

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
LOCAL GOVERNMENT COMMISSION
MINUTES
JUNE 2, 2020**

The meeting was called to order at 2:31 p.m. by Chair Dale R. Folwell on the above date. The meeting was conducted by use of simultaneous communication by telephone due to the COVID 19 pandemic. Members present by phone were: Chair Folwell, Secretary of State Elaine Marshall, State Auditor Beth Wood joined the meeting at 2:40 p.m. Secretary of Revenue Ronald Penny joined the meeting at 2:55p.m. Edward Munn, Joshua Bass, Scott Padgett, Viola Harris and Mike Philbeck.

Members Absent: None

A quorum was present for the entire meeting.

The phone connection was lost at 3:19 p.m. The connection was re-established at 3:20 p.m. and all Members rejoined at that time.

Other participants by phone: Greg Gaskins, Sharon Edmundson, Tim Romocki, Jennifer Wimmer, Alisia Smith, Cindy Aiken, Debbie Tomasko, Dora Fazzini, Lynn Davis, Mimi van Nortwick, Gwen Vaughn, Bryan Miller, Ty Wellford, Paul Jacobson, Brian Ferrell, Jeff Carver, Rick Hester, Chad McLamb, Martha Lasater, Jeremy Carter, Kelly Flannery, Matthew Hastedt, Brent Cagle and Mike Hill.

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. There were no conflicts to report.

Mr. Bass made a motion that the minutes of the May 5, 2020 meeting be approved. Mr. Munn seconded the motion and the minutes were approved by unanimous vote of 7 to 0. Mr. Penny and Ms. Wood were not present at the time of the vote.

Ms. Marshall made a motion to adopt the following:

**Cliffside Sanitary District
Annual Budget Detail
For the Fiscal Year Ending June 30, 2021**

District revenues:	
Operations charges	\$ 120,000
Current Year Property taxes	5,980
County contribution	1,700
Loan proceeds DEQ	67,520
	<u>\$ 195,200</u>
District Appropriations:	
Administrative fee - Broad River	\$ 750
Monthly operations fee, current fiscal year	84,000
Testing fees	6,400
Plant maintenance and repairs	21,000
Capital costs	40,000
Utilities	31,200
Permits	2,667
Annual audit	8,000
Other operating costs	1,183
	<u>\$ 195,200</u>

Mr. Bass seconded the motion and the foregoing resolution was adopted by unanimous vote of 8-0. Secretary Penny was not present at the time of the vote .

Ms. Harris made the motion to adopt the following:

Fiscal Impact Analysis: Proposed revisions by the Local Government Commission to Audit Contract and Audit Billings Rules and Proposed New Rule for Submission of Responses by Local Units

Agency: Local Government Commission

Rule Citation(s): 20 NCAC 03 .0502 Audit Contract
 20 NCAC 03 .0505 Audit Billings
 20 NCAC 03 .0508 Response to the Independent Auditor’s Findings,
 Recommendations, and Fiscal
 Matters (See **Appendix A** for proposed rule text)

Agency Contact: Laura Rowe, Rulemaking
Coordinator
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Rulemaking Authority: N.C.G.S. §§ 159-3(f), 159-34

Impact Summary: State Government: Yes
Local Government:
Yes Private Entities:

Yes Substantial
Impact: No

Introduction and Purpose

As part of its statutory responsibilities under N.C.G.S. Chapter 159, the Local Government Commission (the “Commission” or the “LGC”), operating as a division of the Department of State Treasurer through the State and Local Government Finance Division, engages in centralized financial oversight of approximately 1,300 North Carolina local governments and public authorities (“Units”). The LGC’s duties include promulgating best financial management practices, reviewing Units’ annual audit reports, monitoring Units’ fiscal health and counseling Units on sound fiscal management and internal controls. Units are required under N.C.G.S. § 159-34(a) to annually submit one or more of the following to the Secretary of the LGC (the “Secretary”):

- the contract to audit the accounts of the unit, for the Secretary’s approval,
- the audit report, and
- the bills and claims for audit fees, for the Secretary’s approval prior to payment.

The LGC is proposing to revise and adopt rules updating:

- the requirements related to the submission and presentation of audit reports to local governments and public authorities,
- the submission and approval of audit invoices, and
- the process for Units that are required to provide responses and corrective action plans to the Commission as a result of audit findings and financial indicators of concern,

with the goal of conforming to industry best practices and/or current business processes and improving financial transparency.

Implementation of the proposed rule changes will promote conformity to best practices and improve financial transparency by ensuring that auditors will present findings and fiscal issues identified in an annual audit report to Units and the public and by ensuring that all Units receive relevant information in a consistent manner through the auditor’s presentation, regardless of the

auditor employed. Additionally, the proposed rule changes streamline and simplify both the audit contract and audit fee business processes and the responsibilities of the LGC.

Description of Proposed Rules and Impact Analysis

Each proposed rule change and new rule is listed on the following pages, along with background and benefits to each proposed change.

Rule: 20 NCAC 03 .0502 Audit Contracts

Intent: Ensure that Units and the public will be presented with findings and financial issues identified in an annual audit report.

Rule Section: New subsection (c)(6)

Addition/Modification: Addition to existing rule

Background: Current subsection (c)(4) of this rule requires the auditor to “submit” a report of the audit to the Unit’s governing body, however, there is currently no statute or rule that requires the report be “presented” to the governing body. Presentation of an audit report to a Unit’s governing body in an official meeting in open session ensures that all members of the governing body are aware of the results of the audit and have the opportunity to ask questions of the auditor as needed. It also gives the public the opportunity to hear that same presentation, any questions asked, and the answers provided, improving transparency of the process. Presentation of a completed audit to the governing body is an industry best practice.

Proposed Change: The new subsection section (c)(6) would require auditors to present audit findings, including “Financial Performance Indicators of Concern” to a Unit’s governing body or audit committee in an official meeting in open session and to notify the Unit of the requirement to provide a response to the Secretary to the findings and Indicators of concern if required under proposed new rule 20 NCAC 03 .0508.

Benefit: This rule would enforce an industry best practice, ensure the presentation of relevant information in a consistent manner regardless of the auditor employed, and provide Units and the general public with more transparency around the audit results as well as the meaning of those results. The Rule would ensure that the governing board members are made aware of any fiscal matters needing corrective action.

Impact: Auditors that do not currently present their findings to Units’ governing bodies would be required to do so. As a result of this new requirement, potential financial impacts to the Units may include additional charges for an auditor’s time and travel in attending the meeting and making the

presentation. However, because this requirement is an industry best practice and is already being followed by most auditors, the number of auditors impacted by this change is believed to be minimal. Additionally, impacted Units could arrange for auditors to conduct virtual presentations, reducing the cost of time and travel.

Rule: 20 NCAC 03 .0502 Audit Contract

Intent: Require that certain data included in the audit is submitted to the Secretary.

Rule Section: New subsections (c)(3) and (e)

Addition/Modification: Addition to existing rule

Background: The data presented in audit reports provides valuable information in supporting the LGC’s responsibility to monitor the fiscal health of units and also provides the basis for reports and analysis used by Units, the general public, policy makers, and others. However, because audit reports are presented in a format not conducive to extracting data, the staff of the LGC currently asks that all audit reports submitted to the Secretary be accompanied by a worksheet with data from the report. LGC staff provides a template worksheet for this purpose into which the requested data from the audit can be reported. The completion and submission of this worksheet is a current business practice that has been complied with for the last nine years.

Proposed Change: The addition of new subsections (c)(3) would formally require that data from the audit reports be submitted to the Secretary and authorizes the Secretary to identify Financial Performance Indicators (“Indicators”) derived from the data submitted and to set benchmarks for those Indicators. Failure to meet a given benchmark is then noted as an item of concern (Financial Performance Indicators of Concern) respecting a Unit’s financial health. New subsection (e) explains and defines the factors considered in establishing the Indicators and how assessing and monitoring the Indicators ties back to the duty of the LGC to advise and assist Units with sound fiscal management and address areas of concern.

Benefit: This rule would ensure that valuable data from audit report is made available as part of the presentation of the audit to the governing body. It also ensures the data is available in a format that can be extracted and utilized by the LGC to identify financial concerns in Units, and to provide valuable data via reports and analysis used by the LGC, Units, the general public, policy makers, and others.

Impact: These changes would create an enforceable rule for a current business practice that is complied with by all impacted parties. Therefore, no additional financial impact is expected.

Rule: 20 NCAC 03 .0508 Response to the Independent Auditor’s Findings, Recommendations, and Fiscal Matters

Intent: Require that Units whose annual audit reports include certain findings or Indicators of concern develop and adopt a response and submit the response to the Secretary.

Section: New Rule

Addition/Modification: New rule

Background: LGC staff reviews nearly 1,300 annual reports and identifies those Units whose audits contain internal control findings or financial issues of concern. LGC staff issue letters to those Units (“Unit Letters”) requesting a response to the findings identified in the audit and requests the Unit to present a corrective action plan addressing the findings and issues identified. The identification of finding(s) and issue(s), and the Units’ responses, are an integral component of the LGC’s efforts:

- to monitor the fiscal health of Units (N.C.G.S. § 159-181(c),
- to provide guidance and support as needed to ensure Units’ continued fiscal health (N.C.G.S. § 159-181(c)), and
- to further the General Assembly’s intent to “prescribe for local governments a uniform system of...financial control” (N.C.G.S. § 159-7(c)).

Proposed Change: This new rule would require that the Unit initiate a response to the finding and provide a detailed a corrective action plan based on the findings and Indicators of concern presented by the auditor in a public meeting in open session. This requirement would replace the current process in which LGC staff must identify findings and financial issues, issue Unit Letters, and request a response from the Unit.

Benefit: In the current process, LGC staff must review each audit report to determine if findings or financial issues were identified, then generate and mail a Unit Letter to the unit and the auditor identifying the issue(s) and requesting a response from the Unit with detailed corrective action. Due to the high volume of audit reports received, it may take the LGC staff 30 to 90 days from receipt of an audit report to review the audit report, provide a second review for accuracy, and send a Unit Letter requesting corrective action. The Unit must then respond to the Unit Letter within 45 days of its receipt. This current process leads to significant delays in LGC staff being notified of corrective actions planned or taken by Units to address findings and financial issues. The new process will eliminate the delay in identifying and notifying Units with internal control findings and financial issues of concern and will eliminate the time and expense of LGC staff to generate and mail Unit Letters, with no additional burden being placed on most Units. The elimination of this

delay provides significant benefit to the Units and the public because Units' plans to correct any internal control and financial issues will be known to the LGC more quickly and appropriate action can be taken to support and monitor Units' fiscal health and monitor the corrective actions required to address the identified findings and issues. Although a slight decline in the submission of responses may be anticipated as the transition is made from the current business process to a unit-initiated response, no long-term impact on the rate of response by impacted units is expected.

Impact:

The business process of generating and mailing Unit Letters to Units and requiring a response has been in place for over 30 years. This new rule would permit a more streamlined process by requiring that a Unit's response to findings or financial issues in an audit be initiated by the Unit (upon notification by the auditor in the auditor's presentation) instead of by request of the LGC.

The rule would primarily impact the same types of Units currently impacted by the current business practice – those Units whose audits identified specific findings or financial issues (and therefore received a Unit Letter). Current auditing standards already require Units that have audits conducted in accordance with Government Auditing Standards (commonly known as Yellow Book standards) to submit a response and corrective action plan to the auditor that addresses any findings noted in the audit by the auditor. In Fiscal Year 2018, 921 of 1303 units (71%) were subject to either a Single Audit or Yellow Book standards audit, which would require Units to respond to the auditor regarding any findings. An additional 97 units (7%) were not subject to either of these audits but received a Unit Letter based on the required financial audit, which would require Units to respond to the LGC regarding the findings or financial issues. These Units would see minimal impact on the time required to submit a response to the LGC, since they are already required to develop a response to the findings or financial issues for submission to either their auditor or the LGC.

Under the proposed rule, some Units may be required to submit a response to the LGC when the current business process wouldn't have required them to do so. This situation would occur when a Unit has a finding, but the Unit is not subject to Yellow Book or single audit requirements (and therefore not required to provide a response to the auditor regarding the findings) and the issue in the finding is known to LGC staff who has determined that a special circumstance exists for not requesting a response for that finding. For example, if a Unit does not have the financial resources to resolve an issue identified in the finding but actively takes steps to mitigate the risk or address the issue and the LGC is aware of the situation, a Unit Letter may not be requested. In Fiscal Year 2018, 285 Units were not subject to Yellow Book or single audit requirements and did not receive a Unit Letter. This number is the

absolute maximum impact this rule could have and also includes Units that did not receive a letter simply because they did not have findings or financial issues identified. The actual estimated impact of this rule, based on extensive staff experience, is estimated to be approximately 150 Units (in 2018, that would equate to 12% of audits) and approximately 300 hours of Units' staff time. It is important to note that in these cases, the acknowledgement of the finding and a response including the process(es) implemented to mitigate the risk or address the issue would provide an added measure of accountability and transparency for the Unit and would allow LGC staff to ensure that Units are actively addressing areas of risk and/or concern.

This new rule would reduce state employees' staff time (LGC staff) in drafting the Unit Letters and mailing them to the Units, allowing staff to focus on other important work. In Fiscal Year 2018, LGC staff prepared and mailed 325 Unit Letters. Based on the estimated professional staff time required to develop and review each letter, plus the administrative time required to prepare and mail each letter, it is estimated that eliminating the issuance of these letters would result in annual savings of 730 staff hours (\$28,062). In addition, in most instances it would not significantly impact Units' staff time in preparing responses to the audit findings for the LGC because the unit can utilize the response or corrective action plan provided to the auditor when preparing the response for the LGC. Further, the requirements of N.C.G.S. § 159-25(a)(1) to "keep the accounts of the local government or public authority in accordance with generally accepted principles of governmental accounting and the rules and regulations of the Commission" aligns with the requirement for a Unit response.

Rule: 20 NCAC 03 .0502 Audit Contract

Intent: Update the requirements for the audit engagement fee format to better correspond to auditors' current billing practices.

Rule Section: (c)(5)

Addition/Modification: Modification

Background: N.C.G.S. § 159-34(a) requires that all bills or claims for audit fees be submitted to the Secretary for approval. As auditing requirements have grown increasingly complex, auditors' fees and billing structures for annual audits have evolved to better represent the services provided. The current rule allows only that the "fee may be stated as a fixed dollar amount or as a rate per hour or day, either with or without a maximum." This structure does not allow for more complex fee structures as would be required in certain audit engagements. Auditors currently submit audit fees for approval by the Secretary that do not fall into the parameters provided for in this rule because of the limitations of the rule.

Proposed Change: Modifying the current rule from “fee may be stated as a fixed dollar amount or as a rate per hour or day, either with or without a maximum” to “all audit engagement fees and terms shall be clearly stated and shall allow for the computation of a final fee” allows for more complex fee structures, if necessary, while having no impact on other fees, and aligns the requirement of this rule with the obligations of the Secretary for approval of fees under N.C.G.S. § 159-34 and 20 NCAC 03 .0505 Audit Billings.

Benefit: This rule change would provide auditors with flexibility in presenting their fees for audit engagements to better reflect current billing practices and would reduce or eliminate LGC staff time in determining whether submitted fee invoices comply with the current rule. Any fiscal impact is measured in the time saved by state employee staff of the LGC in reviewing and approving audit billings.

Impact: This change would simply create an enforceable rule for a current business practice. Auditors who currently submit fees that comply with the current rule would still fall under the requirements of the new rule; auditors who currently submit fees that accurately represent services provided but do not comply with the limitations of the current rule will benefit from the new rule’s flexibility.

Rule: 20 NCAC 03 .0505 Audit Billings

Intent: Simplify the approval of interim billings.

Sections: (b), (c)

Addition/Modification: Modification

Background: As auditing requirements have grown increasingly complex, auditors’ fees and billing structures for annual audits have evolved to better represent the services provided. The current rule allows interim billings (those submitted prior to the completion of the audit) to be approved “up to a maximum of 75 percent of a fixed or maximum fee, or in the case where there is no fixed or maximum fee, up to a maximum of 75 percent of last year’s billings”. This fee structure is outdated and is addressed in a proposed change to 20 NCAC 03 .0502 (c)(5) Audit Contracts. Additionally, the growing complexity of audit fees makes it increasingly difficult for LGC staff to determine if an engagement fee is fixed or variable – e.g. there are often variable components to an otherwise fixed-fee contract. The determination of fixed vs variable may require analysis and in-depth knowledge of auditing services and fees beyond the scope of LGC staff and may result in auditors disagreeing with LGC staff determinations.

Proposed Change: Remove the distinction between fixed and variable fee contracts for the purposes of approving interim billings. All interim audit billings would be approved to a maximum of 75 percent of the billings for the last annual audit submitted, provided the billings meet the other requirements of the rule.

Benefit: LGC staff would save significant time in making determinations of fixed vs variable fee contracts, and disagreements and the resultant communications between LGC staff and auditors regarding the type of contract would be eliminated. It is estimated that staff could reduce by half the amount of time required to review each contract and make a determination of the fee structure, resulting in estimated annual savings of 302 staff hours (\$6,980). Additionally, this rule change would likely increase compliance with the requirement for auditors to submit all audit billings to the Secretary for approval. Under N.C.G.S. § 159-34(a), all billings must be submitted to the Secretary for approval prior to payment by the Unit. Experience shows that although most auditors comply with this requirement, there will be a compliance benefit with regards to those auditors who submit invoices to the Units without first obtaining LGC approval. For example, an audit contract may have a stated fixed fee of \$10,000 but LGC staff receives invoices totaling only \$6,000 in audit fees to approve, meaning that

\$4,000 in invoices were likely not submitted for approval. If the approval of interim invoices for the current audit is based on 75% of audit fees received for the previous audit submitted, an auditor who does not submit invoices for approval in one year will be allowed a smaller interim approval cap the following year. In this example, the auditor would be approved for interim invoices of 75% of \$6,000 vs 75% of \$10,000. Note that all of these limitations apply to interim invoices only; this process benefits auditors by allowing them to receive payment for their services performed to date (up to 75%) prior to submission of the audit report.

Impact: This change could impact auditors who submit fixed-fee contracts. Under the current rule, they would be approved for interim invoices up to 75% of the current year's audit fee vs the proposed 75% of prior year's audit fees. If the fixed fee increases significantly from one year to the next, the 75% would be based on the prior year's fee vs the current year's fee, resulting in a slight reduction in the maximum of interim invoices that may be approved (impact would be 75% of the difference between the current year fee and the prior year fee). In most cases, this amount would be minimal and if it not, existing text of this rule gives the Secretary the authority to approve a higher amount if it would be more equitable.

Summary

The North Carolina Local Government Commission was created in 1931 by North Carolina General Statutes Chapter 159 to address issues in local government finance that arose during the

Great Depression. In the 80+ years since, the LGC has provided consistent financial oversight for over 1,300 units of local government, resulting in significant benefits to taxpayers, policymakers, and our communities.

If situations arise of extreme financial mismanagement, the LGC has enforcement authority under the conditions set forth in N.C.G.S. § 159-181 to impound the books and records of any Unit and assume full control of all its financial affairs. This enforcement authority is a costly and time-consuming drastic step that has rarely been taken in the past eight decades.

The resources of the LGC and the Units it oversees are more efficiently and effectively used when Units follow sound fiscal management practices and correct problems before they become severe enough to warrant the LGC assuming control of a Unit's financial affairs. The proposed new rule and rule changes would assist in that oversight, ensure that Units follow sound financial management practices, and streamline current business processes saving LGC staff time by:

- requiring auditors to present audit findings and financial issues to Units' governing bodies, which ensures Units' fiscal health problems are brought to the attention of the Units and the public and provides greater transparency and accountability of Units' finances.
- requiring Units' governing bodies to acknowledge fiscal and internal control issues and initiate a response to the LGC, which better ensures that issues are acknowledged and addressed months earlier than under the current process, and allows the LGC greater opportunity to provide guidance for struggling units,
- requiring submission of data from the audit report, which provides valuable, relevant fiscal health data in a consistent and usable form to both the Units' governing bodies and the LGC to assist Units in their sound financial management practices and assist the LGC's fiscal health monitoring, and
- modifying the invoicing and invoice approval process, which would better reflect auditors' current billing practices and save over 300 hours of LGC staff time.

20 NCAC 03 .0502 is proposed for amendment as follows:

20 NCAC 03 .0502 AUDIT CONTRACT

(a) The Secretary may promulgate a standard audit contract designed to include the specific requirements in Subdivision (c) of this Rule. The Secretary may revise the standard audit contract from time to time as circumstances require provided that the contract continues to include the requirements of this Section. The requirements may be included in the contract either specifically or by reference to this Section.

(b) Governmental units and their independent auditors may submit contracts on their own forms provided that the form includes all requirements, either specifically or by reference, in Subdivision (c) of this Rule.

(c) The following requirements and conditions shall be included in all contracts for governmental units:

- (1) The scope of the audit shall include all funds and ledgers of the governmental unit, and the requirement that the audit shall be conducted in accordance with generally accepted auditing standards and shall include such tests of the accounting records and such other procedures (including direct confirmation of tax, utility and other receivables) as are considered by the auditor to be necessary in the circumstances. Exceptions to the scope of the audit may be made only by specific approval of the Secretary or a deputy secretary and only for reasons that are fully explained as to the circumstances of the particular situation.
- (2) The audit shall include a review of the internal control system of the governmental unit as provided by generally accepted auditing standards. The auditor shall forward a management letter to the unit, detailing his the auditor's findings and his recommendations for improvement. The auditor shall forward a copy of the management letter to the ~~Secretary~~ Commission.
- ~~(3) Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern.~~
- (4) The auditor shall, after ~~the~~ completion of his or her examination, submit to the governing body a report of the audit with as many copies as requested in the contract. The report shall include all funds and ledgers included in the scope of the audit, and an expression of opinion on the financial statements included therein. If the expression of opinion is in any way ~~modified~~ qualified or if an opinion is disclaimed or not included for any reason, sufficient reasons therefor shall be included in the report of audit. Copies of the audit report and any special reports issued as a result of the audit engagement shall be transmitted forthwith to the ~~Secretary~~ Commission.
- (5) The fee for the audit engagement shall be stated. All audit engagement fees and terms shall be clearly stated and shall allow for the computation of a final fee. ~~The fee may be stated as a fixed dollar amount or as a rate per hour or day, either with or without a maximum.~~
- ~~(6) The auditor shall present the audited financial statements including any compliance reports to the unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the unit's governing body or audit committee must include (i) the description of all significant deficiencies, material weaknesses and questioned costs along with any other findings or recommendations the auditor believes the unit should address (the "Audit Findings") (ii) the status of the prior year audit findings; (iii) the values of Financial Performance Indicators based on information presented in the audited financial statements; (iv) notification to the governing body that the governing body must develop and adopt a "Response to~~

the Auditor's Findings, Recommendations, and Fiscal Matters", if required under Rule 20 NCAC 03 .0508.

- (7) The auditor shall promptly notify the governing body and the ~~Secretary~~ ~~commission~~, if circumstances disclosed ~~by~~ during the audit call for an expanded scope of work ~~more detailed investigation~~ by the auditor beyond that than necessary under ordinary conditions indicated by the auditor's audit planning and risk assessment, completed as required by generally accepted auditing standards.
- (8) No agreement(s) relating to the audit engagement but not attached to and referenced in the audit contract shall be enforceable by any party to said agreement(s).

(d) Form LGC-205 shall be provided for the convenience of those auditors and units who wish to use the form.

(e) The Commission is the state's agency charged with the duty of advising and assisting unit officials in all phases of fiscal management, and with promoting sound fiscal management, careful borrowing, and sound debt management practices as described in Rule 20 NCAC 03 .0101. To fulfill these duties, and pursuant to the authority under G.S. 159-34(b), the Commission may establish relevant criteria for gathering financial data to timely assist and identify units that are facing or may face fiscal management challenges or distress. For purposes of this Section, the following definitions apply:

- (1) Financial Performance Indicators are values derived from information included in the audited financial statements that assist the Secretary in improving the comparability of reporting a given unit's financial condition and financial performance. These criteria include, but are not limited to, adequacy of a unit's fund balance; liquidity or the ability to meet short-term obligations; solvency or the ability to meet long-term obligations; debt service coverage; leverage; and such other indicators of financial condition and financial performance as the Secretary may from time to time establish.
- (2) Financial Performance Indicators of Concern are Financial Performance Indicators with values which may indicate inadequate financial conditions or fiscal management concerns within the unit.

*History Note: Authority G.S. 159-3(f); 159-34;
Eff. February 1, 1976;
Readopted Eff. September 23, 1977;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff.
January 9, 2018-2018;
Amended Eff. November 1, 2020.*

20 NCAC 03 .0505 is proposed for amendment as follows:

20 NCAC 03 .0505 AUDIT BILLINGS

(a) All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

(b) Invoices to be approved shall be submitted ~~in duplicate to the Secretary.~~ Secretary at the mailing address of the Commission.

(c) Invoices shall be approved only under the following circumstances:

- (1) There is a valid contract;
- (2) The report of audit has been received;
- (3) The audit billing ~~and the report of audit conform~~ conforms to the requirements of the contract and of this Section;
- (4) ~~Except in the case of a fixed fee, the~~ The audit billing shows all calculations necessary to compute the fee from the rates and terms shown in the contract; and
- (5) There are no circumstances known to the ~~secretary~~ Secretary indicating that the audit report may fail to conform to the requirements of the contract and of this Section. ~~a failure on the part of the auditor to perform the audit as provided in this Section.~~

Notwithstanding the above, the Commission may approve interim billings up to a maximum of ~~75 percent of a fixed or maximum fee, or, in the case where there is no fixed or maximum fee, up to a maximum of 75 percent of the last year's billings for the last annual audit of the subject unit.~~ unit submitted to the Secretary. Provided however, that the Secretary or a deputy secretary may approve a higher or lower ~~amount, on an interim billing amount~~ if he or she finds that such would be more equitable under a particular set of circumstances.

*History Note: Authority G.S. 159-3(f); 159-34;
 Eff. February 1, 1976;
 Readopted Eff. September 23, 1977;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9,
 2018-2018;
 Amended Eff. November 1, 2020.*

20 NCAC 03 .0508 is proposed for adoption as follows:

**20 NCAC 03 .0508 RESPONSE TO THE INDEPENDENT AUDITOR'S
 FINDINGS, RECOMMENDATIONS, AND FISCAL
 MATTERS**

(a) If the governing body of a unit of local government or public authority is notified by its independent auditor that the audited financial statements presented to the governing body included one or more significant deficiencies, material weaknesses, other finding(s) or if the auditor determined that Financial Performance Indicators of Concern were identified based on information presented in the audited financial statements, then the governing body shall develop and adopt a “Response to the Auditor’s Findings, Recommendations and Fiscal Matters” (“Response”) and forward a copy of this response to the Secretary within 60 days of the auditor’s presentation.

(b) The Response shall address each significant deficiency, material weaknesses and other finding(s) presented to the governing body and shall provide a financial plan to address each Financial Performance Indicator of Concern reported to the governing body and shall include the following:

(1) Audit Findings

- (A) A written description of the procedure or process adopted by the local government to address each significant deficiency, material weakness and other finding(s) or recommendation(s) the auditor believes the unit should address.
- (B) The description must provide sufficient detail that the governing body and the auditor can determine that the procedure or process will reasonably address the specific audit finding and is being properly implemented. The description may include such information as the date for implementation, the position titles responsible for implementation, the positions performing the procedures or processes, the frequency of performance, and other matters necessary to evaluate the success of the procedure or process.
- (C) If the governing body disagrees with an audit finding, it shall fully describe its disagreement and explain the factors that support this determination.

(2) Financial Performance Indicators of Concern

- (A) A written description of the financial plan adopted by the governing body to address each Financial Performance Indicator of Concern.
- (B) The financial plan must provide sufficient detail that the governing body and the auditor can determine that it will reasonably address the specific Financial Performance Indicator(s) of Concern. The description may include such information as the time period required for improvement, any governing body action required for implementation, the steps to increase revenue or reduce expenses, the frequency of performance evaluation, and other matters necessary to evaluate the success of the plan.

History Note: Authority G.S. 159-3(f); 159-34;
Eff. November 1, 2020.

Ms. Wood seconded the motion and the foregoing resolutions were adopted by unanimous vote.

Mr. Padgett made the motion to approve the resolutions for the Town of Kingstown and the Town of Spring Lake as follows:

RESOLUTION GIVING NOTICE AND WARNING TO TOWN OF KINGSTOWN REGARDING THE TOWN'S FAILURE TO COMPLY WITH THE BUDGET AND FISCAL CONTROL REQUIREMENTS OF CHAPTER 159 OF THE NORTH CAROLINA GENERAL STATUTES

WHEREAS, the staff of the Local Government Commission (the "Commission") has advised officers and the Town Council of the Town of Kingstown (the "Town") of their responsibilities for compliance with budget and fiscal control practices, standards and laws; and

WHEREAS, the staff of Commission notified the Town and its officers, in an email dated January 31, 2020, of its failure to comply with the provisions of the Local Government Budget and Fiscal Control Act, North Carolina General Statutes (G.S.), Chapter 159, Article 3, specifically G.S. 159-34(a) which requires that each unit of local government and public authority have its accounts audited as soon as possible after the close of each fiscal year and that the finance officer file a copy of the audit report with the Secretary of the Commission. The due date established by the Commission staff for filing the audit report with the Secretary is October 31 each year, with a grace period extension to December 1; and

WHEREAS, the annual audit report for the Town for fiscal years ended June 30 2019 has not been received by the Secretary of the Commission as of the date of this Resolution, approximately eleven months after fiscal year end and seven months after the due date (including grace period extension of the due date); and

WHEREAS, an annual audit report provides essential information on the financial condition of the Town to its officers, Town Council, its creditors and grantors, and citizens; and

WHEREAS, the Town has not indicated why the audits are late nor has it indicated if it has resolved its sewer billing and accounting records issues;

NOW, THEREFORE, the Commission directs its Secretary,

1. To notify the Town, its officers and its Town Council that the Town has failed to submit an annual audit report for the 2019 fiscal year as required under North Carolina General Statute 159-34(a);
2. To recommend that the Town's finance officer use the authority provided under North Carolina General Statute 159-25(a)(9) as needed to contract with outside entities, including certified public accountants in good standing with the North Carolina State Board of Certified Public Accountant Examiners, bookkeeping firms, councils of government, and other units of government, to ensure fulfillment of certain duties of the finance officer and to ensure that the annual audits are completed and filed as required;
3. To notify the Town, its officers and its Town Council that the Commission expects a response not later than 30 days from the date of this resolution that either a) confirms the successful submission of the 2019 annual audit report to the Secretary of the Commission, or b) confirms that the Town has hired adequate assistance to complete and submit the 2019 annual audit, including correcting its billing issues, and includes the name(s) of the entity(ies) retained, and the timeline and deadlines for completion and submission of the report;
4. To deliver to the Town its officers and Town Council this Resolution as Notice and Warning from the Commission;
5. To report to the Commission any failure of the Town to comply with this notice and warning or with the requirements of Chapter 159 of the General Statutes of North Carolina.

The Town will open its offices and accounting records to the Commission's staff and cooperate with staff as they work to verify that actions required by this Resolution have in fact been taken.

Failure to comply with this notice may result in the enforcement of North Carolina G.S. 159-25(e) under which the Commission may require the Town to contract with outside entities in accordance with the terms of G.S. 159-25(a)(9) and/or G.S. 159-181(c) under which the Commission may assume control of the Town's financial affairs.

RESOLUTION GIVING NOTICE AND WARNING TO THE TOWN OF SPRING LAKE REGARDING THE TOWN OF SPRING LAKE'S FAILURE TO COMPLY WITH THE BUDGET AND FISCAL CONTROL REQUIREMENTS OF CHAPTER 159 OF THE NORTH CAROLINA GENERAL STATUTES

WHEREAS, the staff of the Local Government Commission (the "Commission") has advised officers and the Board of Alderman of the Town of their responsibilities for compliance with budget and fiscal control practices, standards and laws; and

WHEREAS, the staff of Commission notified the Town, its officers, and its Board of Alderman in a Letter dated April 23, 2020, of its failure to comply with the provisions of the Local Government Budget and Fiscal Control Act, North Carolina General Statutes (G.S.), Chapter 159, Article 3, specifically G.S. 159-34(a) which requires that each unit of local government and public authority have its accounts audited as soon as possible after the close of each fiscal year and that the finance officer file a copy of the audit report with the Secretary of the Commission. The due date established by the Commission staff for filing the audit report with the Secretary is October 31 each year, with a grace period extension to December 1; and

WHEREAS, the annual audit report for the Town for fiscal year ended June 30 2019, has not been received by the Secretary of the Commission as of the date of this Resolution, approximately 11 months after fiscal year end and 6 months after the due date (including grace period extension of the due date); the Town's audits have been at least two months late for each of the last five years, and the 2018 audit was 16 months late; and

WHEREAS, an annual audit report provides essential information on the financial condition of the Town to its officers, Board of Alderman, its creditors and grantors, and citizens; and

WHEREAS, the Town has indicated that the audits are late because of staff turnover, Hurricane Florence, and issues obtaining its actuarial data for its OPEB disclosures;

NOW, THEREFORE, the Commission directs its Secretary,

1. To notify the Town, its officers and its Board of Alderman that the Town has failed to submit an annual audit report for the 2019 fiscal year as required under North Carolina General Statute 159-34(a);
2. To recommend that the Town's finance officer use the authority provided under North Carolina General Statute 159-25(a)(9) as needed to contract with outside entities, including certified public accountants in good standing with the North Carolina State Board of Certified Public Accountant Examiners, bookkeeping firms, councils of government, and other units of government, to ensure fulfillment of certain duties of the finance officer and to ensure that the annual audits are completed and filed as required;
3. To notify the Town, its officers and its Board of Alderman that the Commission expects a response not later than 30 days from the date of this resolution that either a) confirms the successful submission of the 2019 annual audit report to the Secretary of the Commission, or b) confirms that the Town has hired adequate assistance to complete and submit the 2019 annual audit, and includes the name(s) of the entity(ies) retained, and the timeline and deadlines for completion and submission of the report;
4. To deliver to the Town, its officers and Board of Alderman this Resolution as Notice

and Warning from the Commission;

5. To report to the Commission any failure of the Town to comply with this notice and warning or with the requirements of Chapter 159 of the General Statutes of North Carolina.

The Town will open its offices and accounting records to the Commission's staff and cooperate with staff as they work to verify that actions required by this Resolution have in fact been taken.

Failure to comply with this notice may result in the enforcement of North Carolina G.S. 159-25(e) under which the Commission may require the Town to contract with outside entities in accordance with the terms of G.S. 159-25(a)(9) and/or G.S. 159-181(c) under which the Commission may assume control of the Town's financial affairs.

Mr. Philbeck seconded the motion and the foregoing resolutions were adopted by unanimous vote.

Ms. Marshall made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE REQUEST OF TOWN OF BELHAVEN, NORTH CAROLINA FOR THE REPLACEMENT OF APPROXIMATELY 4,050 FEET OF 4 INCH CAST IRON WATER LINE WITH 6” PVC AND DUCTILE IRON WATERLINE. APPROXIMATELY 69 SERVICES WILL BE RECONNECTED TO THE REPLACEMENT LINE

WHEREAS, the Town of Belhaven, (the “Town”) has determined that it is necessary and expedient because the current 4-inch cast iron water line is approximately 100 years old, undersized and severely corroded. Frequently repairs are required due to leaks resulting from corrosion; and

WHEREAS, the Town of Belhaven filed an application with the North Carolina Government Commission (the Commission) for approval of a revolving Loan in the amount not exceed \$87,390 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. Munn seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Padgett made the motion to adopt the following resolution:

‘RESOLUTION APPROVING THE REQUEST OF COUNTY OF CASWELL, NORTH CAROLINA TO SELL AT A PRIVATE SALE AND NOT TO EXCEED \$18,500,000 GENERAL OBLIGATION BOND ANTICIPATING NOTE THROUGH A NEGOTIATED SALE

WHEREAS, the County of Caswell, North Carolina (“the County”) request approval to sell at a private sale and not to exceed \$18,500,000 General Obligation Bond Anticipate Note through a negotiated sale to Truist Bank (formerly BB&T); at a rate not to exceed 2.10% and with an initial term ending December 31, 2022, for construction of a replacement high school; and

WHEREAS, the Commission previously approved \$36,500,000 General Obligation Bonds for the County, as did County voters on November 6, 2018; and

WHEREAS, Caswell County has a loan commitment from USDA Rural Development to purchase the bond at completion of the project;

WHEREAS, the County was awarded a \$15,000,000 grant from the State for the project; and

WHEREAS, Truist Bank submitted the best fixed rate proposal for the BAN from among six financial institutions; and

WHEREAS, the Commission approved the following financing team:

Bond Counsel:	Sands Anderson PC
Financial Advisor:	Davenport & Company LLC
Lender:	Truist Bank
Rate:	Fixed rate, not to exceed 2.10%

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

Mr. Penny seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF JOHNSTON TO (A) FUND ALL OR A PORTION OF THE COSTS OF THE 2020 PROJECT, (B) REFINANCE CERTAIN EXISTING OBLIGATIONS OF THE COUNTY AND OF VARIOUS WATER DISTRICTS CREATED BY THE COUNTY AND (C) PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE EXECUTION AND DELIVERY OF LIMITED OBLIGATION BONDS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20; AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE JOHNSTON COUNTY FINANCE CORPORATION OF (I) LIMITED OBLIGATION BONDS (COUNTY OF JOHNSTON, NORTH CAROLINA), SERIES 2020A RELATED THERETO IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$90,000,000 AND (II) TAXABLE LIMITED OBLIGATION BONDS (COUNTY OF JOHNSTON, NORTH CAROLINA), SERIES 2020B RELATED THERETO IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$67,000,000.

WHEREAS, the County of Johnston (the "County") has determined that it is necessary and expedient to fund (a) all or a portion of the costs of (i) the acquisition, construction and equipping of one or more new buildings to be used as public safety facilities for Johnston County, including acquisition of necessary land and rights-of-way, (ii) any related improvements and (iii) any “preliminary expenditures” related to the foregoing (architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that are incurred prior to commencement of acquisition or construction, but excluding land acquisition, site preparation and similar costs incident to commencement of construction) (collectively, the “2020 Project”) and (b) certain expenses incurred in connection with the execution and delivery of the Series 2020 LOBs (as hereinafter defined);

WHEREAS, the County, pursuant to Section 160A-20 of the North Carolina General Statutes, has previously entered into (i) an Installment Financing Contract, dated July 1, 2013 (the “2013 Contract”), between the County and the Corporation, and the Corporation has executed and delivered with respect thereto its Limited Obligation Bonds (County of Johnston, North Carolina), Series 2013

(the “2013 LOBs”), each with an outstanding principal amount of \$20,075,000; (ii) an Amended and Restated Installment Financing Contract (the “2014 Contract”), dated June 27, 2014, between the County and the Corporation, and the Corporation has executed and delivered with respect thereto its Limited Obligation Bonds (County of Johnston, North Carolina), Series 2014 (the “2014 LOBs”), each with an outstanding principal amount of \$35,915,000; and (iii) an Amendment Number One to an Installment Financing Contract (the “2017 Contract” and, collectively with the 2013 Contract and the 2014 Contract, the “Prior County Contracts”), dated April 1, 2017, between the County and the Corporation, and the Corporation has executed and delivered with respect thereto its Limited Obligation Refunding Bonds (County of Johnston, North Carolina), Series 2017 (the “2017 LOBs” and, collectively with the 2013 LOBs and the 2014 LOBs, the “Prior County LOBs”), each with an outstanding principal amount of \$16,675,000;

WHEREAS, the County has determined that it can achieve debt service savings by refinancing the remaining installment payments under the 2013 Contract, the 2013 LOBs, the 2017 Contract and the 2017 LOBs;

WHEREAS, the County desires to refinance the 2013 Contract, the 2013 LOBs, the 2014 Contract and the 2014 LOBs to be able to obtain a release of the collateral currently securing the 2013 Contract, the 2013 LOBs, the 2014 Contract and the 2014 LOBs in connection with and to support the planned implementation of a revenue bond structure with respect to the water and sewer system operated by the County and the fifteen water districts created by the County (collectively, the “Districts”);

WHEREAS, the County has previously entered into the (i) the Water System Revenue Bonds, Series 2011, dated December 6, 2011, with an outstanding principal amount of \$2,936,374.72 and (ii) the Water System Revenue Bonds, Series 2013, dated March 25, 2013, with an outstanding principal amount of \$3,159,022.60 (collectively, the “Prior County Revenue Bonds”);

WHEREAS, the County has determined that it can achieve debt service savings by refinancing the Prior County Revenue Bonds;

WHEREAS, the County has previously entered into (1) the Sewer promissory note, dated August 18, 2005, between the County and DENR, with an outstanding principal amount of \$4,352,443.20, (2) the Sewer promissory note, dated August 13, 2009, between the County and DENR, with an outstanding principal amount of \$2,588,965.38, (3) the Sewer promissory note, dated January 19, 2010, between the County and DENR, with an outstanding principal amount of \$6,453,997.67 and (4) the Drinking Water promissory note, dated January 31, 2011, between the County and DENR, with an outstanding principal amount of \$3,058,546.20 (collectively, the “Prior County Revolving Loans”);

WHEREAS, the County has determined that it can achieve debt service savings by refinancing the Prior County Revolving Loans;

WHEREAS, one of the Districts, has previously entered into (1) the Drinking Water promissory note, dated August 31, 2004, between the District and DENR, with an outstanding principal amount of \$384,679.25 (the “Prior District Revolving Loan”);

WHEREAS, in order to achieve debt service savings for this District with respect to the Prior District Revolving Loan, the County desires to refinance the Prior District Revolving Loan;

WHEREAS, certain of the Districts, pursuant to Section 160A-20 of the North Carolina General Statutes, have previously entered into installment financing contracts with USDA (collectively, the “Prior District Contracts”);

WHEREAS, in order to achieve debt service savings for the Districts with respect to the Prior District Contracts, the County desires to refinance all or a portion of the Prior District Contracts through the purchase by the County of refunding installment financing contracts to be executed and delivered by one or more of said Districts pursuant to Section 160A-20 of the North Carolina General Statutes (collectively, the “District Refunding Contracts”);

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to (1) finance the 2020 Project, (2) refinance the Prior County Contracts and Prior County LOBs, (3) refinance the Prior County Revenue Bonds, (4) refinance the Prior County Revolving Loans, (5) refinance the Prior District Revolving Loan and (6) purchase the District Refunding Contracts through an Installment Financing Contract (the "Contract") between the County and the Johnston County Finance Corporation (the "Corporation"), whereby the Corporation will advance moneys to the County in connection with the execution and delivery of the 2020 LOBs (as defined herein) for the purpose of (1) financing the 2020 Project, (2) refinancing the Prior County Contracts and Prior County LOBs, (3) refinancing the Prior County Revenue Bonds, (4) refinancing the Prior County Revolving Loans, (5) refinancing the Prior District Revolving Loan and (6) purchasing the District Refunding Contracts, thereby financing or refinancing the facilities financed thereby, and the County, subject to its right of nonappropriation, shall repay the advancement with interest in installments;

WHEREAS, the Corporation intends to enter into an Indenture of Trust with The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), pursuant to which the Corporation will execute and deliver its (a) Limited Obligation Bonds (County of Johnston, North Carolina), Series 2020A (the "Series 2020A LOBs") and (b) Taxable Limited Obligation Bonds (County of Johnston, North Carolina), Series 2020B (the "Series 2020B LOBs" and, collectively with the 2020A LOBs, the "2020 LOBs");

WHEREAS, the Series 2020 LOBs are to be underwritten by Robert W. Baird & Co. and Wells Fargo Bank, National Association/Wells Fargo Securities, LLC (the "Underwriters") and the proceeds from the sale of the Series 2020 LOBs will be remitted by the Underwriters to the County to fund the advancement by the Corporation to the County under the Contract;

WHEREAS, the principal amount of the advancement under the Contract for the Series 2020A LOBs shall not exceed \$90,000,000;

WHEREAS, the final maturity of the installment payments under the Contract for the Series 2020A LOBs shall not extend beyond December 31, 2043;

WHEREAS, the effective interest cost of the Contract for the Series 2020A LOBs shall not exceed 3.00%;

WHEREAS, the principal amount of the advancement under the Contract for the Series 2020B LOBs shall not exceed \$67,000,000;

WHEREAS, the final maturity of the installment payments under the Contract for the Series 2020B LOBs shall not extend beyond December 31, 2039;

WHEREAS, the effective interest cost of the Contract for the Series 2020B LOBs shall not exceed 3.70%;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the County and the Corporation have made proper application to the Local Government Commission (the "Commission") for approval of the proposed financing; 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 County;
- ii) that the Contract, under the circumstances, is preferable to a bond issue by the County 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 increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- vi) that 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, the Series 2020 LOBs and the planned financing and refinancing are hereby approved under the provisions of G.S 160A-20, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission.

Mr. Munn seconded the motion and the foregoing resolution was adopted by unanimous vote 8 to 0. Mr. Penny abstained. Rick Hester, County Manager, Chad McLamb, Deputy County Manager/Director of Finance, Martha Lasater, Debt Manager and Jeff Carver, County Commissioner attended the meeting by telephone spoke and answered members' questions.

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

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE JOHNSTON COUNTY FINANCE CORPORATION LIMITED OBLIGATION BONDS (COUNTY OF JOHNSTON, NORTH CAROLINA), SERIES 2020

WHEREAS, the Johnston County Finance Corporation and the County of Johnston have requested that the North Carolina Local Government Commission approve their selection of the following financing team members for the referenced limited obligation bonds:

Special Counsel/Corporation Counsel:	Nexsen Pruet, PLLC
Underwriters:	R. W. Baird & Co. (Sr.) Wells Fargo Bank, National Association/ Wells Fargo Securities, LLC (Co.)
Underwriters' Counsel:	Parker Poe Adams & Bernstein LLP
Financial Advisor:	Davenport & Company LLC
Registrar/Trustee:	The Bank of New York Mellon Trust Company, N.A. (DTC)
Escrow Agent:	Regions Bank
Verification Agent:	The Arbitrage Group

WHEREAS, based upon 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 the 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 issue.

Mr. Munn seconded the motion and the foregoing resolution was adopted by unanimous vote 8 to 0. Mr. Penny abstained. Rick Hester, County Manager, Chad McLamb, Deputy County Manager/Director of Finance, Martha Lasater, Debt Manager and Jeff Carver, County Commissioner attended the meeting by telephone spoke and answered members' questions.

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

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF DAVIE, NORTH CAROLINA TO EXECUTE AN INTEREST FREE RURAL DEVELOPMENT LOAN FROM USDA THROUGH ENERGY UNITED CORPORATION. UNDER PROVISIONS OF N.C.G.S. §158-7.1 CONCERNING

GRANTING ECONOMIC DEVELOPMENT INCENTIVES, THE COUNTY WILL RE-LOAN THE LOAN PROCEEDS TO DAVIE INDUSTRIAL CENTER LLC, THE "CORPORATION", AS AN INCENTIVE TO CONSTRUCT AN INDUSTRIAL BUILDING AT AN INDUSTRIAL COMPLEX ADJACENT TO THE GILDAN MANUFACTURING COMPLEX IN THE TOWN OF MOCKSVILLE, DAVIE COUNTY, NORTH CAROLINA. THE CORPORATION INTENDS TO SPEND APPROXIMATELY \$16,250,000 IN REAL PROPERTY IMPROVEMENTS SUFFICIENT TO MEET THE TAX BASE REQUIREMENT IN PHASE I OF ITS DEVELOPMENT AGREEMENT WITH THE COUNTY THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. § 160A-20

WHEREAS, the County of Davie, North Carolina (the "County") has determined that it is necessary and expedient to fund an economic incentive for the corporation and will benefit the general public health, safety and welfare of the citizens of the County and Town by promoting the creation of jobs by preserving the skill sets existing in the County's workforce, increasing the County's and Town's tax base, and by enhancing the industrial business conditions and projects of the County and Town. This increases the likelihood of a stable economic environment in the County and Town; 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 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 advancement with interest in installments; and

WHEREAS, the aggregate principal amount of the Agreement shall not exceed \$500,000 with annual drawn on escrow account with a term of ten years at a rate of 0.00%; and per annum.

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. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF DURHAM FOR THE FINANCING OF VARIOUS 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 Durham, North Carolina (the “County”) has previously entered into an Installment Financing Agreement dated as of April 1, 2009, as previously amended by a First Supplemental Installment Financing Agreement dated as of March 1, 2012 and a Second Supplemental Installment Financing Agreement dated as of April 1, 2016 (collectively, the “Master Installment Financing Agreement”), each between the County and the Durham Capital Financing Corporation (the “Corporation”), under which the County has financed and refinanced certain governmental facilities; and

WHEREAS, the County has determined that it is in the County’s best interest to enter into Third Supplemental Installment Financing Agreement dated as of June 1, 2020 (the “Third Amendment” and collectively with the Master Installment Financing Agreement, the “Installment Financing Agreement”) between the County and Corporation in order to finance (1) the costs of additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment relating to, the operation and maintenance of sewer facilities located within the County’s jurisdiction, (2) the construction, equipping and furnishing of certain public school facilities and equipment, (3) the capital costs of the acquisition, construction, and equipping of parking facilities, (4) a portion of the cost of the redevelopment of Park Center in the Research Triangle Park pursuant to an agreement between the Research Triangle Foundation of North Carolina and the County, (5) the acquisition of land for use by Durham Technical Community College, and (6) such additional projects as may be identified by the Chief Financial Officer of the County (collectively, the “2020 Projects”); and

WHEREAS, the Corporation will enter into a Third Supplemental Trust Agreement dated as of June 1, 2020 (the “Third Supplement”), which supplements the Trust Agreement dated as of April 1, 2009, as previously supplemented by a First Supplemental Trust Agreement dated as of March 1, 2012 and a Second Supplemental Trust Agreement dated as of April 1, 2016 (collectively, the “Master Trust Agreement” and together with the Third Supplement, the “Trust Agreement”), each between the Corporation and U.S. Bank National Association (the “Trustee”), pursuant to which the Corporation will execute and deliver its Limited Obligation Bond, Series 2020C and Taxable Limited Obligation Bonds, Series 2020D (the “2020 Bonds”); and

WHEREAS, the 2020 Bonds will be sold to PNC Bank, National Association (the “Purchaser”) and the proceeds from the sale of the Bonds will be remitted to the County to fund the advance by the Corporation to the County under the Third Amendment; and

WHEREAS, the principal amount of 2020C Bond shall not exceed \$60,000,000 and the principal amount of the 2020D Bond shall not exceed \$15,000,000; and

WHEREAS, the 2020 Bonds will be non-revolving, draw down, interest only variable rate bridge loans for a two year term (the “Initial Term Period”), after which they will convert to a term

loan with equal monthly principal payments plus interest for a five year term (the “Term Loan Period”);

WHEREAS, the 2020 Bonds are subject to prepayment prior to maturity and the City expects to prepay the 2020 Bonds prior to the expiration of the Initial Term Period from the proceeds of additional bonds;

WHEREAS, the maturity of the installment payments shall not extend beyond June 16, 2027; and

WHEREAS, the 2020C Bond will bear interest (a) during the Initial Term Period at a rate of 81.1% of LIBOR plus 1.26% per annum, and (b) during the Term Loan Period at a rate of the Purchaser’s Base Rate for the first 90 days and at the Purchaser’s Base Rate plus 2.00% on the 91st day and thereafter with a maximum interest rate of 25%; and

WHEREAS, the 2020D Bond will bear interest (a) during the Initial Term Period at a rate of LIBOR plus 1.60% per annum at the , and (b) during the Term Loan Period at a rate of the Purchaser’s Base Rate for the first 90 days and at the Purchaser’s Base Rate plus 2.00% on the 91st day and thereafter with a maximum interest rate of 25%; 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 Installment Financing Agreement is necessary and expedient for the County;
- ii) the Installment Financing Agreement, under the circumstances, is preferable to a bond issue by the County for the same purposes;
- iii) the sums to fall due under the Installment Financing Agreement are adequate and not excessive for the Installment Financing Agreement’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 Installment Financing Agreement 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 Third Amendment, the 2020 Bonds and the planned financing is hereby approved under the provisions of Section 160A-20, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission.”

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE DURHAM CAPITAL FINANCING CORPORATION (COUNTY OF DURHAM, NORTH CAROLINA) LIMITED OBLIGATION BOND, SERIES 2020C AND THE

**DURHAM CAPITAL FINANCING CORPORATION (COUNTY OF DURHAM,
NORTH CAROLINA) TAXABLE LIMITED OBLIGATION BOND, SERIES
2020D**

WHEREAS, the County of Durham, 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 financing:

Bond Counsel:	Parker Poe Adams & Bernstein LLP
Financial Advisor:	DEC Associates, Inc.
Lender:	PNC Bank, National Association
Lender’s Counsel	Moore & Van Allen, PLLC
Trustee:	U.S. Bank National Association

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 the 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 financing.

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION TOWN OF GRANITE QUARRY FOR A PROJECT THAT CONSISTS OF STREET IMPROVEMENTS AND REPAIRS THROUGHOUT THE TOWN THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the Town of Granite Quarry, North Carolina (the “Town “) has determined that it is necessary and expedient to conduct major improvements needed to municipal streets; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town intends to finance the Project pursuant to an Installment Financing Agreement (the “Agreement”) between the Town and Farmers & Merchants Bank (the “Lender”), whereby the Lender shall advance moneys to the Town, and the Town, 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 \$350,000 with semiannual payments with a term of seven (7) years at a rate of 2.99%; 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 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 Town;

(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 Town's debt management procedures and policies are good;

(v) that the Town 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. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA FOR THE FINANCING OF A NEW POLICE HEADQUARTERS THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, the City of Hendersonville, North Carolina (the “City”) intends to finance (a) the construction of a new police headquarters (the “Project”) and (b) certain costs related to the execution and delivery of an installment financing agreement (the “Contract”) between the City and HomeTrust Bank (the “Lender”), whereby the Lender will advance money to the City for the purpose of financing the Project, and the City, subject to its right of nonappropriation, will repay the advancement with interest in installments;

WHEREAS, the principal amount to be advanced by the Lender to the City under the Contract will not exceed \$11,500,000;

WHEREAS, the City will repay the advance in semi-annual payments of interest at an interest rate not to exceed 1.79% per annum and principal due at maturity or prepayment;

WHEREAS, the Contract will have a term of 2 years but is subject to prepayment prior to maturity and the City expects to repay the Contract from the proceeds of a financing with the United States Department of Agriculture, Rural Development;

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

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

- (1) the Contract and the Project are necessary and expedient;

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

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

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

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

Special Counsel:	Parker Poe Adams & Bernstein LLP
Lender:	HomeTrust Bank
Lender’s Counsel:	Van Wickle, Buck, Wall, Starnes & Davis
Financial Advisor:	First Tryon Advisors

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

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF LEE, NORTH CAROLINA FOR THE FINANCING OF VARIOUS CAPITAL PROJECTS FOR SAID COUNTY THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. 160A-20

WHEREAS, the County of Lee, North Carolina (the “County”) has determined that it is necessary and expedient to finance the costs of (a) acquiring and improving certain land to be used for economic development purposes, (b) renovating the County’s Government Center and (c) renovating

and expanding the County Courthouse (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 JPMorgan Chase Bank, N.A. (the “Lender”), whereby the Lender shall advance moneys to the County, and the County, subject to its right of nonappropriation, shall repay the advancement with interest in installments; and

WHEREAS, the principal amount of the Agreement shall not exceed \$8,250,000, the interest rate payable under the Agreement shall not to exceed 1.03% per annum and the final maturity date of the Agreement shall not to exceed April 1, 2030; and

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 Agreement and the proposed financing pursuant thereto; and

WHEREAS, the County has filed with the application to the Commission drafts of the following documents relating to the proposed financing:

(a) the Agreement; and

(b) the Deed of Trust, to be dated the date of delivery thereof, from the County to the deed of trust trustee named therein for the benefit of the Lender, granting a first lien of record on all or a portion of the sites of the Project, together with all improvements and fixtures located or to be located thereon; and

WHEREAS, the Secretary of the Commission has determined that the County 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 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; and

(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 are hereby approved under the provisions of G.S. 160A-20 pursuant to the terms of this resolution.

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF LELAND, NORTH CAROLINA FOR A PROJECT THAT CONSISTS OF ACQUISITION OF PROPERTY AND FACILITIES UPGRADES. POTENTIAL USES INCLUDE, BUT ARE NOT LIMITED TO, A PUBLIC SERVICES OPERATIONS CENTER INCLUDING GARAGES AND OFFICES FOR UTILITIES/STREETS/OPERATIONS SERVICES, TOWN-WIDE WAREHOUSING AND STORAGE FOR REGULAR AND EMERGENCY OPERATIONS, AN ANIMAL CONTROL OFFICE, POLICE IMPOUND AND STORAGE, EMERGENCY RESPONSE STAGING AREA AND RELOCATION OF FIRE STATION 51 THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the Town of Leland, North Carolina (the “Town”) has determined that it is necessary, and expedient to accommodate and enhance the Town’s various municipal services; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town intends to finance the Project pursuant to an Installment Financing Agreement (the “Agreement”) between the Town and Truist Bank (the “Lender”), whereby the Lender shall advance moneys to the Town, and the Town, 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 \$3,300,000 with annual payments with a term of fifteen (15) years at a rate of 2.51%; 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 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 Town;
- (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 Town’s debt management procedures and policies are good;
- (v) that the Town 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. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF MOCKSVILLE, NORTH CAROLINA. THE TOWN WILL EXECUTE AN INTEREST FREE RURAL DEVELOPMENT LOAN FROM USDA THROUGH ENERGY UNITED CORPORATION. UNDER PROVISIONS OF N.C.G.S. 158-7.1 CONCERNING GRANTING ECONOMIC DEVELOPMENT INCENTIVES, THE TOWN WILL RE-LOAN THE LOAN PROCEEDS TO DAVIE INDUSTRIAL CENTER LLC, THE “CORPORATION“, AS AN INCENTIVE TO CONSTRUCT AN INDUSTRIAL BUILDING AT AN INDUSTRIAL COMPLEX ADJACENT TO THE GILDAN MANUFACTURING COMPLEX IN THE TOWN OF MOCKSVILLE, DAVIE COUNTY, NORTH CAROLINA. THE CORPORATION INTENDS TO SPEND APPROXIMATELY \$16,250,000 IN REAL PROPERTY IMPROVEMENTS SUFFICIENT TO MEET THE TAX BASE REQUIREMENT IN PHASE 1 OF ITS DEVELOPMENT AGREEMENT WITH THE TOWN THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the Town of Mocksville, North Carolina (the “Town “) has determined that it is necessary and expedient to fund an economic incentive for the corporation and will benefit the general public health, safety and welfare of the citizens of the County and Town by promoting the creation of jobs by preserving the skill sets existing in the County’s workforce, increasing the County’s and Town’s tax base, and by enhancing the industrial business conditions and projects of the County and Town. This increases the likelihood of a stable economic environment in the County and the Town; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town intends to finance the Project pursuant to an Installment Financing Agreement (the “Agreement”) between the Town and Energy United Electric Membership Corporation pursuant to the USDA Rural Economic Development Loan & Grant (REDLG) program (the “Lender”), whereby the Lender shall advance moneys to the Town, and the Town, 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 \$500,000 with annual drawn on escrow account with a term of ten (10) years at a rate of 0.00%; 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 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 Town;
- (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 Town's debt management procedures and policies are good;

(v) that the Town 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. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

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

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the City of Monroe, North Carolina (the “City”) intends to (a) finance a portion of the costs of the acquisition and installation of an enterprise resource planning financial (ERP) system and an airport rescue firefighting apparatus (the “Project”) and (b) pay certain costs related to the execution and delivery of a Master Tax-Exempt Installment Purchase Agreement dated the date of delivery thereof (the “Contract”) between the City and U.S. Bancorp Government Leasing and Finance, Inc. (the “Bank”), including the addendum and schedules there to, whereby the Bank will advance moneys to the City for the purpose of financing the Project, and the City, subject to its right of nonappropriation, will repay the advancement with interest in installments;

WHEREAS, the principal amount to be advanced by the Bank to the City under the Contract shall not exceed \$3,140,000;

WHEREAS, the City will repay the advance in annual payments of interest and principal at an interest rate not to exceed 1.991% per annum;

WHEREAS, the final maturity date of the Contract may not extend beyond ten (10) years;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the City has made proper application to the Local Government Commission (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; and

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

- (i) the Contract is necessary and expedient for the City;

(ii) the Contract, under the circumstances, is preferable to a bond issue by the City for the same purposes;

(iii) the sums to fall due under the Contract are adequate and not excessive for its proposed purposes;

(iv) the City'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 will not be excessive; and

(vi) the City is not in default in any of its debt service obligations.

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

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

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

Special Counsel:	Parker Poe Adams & Bernstein LLP
Bank:	U.S. Bancorp Government Leasing and Finance, Inc.
Financial Advisor:	First Tryon Advisors

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

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF RALEIGH, NORTH CAROLINA LIMITED OBLIGATION BONDS, SERIES 2020A AND TAXABLE LIMITED OBLIGATION BONDS, SERIES 2020B

WHEREAS, the City of Raleigh, North Carolina (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve their selection of the following

financing team members in relation to the City of Raleigh, North Carolina Limited Obligation Bonds, Series 2020A and Taxable Limited Obligation Bonds, Series 2020B (collectively, the “Bonds”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriters:	Wells Fargo Bank, National Association (Senior) BofA Securities, Inc. (Co-Manager) Loop Capital Markets LLC (Co-Manager)
Underwriters’ Counsel:	Parker Poe Adams & Bernstein LLP
Trustee/Escrow Agent:	U.S. Bank National Association
Financial Advisor:	DEC Associates, Inc.
Verification Agent:	The Arbitrage Group, 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.

Mr. Padgett seconded the motion and the foregoing resolution was passed by unanimous vote.

Thereupon, Mr. Penny made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE CITY OF RALEIGH, NORTH CAROLINA FOR THE REFINANCING OF CERTAIN INSTALLMENT CONTRACT OBLIGATIONS OF SAID CITY AND FOR THE FINANCING OF CERTAIN ADDITIONAL CAPITAL FACILITIES FOR SAID CITY PURSUANT TO AN INSTALLMENT CONTRACT FINANCING BY SAID CITY THROUGH THE ISSUANCE OF LIMITED OBLIGATION BONDS, SERIES 2020A AND TAXABLE LIMITED OBLIGATION BONDS, SERIES 2020B AND THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, A FIRST SUPPLEMENTAL TRUST AGREEMENT AND A DEED OF TRUST IN CONNECTION THEREWITH

WHEREAS, the City of Raleigh, North Carolina (the “City”) has previously entered into a Trust Agreement, dated as of October 1, 2009, between the City and the Trustee thereunder (the “2009 Trust Agreement”), and a Second Supplemental Trust Agreement, dated as of August 1, 2010 (the “2010 Supplemental Trust Agreement”), between the City and said Trustee, pursuant to which it issued its Limited Obligation Bonds, Series 2010A (Taxable) (the “2010A Bonds”);

WHEREAS, the City’s obligations under the 2009 Trust Agreement are secured by a deed of trust on the Performing Arts Center Parking Deck and five remote operations facilities, all of which were financed or refinanced with the proceeds of bonds issued under the 2009 Trust Agreement (the “2009 Project”);

WHEREAS, the City has previously entered into a second Trust Agreement, dated as of October 1, 2013, between the City and the Trustee thereunder (the “2013 Trust Agreement”), and a First Supplemental Trust Agreement, dated as of October 1, 2013 (the “2013 Supplemental Trust Agreement”), between the City and said Trustee, pursuant to which it issued its Limited Obligation Bonds, Series 2013A (the “2013A Bonds”);

WHEREAS, the City’s obligations under the 2013 Trust Agreement are secured by a deed of trust on a remote operations facility and the Critical Public Safety Facility, both of which were financed

or refinanced with the proceeds of bonds issued under the 2013 Trust Agreement (the “2013 Project” and, together with the 2009 Project, the “Prior Project”);

WHEREAS, the City has determined that it is in the best interests of the City to (a) refund all or a portion of the outstanding 2010A Bonds and 2013A Bonds (the “Refunded Bonds”) and (b) finance the cost of certain law enforcement training facilities and fire station facilities (the “Project”);

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

WHEREAS, the City has filed with the application to the Commission drafts or original copies of the following documents relating to the proposed financing:

- (a) Trust Agreement, to be dated as of June 1, 2020 (the “Trust Agreement”), between the City and U.S. Bank National Association, as trustee (the “Trustee”);
- (b) First Supplemental Trust Agreement, to be dated as of June 1, 2020 (the “First Supplemental Trust Agreement”), between the City and the Trustee, including the form of the Limited Obligation Bonds, Series 2020A (the “Series 2020A Bonds”) and the form of the Taxable Limited Obligation Bonds, Series 2020B (the “Series 2020B Bonds”) and, together with the Series 2020A Bonds, the “Series 2020 Bonds”) set forth as Exhibit A thereto;
- (c) Deed of Trust, to be dated as of June 1, 2020 (the “Deed of Trust”), from the City to the Deed of Trust trustee named therein for the benefit of the Trustee and its successors and assigns;
- (d) Bond Purchase Agreement, to be dated the date of delivery thereof (the “Bond Purchase Agreement”), between the City and Wells Fargo Bank, National Association on behalf of itself and BofA Securities, Inc. and Loop Capital Markets LLC (the “Underwriters”);
- (e) Preliminary Official Statement, dated the date of delivery thereof (the “Preliminary Official Statement”), relating to the offering and sale of the Series 2020 Bonds; and
- (f) Escrow Deposit Agreement, to be dated as of June 1, 2020 (the “Escrow Agreement”), between the City and U.S. Bank National Association, as escrow agent (the “Escrow Agent”), relating to the refunding of the 2013A Bonds.

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, the City intends to refund the Refunded Bonds and finance the cost of the Project by entering into the Trust Agreement and the First Supplemental Trust Agreement, whereby the City will issue its Series 2020 Bonds, each Series 2020 Bond constituting a contract between the City and the owner thereof for such owner to provide to the City financing for the refunding of the Refunded Bonds and the financing of the cost of the Project;

WHEREAS, in order to secure its obligations with respect to the Series 2020 Bonds under the Trust Agreement and the First Supplemental Trust Agreement, the City will execute and deliver the Deed of Trust granting a lien of record on a portion of the sites of the Project and the Prior Project, together with all improvements and fixtures located and to be located thereon;

WHEREAS, the City proposes to sell the Series 2020 Bonds to the Underwriters pursuant to the Bond Purchase Agreement for a public offering pursuant to the Preliminary Official Statement and an Official Statement;

WHEREAS, the principal amount of the Series 2020A Bonds shall not exceed \$72,000,000 and the principal amount of the Series 2020B Bonds shall not exceed \$38,000,000;

WHEREAS, the Series 2020A Bonds shall have a final maturity not to exceed December 31, 2040 and the Series 2020B Bonds shall have a final maturity not to exceed December 31, 2038;

WHEREAS, the all-in true interest cost of the Series 2020A Bonds shall not exceed 3.50% per annum and the all-in true interest cost of the Series 2020B Bonds shall not exceed 4.00% per annum; and

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 Series 2020 Bonds are necessary and expedient for the City;
- (b) the obtaining of financing with limited obligation bonds, under the circumstances, is preferable to a general obligation bond issue for the same purpose;
- (c) the sums to fall due with respect to the Series 2020 Bonds are adequate and not excessive for the proposed purposes thereof;
- (d) the City's 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 Series 2020 Bonds will not be excessive; and
- (f) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the Trust Agreement and the First Supplemental Trust Agreement and the proposed issuance of the Series 2020 Bonds is hereby approved under the provisions of Section 160A-20 of the General Statutes of North Carolina and the relevant resolutions of the Commission. The Series 2020 Bonds may be sold to the Underwriters pursuant to the Bond Purchase Agreement. In the event the Commission and the City determine at the time of sale of the 2020 Bonds that it is not in the City's economic interest to refund any of the Refunded Bonds, the Commission hereby approves the issuance of a subsequent series of limited obligation bonds under the Trust Agreement to refund any of the Refunded Bonds not refunded with the proceeds of the Series 2020 Bonds; provided, however, that such bonds shall be subject to the approval parameters set forth herein. In connection with the issuance of such bonds, the preparation, distribution and execution of a bond purchase agreement, preliminary official statement and official statement in substantially the form of the counterpart documents for the Series 2020 Bonds and the sale of such bonds to the Underwriters are hereby authorized.

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF ROWAN, NORTH CAROLINA FOR THE ACQUISITION OF

TECHNOLOGY AND CAPITAL IMPROVEMENTS FOR KANNAPOLIS CITY SCHOOLS (KCS) AND CONSTRUCTION OF A CONCESSION STAND AT DAN NICHOLS PARK (DNP) THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. 160A-20.

WHEREAS, the County of Rowan, North Carolina (the “County”) has determined that it is necessary and expedient to provide needed technology equipment and improvements within KCS System and provide a needed concession stand at DNP; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to finance the cost of the Project through an Installment Financing Contract (the “Contract”) between the County and US Bancorp Governmental Leasing and Finance (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; and

WHEREAS, the principal amount of the Contract shall not exceed \$1,600,000 with payment semiannual principal and interest for a term of fifty-seven (57) months at an interest rate of 1.649%; 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 and 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 the proposed purpose of the Contract;
- (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 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. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION FOR THE CITY OF WHITEVILLE, NORTH CAROLINA FOR A PROJECT THAT INCLUDES THE CONSTRUCTION OF A NEW ABC BUILDING THROUGH AN INSTALLMENT PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. §160A-20

WHEREAS, the City of Whiteville, North Carolina (the “City “) has determined that it is necessary and expedient because the former ABC store was condemned by NCDOT for a Highway Expansion Project; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the City intends to finance the Project pursuant to an Installment Financing Agreement (the “Agreement”) between the City and First Bank (the “Lender”), whereby the Lender shall advance moneys to the City, and the City, 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 \$950,000 with annual payments with a term of fifteen (15) years at a rate of 2.08%; and

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the City 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 City;
- (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 City’s debt management procedures and policies are good;
- (v) that the City 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. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF CHARLOTTE, NORTH CAROLINA AIRPORT REVENUE BOND ANTICIPATION NOTE

WHEREAS, the City of Charlotte, North Carolina (the “City”) has requested that the Local Government Commission of North Carolina (the “Commission”) approve its selection of the following financing team members for the City’s upcoming airport revenue bond issues:

Purchaser:	Bank of America, N.A.
Financial Advisor:	DEC Associates Inc.
Airport Financial Consultant:	Frasca & Associates, L.L.C.
Bond Counsel:	Parker Poe Adams & Bernstein LLP
Purchaser’s Counsel:	McGuireWoods LLP
Trustee/Paying Agent/Bond Registrar:	U.S. Bank National Association

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

NOW, THEREFORE, BE IT RESOLVED by the Local Government Commission of North Carolina that the above-referenced financing team is hereby approved for City's upcoming Airport Revenue Bond Anticipation Note, Series 2020A.”

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF CHARLOTTE, NORTH CAROLINA FOR THE ISSUANCE OF AIRPORT REVENUE BOND ANTICIPATION NOTE

WHEREAS, the City of Charlotte, 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 its Airport Revenue Bond Anticipation Note, Series 2020A in a principal amount not to exceed \$300,000,000 (the “2020A Note”);

WHEREAS, the 2020A Note is being issued to (a) refinance the City’s Airport Revenue Bond Anticipation Note, Series 2019C, (b) further finance the costs of improvements to Charlotte Douglass International Airport (the “Airport”) in accordance with the Airport’s capital improvement plan (the “Projects”), (c) pay capitalized interest on the 2020A Note and (d) pay the costs of issuing the 2020A Note;

WHEREAS, the City has furnished to the Commission:

- (a) a bond order adopted on April 24, 2017 by the City Council (the “City Council”) of the City (the “Bond Order”) under which the 2020A Note will be issued;
- (b) a series resolution, and the appendices attached thereto, adopted by the City Council on May 11, 2020 related to the 2020A Note (the “2020A Note Series Resolution”);
- (c) a draft of the Note Purchase and Advance Agreement among the Commission, the City and Bank of America, N.A., as the initial purchaser, with respect to the 2020A Note.

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

- (1) the proposed revenue bond anticipation note issue is necessary and expedient;
- (2) the amount proposed is adequate and not excessive for the proposed purposes of the issue;
- (3) the proposed Projects are feasible;
- (4) the City's debt management procedures and policies are good; and
- (5) the proposed revenue bonds can be marketed at 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 2020A Note in a principal amount not to exceed \$300,000,000 for the purposes provided above is hereby approved pursuant to the State and Local Government Revenue Bond Act, as amended.”

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION CONCERNING THE PRIVATE SALE OF THE CITY OF CHARLOTTE, NORTH CAROLINA AIRPORT REVENUE BOND ANTICIPATION NOTE

WHEREAS, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina 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, Bank of America, N.A. (the “Purchaser”) has offered to purchase the City of Charlotte, North Carolina Airport Revenue Bond Anticipation Note, Series 2020A (the “2020A Note”) from the Commission on the terms and conditions provided below and in the form of a Note Purchase and Advance Agreement (the “Note Purchase Agreement”) among the Commission, the City and the Purchaser; and

WHEREAS, the City has requested the Commission to sell the 2020A Note 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 2020A Note at private sale without advertisement; and

WHEREAS, the Commission desires to accept the offer of the Purchaser to purchase the 2020A Note substantially in the form of the Note Purchase Agreement, in each case on the terms and conditions provided below; and

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The sale of the 2020A Note to the Purchaser at private sale without advertisement pursuant to the executed Note Purchase Agreement and a series resolution adopted by

the City Council on May 11, 2020 with respect to the 2020A Note (the “2020A Note Resolution”) substantially in the form furnished to the Commission is hereby approved, such sale being subject to the approval of the Designated Assistant and satisfaction of the conditions provided below.

Section 2. The principal amount of the 2020A Note will not exceed \$300,000,000. The purchase price for the 2020A Note will be approved by the Designated Assistant on the date of the sale of the 2020A Note as provided in the Note Purchase Agreement.

Section 3. The 2020A Note will bear interest at a variable rate of (79% of One Month LIBOR) + .33%, with a maximum rate of 20%.

Section 4. The initial term of the 2020A Note will not extend beyond 2023 (or 2026, if the 2020A Note is converted to an amortizing term loan in accordance with the Note Purchase Agreement).

Section 5. The Commission hereby determines that the sale of the 2020A Note in the manner and for the prices as provided in this resolution is in the best interest of the City, provided that such sale is approved by the City.

Section 6. The Secretary of the Commission, or any Deputy Secretary, is hereby appointed the “Designated Assistant” for the purpose of this resolution. The Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Note Purchase Agreement, including details of the 2020A Note, as satisfactory to him or her, to approve the forms of other documents relating to the 2020A Note, to execute and deliver the Note Purchase Agreement and such other documents on behalf of the Commission and to provide for the execution and delivery of the 2020A Note in accordance with the Bond Order, the 2020A Note Resolution and the Note Purchase Agreement.

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made a motion to approve the following action:

RESOLUTION APPROVING INLIVIAN MULTIFAMILY HOUSING REVENUE BONDS (BARRINGTON DRIVE APARTMENTS PROJECT), SERIES 2020 IN AN AMOUNT UP TO \$18,800,000 (THE “BONDS”) AND THE FINANCING TEAM THEREFOR

WHEREAS, INLIVIAN (formerly known as the Housing Authority of the City of Charlotte, N.C.) (the “Authority”) has decided to issue its Multifamily Housing Revenue Bonds (Barrington Drive Apartments Project), Series 2020 (the “Bonds”) to finance the acquisition, construction and equipping by Barrington Drive 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 Barrington Drive Apartments, consisting of 168 units, in the City of Charlotte, North Carolina (the “Development”); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Bonds in an aggregate principal amount of not to exceed \$18,800,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the “Act”); and

WHEREAS, the Bonds have 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 May 19, 2020, it is hereby determined and found by the Commission:

- (a) that such proposed bond issue is necessary or expedient;
- (b) that the proposed amount of the bond 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 Bonds 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 Bonds 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 Bonds:

Bond Counsel:	McGuireWoods LLP
Issuer's Counsel:	The Banks Law Firm, P.A.
Borrower:	Barrington Drive Apartments, LLC
Borrower's Counsel:	Dinsmore & Shohl, LLP
Developer:	Winterwood Development, LLC
Purchaser:	Cedar Rapids Bank and Trust Company
Purchaser's Counsel:	Winthrop & Weinstine, P.A.
Tax Credit Investor:	CREA Barrington Drive, LLC
Investor's Counsel:	Barnes & Thornburg 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, there have been presented to the Commission forms of the following documents (the "Documents") to be used in connection with the issuance of the Bonds:

- (a) Bond Financing Agreement, among the Authority, the Borrower and Cedar Rapids Bank and Trust Company, as purchaser, providing for the issuance of the Bonds, together with the form of the Bonds and the form of the promissory note of the Borrower attached thereto; and
- (b) Regulatory Agreement and Declaration of Restrictive Covenants, from the Borrower for the benefit of the Authority.

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

Section 1. The sale of the Bonds 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 Bonds shall be issued in an aggregate principal amount not to exceed \$18,800,000, shall initially bear interest at a tax-exempt rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2062.

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 Bonds, as shall be satisfactory to him or her, and to approve the forms of other documents relating to the Bonds.

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

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made a motion to approve the following action:

RESOLUTION APPROVING INLIVIAN MULTIFAMILY HOUSING REVENUE BONDS (SPRINGBROOK APARTMENT HOMES PROJECT), SERIES 2020 IN AN AMOUNT UP TO \$28,500,000 (THE "BONDS") AND THE FINANCING TEAM THEREFOR

WHEREAS, INLIVIAN (formerly known as the Housing Authority of the City of Charlotte, N.C.) (the "Authority") has decided to issue its Multifamily Housing Revenue Bonds (Springbrook Apartment Homes Project), Series 2020 (the "Bonds") to finance the acquisition, construction and equipping by Pedcor Investments-2017-CLXV, L.P., an Indiana limited partnership or a related or affiliated entity (the "Borrower"), of a low income multifamily residential rental facility to be known as Springbrook Apartment Homes, consisting of 198 units, in the City of Charlotte, North Carolina (the "Development"); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Bonds in an aggregate principal amount of not to exceed \$28,500,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"); and

WHEREAS, the Bonds have 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 May 19, 2020, it is hereby determined and found by the Commission:

- (a) that such proposed bond issue is necessary or expedient;
- (b) that the proposed amount of the bond 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 Bonds 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 Bonds 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 Bonds:

Bond Counsel:	McGuireWoods LLP
Issuer's Counsel:	The Banks Law Firm, P.A.
Borrower:	Pedcor Investments-2017-CLXV, L.P.
Borrower's Counsel:	Pedcor Investments and The Banks Law Firm, P.A.
Developer:	Pedcor Development Associates, LLC
Bond Purchasers:	International City Bank, N.A. and United Fidelity Bank, fsb
Purchaser's Counsel:	Ice Miller LLP
HUD Seller/Servicer:	Merchants Capital Corp.
HUD Seller/Servicer Counsel:	Wooden & McLaughlin, LLP
Tax Credit Investor:	Truist Community Capital, LLC
Investor's Counsel:	Nixon Peabody 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, there have been presented to the Commission forms of the following documents (the "Documents") to be used in connection with the issuance of the Bonds:

(a) Financing Agreement, among the Authority, the Borrower, the Purchasers, and the HUD Seller/Servicer, providing for the issuance of the Bonds, together with the form of the Bonds and the form of the promissory note of the Borrower attached thereto;

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

(c) Bond Purchase Agreements, to be date the date of sale of the Bonds, among the Authority, the Borrower and each Purchaser.

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

Section 1. The sale of the Bonds 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 Bonds shall be issued in an aggregate principal amount not to exceed \$28,500,000, shall initially bear interest at a fixed rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2063.

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 Bonds, as shall be satisfactory to him or her, and to approve the forms of other documents relating to the Bonds.

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

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

RESOLUTION APPROVING THE APPLICATION OF THE CITY OF GREENSBORO, NORTH CAROLINA FOR THE ISSUANCE OF NOT TO EXCEED \$85,000,000 COMBINED ENTERPRISE SYSTEM REVENUE BONDS AND TO ISSUE A COMBINED ENTERPRISE SYSTEM REVENUE BOND ANTICIPATION NOTE IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS

WHEREAS, the City of Greensboro, 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 not to exceed \$85,000,000 Combined Enterprise System Revenue Bonds (the "Bonds") for the purpose of providing funds, together with any other available funds, (a) to pay the costs of various improvements to the City's water system and sanitary sewer system (the "Project") and (b) to pay certain other costs associated with the issuance of the Bonds and the Note (hereinafter defined); and

WHEREAS, the Bonds are to be issued pursuant to a Trust Agreement, dated as of June 1, 1995 (as supplemented and amended, the "Trust Agreement"), between the City and Branch Banking and Trust Company (succeeded by U.S. Bank National Association), as trustee (the "Trustee"), and a supplemental trust agreement between the City and the Trustee; and

WHEREAS, under the plan of finance, the City will issue its Combined Enterprise System Revenue Bond Anticipation Note, Series 2020 (the "Note") in an amount not to exceed \$85,000,000 pursuant to a Note Purchase and Advance Agreement (the "Note Purchase Agreement") among the Commission, the City and PNC Bank, National Association (the "Purchaser") in anticipation of the issuance of the Bonds; and

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

- (a) Note Purchase Agreement; and
- (b) Bond Order adopted by the City Council of the City on May 19, 2020, authorizing the issuance of Bonds; and
- (c) Note Resolution adopted by the City Council of the City on May 19, 2020, authorizing the sale and issuance of the Note by the City, subject to the terms thereof;

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

- (i) that the proposed issuance of the Bonds and the Note, in anticipation of the issuance of the Bonds, by the City is necessary and expedient;
- (ii) that the proposed amount of the proposed Bonds and the Note is adequate, when added to other monies available to the City, and not excessive for the proposed purposes thereof;
- (iii) that the Project is feasible;
- (iv) the City's debt management policies and procedures are good; and
- (v) that the Bonds and the Note 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 of Greensboro, North Carolina for approval of the proposed Bonds in an amount not to exceed \$85,000,000 for the purposes set forth is hereby approved pursuant to The State and Local Government Revenue Bond Act, as amended. In addition, the issuance of the Note in anticipation of the issuance of the Bonds is hereby approved in an amount not to exceed \$85,000,000.

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Thereupon, Mr. Penny made a motion to adopt the following resolution:

RESOLUTION CONCERNING THE PRIVATE SALE OF A CITY OF GREENSBORO, NORTH CAROLINA COMBINED ENTERPRISE SYSTEM REVENUE BOND ANTICIPATION NOTE, SERIES 2020

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 and revenue bond anticipation notes 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; and

WHEREAS, the City of Greensboro, North Carolina (the "City") has requested the Commission to sell its Combined Enterprise System Revenue Bond Anticipation Note, Series 2020 approved concurrently herewith (the "Note") in accordance with Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina; and

WHEREAS, the Note is being issued in anticipation of the issuance of Combined Enterprise System Revenue Bonds by the City to provide interim financing for various improvements to the City's water system and sanitary sewer system (the "Project"); and

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

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The sale of the Note at private sale without advertisement to PNC Bank, National Association (the "Purchaser") pursuant to a Note Purchase and Advance Agreement (the "Note Purchase Agreement") among the Commission, the City and the Purchaser is hereby approved, such sale being subject to the approval of the City and satisfaction of the conditions set forth below. The Secretary or any Deputy Secretary of the Commission 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 Note Purchase Agreement relating to the Note, including details of the Note, as shall be satisfactory to him or her, to approve the forms of other documents relating to the Note, to execute and deliver the Note Purchase Agreement and such other documents on behalf of the Commission and to provide for the execution and delivery of the Note in accordance with the bond order and resolution of the City and the Note Purchase Agreement.

Section 2. The aggregate principal amount of the Note shall not exceed \$85,000,000, and the purchase price for the Note shall be equal to the par amount thereof.

Section 3. The Note shall bear interest at a variable rate of (81.1% of One Month LIBOR) plus 1.48%, as set forth in the resolution authorizing the sale and issuance of the Note, and the Note Purchase Agreement with a maximum interest rate not to exceed 25%, and the final maturity of the Note shall not exceed June 30, 2027.

Section 4. The Commission hereby determines that the sale of the Note 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 Commission hereby approves the engagement of Womble Bond Dickinson (US) LLP as bond counsel and DEC Associates, Inc. as financial advisor to the City in connection with the issuance of the Bonds and the Note. The Commission hereby also approves the Finance Director of the City serving as the registrar and paying agent for the Note.

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Penny made a motion to approve the following action:

RESOLUTION APPROVING HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA MULTIFAMILY HOUSING REVENUE BONDS (WALNUT TRACE APARTMENTS), SERIES 2020 IN ONE OR MORE SERIES IN AN AGGREGATE AMOUNT UP TO \$23,000,000 (THE "BONDS") AND THE FINANCING TEAM THEREFOR

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (the "Authority") has decided to issue its Multifamily Housing Revenue Bonds (Walnut Trace Apartments), Series 2020 (the "Bonds") to finance the acquisition, construction and equipping by Walnut Trace, LLC, a North Carolina limited liability company or a related or affiliated entity (the "Borrower"), of a multifamily residential rental facility to be known as Walnut Trace Apartments, consisting of approximately 180 units, in the City of Raleigh, North Carolina (the "Development"); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Bonds in one or more series in an aggregate principal amount of 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 Bonds have 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 May 28, 2020, it is hereby determined and found by the Commission:

- (a) that such proposed bond issue is necessary or expedient;
- (b) that the proposed amount of the bond 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 Bonds 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 Bonds 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 Bonds:

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Francis Law Firm, PLLC
Borrower:	Walnut Trace, LLC
Borrower's Counsel:	Ellinger & Carr PLLC
Developer:	Taft-Mills Group
Purchaser:	Deutsche Bank AG
Placement Agent:	Stern Brothers & Co.
Majority Owner Representative:	Bellwether Enterprise Real Estate Capital, LLC
Purchaser's Counsel:	Kutak Rock LLP
LIHTC Equity Investor:	Community Equity Fund XXV Limited Partnership
LIHTC Equity Investor's Counsel:	Kutak Rock LLP
Trustee:	U.S. Bank National Association
Trustee's Counsel:	Nexsen Pruet PLLC

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 Bonds will be privately placed with Deutsche Bank AG, as Purchaser, through Stern Brothers & Co., as Placement Agent; 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 Bonds:

- (a) Indenture of Trust between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), providing for the issuance of the Bonds, together with the form of the Bonds;
- (b) Loan Agreement between the Authority and the Borrower, pursuant to which the Authority will lend the proceeds of the Bonds to the Borrower (the "Loan");
- (c) Promissory Note given by the Borrower to the Authority to evidence the Loan, which the Authority will assign to the Trustee as security for the Bonds;

(d) Regulatory Agreement and Declaration of Restrictive Covenants, from the Borrower for the benefit of the Authority and the Trustee;

(e) Bond Purchase Agreement to be dated the date of sale of the Bonds, among the Authority, the Borrower, and the Placement Agent; and

(f) Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (With Power of Sale), from the Borrower to the deed of trust trustee named therein for the benefit of the Authority, which shall be assigned to the Trustee.

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

Section 1. The sale of the Bonds 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 Bonds shall be issued in an aggregate principal amount not to exceed \$23,000,000, shall initially bear interest at fixed rates, such rates not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2060.

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 Bonds, as shall be satisfactory to him or her, and to approve the forms of other documents relating to the Bonds.

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

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

MISCELLANEOUS ACTION ITEMS:

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

‘RESOLUTION TO APPROVE THE CITY OF ASHEVILLE, NORTH CAROLINA REQUEST FOR APPROVAL TO ISSUE UP TO \$25,000,000 IN A SHORT-TERM BOND (DRAW PROGRAM) UNDER GENERAL OBLIGATION BOND AUTHORIZATIONS PREVIOUSLY APPROVED BY THE COMMISSION

WHEREAS, the City of Asheville, North Carolina (the “City”) under the Draw Program, the City will draw funds as advances under a bond in the amount and at times needed to pay the cost of the project being financed under authorizations for Transportation Improvements, Parks and Recreation Improvements; and

WHEREAS, the City previously used a similar draw program in 2018 for these same authorizations; and

WHEREAS, current projects include approximately \$21.91 million for street and sidewalk projects, greenways and bridges, and \$3.09 million for parks and playground projects, and land acquisition; and

WHEREAS, the bond will be issued non-competitively and bear interest at a floating rate of interest based upon 80% of one-month LIBOR, plus 138 basis points (1.38%) per annum calculated on an actual/360 basis from the date of the bond for actual amounts drawn; and

WHEREAS, the City will pay a “Commitment Fee” of 0.40% for funds not drawn, until the City borrows \$12,500,000; and

WHEREAS, at or before maturity of the bond, the City will redeem the Bond by issuance of fixed-rate general obligation bonds or from other available funds of the City; and

WHEREAS, the Full-Funding Date of the bond will be June 1, 2023, on which date the bond is subject to mandatory prepayment (subject to an amortization period on meeting certain conditions as set forth in the purchase agreement with the Bond Purchaser) and Maturity Date shall be June 1, 2026. The interest rate shall not exceed 20.0%;

WHEREAS, the City agrees to provide the LGC staff with notification of each new advance from the bond authorization and submit to staff written confirmation within four business days of an advance request; and

WHEREAS, the Commission approved the following financing team:

Bond Counsel:	Parker Poe Adams & Bernstein LLP
BAN Purchaser:	Bank of America, N.A.
Bank Counsel:	McGuireWoods, LLP
Financial Advisor:	DEC Associates, Inc.

NOW, THEREFORE, BE IT ORDERED by the Local Government Commission of North Carolina hereby approves the request of the City to issue up to \$25,000,000 in a Short-Term Bond (Draw Program) under the general obligation bond authorizations previously approved by the Commission.

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

‘RESOLUTION TO APPROVE THE CITY OF FAYETTEVILLE, NORTH CAROLINA REQUEST FOR APPROVAL OF A RATE MODIFICAITON WITH BANK OF AMERICA

WHEREAS, the City of Fayetteville, North Carolina (the “City”) has negotiated with Bank of America to provide a fixed rate of 1.90% on a 2011 installment financing that currently has a variable rate; and

WHEREAS, the City has determined their preference, via resolution and in concurrence of their financial advisor, for a fixed rate over a variable given current volatility and the expectation of rising rates in the future. The term of the financing has not been extended;

NOW, THEREFORE, the request of the City for approval of a rate modification with Bank of America is hereby approved.

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

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

“RESOLUTION APPROVING THE REQUEST OF SAMPSON COUNTY, NORTH CAROLINA FOR THE INCREASE OF ADDITIONAL FUNDS ON A STATE REVOLVING LOAN.

WHEREAS, Sampson County, North Carolina (the “County”) requests an increase of \$339,857 for a total loan of \$1,246,017. The original loan was approved by the Local Government Commission on March 3, 2020 for \$906,160.

WHEREAS, the loan is for one well head completion and the installation of a Manganese treatment system. Major elements include, but are not limited to, pumps, all associated piping, fittings, valves treatment system building site gravel; access road, concrete pads, erosion control measures, site grading, storage tanks, and connections to the existing water system; and

WHEREAS, the increase is necessary due to actual construction bids received being higher than expected due to an increasing cost environment; and

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

Mr. Padgett seconded the motion and the foregoing resolution was adopted by unanimous vote.

MISCELLANEOUS NON-ACTION ITEMS:

Town of Carolina Beach – The City negotiated its third-rate modification with Truist Bank (formerly known as Branch Banking and Trust Company) to its existing, privately held, tax exempt, installment purchase. The original issuance was on May 5, 2011 for \$3,600,000.

Outstanding balance as of 4/23/2020	Previously Modified Rate	Modified Rate as of 5/3/2020	Approximate Interest Savings	Maturity Date
\$1,273,178	2.88%	2.53%	\$10,800	5/3/2025

Lincoln County – The County has negotiated a rate modification with First Citizens to its existing, privately held, tax exempt, installment purchase contract. Modification date April 22, 2020.

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
11/14/2013	\$7,845,000	\$7,215,000	2.52%	2.23%	\$82,758	6/1/2027

Lincoln County – The County has negotiated a rate modification with Peoples Bank to its existing, privately held, tax exempt, installment purchase contract. Modification date April 22, 2020.

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
06/27/2014	\$6,500,000	\$4,116,667	3.02%	2.65%	\$71,250	6/26/2029

Mr. Padgett introduced a motion to adjourn the meeting. Ms. Wood seconded the motion, the motion passed by unanimous vote and the meeting was adjourned at 3:46 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on July 7, 2020 at 2:30 p.m.

I, Greg C Gaskins, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct extract from the minutes of the meeting of the North Carolina Local Government Commission that was duly called and held on June 2, 2020, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth.

WITNESS my hand at Raleigh, as of the 2nd day of June 2020.

Secretary of the North Carolina
Local Government Commission

Local Governments Requesting Debt Approval by LGC				As Reported in 2019 Fiscal Year End Audits						
Agenda Date				06/02/20						
Name of Unit	County	Last Year of Reval	Next Year of Reval	Total OPEB Liability	Actuarial Value of OPEB Assets	Net OPEB Liability	LGERS/TSERS Net Pension Liability	Total LEOSA Pension Liability	Actuarial Value of LEOSA Assets	Net LEOSA Pension Liability
Aberdeen	Moore	2019	2020	3,433,421	0	3,433,421	1,895,859	879,247	0	879,247
Alamance County	Alamance	2017	2026	72,303,652	0	72,303,652	15,355,933	4,099,774	0	4,099,774
Ashville	Burcombe	2017	2021	36,797,543	11,741,211	24,056,332	24,417,330	11,549,921	0	11,549,921
Behaves	Beaufort	2016	2026	371,543	0	371,543	363,953	122,709	0	122,709
Carolina Beach	New Hanover	2017	2021	8,497,806	0	8,497,806	2,294,529	612,490	0	612,490
Caswell County	Caswell	2015	2021	3,126,426	0	3,126,426	3,484,942	915,873	0	915,873
Charlotte, City of	Mecklenburg	2019	2022	469,400,000	99,909,000	369,491,000	323,496,000*	115,206,000	0	115,206,000
Charlotte Housing Authority (dba INLIVIAN)	Mecklenburg	2019	2022	NA	NA	NA	3,641,297	NA	NA	NA
Davidson County	Davidson	2017	2021	5,807,804	0	5,807,804	5,402,297	1,230,202	0	1,230,202
Durham County	Durham	2019	2022	156,156,262	0	156,156,262	37,396,454	6,240,325	0	6,240,325
Granville County	Rowen	2016	2022	NA	NA	NA	318,365	67,565	0	67,565
Greensboro, City of	Guilford	2017	2022	137,586,267	23,133,424	114,454,833	59,030,749	26,927,352	6,648,696	22,248,696
Hendersonville, City of	Henderson	2019	2022	2,833,222	0	2,833,222	4,637,691	1,095,048	0	1,095,048
Johnston, County of	Johnston	2019	2026	173,606,964	0	173,606,964	19,972,479	3,566,566	0	3,566,566
Lee County	Lee	2019	2023	24,960,470	0	24,960,470	5,540,265	1,326,257	0	1,326,257
Leland	New Hanover	2017	2021	NA	NA	NA	2,239,728	426,692	0	426,692
Madaville	Davidson	2017	2021	666,066	0	666,066	664,756	211,377	0	211,377
Monroe, City of	Union	2015	2021	41,690,862	0	41,690,862	9,172,662	4,156,173	0	4,156,173
Raleigh, City of	Wake	2016	2020	231,743,793	45,001,178	186,742,615	91,697,896	46,961,348	0	46,961,348
Raleigh Housing Authority	Wake	2016	2020	0	0	0	0	0	0	0
Rowan County	Rowan	2019	2026	10,000,337	0	10,000,337	12,754,623	3,814,654	0	3,814,654
Sampson, County of	Sampson	2016	2027	10,715,000	0	10,715,000	7,811,597	1,654,448	0	1,654,448
Whiteville	Columbia	2013	2021	2,679,864	0	2,679,864	1,267,393	207,793	0	207,793

LEOSA - Law Enforcement Officers' Special Separation Allowance OPEB - Other Post Employment Benefits (retiree healthcare) NA - not applicable
 LGERS - Local Government Employees Retirement System TSERS - Teachers and State Employees Retirement System *Net pension liability for single employer pension