

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
LOCAL GOVERNMENT COMMISSION
MINUTES
FEBRUARY 1, 2022**

The meeting was called to order at 1:30 p.m. by Chair Dale R. Folwell on the above date. The meeting was conducted in person and by use of simultaneous communication by GoToWebinar™ due to the COVID 19 pandemic. Members present in person: Chair Folwell; Secretary of State Elaine Marshall; and Paul Butler. Members present virtually: State Auditor Beth Wood (joined at 1:36 p.m.); Tenisha Jacobs, designee of Secretary of Revenue Ronald Penny; John Burns (joined at 3:05 p.m.); Vida Harvey; Nancy Hoffmann; and Mike Philbeck.

Members Absent: Mr. Burns was absent for the first 90 minutes.

A quorum was present for the entire meeting.

Other participants present in person: Sharon Edmundson, Susan McCullen, Jennifer Wimmer, Debbie Tomasko, and Cindy Aiken.

Other DST staff present virtually: Lewis Andrews.

Others attending in person: Bill Toole (Secretary of State office), Jay Rivers and Lee Carter (Capital Management of the Carolinas), Michael Morin (Fidelity), Todd Taylor (Wake County Debt Manager) and DST staff Victoria Bledsoe, Sam Watts, Biff McGilvray, and Kevin Key.

Others attending virtually: Shadi Eskaf and Victor D'Amato (DEQ, Div. of Water Infrastructure).

Chair Folwell asked those present if they had any actual, potential, or the appearance of a conflict of interest regarding the matters on the agenda. Ms. Harvey reported a conflict of interest and recused herself from the Cleveland County matter. Her recusal statement is incorporated into these meeting minutes pursuant to the requirements of the State Government Ethics Act.

Chair Folwell presented a proposed addition to the draft minutes of the January 11, 2022 meeting. The addition summarized the discussion held between Mr. Burns, Auditor Wood and Chair Folwell regarding the status of the Bald Head Island Ferry matter. Secretary Marshall pointed out that including this summary would be a deviation from the precedent of only including in the minutes a record of official actions taken. She questioned whether the level of detail in the summary should be included in the minutes and suggested a much briefer summary. No other members expressed agreement with Secretary Marshall's suggestion. Mr. Philbeck made a motion to approve the minutes of the January 11, 2022 meeting, as amended by Chair Folwell's addition. Ms. Hoffmann seconded the motion, and the minutes were approved by a vote of 7 – 1 (Voting No: Marshall, Absent: Burns).

Viable Utility Reserve Resolutions

The members considered the attached **RESOLUTION APPROVING VIABLE UTILITY RESERVE GRANT APPLICATIONS**. Many questions were raised concerning the amounts and the parameters around the grant proposals, the requirements of the Viable

Utility Reserve legislation, the efficient use of the funds, and the sequence and timing of grants and the associated studies and projects. Mr. Butler raised a concern that the feasibility of using a regional water or sewer authority (and the organization of the same) that could implement the studies and own the systems had not been determined yet. He asked shouldn't that process be done first, and the appropriate authorities be created, prior to approval of the grants. Shadi Eskaf and Victor D'Amato of the DEQ Division of Water Infrastructure attended virtually and answered the members' questions. Following a lengthy discussion, Mr. Butler made a motion to postpone consideration of this resolution until the March 1, 2022 LGC meeting. Secretary Marshall seconded the motion, which passed by unanimous vote of 8 – 0 (Absent: Burns).

Secretary Marshall made a motion to adopt the attached **RESOLUTION APPROVING FREQUENCY OF THE CYCLE FOR ASSESSMENT AND REVIEW OF LOCAL GOVERNMENT UNITS IN ACCORDANCE WITH NORTH CAROLINA GENERAL STATUTE 159G-45.**

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

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

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF HENDERSONVILLE, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BOND

WHEREAS, the City of Hendersonville, 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 the issuance of the City’s Water and Sewer System Revenue Bond, Series 2022:

Lenders:	Pinnacle Public Finance, Inc.
Lender’s Counsel:	Chapman and Cutler LLP
Bond Counsel:	Parker Poe Adams & Bernstein LLP
Trustee/Paying Agent/Bond Registrar:	The Bank of New York Mellon Trust Company, N.A.
Financial Advisor:	First Tryon Advisors
Feasibility Consultant:	Raftelis Financial Consultants, Inc.

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

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above financing team is hereby approved for the City’s upcoming Water and Sewer System Revenue Bond issue.

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns). John Connect, City Manager, Brian Pahle, Assistant City Manager, John Buchanan, Finance Director attended virtually to speak and answer members’ questions.

Mr. Butler made a motion to approve the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF

HENDERSONVILLE, NORTH CAROLINA FOR THE ISSUANCE OF WATER AND SEWER SYSTEM REVENUE BOND

WHEREAS, the City of Hendersonville, North Carolina (the “*City*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the State and Local Government Revenue Bond Act, as amended, for approval of the issuance of not to exceed \$7,100,000 aggregate principal amount of Water and Sewer System Revenue Bond, Series 2022 (the “*2022 Bond*”) for the purpose of providing funds to (1) finance improvements to the City’s water and sewer sanitary system (together with any and all improvements, extensions and additions thereto hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith), including, without limitation, (a) the installation of an interceptor line along Clear Creek, (b) the replacement and improvement of water and sewer mains on Church Street, (c) the replacement and installation of water meters, (d) the rehabilitation of one of the City’s concrete water storage tanks and (e) payments to the North Carolina Department of Transportation related to the adjustment and relocation of certain city-owned water and sewer lines completed by the North Carolina Department of Transportation (collectively, the “*Projects*”) and (2) to pay the costs of issuing the 2022 Bond;

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

(1) Bond Order adopted by the City Council of the City (the “*City Council*”) on January 26, 2022 authorizing the issuance of the 2022 Bond to finance the Projects and the other costs associated therewith as set forth above;

(2) General Trust Indenture dated as of December 1, 2019 between the City and The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*”); and

(3) Series Indenture, Number 2 dated as of February 1, 2022 between the City and the Trustee;

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby determined and found by the Commission:

- (i) the proposed revenue bond issue is necessary and expedient;
- (ii) the amount proposed is adequate and not excessive for the proposed purpose of the issuances;
- (iii) the proposed Projects are feasible;
- (iv) the City’s debt management procedures and policies are good; and
- (v) the proposed revenue can be marketed at a reasonable interest cost to the City.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the proposed 2022 Bond in an aggregate principal amount not to exceed \$7,100,000 is hereby approved pursuant to the State and Local Government Revenue Bond Act, as amended.”

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns). John Connect, City Manager, Brian Pahle, Assistant City

Manager, John Buchanan, Finance Director attended virtually to speak and answer members' questions.

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

“RESOLUTION CONCERNING THE PRIVATE SALE OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BOND

WHEREAS, Article 7 of Chapter 159 of the General Statutes of North Carolina, as amended, authorizes the Local Government Commission of North Carolina (the “*Commission*”) to sell revenue bonds at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit; and

WHEREAS, the City of Hendersonville, North Carolina (the “*City*”) has applied to the Commission, pursuant to the State and Local Government Revenue Bond Act, as amended, for approval of the issuance of not to exceed \$7,100,000 aggregate principal amount of Water and Sewer System Revenue Bond, Series 2022 (the “*2022 Bond*”) for the purpose of providing funds to (1) finance improvements to the City’s water and sewer sanitary system (together with any and all improvements, extensions and additions thereto hereafter constructed or acquired, together with all lands or interests therein, including plants, buildings, machinery, franchises, pipes, mains, fixtures, equipment and all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith), including, without limitation, (a) the installation of an interceptor line along Clear Creek, (b) the replacement and improvement of water and sewer mains on Church Street, (c) the replacement and installation of water meters, (d) the rehabilitation of one of the City’s concrete water storage tanks and (e) payments to the North Carolina Department of Transportation related to the adjustment and relocation of certain city-owned water and sewer lines completed by the North Carolina Department of Transportation (collectively, the “*Projects*”) and (2) to pay the costs of issuing the 2022 Bond;

WHEREAS, Pinnacle Public Finance, Inc. as the purchaser of the 2022 Bond (the “*Lender*”) has offered to purchase the 2022 Bond from the Commission on the terms and conditions set forth below;

WHEREAS, the City has requested the approval and private sale without advertisement of the 2022 Bond by the Commission in accordance with Article 7 of Chapter 159 of the General Statutes of North Carolina, as amended;

WHEREAS, the Commission desires to approve the request of the City that it sell the 2022 Bond at private sale without advertisement; and

WHEREAS, the Commission desires to accept the offer of the Lender to purchase the 2022 Bond on the terms and conditions set forth below;

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The sale of the 2022 Bond to the Lender at private sale without advertisement pursuant to a General Trust Indenture dated as of December 1, 2019 (the “*General Indenture*”) between the City and The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*”) and Series Indenture, Number 2 dated as of February 1, 2022 (the “*Series Indenture*”) between the City and the Trustee, substantially in the form furnished to the Commission is hereby approved, such sale being subject to the approval of the Secretary

of the Commission or a designated assistant of the Commission (the “*Designated Assistant*”) and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the 2022 Bond will not exceed an aggregate principal amount of \$7,100,000. The purchase price for the 2022 Bond will be 100% of the principal amount thereof.

Section 3. The 2022 Bond will bear interest at an initial interest rate not to exceed 2.15%.

Section 4. No maturity of the 2022 Bond will exceed 2041.

Section 5. The Commission hereby determines that the sale of the 2022 Bond in the manner and for the price as provided in this resolution is in the best interest of the City.

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 changes to the 2022 Bond, including details of the 2022 Bond, as shall be satisfactory to him or her, to approve the forms of other documents relating to the 2022 Bond, to execute and deliver such other documents on behalf of the Commission and to provide for the execution and delivery of the 2022 Bond in accordance with the Bond Order, the General Indenture, the Series Indenture and such other documents to be delivered in connection therewith.

Section 7. This Resolution is effective immediately upon its passage.”

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns). John Connect, City Manager, Brian Pahle, Assistant City Manager, John Buchanan, Finance Director attended virtually to speak and answer members’ questions.

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

RESOLUTION APPROVING OF CITY OF HENDERSONVILLE, IS REQUESTING APPROVAL OF AN INCREASE ADDITIONAL FUNDS ON A STATE REVOLVING LOAN.

WHEREAS, City of Hendersonville (the “City”) requests an increase of \$9,390,035 for a total loan of \$23,514,035. The original loan was approved by the Local Government Commission on August 4, 2020 for \$ 14,124,000; and

WHEREAS, the increase is due to an escalated construction cost, which was revealed to the City after they held format bid opening for the project in October 2021.; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the request by the City mentioned above is hereby approved.”

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns). John Buchanan, Finance Director; John Connet, City Manager; and Brian Pahle, Assistant City Manager attended virtually to speak and answer members’ questions.

Auditor Wood made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE

TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA NOT TO EXCEED \$9,500,000 VARIABLE RATE SPECIAL OBLIGATION BOND (FEMA GRANTS PROJECT), SERIES 2022A

WHEREAS, the Town of North Topsail Beach, North Carolina (the “Town”) has requested that the Local Government Commission of North Carolina (the “Commission”) approve the Town’s selection of the following financing team members for the upcoming issuance of its Variable Rate Special Obligation Bond (FEMA Grants Project), Series 2022A (the “2022A Bond”):

Bond Counsel:	Parker Poe Adams & Bernstein LLP
Purchaser:	PNC Bank, National Association
Lender’s Counsel:	McGuireWoods LLP
Financial Advisor:	DEC Associates, Inc.

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

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above financing team is hereby approved for the issuance of the 2022A Bond.

Mr. Burns seconded the motion, and the foregoing was adopted by a vote of 8 – 1 (Voting No: Butler). (Caitlin Elliot, Finance Officer), Alice Derian, ICMA-CM, Town Manager attended virtually to speak and answer members’ questions.

Auditor Wood made a motion to approve the following resolution :

“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA NOT TO EXCEED \$9,500,000 VARIABLE RATE SPECIAL OBLIGATION BOND (FEMA GRANTS PROJECT), SERIES 2022A

WHEREAS, the Town of North Topsail Beach, North Carolina (the “Town”) has applied to the Local Government Commission of North Carolina (the “Commission”), pursuant to Article 7A of Chapter 159 of the General Statutes of North Carolina (the “Act”), for approval of the issuance by the Town of its Variable Rate Special Obligation Bond (FEMA Grants Project), Series 2022A (the “2022A Bond”) in an aggregate principal amount not to exceed \$9,500,000 to pay the costs of constructing certain beach erosion control and flood and hurricane protection works in the Town (the “FEMA Grants Project”) and issuing the 2022A Bond; and

WHEREAS, the Town has furnished to the Commission the Bond Order (the “Bond Order”) and the Issuance Resolution (the “Issuance Resolution”), each adopted by the Board of Aldermen of the Town on February 3, 2022, authorizing the issuance of the 2022A Bond in an amount not to exceed \$9,000,000 to finance the FEMA Grants Project;

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby determined and found by the Commission:

- (a) that such proposed 2022A Bond is necessary and expedient;

(b) that the proposed amount of such proposed 2022A Bond is adequate and not excessive for the proposed purposes thereof;

(c) that the proposed FEMA Grants Project is feasible;

(d) that the Town's debt management procedures and policies are good;

(e) that the increase in taxes, if any, necessary to service the proposed 2022A Bond will not be excessive; and

(f) that the proposed 2022A Bond can be marketed at a reasonable interest cost to the Town.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Town's application for approval of the proposed 2022A Bond in an aggregate principal amount not to exceed \$9,500,000 for the purposes set forth above is hereby approved pursuant to the Act.

Mr. Burns seconded the motion, and the foregoing was adopted by a vote of 8 – 1 (Voting No: Butler). (Caitlin Elliot, Finance Officer), Alice Derian, ICMA-CM, Town Manager attended virtually to speak and answer members' questions.

Auditor Wood made a motion to approve the following resolution :

“RESOLUTION CONCERNING THE PRIVATE SALE OF THE TOWN OF NORTH TOPSAIL BEACH, NORTH CAROLINA NOT TO EXCEED \$9,500,000 VARIABLE RATE SPECIAL OBLIGATION BOND (FEMA GRANTS PROJECT), SERIES 2022A

WHEREAS, Article 7A of Chapter 159 of the General Statutes of North Carolina (the “*Act*”) authorizes the Local Government Commission of North Carolina (the “*Commission*”) to sell special obligation bonds at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit or one or more persons designated by resolution of such governing board to approve such prices; and

WHEREAS, the Town of North Topsail Beach, North Carolina (the “*Town*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the Act, for approval of the issuance by the Town of its Variable Rate Special Obligation Bond (FEMA Grants Project), Series 2022A (the “*2022A Bond*”) in an aggregate principal amount not to exceed \$9,500,000 to pay the costs of constructing certain beach erosion control and flood and hurricane protection works in the Town (the “*FEMA Grants Project*”) and issuing the 2022A Bond; and

WHEREAS, PNC Bank, National Association (the “*Purchaser*”) has offered to purchase the 2022A Bond from the Commission on the terms and conditions set forth below and the terms of a Bond Purchase Agreement, to be dated on or about February 9, 2022 (the “*BPA*”), between the Commission and the Purchaser and approved by the Town;

WHEREAS, the Town has requested the Commission to sell the 2022A Bond at private sale without advertisement in accordance with the Act;

WHEREAS, the Commission desires to approve the request of the Town that it sell the 2022A Bond at private sale without advertisement; and

WHEREAS, the Commission desires to accept the offer of the Purchaser to purchase the 2022A Bond on the terms and conditions set forth below and the BPA.

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The sale of the 2022A Bond to the Purchaser at private sale without advertisement pursuant to the Bond Order and Issuance Resolution is hereby approved, such sale being subject to the approval of the Secretary of the Commission or a designated assistant of the Commission (the “Designated Assistant”) and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the 2022A Bond may not exceed \$9,500,000. The purchase price for the 2022A Bond shall be 100% of the principal amount thereof.

Section 3. The 2022A Bond will initially bear interest at a rate of 1.96% per annum, subject to adjustment as provided in the Issuance Resolution, and, if the Town’s option to renew the 2022A Bond is exercised, will reset on the renewal date, at an interest rate not to exceed 12%.

Section 4. The maturity of the 2022A Bond may not exceed December 31, 2025.

Section 5. The Commission hereby determines that the sale of the 2022A 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 is approved by the Town.

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 changes to the 2022A Bond, as shall be satisfactory to him or her, to approve the forms of other documents relating to the 2022A Bond, to execute and deliver such other documents on behalf of the Commission and to provide for the execution and delivery of the 2022A Bond in accordance with the Bond Order, the Issuance Resolution and such other documents to be delivered in connection therewith.

Section 7. This Resolution shall be effective immediately upon its passage.”

Mr. Burns seconded the motion, and the foregoing was adopted by a vote of 8 – 1 (Voting No: Butler). Caitlin Elliott, Finance Officer and Alice Derian, Town Manager attended virtually to speak and answer members’ questions.

Ms. Hoffmann made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION FOR APPROVAL
BY THE COMMISSION OF NOT TO EXCEED \$46,000,000 COUNTY
OF WAKE, NORTH CAROLINA GENERAL OBLIGATION
REFUNDING BONDS**

WHEREAS, Wake County, North Carolina (the “County”) has requested the approval by the Local Government Commission of North Carolina (the “Commission”) of not to exceed \$46,000,000 of general obligation refunding bonds of the County to refund the County’s outstanding General Obligation School Bonds, Series 2012A maturing after 2022; and

WHEREAS, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina authorizes the North Carolina Local Government Commission (the "Commission") to sell general obligation bonds being issued to refund outstanding general obligation bonds or general obligation bond anticipation notes to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit or one or more persons designated by resolution of such governing board to approve such prices; and

WHEREAS, the County has scheduled a competitive sale on February 15, 2022; and

WHEREAS, the Commission desires to approve the request of the County;

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

Section 1. The Commission hereby authorizes and approves the issuance by the County of not to exceed \$46,000,000 of general obligation refunding bonds of the County to refund the County's outstanding General Obligation School Bonds, Series 2012A maturing after 2022.

Section 2. 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 the competitive sale of the Bonds to provide for the execution and delivery of the Bonds.

Section 3. The Commission hereby approves the following members of the finance team in connection with the issuance of not to exceed \$46,000,000 of general obligation refunding bonds of the County to refund the County's outstanding General Obligation School Bonds, Series 2012A maturing after 2022:

Bond Counsel:	Womble Bond Dickinson (US) LLP
Financial Advisor:	First Tryon Advisors

Section 4. This resolution shall be effective immediately upon its passage.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Mr. Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF MURFREESBORO, NORTH CAROLINA. THIS PROJECT CONSISTS OF THE REPLACEMENT AND RELOCATING OF THE EXISTING 250 GPM CARVER PARK LIFT STATION WITH A NEW 250 GPM LIFT STATION. THE PROPOSED PROJECT WILL NOT INCREASE THE EXISTING CAPACITY OF THE LIFT STATION. ALL PUMPS WILL BE REPLACED LIKE FOR LIKE WITH PUMPS OF THE SAME RATED PUMPING CAPACITY AS THE EXISTING STATION.

WHEREAS, the Town of Murfreesboro, North Carolina (the "Town") has it is necessary and expedient to replace and relocate the lift station due to the

existing 36-year-old lift station being currently located within the 100 and 500 year flood zones and suffers from numerous safety, operational and maintenance issues & exceeding its useful service life of 20 years. The new lift station will be relocated to higher ground outside the flood zones ; and

WHEREAS, the Town of Murfreesboro filed an application with the North Carolina Government Commission (the Commission) for approval of a Water Revolving Loan in the amount not exceed \$37,003 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for the approval of a water revolving loan for the Town is hereby approved.”

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF OXFORD, NORTH CAROLINA. THIS PROJECT CONSISTS OF THE REPLACEMENT OF 20,400 LINEAR FEET OF 2- INCH, 6- INCH, AND 8-INCH DIAMETER WATER MAINS WITH NEW DIP (DUCTILE IRON PIPE) AND PVC (POLY VINYL CHLORIDE PIPE) MAINS OF THE SAME DIAMETER, EXCEPT IN SELECT LOCATIONS WHERE 2-INCH MAINS ARE TO BE UPSIZED TO 6- INCH MAINS.

WHEREAS, the City of Oxford , North Carolina (the “City”) has determined that it is necessary and expedient to replace aging infrastructures (ranging from 50 to over 100 years old). The city completed an Asset Management Plan (AMP) that included an inventory and condition assessment. The assessment process identified 31 miles of existing water mains that will need to replace due to their condition, being undersized, and/or age. These improvements will improve the reliability of the City’s water distribution system network, reducing unexpected service calls related to main breaks, reduce water loss and reduce the number of costly emergency outages. ; and

WHEREAS, the City of Oxford filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving Loan in the amount not exceed \$4,757,854 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for the approval of a sewer revolving loan for the City is hereby approved.”

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF RIVER BEND, NORTH CAROLINA. THE PROPOSED PROJECT WILL REPLACE THE TOWN’S EXISTING INVENTORY OF

APPROXIMATELY 1,450 MANUAL -READ WATER METERS WITH AMR-TYPE WATER METERS . IT WILL ALSO RELOCATE THE BILLING SERVER FROM ITS PRESENT LOCATION AT THE TOWN'S ADMINISTRATIVE OFFICES LOCATED WITH IN THE 100-YEAR FLOOD PLAIN. THE PROJECT RECEIVED A 75% FORGIVABLE LOAN IN THE AMOUNT OF \$602,500.

WHEREAS, the Town of River Bend , North Carolina (the "Town") has it is necessary and expedient in that it will increase billing efficiency and meter reading accuracy. It will also facilitate continuity of meter reading operations during severe weather events; and

WHEREAS, the Town of River Bend filed an application with the North Carolina Government Commission (the Commission) for approval of a Water Revolving Loan in the amount not exceed \$130,310.00 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for the approval of a water revolving loan for the Town is hereby approved."

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF SOUTHPORT, NORTH CAROLINA. THE PROPOSED PROJECT WILL CONSIST OF CONSTRUCTION OF A NEW 0.75 MGD BIOLOGICAL NUTRIENT REMOVAL (BNR) WASTEWATER TREATMENT PLANT (WWTP) WITH HIGH -RATE INFILTRATION DISPOSAL SYSTEM LOCATED AT THE BRUNSWICK COUNTY - OWNED SHALLOTTE WWTP SITE, TO SERVE THE CITY OF SOUTHPORT.

WHEREAS, the City of Southport, North Carolina (the "City") has determined that it is necessary and expedient in that it will restore wastewater treatment capacity lost to the City of Southport.; and

WHEREAS, the City of Southport filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving Loan in the amount not exceed \$29,783,014.00 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for the approval of a sewer revolving loan for the City is hereby approved."

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffman made a motion to approve the following resolution:

**RESOLUTION APPROVING INLIVIAN MULTIFAMILY NOTE
IN AN AMOUNT UP TO \$23,000,000 (THE "NOTE") FOR SUGAR
CREEK APARTMENTS AND THE FINANCING TEAM
THEREFOR**

WHEREAS, INLIVIAN (the "Authority") has decided to issue its Multifamily Note (the "Note") to finance the acquisition, construction and equipping by Sugar Creek Apartments LLC, a North Carolina limited liability company, or a related or affiliated entity (the "Borrower"), of a low income multifamily residential rental facility to be known as Sugar Creek Apartments, consisting of 188 units, in the City of Charlotte, Mecklenburg County, North Carolina (the "Development"); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Note in an aggregate principal amount not to exceed \$23,000,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"); and

WHEREAS, the Note has to be approved by the North Carolina Local Government Commission (the "Commission"), for which approval the Commission may consider the criteria set forth in North Carolina General Statutes Section 159-153, and the Authority has applied to the Commission for such approval; and

WHEREAS, based upon the information and evidence received in connection with such application, including resolutions adopted by the Board of Commissioners of the Authority on January 18, 2022, it is hereby determined and found by the Commission:

- (a) that such proposed note issue is necessary or expedient;
- (b) that the proposed amount of such note issue is adequate and not excessive for the proposed purposes thereof;
- (c) that the Borrower has demonstrated that it is financially responsible and capable of fulfilling its obligations with respect to the Note and the Development;
- (d) that the Authority's debt management procedures and policies are good and that it is not in material default with respect to any of its debt service obligations; and
- (e) the proposed date and manner of sale of the Note will not have an adverse effect upon any scheduled or anticipated sale of any obligations by the State of North Carolina or any political subdivision thereof or any agency of either of them; and

WHEREAS, the Authority has requested that the Commission approve its selection of the following financing team members for the upcoming issuance of the Note:

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Banks Law Firm, P.A.
Fiscal Agent:	Truist Bank
Borrower:	Sugar Creek Apartments LLC
Borrower's Counsel:	Nelson Mullins Riley & Scarborough LLP
Initial Funding Lender:	Truist Bank
Initial Funding Lender's Counsel:	Holland & Knight LLP
Permanent Lender:	Federal Home Loan Mortgage Corporation
Freddie Mac Seller/Servicer:	Grandbridge Real Estate Capital LLC

Freddie Mac/Servicer's Counsel: Ballard Spahr LLP
Tax Credit Investor: TCC Sugar Creek Apartments, LLC
Tax Credit Investor's Counsel: Holland & Knight LLP

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

WHEREAS, it is expected that the Note will initially be privately placed with Truist Bank (the "Initial Funding Lender") during construction; and

WHEREAS, there have been presented to the Commission forms of the following documents (the "Documents") to be used in connection with the issuance of the Note:

(a) Funding Loan Agreement, among the Authority, the Initial Funding Lender, and Truist Bank, as fiscal agent (the "Fiscal Agent"), providing for the issuance of the Note, together with the form of the Note;

(b) Project Loan Agreement, among the Authority, the Borrower and the Fiscal Agent, providing for the financing of the Development by the Authority, together with the form of the promissory note of the Borrower;

(c) Regulatory Agreement and Declaration of Restrictive Covenants, from the Borrower for the benefit of the Authority and the Fiscal Agent; and

(d) Construction Deed of Trust, Security Agreement and Assignment of Leases and Rents and Fixture Filing, from the Borrower to the deed of trust trustee named therein for the benefit of the Authority.

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

Section 1. The sale of the Note pursuant to the Documents in substantially the forms furnished to the Commission is hereby approved, such sale being subject to the satisfaction of the conditions set forth in the Documents and herein.

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Note shall be issued in an aggregate principal amount not to exceed \$23,000,000, shall initially bear interest at a variable rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2041.

Section 3. The Secretary of the Commission, or any Deputy Secretary, is hereby appointed the designated representative of the Commission for the purposes of this resolution and such designated representative is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Documents, including details of the Note, as shall be satisfactory to him or her, and to approve the forms of other documents relating to the Note.

Section 4. The financing team set forth above is hereby approved.

Section 5. This resolution shall be effective immediately upon its passage.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent)

Ms. Hoffman made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF THOMASVILLE, NORTH CAROLINA COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND, SERIES 2022

WHEREAS, the City of Thomasville, North Carolina (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for the upcoming issuance of its Combined Enterprise System Revenue Refunding Bond, Series 2022 (the “Bond”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Trustee/Bond Registrar:	U.S. Bank National Association
Purchaser:	Pinnacle Bank
Purchaser’s Counsel:	Nexsen Pruet, PLLC
Financial Advisor:	First Tryon Advisors
Verification Agent:	Bingham Arbitrage Rebate Services, Inc.

WHEREAS, based upon the information and evidence received by the Commission, the Commission is of the opinion that the request by the City 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 Bond.

Mr. Philbeck seconded the motion and the foregoing resolution was adopted by unanimous vote 8-0 (Absent Burns).

Thereupon, Ms. Hoffman made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE CITY OF THOMASVILLE, NORTH CAROLINA FOR THE ISSUANCE OF ITS COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND, SERIES 2022 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,825,000

WHEREAS, the City of Thomasville, North Carolina (the “City”) has applied to the North Carolina Local Government Commission (the “Commission”), pursuant to The State and Local Government Revenue Bond Act, as amended, for approval of the issuance by the City of its Combined Enterprise System Revenue Refunding Bond, Series 2022 (the “Bond”) for the purpose of providing funds, together with other available funds, to (a) refund all of its outstanding Combined Enterprise System Revenue Refunding Bonds, Series 2012 (the “Series 2012 Bonds”) and (b) pay certain financing costs associated with the sale and issuance of the Bond; and

WHEREAS, the City has furnished to the Commission forms of the following documents:

(a) Bond Order, adopted by the City Council of the City on December 9, 1996, which was supplemented on October 20, 1997 and April 15, 2002 (collectively, the “Order”);

(b) Series Resolution, adopted by the City Council of the City on January 18, 2022, authorizing the issuance of the Bond; and

(c) Bond Purchase Agreement, to be dated as of the date of delivery thereof, among the Commission, the City and Pinnacle Bank, as the purchaser of the Bond.

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby determined and found by the Commission:

(i) that such proposed Bond is necessary and expedient;

(ii) that the proposed amount of such proposed Bond is adequate, when added to other monies available to the City, and not excessive for the proposed purposes thereof;

(iii) that the proposed refunding of the Series 2012 Bonds is feasible;

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

(v) that the proposed Bond can be marketed at a reasonable interest cost to the City.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application of the City of Thomasville, North Carolina for approval of the proposed Bond in a principal amount not to exceed \$4,825,000 for the purposes set forth is hereby approved pursuant to The State and Local Government Revenue Bond Act, as amended.

Mr. Philbeck seconded the motion and the foregoing resolution was adopted by unanimous vote 8-0 (Absent Burns).

Thereupon, Ms. Hoffman made a motion to adopt the following resolution:

RESOLUTION CONCERNING THE PRIVATE SALE OF THE CITY OF THOMASVILLE, NORTH CAROLINA COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND, SERIES 2022

WHEREAS, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina authorizes the North Carolina Local Government Commission (the “Commission”) to sell revenue bonds at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit; and

WHEREAS, Pinnacle Bank (the “Purchaser”) has offered to purchase from the City of Thomasville, North Carolina (the “City”) its Combined Enterprise System Revenue Refunding Bond, Series 2022 (the “Bond”) upon the terms and conditions set forth below and in the form of the Bond Purchase Agreement relating thereto (the “Bond Purchase Agreement”); and

WHEREAS, the City has requested the Commission to sell the Bond at private sale without advertisement in accordance with Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina; and

WHEREAS, the Commission desires to approve the request of the City that it sell the Bond at private sale without advertisement; and

WHEREAS, the Commission desires to accept the offer of the Purchaser to purchase the Bond pursuant to the terms of the Bond Purchase Agreement and 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 Bond to the Purchaser at private sale without advertisement pursuant to the Bond Purchase Agreement is hereby approved, such sale being subject to the approval of the City and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the Bond shall not exceed \$4,825,000.

Section 3. The Bond shall bear interest at an interest rate not to exceed 1.14% per annum (subject to adjustment as provided in the Bond), and the final maturity of the Bond shall not exceed May 1, 2028. The Bond shall be sold to the Purchaser pursuant to terms of the Bond Purchase Agreement at a purchase price equal to the par amount of the Bond, less any fee paid directly by the Purchaser to its counsel as provided in the Bond Purchase Agreement.

Section 4. The Commission hereby determines that the sale of the Bond in the manner and for the price as provided in this resolution is in the best interest of the City, provided that such sale shall be approved by the City.

Section 5. 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 changes to the details of the Bond as shall be satisfactory to him or her, to approve the form of the Bond Purchase Agreement and any other documents relating to the Bond, to execute and deliver any such documents on behalf of the Commission and to provide for the execution and delivery of the Bond in accordance with the order of the City, the Trust Agreement and the Tenth Supplemental Trust Agreement relating to the issuance of Bond.

Section 6. This resolution shall be effective immediately upon its adoption.

Mr. Philbeck seconded the motion and the foregoing resolution was adopted by unanimous vote 8-0 (Absent Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA. THIS PROJECT IS PURCHASE AND INSTALL A NEW HEATING AND COOLING SYSTEM (HVAC) AT THE MUNICIPAL COMPLEX (TOWN HALL AND

**POLICE DEPARTMENT). THROUGH AN INSTALLMENT
PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. 160A-20**

WHEREAS, the Town of Carolina Beach, North Carolina (the "Town") has determined that it is necessary and expedient to replace equipment at the end of its useful life and meet the requirement of the State Building Code ; 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 Truist 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 \$687,953 with semi-Annual payments for a term of ten (10) years at an approval rate of 2.37%; 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 Contract is necessary and 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;
- (v) that the Town is not in default in any of its debt service obligations;
- (i) that the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive;

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."

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent Mr. Burns).

Secretary Marshall made a motion that the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. 160A-20 BETWEEN OF THE COUNTY OF CLEVELAND AND TRUIST BANK.”

WHEREAS, the County of Cleveland (the “County”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for the upcoming execution and delivery of an Installment Financing Contract (the “Contract”) between the County and Truist Bank (the “Lender”):

Bond Counsel:	Robinson, Bradshaw & Hinson, P.A.
Lender:	Truist Bank
Lender’s Counsel:	Pope Flynn, LLC
Financial Advisor:	Davenport & Company LLC

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

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above financing team is hereby approved for the execution and delivery of the Contract.

Secretary Marshall made a motion that the following resolution, which was read by its title, be approved.

“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF CLEVELAND TO FINANCE CERTAIN PROJECTS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. 160A-20.”

WHEREAS, the County of Cleveland (the “County”) has determined that it is necessary or expedient to finance the cost of constructing, improving and equipping a shell building (the “Project”) to be located on land acquired from the City of Shelby on Randolph Road in Shelby, North Carolina for the purpose of an economic development; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to do so through an Installment Financing Contract (the “Contract”) between the County and Truist Bank (the “Lender”) whereby the Lender shall advance moneys to the County and the County, 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 \$8,500,000 with annual payments ending not later than February 1, 2032 at a rate of interest not to exceed 2.39%; and

WHEREAS, pursuant to Article 8 of 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 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 Contract is necessary or expedient for the County;

- (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 County's debt management procedures and policies are good;
- (v) that the County is not in default in any of its debt service obligations; and
- (vi) that the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive;

NOW, THEREFORE, BE IT RESOLVED by the 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.

Auditor Wood seconded the motion, and the foregoing was adopted by a vote of 8 – 0 (Ms. Harvey recused herself).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF DARE FOR THE FINANCING OF BEACH NOURISHMENT PROJECTS THROUGH AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. § 160A-20

WHEREAS, under Section 160A-20 of the General Statutes, the County of Dare, North Carolina (the “*County*”) has previously entered into an Installment Financing Contract, dated as of December 1, 2021, between the County and Dare County Public Facilities Corporation (the “*Corporation*”);

WHEREAS, the County has determined that it is in the best interests of the County to enter into Amendment Number One to the Installment Financing Contract, to be dated as of February 1, 2022 (the “*Contract Amendment*”, between the County and the Corporation, in order to (1) finance the capital costs of beach nourishment for the purpose of beach erosion control and flood and hurricane protection works in the areas of Buxton and Avon in the County, and (2) pay certain costs incurred in connection with the execution and delivery of the Contract Amendment;

WHEREAS, the Corporation will enter into Supplemental Indenture, Number 1, to be dated as of February 1, 2022 (the “*Supplemental Indenture*”), supplementing an Indenture of Trust, dated as of December 1, 2021, each between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the Corporation will execute and deliver its Limited Obligation Bond, Series 2022A and its Limited Obligation Bond, Series 2022B (collectively, the “*2022 Bonds*”);

WHEREAS, the 2022 Bonds are to be placed with Truist Bank (the “*Original Purchaser*”), and the proceeds from the sale of the 2022 Bonds will be remitted by the Original Purchaser to the Trustee to fund the advance by the Corporation to the County under the Contract Amendment; and

WHEREAS, the aggregate principal amount of the 2022 Bonds shall not exceed \$28,500,000; and

WHEREAS, the maturity of the installment payments related to the 2022 Bonds shall not extend beyond 2027; and

WHEREAS, the interest rate of the 2022 Bonds shall not exceed 1.39% per annum, subject to adjustment as provided in the Supplemental Indenture; and

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

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

- i) the Contract Amendment is necessary and expedient for the County;
- ii) the Contract Amendment, under the circumstances, is preferable to a bond issue by the County for the same purposes;
- iii) the sums to fall due under the Contract Amendment are adequate and not excessive for the Contract Amendment’s proposed purposes;
- iv) the County’s debt management procedures and policies are good;
- v) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract Amendment will not be excessive; and
- vi) the County 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 Amendment, the 2022 Bonds and the planned financing are hereby approved under the provisions of Section 160A-20, Article 8 of Chapter 159 of the General Statutes and is hereby approved as required under the provisions of Section 159-196 of the General Statutes.”

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE LIMITED OBLIGATION BOND, SERIES 2022A AND LIMITED OBLIGATION BOND, SERIES 2022B EXECUTED AND DELIVERED FOR THE BENEFIT OF THE COUNTY OF DARE”

WHEREAS, the County of Dare, North Carolina (the “*County*”) has requested that the North Carolina Local Government Commission approve its selection of the following financing team members for the referenced limited obligation bonds:

Bond Counsel: - Parker Poe Adams & Bernstein LLP
Original Purchaser: - Truist Bank
Original Purchaser's Counsel: - Pope Flynn, LLC
Financial Advisor: - DEC Associates Inc.
Trustee: - The Bank of New York Mellon Trust Company, N.A.
Placement Agent: - Piper Sandler & Co.

WHEREAS, based on the information and evidence received by the Local Government Commission, the Local Government Commission is of the opinion that the request by the County and Dare County Public Facilities Corporation 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 referenced limited obligation bond financing.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF DARE FOR THE FINANCING OF BEACH NOURISHMENT PROJECTS THROUGH AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. § 160A-20

WHEREAS, under Section 160A-20 of the General Statutes, the County of Dare, North Carolina (the “*County*”) has previously entered into an Installment Financing Contract, dated as of December 1, 2021, between the County and Dare County Public Facilities Corporation (the “*Corporation*”);

WHEREAS, the County has determined that it is in the best interests of the County to enter into Amendment Number One to the Installment Financing Contract, to be dated as of February 1, 2022 (the “*Contract Amendment*”, between the County and the Corporation, in order to (1) finance the capital costs of beach nourishment for the purpose of beach erosion control and flood and hurricane protection works in the areas of Buxton and Avon in the County, and (2) pay certain costs incurred in connection with the execution and delivery of the Contract Amendment;

WHEREAS, the Corporation will enter into Supplemental Indenture, Number 1, to be dated as of February 1, 2022 (the “*Supplemental Indenture*”), supplementing an Indenture of Trust, dated as of December 1, 2021, each between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the Corporation will execute and deliver its Limited Obligation Bond, Series 2022A and its Limited Obligation Bond, Series 2022B (collectively, the “*2022 Bonds*”);

WHEREAS, the 2022 Bonds are to be placed with Truist Bank (the “*Original Purchaser*”), and the proceeds from the sale of the 2022 Bonds will be remitted by the Original Purchaser to the Trustee to fund the advance by the Corporation to the County under the Contract Amendment; and

WHEREAS, the aggregate principal amount of the 2022 Bonds shall not exceed \$28,500,000; and

WHEREAS, the maturity of the installment payments related to the 2022 Bonds shall not extend beyond 2027; and

WHEREAS, the interest rate of the 2022 Bonds shall not exceed 1.39% per annum, subject to adjustment as provided in the Supplemental Indenture; and

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

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

- i) the Contract Amendment is necessary and expedient for the County;
- ii) the Contract Amendment, under the circumstances, is preferable to a bond issue by the County for the same purposes;
- iii) the sums to fall due under the Contract Amendment are adequate and not excessive for the Contract Amendment’s proposed purposes;
- iv) the County’s debt management procedures and policies are good;
- v) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract Amendment will not be excessive; and
- vi) the County 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 Amendment, the 2022 Bonds and the planned financing are hereby approved under the provisions of Section 160A-20, Article 8 of Chapter 159 of the General Statutes and is hereby approved as required under the provisions of Section 159-196 of the General Statutes.”

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE LIMITED OBLIGATION BOND, SERIES 2022A AND LIMITED OBLIGATION BOND, SERIES 2022B EXECUTED AND DELIVERED FOR THE BENEFIT OF THE COUNTY OF DARE”

WHEREAS, the County of Dare, North Carolina (the “*County*”) has requested that the North Carolina Local Government Commission approve its selection of the following financing team members for the referenced limited obligation bonds:

Bond Counsel: - Parker Poe Adams & Bernstein LLP
Original Purchaser: - Truist Bank
Original Purchaser's Counsel: - Pope Flynn, LLC
Financial Advisor: - DEC Associates Inc.

Trustee: - The Bank of New York Mellon Trust Company, N.A.

Placement Agent: - Piper Sandler & Co.

WHEREAS, based on the information and evidence received by the Local Government Commission, the Local Government Commission is of the opinion that the request by the County and Dare County Public Facilities Corporation 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 referenced limited obligation bond financing.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffman made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF FRANKLIN, NORTH CAROLINA FOR THE FINANCING OF WATER METER EQUIPMENT FOR SAID COUNTY THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the County of Franklin, North Carolina (the "County") has determined that it is necessary and expedient to pay the costs of acquiring and installing automated water meters and related infrastructure to replace manually-read water meters for the County's water and sewer system (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 Banc of America Public Capital Corp (or an affiliate thereof), 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 \$4,550,000 with a term of fifteen (15) years at a rate of 1.8668% 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 and 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.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0(Absent: Burns).

Ms. Hoffman made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF FRANKLIN, NORTH CAROLINA FOR THE FINANCING OF AN EMERGENCY COMMUNICATIONS SYSTEM FOR SAID COUNTY THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the County of Franklin, North Carolina (the "County") has determined that it is necessary and expedient to pay the costs of acquiring, constructing and installing a comprehensive emergency communications system for the County, including multiple towers and tower sites, equipment shelters, generators, HVAC equipment, communications equipment and related hardware and software (collectively, 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 Pinnacle Public Finance, Inc., 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 \$15,100,000 with a term of fifteen (15) years at a rate of 1.75% 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 and 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.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

MISCELLANEOUS – ACTION ITEMS:

RESOLUTION APPROVING Burlington Housing Authority, North Carolina (Oneida Mill Lofts) The financing was approved by the Local Government Commission on October 6, 2015. This deal was structured as private placement with Citibank. Citibank is requesting that we amend the Funding Loan Agreement in order to facilitate a future securitization of this loan. Citi is requesting that we amend the FLA to allow for transfers to a governmental entity or (ii) a trust or custodial arrangement established by a governmental entity as long as any beneficial interests that are issued and secured by the loans are either (a) rated BBB- or higher (investment grade) or (b) purchased by a QIB.

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF DUPLIN COUNTY WATER DISTRICTS B, D, E, F AND G FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022 IN THE CUMULATIVE NOT-TO-EXCEED AMOUNT OF \$11,500,000

WHEREAS, pursuant to Article 6 of Chapter 162A of the General Statutes of North Carolina, as amended, the County of Duplin, North Carolina (the “County”) has created water districts within the County known as County Water District B of Duplin County, County Water District D of Duplin County, County Water District E of Duplin County, County Water District F of Duplin County and County Water District G of Duplin County (collectively, the “Districts”), each of which is a municipal corporation and body corporate and politic under the laws of the State of North Carolina (the “State”) and authorized by the laws of the State, including, without limitation, The Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes of North Carolina, as amended, to authorize and issue general obligation bonds to finance the cost of water and sewer utility improvements in their respective jurisdictions;

WHEREAS, each of the Districts has heretofore authorized and issued a series of General Obligations Refunding Bonds, Series 2012, dated July 12, 2012 (collectively, the “2012 District Bonds”), in order to refund certain outstanding general obligation bonds of the Districts issued to finance such improvements. The 2012 District Bonds were purchased by the County when issued. In order to provide funds to purchase the 2012 District Bonds, the County entered into a Trust Agreement (the “2012 Trust Agreement”), between the County and the trustee thereunder providing for the issuance by the County of Limited Obligation Bonds, Series 2012 (the “2012 Limited Obligation Bonds”) to provide funds to the County for the purpose of financing the purchase of the 2012 District Bonds and the County pledged the 2012 District Bonds to secure payment of the 2012 Limited Obligation Bonds.

WHEREAS, in the current financial markets, the County can issue new limited obligation refunding bonds to refund the 2012 Limited Obligation Bonds at a rate that is lower than the interest rates of the 2012 Limited Obligation Bonds, resulting in debt service savings to the County. Such refunding will permit the Districts to refund the 2012 District Bonds with new general obligation refunding bonds that bear interest at lower rates. The County has developed a plan of finance under which (1) the County will enter into a Trust Agreement, to be dated as of March 1, 2022 (the “Trust Agreement”), between the County and Truist Bank, as Trustee (the “Trustee”) providing for the issuance by the County of Limited Obligation Refunding Bonds, Series 2022 (County Water Districts) (the “2022 Limited Obligation Bonds”) to provide funds to the County to refund the 2012 Limited Obligation Bonds; (2) in connection with the issuance of the 2022 Limited Obligation Bonds, each District will authorize and issue new general obligation refunding bonds (the “2022 District Refunding Bonds”) to refund its respective 2012 District Bonds, and (3) the County will exchange the 2012 District Bonds for the 2022 District Refunding Bonds and will pledge the 2022 District Refunding Bonds to secure payment of the 2022 Limited Obligation Bonds;

WHEREAS, the Districts have 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 applicable Districts of such 2022 District Refunding Bonds in the following not to exceed principal amounts and not to exceed all-in true interest cost (based on the interest rate on the Bonds and the amount of debt exchanged for the Bonds) or the purpose of providing funds, together with other available funds, to (1) refund all or a portion of the applicable 2012 District Bonds and (2) pay certain other costs associated with the issuance and sale of the Bonds:

Water District B—\$1,200,000 and all-in true interest cost not to exceed 3.00%;

Water District D—\$2,700,000 and all-in true interest cost not to exceed 3.25%;

Water District E—\$2,600,000 and all-in true interest cost not to exceed 3.25%;

Water District F—\$3,000,000 and all-in true interest cost not to exceed 3.25%; and

Water District G—\$2,000,000 and all-in true interest cost not to exceed 3.25%;

WHEREAS, the Districts have furnished to the Commission forms of the following documents:

(a) Five Bond Orders, each adopted by the Board of Commissioners of the County, in its capacity as the governing body of the respective Districts on January 3, 2022, authorizing the issuance of general obligation refunding bonds; and

(b) Five Bond Resolutions, each adopted by the Board of Commissioners of the County, in its capacity as the governing body of the respective Districts on January 3, 2022, authorizing the Districts to issue the respective Bonds;

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby found and determined by the Commission that:

(a) the proposed 2022 District Refunding Bonds are necessary and expedient for the Districts;

(b) the proposed amounts of such proposed 2022 District Refunding Bonds are adequate and not excessive for the proposed purposes thereof;

(c) the proposed funding and refunding is feasible;

(d) the Districts' debt management procedures and policies are good;

(e) the increases in taxes, if any necessary to meet the sums to fall due with respect to the 2022 District Refunding Bonds will not be excessive; and;

(f) the proposed 2022 District Refunding Bonds can be marketed at a reasonable interest cost to the Districts.

NOW, THEREFORE, BE IT RESOLVED by the Commission that that the application of the Districts for approval of the proposed 2022 District Refunding Bonds for the not to exceed principal amounts and true interest costs set forth herein and for the purposes set forth is hereby approved pursuant to the Local Government Bond Act, as amended.

Mr. Philbeck seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8- 0 (Absent: Mr. Burns).

Thereupon, Ms. Hoffmann made a motion to adopt the following resolution:

RESOLUTION CONCERNING THE EXCHANGE OF THE DUPLIN COUNTY WATER DISTRICTS B, D, E, F AND G GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022 TO COUNTY OF DUPLIN, NORTH CAROLINA FOR THE BONDS REFUNDED THEREBY

WHEREAS, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina authorizes the North Carolina Local Government Commission (the "Commission") to sell general obligation bonds at public sale or at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit;

WHEREAS, pursuant to Article 6 of Chapter 162A of the General Statutes of North Carolina, as amended, the County of Duplin, North Carolina (the "County") has created water districts within the County known as County Water District B of Duplin County, County

Water District D of Duplin County, County Water District E of Duplin County, County Water District F of Duplin County and County Water District G of Duplin County (collectively, the "Districts"), each of which is a municipal corporation and body corporate and politic under the laws of the State of North Carolina (the "State") and authorized by the laws

of the State, including, without limitation, The Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes of North Carolina, as amended, to authorize and issue general obligation bonds to finance the cost of water and sewer utility improvements in their respective jurisdictions;

WHEREAS, each of the Districts has heretofore authorized and issued a series of General Obligations Refunding Bonds, Series 2012, dated July 12, 2012 (collectively, the "2012 District Bonds"), in order to refund certain outstanding general obligation bonds of the Districts issued to finance such improvements. The 2012 District Bonds were purchased by the County when issued. In order to provide funds to purchase the 2012 District Bonds, the County entered into a Trust Agreement (the "2012 Trust Agreement"), between the County and the trustee thereunder providing for the issuance by the County of Limited Obligation Bonds, Series 2012 (the "2012 Limited Obligation Bonds") to provide funds to the County for the purpose of financing the purchase of the 2012 District Bonds and the County pledged the 2012 District Bonds to secure payment of the 2012 Limited Obligation Bonds.

WHEREAS, in the current financial markets, the County can issue new limited obligation refunding bonds to refund the 2012 Limited Obligation Bonds at a rate that is lower than the interest rates of the 2012 Limited Obligation Bonds, resulting in debt service savings to the County. Such refunding will permit the Districts to refund the 2012 District Bonds with new general obligation refunding bonds that bear interest at lower rates. The County has developed a plan of finance under which (1) the County will enter into a Trust Agreement, to be dated as of March 1, 2022 (the "Trust Agreement"), between the County and Trust Bank, as Trustee (the "Trustee") providing for the issuance by the County of Limited Obligation Refunding Bonds, Series 2022 (County Water Districts) (the "2022 Limited Obligation Bonds") to provide funds to the County to refund the 2012 Limited Obligation Bonds; (2) in connection with the issuance of the 2022 Limited Obligation Bonds, each District will authorize and issue new general obligation refunding bonds (the "2022 District Refunding Bonds") to refund its respective 2012 District Bonds, and (3) the County will exchange the 2012 District Bonds for the 2022 District Refunding Bonds and will pledge the 2022 District Refunding Bonds to secure payment of the 2022 Limited Obligation Bonds;

WHEREAS, the Commission desires to approve the request of the Districts that it exchange the 2022 District Refunding Bonds for the 2012 District Bonds;

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

Section 1. The exchange of the 2022 District Refunding Bonds, with purchase price, amortization and interest rate terms consistent with the 2022 Limited Obligation Bonds, for the 2012 District Bonds is hereby approved.

Section 2. This resolution shall be effective immediately upon its passage.

Mr. Philbeck seconded the motion, and the foregoing resolution was adopted by unanimous vote of 8 - 0 (Absent: Mr. Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

RESOLUTION APPROVING OF TOWN OF MOCKSVILLE, IS REQUESTING APPROVAL OF AN INCREASE ADDITIONAL FUNDS

**ON A STATE REVOLVING LOAN FOR THE DUTCHMAN'S CREEK
WWTP PROJECT.**

WHEREAS, Town of Mocksville (the "Town") requests an increase of \$3,630,000 for a prior loan approved by the LGC on February 6, 2018. On December 13, 2021, The Local Government Commission received a request for approval of additional funding in the amount of \$314,493 for the project. The new total loan for the project is \$3,944,493.; and

WHEREAS, the increase in funding required for the project is the result of an extended time frame to complete the project and unforeseen construction issues during the project. The project was completed in November 2021 and the request for increased funding is sufficient to cover project cost; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the request by the City mentioned above is hereby approved."

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

**RESOLUTION APPROVING OF CITY OF OXFORD, IS REQUESTING
APPROVAL OF AN INCREASE ADDITIONAL FUNDS ON A STATE
REVOLVING LOAN.**

WHEREAS, City of Oxford (the "City") requests an increase of \$398,134 for a total loan of \$2,253,696. The original loan was approved by the Local Government Commission on February 4, 2020 for \$ 1,855,562; and

WHEREAS, the loan is for the installation of approximately 8,020 linear feet of proposed water mains, to include approximately 6,750 linear feet of 6-inch water main ,approximately 320 linear feet of 8-inch water main, and approximately 950 linear feet of 12-inch water main.; and

WHEREAS, the increase is due to construction cost increasing significantly since the inception of the project; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the request by the City mentioned above is hereby approved."

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

Ms. Hoffmann made a motion to adopt the following resolution:

**RESOLUTION APPROVING OF CITY OF OXFORD, IS REQUESTING
APPROVAL FOR AN INCREASE ADDITIONAL FUNDING RELATED
TO A STATE REVOLVING LOAN.**

WHEREAS, City of Oxford (the "City") requests an increase of \$1,445,646 for a total loan of \$6,142,139. The original loan was approved by the Local Government Commission on June 4, 2019, for \$ 4,696,493; and

WHEREAS, the loan is for the replacement of existing sewer lines with new sewer mains of modern materials including Polyvinyl chloride (PVC), Ductile iron pipe, and High - density polyethylene pipes as well as all new precast concrete manholes.; and

WHEREAS, the increase is due to construction cost increasing significantly since the inception of the project; and

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the request by the City mentioned above is hereby approved.”

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns).

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

“RESOLUTION APPROVING THE REQUEST OF THE TOWN OF SPENCER IS REQUESTING APPROVAL OF AN EXTENSION IN TERM OF 60 DAYS TO A BRIDGE LOAN TAKEN FOR A USDA APPROVED PROJECT SUBJECT TO REIMBURSEMENT UPON PROJECT COMPLETION. THE ORIGINAL LOAN IN THE AMOUNT OF \$2,826,202 WAS APPROVED BY THE LOCAL GOVERNMENT COMMISSION ON 12/1/2020 FOR A TERM OF 14 MONTHS WITH A MATURITY DATE OF 2/3/2022. THE TOWN IS ASKING THE LOCAL GOVERNMENT COMMISSION TO APPROVE AN EXTENSION TO 4/3/2022 WITH NO CHANGE TO PRINCIPAL OR RATE. THE CLOSE OUT ITEMS REQUIRED BY THE USDA FOR REIMBURSEMENT FINAL PAY REQUEST FROM THE CONTRACTOR, APPRAISAL COMPLETION AND REVIEW, AND CONSTRUCTION CLOSE OUT DOCUMENTS ARE BEING FINALIZED AND THE USDA HAS ASKED THE TOWN TO REQUEST THE EXTENSION TO GIVE ENOUGH TIME FOR COMPLETION AND REVIEW OF THE DOCUMENTS .

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns). John Connect, City Manager, Brian Pahle, Assistant City Manager, John Buchanan, Finance Director attended virtually to speak and answer members’ questions.

Ms. Hoffmann briefly left the meeting at approximately 3:15 p.m. but returned shortly thereafter. Auditor Wood left the meeting at approximately 3:15 p.m. and returned at 3:41 p.m.

MISCELLANEOUS – NON-ACTION ITEMS:

The County of Beaufort has negotiated a rate modification with Key Government Finance as noted in the private sale of its Taxable General Obligation Refunding Bond, Series 2021, (approved by the Commission on May 4,2021):

(Modification date) 1/6/2022

Current Rate: 1.17%	Tax -Exempt, Series 2022	Dated: January 6, 2022
Prior Rate: 1.48%	Taxable, Series 2021	Dated: June 1, 2021

Secretary Marshall made a motion to adopt the following two (2) resolutions:

- 1) a resolution to amend the budget ordinance for the Town of Robersonville Electric Fund,
(SEE EXHIBIT 1: ROBERSONVILLE BUDGET ORDINANCE AMENDMENT – ELECTRIC FUND); and
- 2) a resolution to amend the budget ordinance for the Town of Robersonville Water Fund,
(SEE EXHIBIT 2: ROBERSONVILLE BUDGET ORDINANCE AMENDMENT – WATER FUND).

Mr. Butler seconded the motion, and the foregoing were adopted by unanimous vote of 7 – 0 (Absent: Wood and Hoffmann).

Secretary Marshall made a motion to adopt the following resolution:

a resolution to extend the certification of the North Carolina Capital Management Trust,

(SEE EXHIBIT 3: RESOLUTION APPROVING AN EXTENSION OF THE CURRENT CERTIFICATION OF THE NORTH CAROLINA CAPITAL MANAGEMENT TRUST).

Mr. Butler seconded the motion, and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Wood). Jay Rivers and Lee Carter of Capital Management of the Carolinas, and Michael Morin of Fidelity, attended and answered the members’ questions.

Ms. Hoffmann made a motion to adopt the following resolution:

a resolution to modify the city financial rehabilitation criteria,
(SEE EXHIBIT 4: RESOLUTION MODIFYING CRITERIA FOR EVALUATING A CITY FOR FINANCIAL REHABILITATION PURSUANT TO N.C.G.S. § 160A-831(a))

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

Chair Folwell read the attached Proclamation, honoring the memory of Paul Fulton, celebrating his career and legacy, and extending condolences to his family, friends, and colleagues. Mr. Fulton had recently retired after serving as Forsyth County’s Chief Financial Officer for 33 years, and passed away on January 28, 2022 after a long illness.

Chair Folwell asked that the meeting be adjourned in memory and honor of Paul Fulton. Mr. Butler made the motion to adjourn the meeting. Secretary Marshall seconded the motion which passed by unanimous vote. The meeting adjourned at 4:02 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on March 1, 2022 at 1:30 p.m.

* * * * *

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 February 1, 2022.

WITNESS my hand at Raleigh, this 1st day of February 2022.

A handwritten signature in cursive script that reads "Sharon Edmundson".

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



Dale R. Folwell, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION APPROVING VIABLE UTILITY RESERVE GRANT APPLICATIONS

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 to be used for grants to local government units for specified purposes; and

WHEREAS, the Local Government Commission (the “Commission”) and the State Water Infrastructure Authority (the “Authority”) have developed evaluation criteria for grants from the Viable Utility Reserve to review applications and award grants; and

WHEREAS, the local government units (“LGUs”) in Tables 1 and 2 below are either distressed LGUs or non-distressed units included in a regionalization solution; and

WHEREAS, the LGUs in Tables 1 and 2 below 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

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, that:

1. the Commission approve up to the maximum funding amounts for the LGUs’ VUR study grant applications listed in Tables 1 and 2; and
2. this Resolution shall become effective upon the effective date of the adoption by the Authority of Resolution number 1 above (substituting the name of the Authority in place of the Commission).

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 February 1, 2022.

WITNESS my hand this 1st day of February 2022.

Sharon G. Edmundson, Secretary
North Carolina Local Government Commission

Item Postponed

Table 1: Merger/Regionalization Feasibility (MRF) Grant Applications

Applicant Name	Project Name	VUR Grant Amount
Elm City, Town of	Elm City -- VUR -- Organizational Structure	\$60,000
Elm City, Town of	Elm City -- VUR -- Wastewater Regionalization Study	\$125,000
LRCOG	Wastewater Merger and Regionalization Study (Fairmont, Fair Bluff, Boardman, Cerro Gordo, Proctorville, and Rowland)	\$383,000*
LRCOG	Drinking Water Merger and Regionalization Study (Fairmont, Fair Bluff, Boardman, Cerro Gordo, and Rowland)	
Hertford, Town of	Hertford Wastewater MRF Study	\$75,000
Hookerton, Town of	Hookerton VU MRF Study - Wastewater Regionalization	\$75,000
TOTAL		\$718,000

**The Lumber River Council of Government (LRCOG) submitted joint applications on behalf of Fairmont, Fair Bluff, Boardman, Cerro Gordo, Proctorville, and Rowland for both wastewater and water MRFs totaling \$748,500. For each MRF application, in addition to engineering costs specific to the project, project budgets include costs for duplicative tasks and subcontract tasks that could apply to both water and wastewater together. Authority and LGC staff recommend allowing LRCOG to combine the project scopes of both drinking water and wastewater MRFs and funding the combined project for \$383,000. Additional funds can be requested as needed in future rounds.*

Item Postponed

Table 2: VUR Asset Inventory and Assessment (AIA) Grant Applications

Applicant Name	Project Name	VUR Grant Amount
Bath, Town of	Sewer AIA	\$150,000
Bath, Town of	Sewer AIA	\$150,000
Maysville, Town of	Town of Maysville Rate and CCTV Study	\$46,000
Elm City, Town of	Elm City -- VUR -- AIA Wastewater Study	\$337,000
LRCOG	Regional Drinking Water AIA Project (Fairmont, Fair Bluff, Boardman, Cerro Gordo, and Rowland)	\$456,000
LRCOG	Regional Wastewater AIA (Fairmont, Fair Bluff, Boardman, Cerro Gordo, Proctorville, and Rowland)	\$874,500
Greenevers, Town of	AIA Study - Water	\$131,000
Greenevers, Town of	AIA Study – Sewer	\$261,400
TOTAL		\$2,405,900

Item Postponed



STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION APPROVING FREQUENCY OF THE CYCLE FOR ASSESSMENT AND
REVIEW OF LOCAL GOVERNMENT UNITS IN ACCORDANCE WITH NORTH
CAROLINA GENERAL STATUTE 159G-45

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, Section 1.(k) of the Act amended Article 2 of Chapter 159G of the General Statutes (“G.S.”) by adding a new Section 159G-45 requiring that the State Water Infrastructure Authority (the “Authority”) and the Local Government Commission (the “Commission”):

- (a) develop criteria to assess and review local government units and
- (b) utilize the assessment and review process to identify distressed units; and

WHEREAS, at a Special Joint meeting of the Commission and the Authority, held on October 14, 2020, the staffs of the Commission and the Authority presented the Commission and Authority members with proposed criteria for assessing and reviewing local government units, identified on Attachment A as the “Viable Utility Reserve Assessment Criteria” (the “Assessment Criteria”); and

WHEREAS, the staffs of the Commission and the Authority have developed criteria for identifying distressed units (the “Identification Criteria”) as follows:

1. a unit whose fiscal affairs are under the control of the Commission pursuant to its authority granted by G.S. 159-181 (“under Commission fiscal control”), or
2. a unit that has not submitted its annual audits for the last two (2) fiscal years to the Commission as required by G.S. 159-34, or
3. a unit with a total Assessment Criteria score that:
 - a) Equals or exceeds 9 for units providing both drinking water and wastewater services, or
 - b) Equals or exceeds 8 for units providing only one service, either drinking water or wastewater, or
4. a unit for which other information is available to or known by Commission or Authority staff that reflects and is consistent with, but does not expressly appear in, the Assessment Criteria to account for situations in which the Assessment Criteria score does not wholly or accurately reflect a system’s level of risk due to the limitations of available data; and

WHEREAS, both the Authority and the Commission officially approved the Identification Criteria at their meetings on February 2, 2021 and February 10, 2021, respectively; and

WHEREAS, G.S. 159G-45(d) requires that the Authority and the LGC establish the frequency of the cycle for assessment and review of local government units (LGUs) and stipulates that the frequency shall be no less than every two years;

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, that the Commission adopts the frequency of the cycle of reassessment as detailed in Attachment A to this resolution. This Resolution shall become effective upon the effective date of the adoption by the Authority of a Resolution establishing the same frequency.

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 February 1, 2022.

WITNESS my hand this 1st day of February 2022.



Sharon G. Edmundson, Secretary
North Carolina Local Government Commission

ATTACHMENT A: Viable Utility Reserve Reassessment

Identification Criterion 1 – LGC control

The need for the LGC to assume financial control of a LGU has been rare and does not occur on a regular or predictable frequency. It is recommended that if the LGC has assumed control of the financial affairs of a LGU with an operating water and/or wastewater system and has adopted a resolution designating the unit as distressed, the LGU is automatically designated as distressed by the Authority without further action.

Units designated as distressed by the Commission and the Authority under Criterion 1 will be reassessed pursuant to the annual reassessment schedule established in Criterion 3, below, but will remain designated as distressed until they have fulfilled the requirements of a distressed unit pursuant to G.S. 159G-45(b).

Identification Criterion 2 –Missing Audits for Last Two Fiscal Years

The determination of missing audits is made by LGC staff based on a unit's failure to timely submit an annual audit report as required under N.C.G.S 159-34(a). Under Identification Criterion 2, a unit may be identified as distressed if it has not submitted its annual audits for the last two fiscal years. In order to ensure that LGUs are made aware of the potential to be designated as distressed, LGUs that have not submitted an annual audit report by March 1 of the current calendar year for the prior fiscal year (ending June 30 of the prior calendar year) will receive a letter jointly from the Authority and the Commission informing them that if a second consecutive audit is not submitted by the March 1 preceding the next regularly scheduled reassessment, the LGU may be designated as distressed. Once an LGU has not submitted two consecutive annual audits, the Commission may adopt a resolution identifying the unit as distressed; following such a resolution, the LGU will be automatically designated distressed by the Authority without further action.

Units designated as distressed by the Commission and the Authority under Criterion 2 will be reassessed pursuant to the annual reassessment schedule established in Criterion 3, below, but will remain designated as distressed until they have fulfilled the requirements of a distressed unit pursuant to G.S. 159G-45(b).

Identification Criterion 3 – Assessment Criteria Score

Identification Criterion 3 is based on Viable Utility Reserve Assessment Criteria adopted by the Authority and Commission and used to determine an Assessment Criteria score for each LGU with an operating water/wastewater system. Data used in the Assessment Criteria come from several different sources and become available at different times during the year. The different data sets and their relative availability are presented in Table 1. It is procedurally difficult to re-calculate scores and it will be important to establish an assessment frequency that will provide predictable results for LGUs. It also will be beneficial to provide LGUs with sufficient notification prior to being designated as distressed.

Because of this varying availability of data, it is recommended that all LGUs with water and/or wastewater systems be reassessed at the end of April each year, beginning in April 2022. Local government units not currently designated as distressed and that are assessed and meet or exceed criteria threshold scores will receive notice of potential distressed designation, information about the

Viable Utility (VU) program, and the requirements for units designated as distressed LGUs. These LGUs may either:

- 1) take actions they deem appropriate to remedy the deficiencies identified through the assessment; at the time of the next regularly scheduled annual assessment, units scoring at or above the distressed threshold may be designated as distressed.
- 2) contact the Division of Water Infrastructure in writing by July 1 of the year of assessment to request designation as a distressed unit. The Authority and the Commission will consider these LGUs for distressed designation at their next regularly scheduled meeting following the July 1 deadline.

Local government units which meet or exceed the criteria score for two consecutive years may be designated as distressed by the Authority and the Commission. Once designated as distressed, these LGUs are subject to the study, training, and action plan requirements of N.C.G.S 159G-45(b).

All LGUs will be reassessed and considered for distressed designation under the process outlined above. LGUs designated as distressed under Criterion 3 in any prior assessment that have not fulfilled the requirements of a distressed unit pursuant to G.S. 159G-45(b) will retain their distressed designation regardless of their score under the reassessment.

Special Actions Recommended Related to the Initial Assessment

The first assessment of LGUs using the Assessment Criteria adopted by the Authority and the Commission was completed in April 2021. This initial assessment revealed several implementation challenges to the assessment process which should be addressed by the Authority and the Commission.

First, the 18 LGUs which had an Assessment Criteria score that met or exceeded the threshold for a distressed unit based on 2019-2020 assessment data (but were not designated as distressed because of questions they raised about their assessment scores) were provided notification of their pending designation and informed that their Assessment Criteria scores will be calculated again in April 2022. If their scores again meet or exceed the criteria thresholds in the April 2022 reassessment, those LGUs will be recommended to the Authority and the Commission for designation as distressed. This aligns these units with the designation and reassessment process outlined above.

Second, eight LGUs had not submitted their FY2019 audit data to the LGC by December 1, 2020 when data were compiled for the initial assessment: Black Creek; Castalia; Chimney Rock; Goldsboro; Jackson; Lucama; Magnolia and Newport. In June 2021 Goldsboro requested a re-evaluation using their FY2019 audit data submitted after the initial assessment was conducted. Magnolia also had submitted their FY2019 audit data as well, so both were re-evaluated. Goldsboro was subsequently designated by the Authority September 16, 2021 and by the LGC on October 5, 2021. The Authority requested that Magnolia be given notice of the re-evaluation to indicate the data met the designation criteria and that they would be part of the annual reassessment in 2022, which may lead to the Authority and Commission considering their designation at that time. Authority and Commission staff recommend that an assessment evaluation be completed during the April 2022 reassessment for the remaining LGUs using the most recently available audit data for each LGU: Black Creek; Castalia; Chimney Rock; Jackson; Lucama; and Newport.

Identification Criterion 4 – Other Factors

Identification Criterion 4 allows the Authority and Commission to consider more recent data or events to designate a unit as distressed rather than utilizing the other identification criteria.

These units will be reassessed pursuant to the annual reassessment schedule established in Criterion 3, above, but will remain designated as distressed until they have fulfilled the requirements of a distressed unit pursuant to G.S. 159G-45(b).

Table 1. Data Sources for Assessment Criteria		
Data Type	Source	Relative Availability
Audit Data	Local Government Commission	Typically, available Feb/March (Most audits due Oct 31st of each year)
Local Government Unit Affordability Indicator Data	American Community Survey, Employment Security Commission, Dept. of Revenue	Available in Dec (2-year data lag)
Rate Data	Environmental Finance Center	Late March (1 year data lag)
Permitting and Compliance data	Division of Water Resources	Available on demand
Unit Assistance List	LGC	Annual Available Spring based on previous fiscal year
Service Population	Environmental Finance Center, Division of Water Resources	Varies

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
SHARON EDMUNDSON, DEPUTY TREASURER

**Town of Robersonville
Request for Budget Amendment
For Fiscal Year Ending June 30, 2022**

ELECTRIC FUND	ACCOUNT #	ORIGINAL BUDGET including amendments	AMENDMENT	AMENDED BUDGET
ESTIMATED REVENUES				
Miscellaneous Revenue	30-335-000	4,492.00	1,540.00	6,032.00
Total Increase in Revenues			<u>1,540.00</u>	
APPROPRIATIONS				
Supplies	30-660-033	103,497.00	1,540.00	105,037.00
Total Increase in Appropriations			<u>1,540.00</u>	
Total Change on Fund Balance			<u>-</u>	

Justification for Budget Amendment:

NCDOT payment to Town of Robersonville for the Town's work relocating a power line that was in conflict with a NCDOT project.

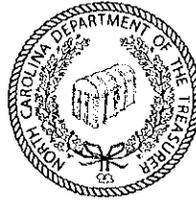
Approved by Board

[Handwritten Signature]

Date

2/1/2022

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
SHARON EDMUNDSON, DEPUTY TREASURER

**Town of Robersonville
Request for Budget Amendment
For Fiscal Year Ending June 30, 2022**

WATER FUND	ACCOUNT #	ORIGINAL BUDGET including amendments	AMENDMENT	AMENDED BUDGET
ESTIMATED REVENUES				
Insurance Proceeds	31-310-000	-	6,870.03	6,870.03
Total Increase (Decrease) in Revenues			<u>6,870.03</u>	
APPROPRIATIONS				
Hydrant Repair - Insurance	31-660-104	-	6,870.03	6,870.03
Total Increase (Decrease) in Appropriations			<u>6,870.03</u>	
Total Change on Fund Balance			<u>-</u>	

Justification for Budget Amendment:

Amendment is to add the insurance revenue paid a citizens insurance company when the citizen hit and damaged a town fire hydrant and appropriated an equal amount to repair the hydrant.

Approved by Board

Date

2/1/2022



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Handwritten signature of Dale R. Folwell, CPA.

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

**RESOLUTION APPROVING AN EXTENSION OF THE CURRENT
CERTIFICATION OF THE NORTH CAROLINA CAPITAL MANAGEMENT TRUST,
AN SEC REGISTERED LOCAL GOVERNMENT INVESTMENT POOL, AND ITS
MANAGER, A CONSORTIUM**

WHEREAS, the North Carolina Capital Management Trust (the "Trust") is a Massachusetts business trust that oversees mutual funds for local government investment that is managed by a Consortium currently consisting of Fidelity Management & Research Company LLC as the Investment Advisor; Capital Management of the Carolinas, LLC as the Marketing and Distribution Agent; and Bank of New York as Custodian (collectively the "Current Consortium" or "Manager"); and

WHEREAS, on June 12, 1985, the Local Government Commission certified a consortium consisting of Sterling Capital Distributors, Fidelity Investments of Boston and First Union National Bank as the original consortium to manage a North Carolina mutual fund for local government investments subject to confirmation by the Purchase and Contract Division of the Department of Administration by October 1, 1985; and

WHEREAS, at the same time the Local Government Commission certified the mutual fund of which the original consortium would be the manager on or before October 1, 1985; and

WHEREAS, at the meetings of August 7, 1990, September 5, 1995, July 6, 2000, July 5, 2005 and June 1, 2010 the Local Government Commission approved the request for the recertification of five (5) years for the Trust which certification also included by implication the certification of the consortium as it existed on each of those dates, as manager of the Trust; and

WHEREAS, at the June 1, 2010 meeting, in order to determine whether to grant an additional five year certification, the Commission granted a one year extension to October 1, 2011 that allowed time for a participant survey and possible request for proposals for certification of an additional or replacement mutual fund or retaining the current mutual fund;

WHEREAS, at the meeting of June 7, 2011 the Local Government Commission approved the request for the recertification of five (5) years for the Trust which certification also included by implication the certification of the consortium, as it existed at that time, as manager of the Trust; and

WHEREAS, at the meeting of August 2, 2016 the Local Government Commission approved the request for the recertification of five (5) years to October 1, 2021 for the Trust which certification also included by implication the certification of the consortium, as it existed at that time, as manager of the Trust; and

WHEREAS, at the meeting of June 1, 2021 the Local Government Commission granted a five-month extension to March 1, 2022 to allow time to determine whether to recommend an additional five-year

certification or to issue a request for proposals for certification of an additional or replacement mutual fund; and

WHEREAS, North Carolina local governments and public authorities may participate in this mutual fund by purchasing shares issued by the Trust in its Government Portfolio; and

WHEREAS, participating North Carolina local governments and public authorities have voting rights to elect a majority of trustees; and

WHEREAS, the Local Government Commission staff believes that the Trust has provided high quality service to North Carolina local governments and public authorities and has met the needs of the participants as an investment alternative; and

WHEREAS, the Local Government Commission, as specified in the North Carolina Administrative Code (20 NCAC 03 .0706), may extend the period of certification for one or more months, not exceeding a total of two years when in its sole discretion it deems extension in the best interest of the participants; and

WHEREAS, LGC staff recommends an additional extension to March 1, 2023 of the certification in order to continue the efforts underway to determine whether to recommend an additional five year certification or to issue a request for proposals for certification of an additional or replacement mutual fund; and

WHEREAS, based upon information and evidence received by the North Carolina Local Government Commission, the Commission is of the opinion that the certification extension should be approved;

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

1. The Commission finds that extending the current certification of the North Carolina Capital Management Trust and its Manager, the Current Consortium, is in the best interest of the participants, and
2. The current certification period for the North Carolina Capital Management Trust and for its Manager, the Current Consortium, is hereby extended to March 1, 2023.

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 February 1, 2022.

WITNESS my hand this 1st day of February 2022.



Sharon Edmundson, Secretary
North Carolina Local Government Commission



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION MODIFYING CRITERIA FOR EVALUATING
A CITY FOR FINANCIAL REHABILITATION PURSUANT
TO N.C.G.S. § 160A-831(a)

WHEREAS, the North Carolina General Assembly enacted Session Law 2021-124, entitled in part “AN ACT TO PROVIDE ADDITIONAL TOOLS FOR THE LOCAL GOVERNMENT COMMISSION TO ASSIST LOCAL GOVERNMENT UNITS AVOID AND CORRECT FISCAL DISTRESS” (the “Act”); and

WHEREAS, Section 6 of the Act amended Chapter 160A of the North Carolina General Statutes (“N.C.G.S.”) by adding a new Article 32, providing “Transitions for Unsustainable Cities,” and a new Section 160A-831(a) that requires the Local Government Commission (the “Commission”) to establish criteria for evaluating a city for financial rehabilitation under Article 32;

WHEREAS, pursuant to N.C.G.S. § 160A-831(a) the Commission adopted “Criteria for Evaluating a City for Financial Rehabilitation” (the “Criteria”) at its meeting of November 2, 2021; and

WHEREAS, the staff of the Commission recommends modifying the Criteria in order to more accurately assess the fiscal health of a city and evaluate a city for financial rehabilitation; specifically, that the following criteria be added:

Water/Sewer Fund Quick Ratio

Description: Five-year trend in the water/sewer fund’s quick ratio. The quick ratio is a measure of a water/sewer fund’s total quick assets (not to include inventories or prepaid items) divided by total current liabilities and is an indication of the system’s ability to pay its current bills, thereby providing a measure of short-term liquidity.

Source: Water/sewer financial data submitted by cities with their audited financial statements.

Water Sewer Fund Operating Income Excluding Depreciation and Including Debt Principal Payments

Description: Five-year trend in the water/sewer fund's operating income excluding depreciation and including debt principal payments, providing an indication of the system's ability to cover operating outflows with current rate structures.

Source: water/sewer financial data submitted by cities with their audited financial statements.

WHEREAS, the staff of the Commission recommends no further modifications to Criteria 1 through Criteria 6 at this time; therefore, the modified Criteria for Evaluating a City for Financial Rehabilitation are as follows, with Criteria 1 through 6 unmodified from those adopted by the Commission on November 2, 2021 and Criteria 7 and 8 recommended for addition:

Criteria for Evaluating a City for Financial Rehabilitation

1) Population Trend

Description: At least a five-year trend in the city's population, and population projections for the city's dominant county. A declining trend in population can signal potential difficulty in generating sufficient revenue to support and maintain the city's operations. Both a five-year historic trend of the city's population and the 10-year population growth projection for the county in which the city is predominantly located will be considered.

Source: North Carolina Office of State Budget and Management:
<https://www.osbm.nc.gov/facts-figures/population-demographics/state-demographer/municipal-population-estimates>,
<https://www.osbm.nc.gov/facts-figures/population-demographics/state-demographer/countystate-population-projections>

2) Property Valuation Trend

Description: Trend in the city's valuation of taxable property based on the three most recent municipal valuations performed by the county(ies) in which the city is located. Property tax revenue typically accounts for a significant percentage of a city's revenues, and a pattern of declining valuations can signal potential difficulty in generating sufficient revenue to support and maintain the city's operations. Although declining valuations may be offset by an increase in the municipal tax rate, such an

increase is likely to be untenable in a city facing fiscal and economic distress. Taxation is governed by N.C.G.S. Chapter 105—Taxation.

Source: North Carolina Department of Revenue:

<https://www.ncdor.gov/local-government/information-unit/reports-statistics-property-tax-rates/municipal-valuations-levies-and-tax-rates-lg54>

3) Fund Balance Available

Description: Five-year trend in the city’s General Fund fund balance available as a percent of expenditures and transfers. “Fund balance available” represents financial reserves on hand that are available for appropriation to prevent the city from experiencing cash flow issues. A pattern of declining fund balance available, or a fund balance available that repeatedly falls significantly below its peer group average, signals the potential for cash flow issues.

Source: Most recently published Commission staff memo “Management of Cash and Taxes and Fund Balance Available – Municipalities” available at

<https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/memo-document>

4) Timely Compliance with Annual Audit Requirement:

Description: Five-year trend in submitting an annual audit report required by N.C.G.S. § 159-34(a) by the due date established by Commission staff (i.e., four months after fiscal year end). A pattern of failing to comply with this statutory requirement and not submitting an annual audit by the due date signals fiscal management weaknesses and an inability to provide effective oversight of public funds.

Source: Internal data maintained by Commission staff.

5) Compliance with the Local Government Budget and Fiscal Control Act

Description: Five-year trend in compliance with N.C.G.S. Chapter 159, Article 3, titled “The Local Government Budget and Fiscal Control Act” (“LGBFCA”). Recurring significant deficiencies or material weaknesses, as identified by the city’s independent auditor in the city’s audited financial statements, or other failures to comply with the provisions of the LGBFCA, may signal failure by the city’s staff to meet basic financial management standards and requirements.

Source: Annual audited financial statements submitted by the city to the Commission and other city financial records.

6) Governance

Description: Trend in engagement in city governance as measured by long-term vacancies on the governing board or lack of declared candidates for governing board seats during municipal elections, or results of investigations of the city related to fiscal management by North Carolina oversight agencies, including the Office of State Auditor, and law enforcement. A fully seated governing board and a demonstrated ability by the governing board to provide appropriate governance and oversight of public funds is essential to the continued operations of a municipality.

Source: Governing body history derived from the city or the N.C. State Board of Elections. Investigation history derived from publicly available materials from oversight agencies and law enforcement.

7) Water/Sewer Fund Quick Ratio

Description: Five-year trend in the water/sewer fund's quick ratio. The quick ratio is a measure of a water/sewer fund's total quick assets (not to include inventories or prepaid items) divided by total current liabilities and is an indication of the system's ability to pay its current bills, thereby providing a measure of short-term liquidity.

Source: Water/sewer financial data submitted by cities with their audited financial statements.

8) Water Sewer Fund Operating Income Excluding Depreciation and Including Debt Principal Payments

Description: Five-year trend in the water/sewer fund's operating income excluding depreciation and including debt principal payments, providing an indication of the system's ability to cover operating outflows with current rate structures.

Source: Water/sewer financial data submitted by cities with their audited financial statements.

Exhibit 4

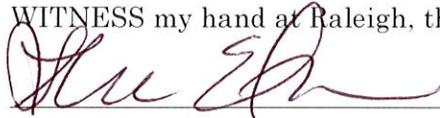
Resolution Modifying Criteria for Evaluating a City for Financial Rehabilitation
February 1, 2022
PAGE 5

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority stated above, that the Commission:

1. Adopts these modified "Criteria for Evaluating a City for Financial Rehabilitation" (the "Criteria") and
2. As required by N.C.G.S. § 160A-831(b), directs Commission staff to apply the modified Criteria to each city over which the Commission has exercised its authority under N.C.G.S § 159-181(c) and to each city for which the Commission has received a referral from the State Auditor, the Department of Environmental Quality, or the city's auditor for the current or most recent annual audit, excluding any city to which Commission staff has previously applied the Criteria; and
3. Directs Commission staff to report back to the Commission the results of the staff's analyses after applying the Criteria.

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 February 1, 2022.

WITNESS my hand at Raleigh, this 1st day of February 2022.



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



LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
SHARON EDMUNDSON, DEPUTY TREASURER

PROCLAMATION

WHEREAS the North Carolina local government finance community and the broader local government community lost a valued member and leader on January 28, 2022, with the passing of Paul Fulton, long-serving chief financial officer for Forsyth County, North Carolina;

WHEREAS Paul served Forsyth County for more than 46 years, over 33 of those as the chief financial officer;

WHEREAS Paul was an active and outspoken member of the local government finance community both in North Carolina and at the national level, serving in both statewide and national organizations for many years;

WHEREAS Paul was a strong advocate for financially fit and fiscally strong local governments, and led Forsyth County to be the first North Carolina county to achieve a triple AAA rating in 1996, the highest rating possible, an achievement the County has maintained ever since;

WHEREAS Paul was honored by the State of North Carolina with membership in the Order of the Long Leaf Pine, awarded by the governor to persons who have made significant contributions to the state and their communities through their exemplary service and exceptional accomplishments;

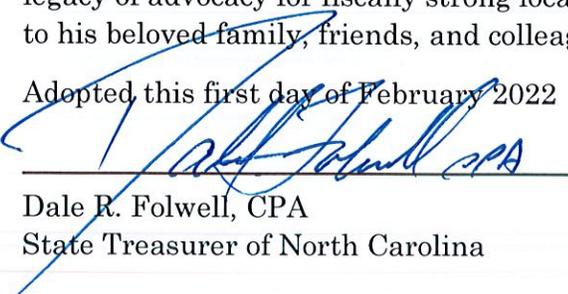
WHEREAS Paul was a friend and mentor to many in the local government community, always showing kindness and a willingness to help;

WHEREAS Paul was much loved and respected by his family, friends, and colleagues; and

WHEREAS his true legacy lies in the profound effect he had on the countless men and women he mentored and worked with throughout his career;

NOW THEREFORE, BE IT RESOLVED, that the North Carolina Local Government Commission, on behalf of its members, honors the memory of Paul Fulton, celebrates his legacy of advocacy for fiscally strong local government, and extends its sincerest condolences to his beloved family, friends, and colleagues.

Adopted this first day of February 2022


Dale R. Folwell, CPA
State Treasurer of North Carolina


Sharon G. Edmundson, CPA
Secretary, Local Government Commission

DST POLICIES AND PROCEDURES

APPENDIX A

Board Member Statement of Conflict of Interest and Recusal Form

Vida Harvey

Board Member Name

Local Government Commission

Name of Board

Pursuant to the State Government Ethics Act (N.C.G.S. § 138A-36), board members must abstain from taking action when there is an actual or potential conflict between their personal or business interests and their duty to represent the general public. The abstention must be recorded in the meeting minutes. The reason for the abstention must also be recorded in the meeting minutes or must be recorded on this form and given to the Chair.

I have a conflict of interest in the following Board matter: [describe agenda item]

Cleveland County financing agreement

I am recusing myself from discussion of this agenda item and have abstained from the official action or proceeding on this matter based on the following potential or actual conflict of interest(s):

financial benefit³

employment or association⁶ conflict

other conflict

familial relationship⁴ (including members of extended family⁵) conflict

personal conflict (including friendships or a leadership position in an organization)

The conflict being described as: Potential conflict related to the fact that spouse is a shareholder and

employee of the Robinson Bradshaw law firm, being compensated for representing Cleveland County in its financing of a building.

I intend for this statement to satisfy the requirement to "submit in writing . . . the reasons for the abstention" pursuant to N.C.G.S. § 138A-36(b). This form will be treated as a public record unless an exemption applies.

Vida Harvey

Signature

February 1, 2022

Date

³ Defined as "A direct pecuniary gain or loss" to the board member or a person or entity with which the board member is associated N.C.G.S. § 138A-3(30). "With which associated" includes the board member's employer; members of Extended Family; employers of Immediate Family; the board member as a director, officer, partner or similar position (irrespective of compensation received); an entity in which the board member has a financial interest (lesser of \$10K or 5% interest); or non-profit organization where the board member or an immediate family member is on the board of directors is a corporate officer.

⁴ Defined as "an unemancipated child of the covered person residing in the household and the covered person's spouse, if not legally separated. A member of a covered person's extended family shall also be considered a member of the immediate family if actually residing in the covered person's household." [N.C.G.S. § 138A-3(40)]

⁵ Defined as a "spouse, lineal descendant, lineal ascendant, sibling, spouse's lineal descendant, spouse's lineal ascendant, spouse's sibling, and the spouse of any of these individuals." [N.C.G.S. § 138A-3(25)]

⁶ An association conflict can include the board member's employer; members of extended family; employers of immediate family; the board member as a director, officer, partner or similar position (irrespective of compensation received); or in which the board member has a financial interest (lesser of \$10K or 5% interest); or non-profit organization on which the board member or an immediate family member serve on the board of directors or as a corporate officer.

DST Reference:

OST-PRO-1002-MUL

Page 8 of 8

Title:

Boards and Commissions Administration Procedure

Chapter:

Compliance

Current Effective Date:

September 22, 2021