the Local Government Bond Act, as amended, for approval of the issuance by the County of not to exceed \$83,700,000 General Obligation Refunding Bonds (the "Bonds") for the purpose of providing funds, together with any other available funds, to (a) refund all or a portion of the County's outstanding (i) General Obligation School Bonds, Series 2013A, dated May 6, 2013 and (ii) General Obligation Public Improvement Bonds, Series 2013B, dated May 7, 2013, and (b) pay certain expenses related thereto; and

WHEREAS, the Commission has considered the provisions set forth in G.S. 159.52(a) to the extent applicable to the Bonds and has reviewed the documents provided by the County in connection with its application and are of the opinion that the issuance of the Bonds should be approved; and

WHEREAS, based upon the information and evidence received in connection with such application, the Commission finds and determines:

- (a) that such proposed Bonds are necessary or expedient;
- (b) that the proposed amount of such proposed Bonds is adequate and not excessive for the proposed purposes thereof;
- (c) that the County's debt management procedures and policies are good;
- (d) that the increase in taxes, if any, necessary to service the proposed Bonds will not be excessive;
- (e) that the proposed Bonds can be marketed at a reasonable interest cost to the County; and
- (f) that the assumptions used by the Chief Financial Officer of the County in preparing the statement of estimated interest filed with the Clerk to the Board of Commissioners for the County pursuant to G.S. 159-55.1(a) are reasonable; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application of the County of Wake, North Carolina for approval of the proposed Bonds in an amount not to exceed \$83,700,000 for the purposes set forth above is hereby approved pursuant to the Local Government Bond Act, as amended.

Secretary Marshall seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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TOWN OF WILSON'S MILLS

Secretary Penny made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF WILSON'S MILLS, NORTH CAROLINA. THIS PROJECT CONSISTS OF THE PURCHASE OF 11.5 ACRES OF LAND AND FIVE MOVE-IN READY BUILDINGS (THE "PROJECT") THROUGH AN INSTALLMENT PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. 160A-20.

WHEREAS, the Town of Wilson's Mills, North Carolina (the "Town") has determined that the Project, which will include buildings to house Town Hall administrative offices, public works shop, animal control facilities, and future police and utilities departments is necessary and expedient to replace current "at capacity" space and to accommodate future expansion; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town intends to finance the Project through an Installment Purchase Contract (the "Contract") between KS Bank (the "Bank") whereby the Bank shall advance moneys to the Town , and the Town , subject to its right of nonappropriation, shall repay the advance with interest in installments; and

WHEREAS, the principal amount of the Contract shall not exceed \$1,500,000 with monthly level principal and interest payments for a term of five (5) years at an approved interest rate of 3.95% and a final maturity date of July 1, 2027; and

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the Town has made proper application to the North Carolina Local Government Commission (the "Commission") for approval of the proposed financing; and

WHEREAS, the Secretary of the Commission has determined that the unit has complied with G.S. 159-149; and

WHEREAS, the Commission, pursuant to G.S. 159-151, upon information and evidence received, finds and determines as follows:

- (i) that the proposed Contract is necessary or expedient for the Town;
- (ii) that the Contract, under the circumstances, is preferable to a bond issue for the same purpose;
- (iii) that the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;
- (iv) that the Town 's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law;
- (v) that the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (vi) that the Town is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Contract and the planned financing are hereby approved under the provisions of G.S. 160A-20 and relevant resolutions of the Commission."

Secretary Marshall seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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CITY OF WINSTON-SALEM

Secretary Penny made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA GENERAL OBLIGATION BONDS

WHEREAS, the City of Winston-Salem, North Carolina (the “*City*”) has requested that the Local Government Commission of North Carolina (the “*Commission*”) approve their selection of the following financing team members for its upcoming general obligation bond issue:

Bond Counsel:	Parker Poe Adams & Bernstein LLP
Financial Advisor:	First Tryon Advisors

WHEREAS, based upon the information and evidence received by the Commission, it is the opinion of the Commission that the City’s request should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above financing team is hereby approved for the City’s upcoming General Obligation Bonds.

Secretary Marshall seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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CITY OF WINSTON-SALEM

Secretary Penny made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE ISSUANCE OF NOT TO EXCEED \$8,895,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS

WHEREAS, the City of Winston-Salem, North Carolina (the “*City*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the Local Government Bond Act, as amended, for approval of the issuance in an aggregate principal amount not to exceed \$8,895,000 of its General Obligation Bonds (the “*Bonds*”) for the purpose of paying the capital costs of (i) improving, repairing, resurfacing, and replacing certain streets and bridges located in the City, and providing related landscaping, lighting and traffic controls, signals and markers, (ii) renovating and improving certain parks and recreational facilities, including, among other things, golf courses, park bridges, and playgrounds throughout the City, (iii) renovating and improving certain public safety

facilities, including, among other things, fire station facilities, and (iv) acquiring, constructing, renovating, and improving certain public facilities, including, among other things, renovations and improvements to City Yard, City Hall, and the Bryce A. Stuart Building, and the placement of solar panels on various City facilities;

WHEREAS, the City has furnished to the Commission the following:

(a) a Bond Resolution adopted by the City Council of the City on March 6, 2023 authorizing the City to issue the Bonds and authorizing the form and the terms of the documents described below;

(b) the form of a Preliminary Official Statement to be dated on or about April 6, 2023 (the “*Preliminary Official Statement*”) with respect to the Bonds; and

(c) a Statement of Disclosure dated February 21, 2023 (the “*Statement of Disclosure*”), pursuant to Section 159-55.1 of the General Statutes of North Carolina, stating that interest on the Bonds was calculated at an estimated interest rate of 5.33%, which represents the Bond Buyer 20 Index as of January 26, 2023 plus 2.00%, and that the estimated interest that will be paid on the Bonds over the expected term of the Bonds is \$5,003,211.04.

WHEREAS, based upon the information and evidence received in connection with such application for approval of the issuance of the Bonds, the Commission hereby finds and determines as follows:

(i) such proposed general obligation bond issue is necessary or expedient;

(ii) the proposed amount of such general obligation bond issue is adequate and not excessive for the proposed purposes thereof;

(iii) the City’s debt management procedures and policies are good;

(iv) the increase in taxes, if any, necessary to service the general obligation bonds will not be excessive;

(v) the proposed general obligation bonds can be marketed at reasonable rates of interest; and

(vi) the assumptions used by the Chief Financial Officer of the City in preparing the Statement of Disclosure filed with the City Clerk pursuant to Section 159-55.1(a) of the General Statutes of North Carolina are reasonable.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the proposed Bonds in an aggregate principal amount not to exceed \$8,895,000 with a final maturity not to exceed June 1, 2043, for the purposes set forth therein, is hereby approved pursuant to the Local Government Bond Act, as amended.”

Secretary Marshall seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Absent: Wood).

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GASTONIA HOUSING AUTHORITY

Secretary Penny made a motion to approve the following:

The financing for Fairhaven Place was approved by the LGC on October 4, 2022. The LGC approved a not to exceed bond amount of \$39 million, including \$22 million of tax-exempt Series A and \$17 million of taxable Series B Multifamily Housing Revenue Notes (the “Multifamily Notes”). Due to increases in the construction costs for this project, the amount of the Multifamily Notes needed to finance this project has increased to \$24.9 million of tax-exempt Series A and \$23 million of taxable Series B, increasing the aggregate not to exceed principal amount for the Multifamily Notes to \$47.9 million. The not to exceed maturity date for the Multifamily Notes of December 31, 2042, and the not to exceed interest rate for the Multifamily Notes of 12% previously approved by the LGC will remain unchanged.

Secretary Marshall seconded the motion, and the foregoing was approved by unanimous vote of 8 – 0 (Absent: Wood).

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MISCELLANEOUS ACTION ITEM

ELON UNIVERSITY

Secretary Penny made a motion to approve the following:

RESOLUTION APPROVING AMENDMENTS TO CERTAIN TRUST AGREEMENTS AND BOND FORMS RELATING TO THE AMENDMENT OF INTEREST RATE PROVISIONS FOR THE NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY REVENUE BONDS (ELON UNIVERSITY), SERIES 2012, SERIES 2014B, SERIES 2017A AND SERIES 2018

WHEREAS, following June 30, 2023, ICE Benchmark Administration declared it will cease publishing the overnight, 1-month, 3-month, 6-month, and 12-month London Interbank Offering Rates (LIBOR);

WHEREAS, the North Carolina Capital Facilities Finance Agency (the “Agency”) has previously issued its North Carolina Capital Facilities Finance Agency Revenue Bonds (Elon University), Series 2012 (the “Series 2012 Bonds”) under the Trust Agreement, dated as of July 1, 2012 (the “Original 2012 Trust Agreement”), between the Agency and Truist Bank (formerly Branch Banking and Trust Company), as trustee (the “Bond Trustee”), as amended by an Amendment No. 1, dated as of March 15, 2018 (“2012 Amendment No. 1”), an Amendment No. 2, dated as of June 20, 2018 (“2012 Amendment No. 2”), an Amendment No. 3, dated as of August 20, 2019 (the “2012 Amendment No. 3” and, together with the Original 2012 Trust Agreement, 2012 Amendment No. 1 and 2012 Amendment No. 2, the “2012 Trust Agreement”), between the Agency and the Bond Trustee, in order to make a loan to Elon

University (the “University”) to finance improvements on the campus of the University as more fully provided therein;

WHEREAS, the Series 2012 Bonds are currently owned by Truist Bank (formerly Branch Banking and Trust Company) (the “2012 Bank Holder”) and currently bear interest at the “Bank Bought Rate” as defined in the 2012 Trust Agreement;

WHEREAS, the Agency, the University and the 2012 Bank Holder have proposed certain amendments to the provisions of the 2012 Trust Agreement and the Series 2012 Bonds for the purpose of (a) changing the interest rate benchmark provisions for the Series 2012 Bonds from One-Month LIBOR to Daily Simple SOFR (as defined in Amendment No. 4 to 2012 Trust Agreement defined below), (b) adding fallback interest rate provisions for the Series 2012 Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2012 Bonds;

WHEREAS, in order to carry out this change, it is necessary to amend the 2012 Trust Agreement and the form of the Series 2012 Bonds;

WHEREAS, there has been prepared a draft copy of a proposed Amendment No. 4 to Trust Agreement, to be dated the date of delivery thereof (“Amendment No. 4 to 2012 Trust Agreement”), between the Agency and the Bond Trustee that would carry out the amendments related to the Series 2012 Bonds;

WHEREAS, the Agency has also previously issued its North Carolina Capital Facilities Finance Agency Revenue Bonds (Elon University), Series 2014B (the “Series 2014B Bonds”) under the Trust Agreement, dated as of September 1, 2014 (the “2014A Trust Agreement”), between the Agency and the Bond Trustee, in order to make a loan to the University to refund the Refunded Bonds (as defined in the 2014B Trust Agreement), as more fully provided therein;

WHEREAS, the Series 2014B Bonds are currently owned by STI Institutional & Government, Inc. (the “2014B Bank Holder”) and currently bear interest at the “LIBOR Index Rate” as defined in the 2014B Trust Agreement;

WHEREAS, the Agency, the University and the 2014B Bank Holder have proposed certain amendments to the provisions of the 2014B Trust Agreement and the Series 2014B Bonds for the purpose of (a) changing the interest rate benchmark provisions for the Series 2014B Bonds from the LIBOR Index to the SOFR Index (as defined in Amendment No. 1 to 2014B Trust Agreement defined below), (b) modifying the fallback interest rate provisions for the Series 2014B Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2014B Bonds;

WHEREAS, in order to carry out this change, it is necessary to amend the 2014B Trust Agreement and the form of the Series 2014B Bonds;

WHEREAS, there has been prepared a draft copy of a proposed Amendment No. 1 to Trust Agreement, to be dated the date of delivery thereof (“Amendment No. 1 to 2014B Trust Agreement”), between the Agency and the Bond Trustee that would carry out the amendments related to the Series 2014B Bonds;

WHEREAS, the Agency has also previously issued its North Carolina Capital Facilities Finance Agency Revenue Bonds (Elon University), Series 2017A (the “Series 2017A Bonds”) under the Trust Agreement, dated as of April 1, 2017 (the “Original 2017A Trust Agreement”), between the Agency and the Bond Trustee, as amended by an Amendment No. 1, dated as of August 20, 2019 (“2017A Amendment No. 1” and together with the Original 2017A Trust Agreement, the “2017A Trust Agreement”), to finance improvements on the campus of the University as more fully provided therein;

WHEREAS, the Series 2017A Bonds are currently owned by Banc of America Public Capital Corp (the “2017A Holder”) and currently bear interest at the “LIBOR Index Rate” as defined in the 2017A Trust Agreement;

WHEREAS, the Agency, the University and the 2017A Holder have proposed certain amendments to the provisions of the 2017A Trust Agreement for the purpose of (a) changing the interest rate benchmark provisions for the Series 2017A Bonds from the LIBOR Index to Daily SOFR (as defined in Amendment No. 2 to 2017A Trust Agreement defined below), (b) modifying the fallback interest rate provisions for the Series 2017A Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2017A Bonds;

WHEREAS, in order to carry out this change, it is necessary to amend the 2017A Trust Agreement and the form of the Series 2017A Bonds; and

WHEREAS, there has been prepared a draft copy of a proposed Amendment No. 2 to Trust Agreement, to be dated the date of delivery thereof (“Amendment No. 2 to 2017A Trust Agreement”), between the Agency and the Bond Trustee that would carry out the amendments related to the Series 2017A Bonds;

WHEREAS, the Agency has also previously issued its North Carolina Capital Facilities Finance Agency Revenue Bonds (Elon University), Series 2018 (the “Series 2018 Bonds”) under the Trust Agreement, dated as of March 1, 2018 (the “2018 Trust Agreement”), between the Agency and the Bond Trustee, to finance improvements on the campus of the University as more fully provided therein;

WHEREAS, the Series 2018 Bonds are currently owned by FTB Securities Investment I, LLC (the “2018 Holder”);

WHEREAS, the Agency, the University and the 2018 Holder have proposed certain amendments to the provisions of the 2018 Trust Agreement and the Series 2018 Bonds for the purpose of (a) changing the interest rate benchmark provisions for the Series 2018 Bonds from the LIBOR Index to Daily Simple SOFR (as defined in Amendment No. 1 to 2018 Trust Agreement defined below), (b) modifying the fallback interest rate provisions for the Series 2018 Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2018 Bonds;

WHEREAS, in order to carry out this change, it is necessary to amend the 2018 Trust Agreement and the form of the Series 2018 Bonds; and

WHEREAS, there has been prepared a draft copy of a proposed Amendment No. 1 to Trust Agreement, to be dated the date of delivery thereof (“Amendment No. 1 to 2018 Trust

Agreement”), between the Agency and the Bond Trustee that would carry out the amendments related to the Series 2018 Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

Section 1. The Agency hereby approves the following amendments:

(a) the amendments to the 2012 Trust Agreement and the Series 2012 Bonds as set forth in Amendment No. 4 to 2012 Trust Agreement, including (a) changing the interest rate benchmark provisions for the Series 2012 Bonds from One-Month LIBOR to Daily Simple SOFR, (b) adding fallback interest rate provisions for the Series 2012 Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2012 Bonds, all as provided in the 2012 Trust Agreement and Amendment No. 4 to 2012 Trust Agreement;

(b) the amendments to the 2014B Trust Agreement and the Series 2014B Bonds as set forth in Amendment No. 1 to 2014B Trust Agreement, including (a) changing the interest rate benchmark provisions for the Series 2014B Bonds from the LIBOR Index to the SOFR Index, (b) modifying the fallback interest rate provisions for the Series 2014B Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2014B Bonds, all as provided in the 2014B Trust Agreement and Amendment No. 1 to 2014B Trust Agreement;

(c) the amendments to the 2017A Trust Agreement and the Series 2017A Bonds as set forth in Amendment No. 2 to 2017A Trust Agreement, including (a) changing the interest rate benchmark provisions for the Series 2017A Bonds from the LIBOR Index to Daily SOFR, (b) modifying the fallback interest rate provisions for the Series 2017A Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2017A Bonds, all as provided in the 2017A Trust Agreement and Amendment No. 2 to 2017A Trust Agreement; and

(d) the amendments to the 2018 Trust Agreement and the Series 2018 Bonds as set forth in Amendment No. 1 to 2018 Trust Agreement, including (a) changing the interest rate benchmark provisions for the Series 2018 Bonds from the LIBOR Index to Daily Simple SOFR, (b) modifying the fallback interest rate provisions for the Series 2018 Bonds and (c) making certain other conforming adjustments to the provisions of the Series 2018 Bonds, all as provided in the 2018 Trust Agreement and Amendment No. 1 to 2018 Trust Agreement.

Section 2. The Agency hereby approves the forms of Amendment No. 4 to 2012 Trust Agreement, Amendment No. 1 to 2014B Trust Agreement, Amendment No. 2 to 2017A Trust Agreement and Amendment No. 1 to 2018 Trust Agreement and the Chairman, Vice Chairman, Secretary-Treasurer or any Deputy Secretary-Treasurer of the Agency or any other authorized person designated by the Agency is hereby authorized and directed to execute and deliver such amendments in substantially the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Agency.

Section 3. The Chairman, Vice Chairman, Secretary-Treasurer or any Deputy Secretary-Treasurer of the Agency or any other authorized person designated by the Agency is hereby authorized and directed to:

(a) arrange with the 2012 Bank Holder for the delivery of a new Series 2012 Bond or substitute pages for the existing Series 2012 Bond to reflect the amendments provided by Amendment No. 4 to 2012 Trust Agreement;

(b) arrange with the 2014B Bank Holder for the delivery of a new Series 2014B Bond or substitute pages for the existing Series 2014B Bond to reflect the amendments provided by Amendment No. 1 to 2014B Trust Agreement;

(c) arrange with the 2017A Holder for the delivery of a new Series 2017A Bond or substitute pages for the existing Series 2017A Bond to reflect the amendments provided by Amendment No. 2 to 2017A Trust Agreement; and

(d) arrange with the 2018 Holder for the delivery of a new Series 2018 Bond or substitute pages for the existing Series 2018 Bond to reflect the amendments provided by Amendment No. 1 to 2018 Trust Agreement.

Section 4. The Chairman, Vice Chairman, Secretary-Treasurer or any Deputy Secretary-Treasurer of the Agency or any other authorized person designated by the Agency is hereby authorized and directed to execute and deliver such documents, certifications and other proofs, and to take such other actions, as they, with the advice of counsel, may deem necessary and appropriate to carry out the amendments of the trust agreements and bonds as provided hereby.

Secretary Marshall seconded the motion, and the foregoing was approved by unanimous vote of 8 – 0 (Absent: Wood).

END OF CONSENT AGENDA

* * * * *

MISCELLANEOUS NON-ACTION ITEM

The US Dollar (USD) London Interbank Offered Rate (LIBOR) will be replaced by the Secured Overnight Financing Rate (SOFR) as a primary benchmark index. Financings tied to the LIBOR index are required to transition to an alternative equivalent rate formula based on a non-LIBOR index. This transition must be complete by June 30, 2023. Previously LIBOR was used as an index to calculate financing interest rates in many variable financing agreements and for most interest rate swaps.

SOFR (Secured Overnight Financing Rate) is the recommended, not required, new benchmark to replace LIBOR, with banks also permitted to select their own new benchmarks.

Transition away from LIBOR for the bond issuances below requires only an omnibus amendment to the original documents and are miscellaneous non-action items. Original financing institutions remain unchanged.

- 1) High Point University Series 2015 Revenue Bonds, Original Par \$80,630,000, Truist Bank
Original rate formula: 68% of 1 month LIBOR +81.25 basis points
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date
- 2) Metrolina Regional Scholars Academy, Inc. Series 2009 Revenue Bonds, Original Par \$4,050,000, Truist Bank
Original rate formula: 68% of 1 month LIBOR +212 basis points
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date
- 3) The Summit School, Series 2018 Revenue Bonds, Original Par \$12,840,000, Truist Bank
Original rate formula: 68% of 1 month LIBOR +212 basis points
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date
- 4) Peak Resources Realty, Series 2010A & 2010B Recovery Zone Facility Bonds, Truist Bank
Original rate formula: 68% of 1 month LIBOR +178.75 basis points
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date
- 5) Raleigh Charter High School, Inc. Series 2015 Revenue Bonds, Original Par \$6,626,980, PNC Bank
Original rate formula: 65% of 1 month LIBOR +127 basis points
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date
- 6) Endeavor Charter School, Inc, Series 2016 Revenue Bonds, Original Par \$7,681,669, PNC Bank
Original rate formula: 65% of 1 month LIBOR +160 basis points
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date
- 7) Young Men's Christian Association of the Triangle Area, Inc. Series 2017 B,C Revenue Bonds, Original Par \$42,135,000, Truist Bank
Original rate formula: 67% of 1 month LIBOR + 66 basis points Series B
67% of 1 month LIBOR + 74 basis points Series C
New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date

Financing Team

Bond Counsel: McGuireWoods

Truist Bank

PNC Bank

* * * * *

Ms. Hoffmann made a motion to adopt the following two (2) items:

See EXHIBIT 2: Resolution Accepting a VUR Grant for an AIA Study for the Town of Spring Lake

See EXHIBIT 3: Resolution Accepting a VUR Grant for an MRF Study for the Town of Spring Lake

These resolutions are required by DEQ for grant acceptance, and the Commission is considering and voting on these resolutions in its role as governing board for financial matters for the Town of Spring Lake.

Secretary Penny seconded the motion, and the foregoing were adopted by unanimous vote of 8 – 0 (Absent: Wood).

* * * * *

Mr. Burns made a motion to adopt the following item:

See EXHIBIT 4: Resolution Approving VUR Grants

Secretary Marshall seconded the motion, and the foregoing were adopted by unanimous vote of 8 – 0 (Absent: Wood).

* * * * *

Chair Folwell left the meeting at 2:05 p.m. and returned at 2:09 p.m.

Mutual Fund for Local Government Investment - Proposed Text Modifications to Rules

Debbie Tomasko presented for LGC Members' approval revisions to the proposed text to modify the LGC Rules found in Title 20 NCAC, Chapter 03, Section .0700, *Mutual Fund for Local Government Investment*. After direction from Members given at the February meeting, LGC staff made suggested revisions, proposed repealing the entirety of the current Section .0700 Rules, and presented three options of new Rules to the Members: Options 1, 2, and 3. Secretary Marshall asked for 2 amendments to the proposed Rule .0712: delete the requirement that a certified fund maintain an office in North Carolina, and require that the manager of a certified fund be an investment adviser registered with either the SEC under federal law or with the NC Secretary of State office under the NC Investment Advisers Act. A question-and-answer period followed. Bill Toole of the Secretary of State office and Jason Sass, DST Assistant General Counsel for the Investment Management Division attended in person and answered questions. After discussion, the Members selected Option 3, with the amendments proposed by Secretary Marshall.

Secretary Penny made a motion to adopt the following resolution:

See EXHIBIT 5: Resolution Repealing Rules and Approving Proposed Text for New Rules in 20 NCAC 03 Section .0700

Mr. Burns seconded the motion, and the foregoing was adopted by vote of 7 - 1 (No: Butler, Absent: Wood). NOTE: LGC staff made minor formatting and punctuation changes to the proposed Rules text as adopted, and the text attached to Exhibit 5 is the proposed Rules text as submitted to the Rules Review Commission at the Office of Administrative Hearings.

* * * * *

Discussion on Revisions to Policy on Public Participation in LGC Meetings

Debbie Tomasko presented for LGC Members' approval revisions to the current *Policy on Public Participation in LGC Meetings*. Mr. Burns made a motion to adopt the Resolution adopting the revised policy, seconded by Secretary Marshall. After discussion and numerous questions raised by the Members, Mr. Burns and Secretary Marshall withdrew their motion and second. The Members asked LGC staff to make further revisions to the text, and by consensus the Members tabled this matter until the April meeting.

* * * * *

Review and Approval of Debt Applications - Proposed Text Modifications to Current Policy

Debbie Tomasko presented for LGC Members' approval revisions to the current *Policy on Review and Approval of Local Government and Public Authority Debt Applications*. After discussion, the Members deleted the "community support" language to be replaced with a reference to submitted public comments, and revised the document to be "guidelines" rather than a "policy". With those amendments, Mr. Burns made a motion to adopt the following resolution:

See EXHIBIT 6: Resolution Adopting Guidelines for the Review and Approval of Local Government and Public Authority Debt Applications

Mr. Philbeck seconded the motion, and the foregoing was adopted by vote of 7 - 1 (No: Penny, Absent: Wood).

* * * * *

Discussion of Municipalities Facing Challenges

Sharon Edmundson presented information on local governments that are multiple years late in submitting audit reports to the LGC, and on several municipalities currently facing significant challenges, including Lucama, Micro, and Elizabeth City. Secretary Penny disclosed his ownership of property which is served by Elizabeth City's electric utility but lies outside of the City limits. Chair Folwell and Secretary Penny made comments on the issues in Elizabeth City.

* * * * *

Chair Folwell asked that the meeting be adjourned in honor of former United States Senator Jim Broyhill, who passed away on February 18, 2023. Secretary Penny made the motion to adjourn. Mr. Burns seconded the motion which passed by unanimous vote. The meeting adjourned at 3:52 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on April 4, 2023 at 1:30 p.m. on the campus of UNC Wilmington.

* * * * *

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, CERTIFY that the foregoing is a true and correct account of actions taken at a meeting of the North Carolina Local Government Commission duly called and held on March 7, 2023.

WITNESS my hand at Raleigh, NC, this 7th day of March 2023.

A handwritten signature in cursive script, reading "Sharon Edmundson", is written over a horizontal line.

Sharon Edmundson, Secretary of the
Local Government Commission of North Carolina

Local Governments Requesting Debt

Approval by LGC Meeting Date

03/07/23

		As Reported in 2022 Fiscal Year End Audits							
Name of Unit	County	Total OPEB Liability	Actuarial Value of OPEB Assets	Net OPEB Liability	Total LEOSSA Pension Liability	Actuarial Value of LEOSSA Assets	Net LEOSSA Pension Liability	Total Net Liability for OPEB and LEOSSA	LGERS/TSERS Net Pension Liability (1)
Blowing Rock	Watauga	6,542,559	0	6,542,559	425,333	0	425,333	6,967,892	797,623
Gastonia Housing Authority (2)	Gaston	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hickory	Catawba	22,033,822	0	22,033,822	0	0	0	22,033,822	6,489,718
Pitt County	Pitt	107,306,962	0	107,306,962	8,396,104	0	8,396,104	115,703,066	10,958,770
Wake County	Wake	582,455,375	0	582,455,375	30,449,158	0	30,449,158	612,904,533	56,939,046
Wilson's Mill	Johnston	N/A	N/A	N/A	75,807	0	75,807	75,807	107,965
Winston-Salem	Forsyth	1,459,209	0	1,459,209	14,322,858	0	14,322,858	15,782,067	27,170,720

LGERS - Local Government Employees' Retirement OPEB - Other Post Employment Benefits (e.g. retiree healthcare)

TSERS - Teachers' and State Employees' Retirement NA - Not applicable

(1) LGERS/TSERS liabilities are satisfied by monthly employer contributions to the plans. The contribution rates are reviewed annually and adjusted as needed. See detailed explanation on cover page.

(2) Financials as of 09/30/21



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOIWEILL, CPA

Dale R. Foiweill, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION BY THE TOWN OF SPRING LAKE ACCEPTING AN
ASSET INVENTORY AND ASSESSMENT STUDY GRANT

WHEREAS, the American Rescue Plan (ARP) funded from the State Fiscal Recovery Fund was established in S.L. 2021-180 to assist eligible units of government with meeting their water/wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered American Rescue Plan (ARP) funding in the amount of \$250,000 to the Town of Spring Lake (the "Town") to perform an Asset Inventory and Assessment (AIA) Study detailed in the submitted application; and

WHEREAS, the Town intends to perform said project in accordance with the agreed scope of work; and

WHEREAS, the Local Government Commission (the Commission) impounded the books and assumed full control of all financial affairs of the Town pursuant to Section 159-181(c) of the North Carolina General Statutes (N.C.G.S.);

NOW, THEREFORE, BE IT RESOLVED BY THE BY THE LOCAL GOVERNMENT COMMISSION, ACTING ON BEHALF OF THE TOWN OF SPRING LAKE:

That the Town does hereby accept the American Rescue Plan (ARP) offer of \$250,000.

That the Town does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Jason Williams, Interim Town Manager, and successor Town Managers and Interim Town Managers, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Resolution Accepting AIA Grant
Town of Spring Lake
March 7, 2023
Page 2

Adopted this the 7th day of March 2023 at Raleigh, North Carolina.



Sharon G. Edmundson, Secretary
North Carolina Local Government Commission



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Dale R. Folwell, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION BY THE TOWN OF SPRING LAKE ACCEPTING A
MERGER/REGIONALIZATION FEASIBILITY STUDY GRANT

WHEREAS, the American Rescue Plan (ARP) funded from the State Fiscal Recovery Fund was established in S.L. 2021-180 to assist eligible units of government with meeting their water/wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered American Rescue Plan (ARP) funding in the amount of \$150,000 to the Town of Spring Lake (the "Town") to perform a Merger/Regionalization Feasibility (MRF) Study detailed in the submitted application; and

WHEREAS, the Town intends to perform said project in accordance with the agreed scope of work; and

WHEREAS, the Local Government Commission (the Commission) impounded the books and assumed full control of all financial affairs of the Town pursuant to Section 159-181(c) of the North Carolina General Statutes (N.C.G.S.);

NOW, THEREFORE, BE IT RESOLVED BY THE BY THE LOCAL GOVERNMENT COMMISSION, ACTING ON BEHALF OF THE TOWN OF SPRING LAKE:

That the Town does hereby accept the American Rescue Plan (ARP) offer of \$150,000.

That the Town does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Jason Williams, Interim Town Manager, and successor Town Mangers and Interim Town Managers, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Resolution Accepting MRF Grant
Town of Spring Lake
March 7, 2023
Page 2

Adopted this the 7th day of March 2023 at Raleigh, North Carolina.



Sharon G. Edmundson, Secretary
North Carolina Local Government Commission



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Dale R. Folwell, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION APPROVING GRANTS FROM THE VIABLE UTILITY RESERVE

WHEREAS, the North Carolina General Assembly enacted Session Law 2020-79, entitled in part “AN ACT TO IMPROVE THE VIABILITY OF THE WATER AND WASTEWATER SYSTEMS OF CERTAIN UNITS OF LOCAL GOVERNMENT . . . ; TO CREATE AND PROVIDE FUNDING FOR THE VIABLE UTILITY RESERVE TO PROVIDE GRANT MONEY FOR LOCAL GOVERNMENT UNITS, . . .” (the “Act”); and

WHEREAS, the Act amended Chapter 159G of the General Statutes (“G.S.”), establishing the Viable Utility Reserve (“VUR”) to be used for grants to local government units for specified purposes; and

WHEREAS, the Act amended Chapter 159G of the General Statutes by modifying G.S. 159G-32 to authorize the Department of Environmental Quality (the “Department”) to make grants from the VUR for specified purposes, including certain public water and wastewater infrastructure projects; and

WHEREAS, the Act amended Chapter 159G of the General Statutes by adding a new Subsection 159G-39(e), requiring that the Department shall not award a grant from the VUR unless the Local Government Commission (the “Commission”) approves the award of the grant and the terms of the grant; and

WHEREAS, the Commission and the State Water Infrastructure Authority (the “Authority”) have developed and adopted criteria to determine how local government units should be assessed and reviewed pursuant to G.S. 159G-45(a), and have used the assessment and review process to identify distressed units, pursuant to G.S. 159G-45(b); and

WHEREAS, the local government units (LGUs) in Tables 1, 2, and 3 have been identified as distressed and have submitted resolutions indicating they are committed to completing the viable utility (VU) program requirements: studies; education/training; short- and long-term planning for maintenance, repair, and replacement; and long-term financial management, and that they are working with the other distressed LGUs in their county, including the LGU(s) currently under LGC fiscal control, and that they will provide adequate access to staff, documents, equipment, and other resources pertinent to complete the studies; and

WHEREAS, the Act requires that units identified as distressed must, among other requirements: (1) conduct an asset assessment and rate study, as directed and approved by the Authority and the Local Government Commission [G.S. 159G-45(b)(1)]; and (2) develop an action plan, taking into consideration a short-term and a long-term plan for infrastructure repair, maintenance, and management; and long-term financial management to ensure the public water system or wastewater system will generate sufficient revenue to adequately fund management and operations, personnel, appropriate levels of maintenance, and reinvestment that facilitate the provision of reliable water or wastewater services [G.S. 159G-45(b)(3)]; and

Resolution Approving VUR Grants

March 7, 2023

Page 2

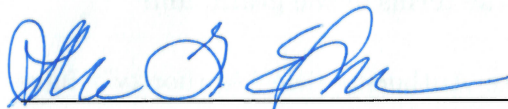
WHEREAS, asset inventory and assessment studies are required of distressed units pursuant to G.S. 159G-45(b)(1), provide essential information on the condition of the assets in water and/or wastewater systems, support the development of short-term action plans required of distressed units under G.S. 159G-45(b)(3), and identify factors relevant to developing a long-term action plan required of distressed units under G.S. 159G-45(b)(3), and assist the unit in identifying options for long-term viability of their systems; and

WHEREAS, the Authority approved for funding via Viable Utility Reserve grants for the Asset Inventory and Assessments, drinking water projects, and wastewater projects listed in Tables 1, 2, and 3, respectively at its February 21, 2023 meeting;

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, THAT the Commission approves grants from the Viable Utility Reserve up to the maximum funding amounts for the Asset Inventory and Assessments, drinking water projects, and wastewater projects listed in Tables 1, 2, and 3.

I, Sharon G. Edmundson, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution adopted by the North Carolina Local Government Commission at its meeting held on March 7, 2023.

WITNESS my hand this 7th day of March 2023.



Sharon G. Edmundson, Secretary
North Carolina Local Government Commission

Table 1. Asset Inventory and Assessment (AIA) Grants Funded from the Viable Utility Reserve (VUR) Approved by SWIA on February 21, 2023

Local Government Unit	County	Project Name	Amount
Ayden, Town of	Pitt	AIA Sanitary Sewer System	\$180,000
Beulaville, Town of	Duplin	AIA Study - Sewer	\$602,500
Columbia, Town of	Tyrrell	Columbia AIA Study - Sewer	\$243,000
Edenton, Town of	Chowan	2022 Collection System Asset Inventory and Assessment	\$400,000
Farmville, Town of	Pitt	Sanitary Sewer System AIA Evaluation	\$345,000
Lucama, Town of	Wilson	Sewer AIA	\$284,760
Newton Grove, Town of	Sampson	Newton Grove Sewer AIA	\$314,000
Seaboard, Town of	Northampton	Wastewater System AIA	\$324,075
Stanly County	Stanly	AIA Sewer Badin District	\$187,500
Whitakers, Town of	Nash/Edgecombe	Sanitary Sewer System AIA	\$384,045

\$3,264,880

Table 2. Drinking Water Grants Funded from the Viable Utility Reserve (VUR) Approved by SWIA on February 21, 2023

Local Government Unit	County	Project Name	Amount
Black Creek, Town of	Wilson	Ground Level Storage Tank and Booster Pump	\$1,723,250
Columbia, Town of	Tyrrell	Columbia 2022 ARPA Water System Improvements	\$1,597,500
Dover, Town of	Craven	2022 Well Construction / Replacement Project	\$1,479,900
Dover, Town of	Craven	Automatic Meter Reading System	\$314,645
Dublin, Town of	Bladen	Water Distribution System Improvements	\$6,152,000
Enfield, Town of	Halifax	Phase 7 Water System Improvements	\$6,150,350
Greenevers, Town of	Duplin	Automatic Meter Reading System	\$735,880
Greenevers, Town of	Duplin	Greenevers 2023 Water System Improvements	\$3,025,000
Hyde County	Hyde	Water Tank Rehabilitation & Resiliency	\$1,185,500
McAdenville, Town of	Gaston	McAdenville Waterline Rehab Project: VUR Swap	\$3,749,048
Rich Square, Town of	Northampton	Phase 4 Water Improvements	\$6,114,300
Rowland, Town of	Robeson	Water System Improvements	\$4,452,667
Stovall, Town of	Granville	Stovall Water Tank and Water System Rehabilitation, Phase 2	\$7,859,240
Washington County	Washington	Roper Interconnection Repairs	\$970,200
Washington County	Washington	Pea Ridge Water Transmission Main	\$5,472,000

\$50,981,480

Table 3. Wastewater Grants Funded from the Viable Utility Reserve (VUR) Approved by SWIA on February 21, 2023

Local Government Unit	County	Project Name	Amount
Bath, Town of	Beaufort	VUR - Wastewater Transmission System	\$9,698,000
Columbia, Town of	Tyrrell	2022 Sanitary Sewer Improvements	\$7,027,500
Engelhard Sanitary District	Hyde	Wastewater Treatment Plant Rehabilitation	\$3,770,000
Liberty, Town of	Randolph	Collection System Improvements	\$12,500,000
Pikeville, Town of	Wayne	Pikeville 2023 Wastewater Improvements	\$1,940,365
Saint Pauls, Town of	Robeson	St. Pauls Sewer System Rehabilitation	\$9,214,283
Seaboard, Town of	Northampton	Seaboard WWTP & Sewer Line Replacement	\$10,637,500

\$54,787,648



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
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STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER
DEPUTY TREASURER

**RESOLUTION REPEALING RULES AND APPROVING PROPOSED TEXT FOR
NEW RULES IN 20 NCAC 03 SECTION .0700**

WHEREAS, North Carolina General Statute §159-30(c)(8) permits local governments and public authorities to invest in “participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this subsection (c) and that said fund is certified by the Local Government Commission”; and

WHEREAS, North Carolina General Statute §159-30(c)(8) further allows that “The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment” (“mutual fund rules”; and

WHEREAS, North Carolina Administrative Code [Title 20, Chapter 03](#), Section .0700 provides such rules (the “Current Rules”); and

WHEREAS, Commission staff have recommended repealing 20 NCAC 03 .0701 through .0709 concerning the establishment and qualifications of a mutual fund for local government investment; and

WHEREAS, staff have developed proposed text for new rules (20 NCAC .0710 through .0715) concerning the establishment and qualifications of a mutual fund for local government investment;

NOW THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission approves the proposed repeal of 20 NCAC 03 .0701 through .0709;
2. The Commission approves the proposed text for 20 NCAC 03 .0710 through .0715 presented to the Commission as Option 3 and as modified subsequent to Commission discussion (Attachment A);
3. The Commission authorizes its staff, working with the DST Rule Making Coordinator, to take all steps required by the permanent rulemaking process in accordance with NCGS Chapter 150B Article 2A.

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution adopted by the North Carolina Local Government Commission at its meeting held on March 7, 2023.

WITNESS my hand this 7th day of March 2023.

Sharon Edmundson, Secretary
North Carolina Local Government Commission

CHAPTER 03 - LOCAL GOVERNMENT COMMISSION

SECTION .0700 - MUTUAL FUND FOR LOCAL GOVERNMENT INVESTMENT

20 NCAC 03 .0710 GENERAL INFORMATION

(a) This Section sets forth the manner in which a mutual fund for local government investment shall be certified as required by G.S. 159-30(c)(8).

(b) All correspondence to the State Treasurer under this Section shall be addressed to: Secretary, Local Government Commission, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);

Eff.

20 NCAC 03 .0711 DEFINITION OF TERMS

The following words and phrases used in this Section are defined as follows:

(1) “Active Participants” means local governments and public authorities as defined in G.S. 159-7, school administrative units, local ABC boards, community colleges, public hospitals, and other entities authorized by law to use forms of investment allowed by G.S. 159-30, that are currently invested in a Fund.

(2) “Affiliate” means, with respect to any party, any person, entity, or organization that either directly or indirectly controls, is controlled by, or is under common control with such party, including any employee, officer, or director of such party.

(3) “Broker-Dealer” means either a “broker” or a “dealer” as both are defined in the Securities Exchange Act of 1934 which is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title15/chapter2B&edition=prelim>.

(4) “Decertification Period” means the period of time beginning on the date the Commission adopts a resolution terminating the certification of a Fund and ending either 30 calendar days thereafter or on a date specified in such resolution.

(5) “Enforcement Event” means:

(a) any civil, administrative or criminal enforcement action under either state or federal law against a Fund, a Manager, or any Affiliate of a Fund or Manager.

(b) any notice from the SEC that SEC staff intends to recommend an enforcement action against a Fund, a Manager, or any Affiliate of a Fund or Manager, or

(c) any non-routine SEC inquiry or investigation or any similar inquiry or investigation from any similar federal, state or self-regulatory body or organization against a Fund, a Manager, or any Affiliate of a Fund or Manager.

(6) “Fund” means a mutual fund certified under this Section.

(7) “Manager” means the investment adviser managing a Fund certified under this Section as required by Rule .0712(g).

(8) “Money Market Mutual Fund” means a money market fund that complies with 17 C.F.R. § 270.2a-7 and which maintains a stable one-dollar net asset value (NAV) per share.

(9) “SEC” means the U.S. Securities and Exchange Commission.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);

Eff.

20 NCAC 03 .0712 MINIMUM FUND STANDARDS

(a) Moneys of a Fund may be invested only in securities permitted by G.S. 159-30. The maximum maturity of any security purchased shall not be set by the Commission; however, no maturity shall exceed seven years.

(b) A Fund shall be registered with the SEC as an investment company under the Investment Company Act of 1940 and shall comply with all applicable SEC rules, regulations, and reporting requirements. The SEC requirements of 17 CFR Chapter 2 are hereby incorporated by reference, including subsequent amendments and editions, and are available online, at no cost, at <https://www.ecfr.gov/current/title-17/chapter-II>. SEC registration and compliance do not modify the requirement that a Fund comply with G.S. 159-30. The Investment Company Act of 1940 is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title15/chapter2D/subchapter1&edition=prelim>.

(c) A Fund shall be established and operated in such a manner that any local, state, or federal income tax liability will be passed through to the Active Participants.

(d) A Fund shall assign a benchmark that is specified in advance and is representative of the Fund’s current investment strategy and shall periodically report performance in conformance with SEC rules and regulations, 17 CFR Chapter 2.

(e) A Fund shall calculate a daily net asset value according to US “generally accepted accounting principles” (GAAP) and allow investors to transact daily at the net asset value.

(f) A Fund shall be managed by an investment adviser registered with either the SEC as an investment adviser under the Investment Advisers Act of 1940, or the North Carolina Secretary of State as an investment adviser under the North Carolina Investment Advisers Act, and such investment adviser shall comply with all applicable federal and state rules, regulations, and reporting requirements. The Investment Advisers Act of 1940 is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title15/chapter2D/subchapter2&edition=prelim>. The North Carolina Investment Advisers Act, G.S. 78C is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at https://ncleg.gov/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_78C.html.

(g) The sale and marketing of a Fund must adhere to all applicable state and federal laws and regulations.

(h) A Fund shall bear one of the two highest ratings of at least one nationally recognized rating service and shall not bear a rating below one of the two highest ratings by any nationally recognized rating service which rates the Fund.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);
Eff.

20 NCAC 03 .0713 CERTIFICATION OF A FUND

(a) Certification of a Fund may be requested by submitting a proposal to the Secretary, in a method prescribed by the Secretary, containing the following information:

- (1) the name of the Fund;
- (2) the address of the Fund;
- (3) the Fund prospectus;
- (4) the most recent holdings report;
- (5) the most recent annual report;
- (6) an attestation that the Fund meets, and will maintain compliance with, the minimum Fund standards set forth in Rule .0712 of this Section;
- (7) if the Fund is seeking certification as a Money Market Mutual Fund, an attestation that the Fund meets, and will maintain compliance with, the definition of Money Market Mutual Fund; and
- (8) a list of all Broker-Dealers selling or marketing the Fund.

(b) The Commission will review the proposal and may request supporting information as needed to assist in its review of the proposal.

(c) If the Commission certifies a Fund, it shall identify the Fund as a "Certified Money Market Mutual Fund", if the Fund is a Money Market Mutual Fund as defined in this Section; otherwise, it shall identify the Fund as a "Certified Mutual Fund".

(d) Certification is effective the day after the Commission adopts a resolution certifying the Fund and is effective until termination of certification pursuant to Rule .0715 of this Section.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);
Eff.

20 NCAC 03 .0714 REVIEW OF FUND

(a) Beginning one year after the effective date of the certification of a Fund, and by December 31 each year thereafter, the Manager shall submit an attestation to the Secretary, in a method prescribed by the Secretary:

- (1) Attesting that the Fund continues to meet all minimum Fund standards provided in Rule .0712;
- (2) Attesting that no Enforcement Event has occurred;
- (3) Attesting that the sale and marketing of the Fund adheres to all applicable state and federal laws and regulations;

(4) If the Fund is a Certified Money Market Mutual Fund, attesting that the Fund continues to comply with the definition in Rule .0711.

(5) Providing a list of all Broker-Dealers selling or marketing the Fund.

(b) The Commission may request an attestation at any other time to review and confirm compliance of the Fund with the Rules in this Section.

(c) Any changes to a Fund's or investment adviser's federal or state registration documents shall be reported to the Secretary within 30 days of the filing of the updated registration documents, with all changes marked and identified.

(d) The Manager shall, upon request from the Commission, provide documentation supporting any attestation with specific reference to the location within such supporting documentation which demonstrates that the minimum Fund standards of Rule .0712 have been met.

(e) The Commission shall have access to all Fund documents, shall be able to make any examinations it deems necessary to ensure compliance with the Rules in this Section, and shall have the right to copies of all Fund documents at the expense of the Manager of the Fund.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);
Eff.

20 NCAC 03 .0715 TERMINATION OF CERTIFICATION

(a) The Commission may adopt a resolution terminating the certification of a Fund due to one or more of the following:

(1) A Manager or a Fund violates any of the Rules in this Section;

(2) A Fund fails to meet any state or federal legal requirement;

(3) A Fund fails to submit an attestation pursuant to Rule .0714 of this Section within 30 calendar days of the due date;

(4) The Manager of a Fund requests termination of certification; or

(5) A Fund is dissolved or terminated.

(b) A Decertification Period shall commence upon the Commission's adoption of a resolution terminating certification of a Fund, during which time the Manager of the Fund shall notify all Active Participants of the termination of certification and provide instructions on withdrawing assets from the Fund.

(c) Termination of certification shall be effective upon the conclusion of the Decertification Period.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);
Eff.

RESOLUTION ADOPTING GUIDELINES FOR THE REVIEW AND APPROVAL OF LOCAL GOVERNMENT AND PUBLIC AUTHORITY DEBT APPLICATIONS

WHEREAS, the Local Government Commission (the “Commission”, or the “LGC”) is charged with reviewing and approving or denying applications from units of local government and public authorities (individually “Unit” and collectively “Units”) for the issuance of certain debt and is charged with the sale (either competitive or negotiated) and issuance of approved debt on behalf of such Units; and

WHEREAS, the Commission is authorized to adopt rules and regulations and to issue memoranda, statements and other publications intended as guidelines, all in order to carry out its powers and duties, and to assist Units in complying with G.S. Chapter 159; and

WHEREAS, the Commission wishes to adopt guidelines related to the review and approval of applications for debt submitted to Commission staff by local governments and public authorities as required pursuant to G.S. Chapter 159 that:

1. Documents the considerations made by Commission staff when reviewing applications for debt issuance and bringing them before the Commission for consideration and vote;
2. Identifies steps applicants may take to expedite application, review, and consideration, and to identify pitfalls that may delay or complicate the process; and
3. Is based on the statutory findings that the LGC must make in order to approve a debt application.

NOW THEREFORE, BE IT RESOLVED by the Commission, that the following guidelines and considerations will be utilized in the review and Commission approval of applications for debt by local governments and public authorities:

LGC Consideration of Unit’s Fiscal Management

- An adequate and timely Response to the Auditor’s Findings, Recommendations, and Fiscal Matters (the “Response”), if required pursuant to North Carolina Administrative Code [20 NCAC 03 .0508](#) and as required by LGC staff must have been received. All concerns regarding the financial management of the Unit must be addressed, such as low General Fund balance, low tax collection rate, receipt of a qualified audit opinion, habitual violations of G.S. Chapter 159, Article 3 (The Local Government Budget and Fiscal Control Act), inadequate internal controls, weakness in an enterprise fund or an enterprise fund that is not self-supporting and similar concerns identified through Financial Performance Indicators of Concern ([20 NCAC 03 .0508](#)). Although LGC staff may perform a site visit, this visit does not eliminate the requirement for the unit to provide a Response, if required. In addition, depending on the issues identified, LGC staff may determine that a site visit

must be completed prior to the targeted LGC meeting date. The outcome of the site visit may result in the consideration of the debt application being postponed and any relevant results will be made available to LGC members for their consideration in advance of the targeted meeting date.

- The Unit should be operating under a legally-adopted budget which includes the project to be financed – preferably through a capital project ordinance for multi-year projects.
- Current audited financial statements must be available no later than two months prior to the targeted LGC meeting date to allow adequate time for LGC staff review. It is important to note that this audit deadline is the date by which the audit report must be submitted to the LGC for review as part of the debt application; this date has no bearing on the audit report due date of four months following fiscal year end for most units of government and public authorities. Financing applications for LGC approvals after October 31 for units with June 30 fiscal year ends will require the audited financial statements of the immediately preceding fiscal year. Application and audit deadlines are posted on the Department of State Treasurer website on the [Applying for Debt](#) webpage.
- If a municipality applying for debt approval operates an electric utility, it must either comply with board policy or with the requirements of N.C.G.S. 159B-39, as applicable, related to the permitted use of revenue.

LGC Consideration of Unit's Debt Management and the Proposed Project

- The Unit should discuss its capital improvement plans with LGC staff as they are being developed. Ideally, this will be at the initial determination of required/desired improvement needs and opportunities. The plans may be based on preliminary project and financing cost estimates and historical financial information to allow staff to assess the financial capacity of the Unit and any potential issues. Early communication with staff will allow adequate time for any options or concerns to be addressed. Units should notify staff when significant changes to the project or financing occur.
- LGC staff should be contacted very early in the planning stage regarding the proposed debt issuance. This early contact is necessary to make sure the process gets off to a good start. Having to “back up and restart” can significantly delay the process. Units are encouraged to utilize the ["LGC Debt Approval" inquiry form](#) available on the Department of State Treasurer website in order to streamline communication with LGC staff regarding details on the proposed debt issuance.
- The Unit should have a reasonable debt burden given the Unit's specific circumstances. A heavy debt burden may be evidenced by a ratio of General Fund debt service to General Fund expenditures exceeding 15%, or debt per capita or debt to appraised property value exceeding that of similar Units. (See the ["Analysis of Debt"](#) report available on the Department of State Treasurer website).
- The request to borrow must be for capital expenditures, not operating expenses.

- For general obligation bonds, prior to the meeting at which the LGC will consider the debt application:
 1. Preliminary architectural and/or engineering studies must be completed and submitted to LGC staff; and
 2. The bond referendum must be held and the canvass must be certified by the North Carolina Board of Elections.
- For all other types of debt issuance considered by the LGC:
 1. Construction bids, required major permits, and Phase I Environmental Studies, as applicable, must be received before the application is presented to the LGC for consideration or, at the latest, before the sale or closing of the debt.
 2. Other required sources of funding must be committed.
- Any threat or existence of litigation related to the project or the financing must be satisfactorily resolved or addressed. Litigation could affect the marketability of the debt and the borrower's ability to repay the debt.
- Public comments received by Commission staff will be provided to Commission members pursuant to the Policy on Public Participation in LGC Meetings.
- The repayment plan presented must be complete and consistent regarding the maturity of debt, life of assets financed, terms of related agreements, etc. In addition, the repayment plan must be consistent with the financial projections provided by the Unit. Amortization of principal should be level for all general fund projects. Use of level principal and interest payments for an enterprise fund may be appropriate. Financial projections should be presented that demonstrate feasibility and are clearly reasonable in comparison to prior financial performance. Appraisals, feasibility studies and comfort letters (if required) must be prepared by parties that are both independent to the transaction and possessing adequate expertise.
- There should be no outstanding concerns or unresolved matters relating to a prior bond issue, such as incomplete or late filing of rebate reports, failure to meet continuing disclosure obligations, violations of covenants in other obligations, or other matters of concern.
- Documentation must be provided showing that covenants in outstanding obligations will be satisfied if the proposed debt is issued, e.g. additional debt tests, restrictive covenants regarding additional debt, etc. The unit must provide verification that all covenants have been or will be satisfied.
- The ability to secure an investment grade rating should be documented. Units unable to secure investment grade bond rating should consider obtaining enhancements including letters of credit, bond insurance, a parent guarantee, etc.

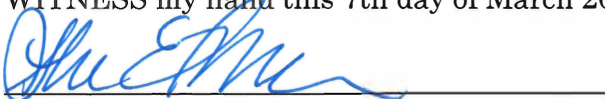
- A complete application should be filed at least four weeks prior to the LGC meeting date when the item is to be considered including documentation of all required resolutions being adopted by the governing body. This provides adequate time for LGC staff review of the application and for compiling any additional information that may be necessary. The LGC meeting schedule and application deadlines are available on the Department of State Treasurer website on the [Applying for Debt](#) webpage.
- Bond or loan documents must be in substantially final form before presentation at the LGC meeting.
- If a refunding is contemplated, the present value of the savings should exceed three percent (3%) of the refunded bonds. Generally, the term of the original debt should not be extended when bonds are refunded.
- The sale date should be requested as early as practical. This provides some flexibility in selection of a date that should not compete with another previously scheduled sale or a bond market holiday. This assures that the most favorable interest rate is obtained for each issuer.

Other Guidance

- Use of a contracted financial advising team is not required to submit an application for debt approval to the LGC.
- LGC approval of items on an agenda will also include as applicable:
 1. A finding that the assumptions used by the unit's finance officer in preparing the statement of estimated interest pursuant to G.S. 159-55.1(a) are reasonable (applicable only to general obligation bonds pursuant to G.S. 159-52(b) (Session Law 2022-53)). Refer to the [Safe Harbor Policy Related to Reasonableness of Estimated Interest Assumptions](#) on the Department of State Treasurer website.
 2. Approval of the identified financing team (applicable only to general obligation bonds sold by private sale pursuant to G.S. 159-123(e) and revenue bonds pursuant to G.S. 159-83(a)(14)).

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution adopted by the North Carolina Local Government Commission at its meeting held on March 7, 2023.

WITNESS my hand this 7th day of March 2023.



Sharon Edmundson, Secretary

North Carolina Local Government Commission