

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

MINUTES

December 5, 2023

The meeting was called to order by Chairman Dale R. Folwell at 1:32 p.m., on the above date. The meeting was conducted in person and by use of simultaneous communication by GoToWebinar™. Members present in person: Chair Folwell, State Auditor Beth Wood, and Secretary of State Elaine Marshall. Members present virtually: Secretary of Revenue Ronald Penny, Paul Butler, Vida Harvey (Ms. Harvey joined at 1:49 p.m.), Nancy Hoffmann, and Mike Philbeck.

Members absent: John Burns.

A quorum was present for the entire meeting.

Other DST participants present in person: Sharon Edmundson, Jennifer Wimmer, Kendra Boyle, Lewis Andrews, Tony Blalock, Debbie Tomasko, and Cindy Aiken.

Others attending in person: DST staff Joah Bickley, and Ted Brinn; Bill Toole (Secretary of State office).

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

Ms. Hoffmann made a motion to approve the minutes of the November 14, 2023 meeting. Auditor Wood seconded the motion, and the minutes were approved by unanimous vote of 8 – 0 (Absent: Burns).

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

BEGIN CONSENT AGENDA

BEECH MOUNTAIN

Auditor Wood made a motion to adopt the following resolution:

"RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF BEECH MOUNTAIN, NORTH CAROLINA: THIS PROJECT IS DESIGNATED AS THE 2022 SEWER MAIN IMPROVEMENTS PROJECT.

WHEREAS, the Town of Beech Mountain, North Carolina (the "Town") has determined that the Project is necessary or expedient to rehabilitate or replace components of the Town's aging sewer system; and

WHEREAS, the North Carolina Local Government Commission (the Commission) previously approved a Wastewater State Revolving Loan on April 5, 2022 for the Town in the amount of \$2,870,000 based on engineering estimates; and

WHEREAS, the Town received bids that exceeded the previously estimated costs of the Project by \$1,175,526; and

WHEREAS, the Department of Environmental Quality ("DEQ") approved the additional funding for the Town; and

WHEREAS, the Town filed an application with the Commission for approval of a revised Wastewater State Revolving Loan in the increased total amount not to exceed \$4,045,526, with the term of twenty (20) years at the rate, as established under this program for the respective loan, State or Federal, not to exceed 4.0%; and

WHEREAS, the Commission, upon the information and evidence it received, finds and determines as follows:

- (1) That the proposed loan is necessary or expedient;
- (2) That the amount proposed is adequate and not excessive for the proposed purpose of the loan;
- (3) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law;
- (4) That the increase in taxes, if any, necessary to service the proposed debt will not be excessive; and
- (5) That the interest rate for the proposed loan will be a reasonable rate.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the Commission hereby approves the award of the Wastewater State Revolving Loan to the Town and approves the increased loan amount and the loan terms."

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

CHOWAN COUNTY

Auditor Wood made a motion to adopt the following resolution:

"RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF CHOWAN FOR THE FINANCING OF THE CONSTRUCTION AND EQUIPPING OF A SCHOOL 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 County of Chowan, North Carolina (the “*County*”) intends to (1) finance a portion of the costs of constructing a new high school, to be known as the John A. Holmes High School, in the County (the “*Project*”), and (2) pay certain costs related to the execution and delivery of an interim Installment Financing Contract (the “*Contract*”) between the County and PNC Bank, National Association (the “*Bank*”), whereby the Bank will advance money to the County for the purpose of financing a portion of the costs of the Project, and the County, subject to its right of nonappropriation, will repay the advancement with interest in installments;

WHEREAS, the County has also received a Need-Based Public School Capital Fund grant to fund a portion of the cost of the Project;

WHEREAS, the principal amount to be advanced by the Bank to the County under the Contract shall not exceed \$34,998,500;

WHEREAS, the County will repay the installment payments due under the Contract in quarterly payments of interest at an interest rate not to exceed 4.96% per annum with principal due in full at maturity;

WHEREAS, the Contract will have a term of two years and the final maturity date of the Contract may not extend beyond 2025;

WHEREAS, the County expects to discharge its obligations to pay the Bank under the Contract upon completion of the construction of the Project, at which time the County will enter into a long-term installment financing contract with the United States Department of Agriculture;

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

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 or expedient for the County;
- (ii) the Contract, under the circumstances, is preferable to a bond issue by the County for the same purposes;
- (iii) the sums to fall due under the Contract are adequate and not excessive for its proposed purposes;
- (iv) the County’s debt management procedures and policies are good;
- (v) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract 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 Commission that the application for approval of the Contract and planned financing of the Project is hereby approved under the provisions of Section 160A-20 of the General Statutes, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission.”

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

Auditor Wood made a motion to approve the following resolution:

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

WHEREAS, the County of Chowan, 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:	PNC Bank, National Association
Bank Counsel:	McGuireWoods LLP

WHEREAS, based on the information and evidence received by the Commission, the Commission is of the opinion that the County’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.”

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

CITY OF DURHAM

Auditor Wood made a motion to approve the following resolution:

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY
OF DURHAM, NORTH CAROLINA FOR THE ISSUANCE OF A
UTILITY SYSTEM REVENUE BOND ANTICIPATION NOTE**

WHEREAS, the City of Durham, North Carolina (the “*City*”) has requested that the Local Government Commission of North Carolina (the “*Commission*”) approve their selection of the following financing team members for the issuance of the City of Durham, North Carolina Utility System Revenue Bond Anticipation Note, Series 2023 (the “*Note*”):

Lender:	JPMorgan Chase Bank, N.A.
Bond Counsel:	Parker Poe Adams & Bernstein LLP
Lender's Counsel:	McGuireWoods LLP
Trustee/Paying Agent:	U.S. Bank Trust Company, National Association
Financial Advisor:	First Tryon Advisors, LLC
Feasibility Consultant:	Raftelis Financial Consultants, Inc.

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

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

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

Auditor Wood made a motion to approve the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF DURHAM, NORTH CAROLINA FOR THE ISSUANCE OF A UTILITY SYSTEM REVENUE BOND ANTICIPATION NOTE

WHEREAS, the City of Durham, North Carolina (the “*City*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the State and Local Government Revenue Bond Act, as amended, for approval of the issuance of not to exceed \$181,000,000 City of Durham, North Carolina Utility System Revenue Bond Anticipation Note, Series 2023 (the “*Note*”) to pay (1) the costs of extensions, additions, and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the City’s utility system (collectively, the “*Projects*”) and (2) the costs of issuing the Note;

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

(a) the Amended and Restated Bond Order adopted by the City Council of the City (the “*City Council*”) on June 3, 2019, which amended and restated the Amended and Restated Bond Order adopted by the City Council on May 16, 2011, as further amended by a Supplemental Resolution adopted by the City Council on August 1, 2016, which amended and restated the original the Bond Order adopted by the City Council on December 5, 1994 (collectively, the “*Bond Order*”);

(b) the Series Resolution adopted by the City Council on December 4, 2023 (the “*Series Resolution*”) authorizing the City to issue the Note and authorizing the form and the terms of the Note Purchase Agreement (defined below);

(c) a Note Purchase Agreement to be dated on or about December 12, 2023 (the “*Note Purchase Agreement*”) among the Commission, the City and JPMorgan Chase Bank, N.A., as the initial purchaser of the Note.

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

- (1) the Note is necessary or expedient;
- (2) the amount proposed is adequate and not excessive for the proposed purpose of the issue;
- (3) the proposed Projects are feasible;
- (4) the City's debt management procedures and policies are good; and
- (5) the proposed Note 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 Note in an amount not to exceed \$181,000,000 is hereby approved pursuant to the State and Local Government Revenue Bond Act, as amended."

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

Auditor Wood made a motion to approve the following resolution:

"RESOLUTION CONCERNING THE PRIVATE SALE OF THE CITY OF DURHAM, NORTH CAROLINA UTILITY SYSTEM REVENUE BOND ANTICIPATION NOTE

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

WHEREAS, the City of Durham, North Carolina (the "*City*") has applied to the Commission pursuant to the State and Local Government Revenue Bond Act, as amended, for approval of the issuance of not to exceed \$181,000,000 City of Durham, North Carolina Utility System Revenue Bond Anticipation Note, Series 2023 (the "*Note*") to pay (1) the costs of extensions, additions, and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the City's utility system (collectively, the "*Projects*") and (2) the costs of issuing the Note;

WHEREAS, JPMorgan Chase Bank, N.A. (the "*Lender*"), has offered to purchase the Note from the Commission on the terms and conditions provided below and in the form of the Note Purchase Agreement to be dated on or about December 12, 2023 (the "*Note Purchase Agreement*") among the Commission, the City and the Lender;

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

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

WHEREAS, the Commission desires to accept the offer of the Lender to purchase the Note substantially in the form of the Note Purchase Agreement and on the terms and conditions provided below; and

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The sale of the Note to the Lender at private sale without advertisement pursuant to the Note Purchase Agreement and the Series Resolution adopted by the City Council of the City on December 4, 2023 (the “*Series Resolution*”), substantially in the form furnished to the Commission is hereby approved, such sale being subject to the approval of the Secretary of the Commission or a designated assistant of the Commission (the “*Designated Assistant*”) and satisfaction of the conditions provided below.

Section 2. The par amount of the Note will not exceed \$181,000,000. The purchase price for the Note shall be the par amount of the Note.

Section 3. Except as otherwise provided in the Series Resolution, the Note will bear interest, subject to adjustment as provided in the Series Resolution, (a) at a per annum rate equal to 4.26% beginning on the date of issuance of the Note and ending on June 12, 2026 and (b) at a variable rate of interest thereafter as provided in the Series Resolution.

Section 4. The Note will have a final maturity of June 12, 2029 taking into account the term out provision as provided in the Series Resolution.

Section 5. 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 is approved by the City.

Section 6. The Secretary of the Commission, or any Deputy Secretary is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution. 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 Note, as 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, the Series Resolution and the Note Purchase Agreement.

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

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

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FAYETTEVILLE PUBLIC WORKS COMMISSION

Auditor Wood made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION: THIS PROJECT CONSISTS OF IMPROVEMENTS TO TWO WATER TREATMENT PLANTS (THE “PROJECT”)

WHEREAS, the Fayetteville Public Works Commission (the “PWC”) has determined that the Project, including replacing components of the water treatment plants, is necessary or expedient to address concerns for the reliability of operations and maintenance activities at the P.O. Hoffer and the Glenville Lake Water Treatment Plants; and

WHEREAS, the North Carolina Local Government Commission (the Commission) previously approved a Drinking Water State Revolving Loan on December 7, 2021 for the PWC in the amount of \$10,719,300 based on engineering estimates; and

WHEREAS, the PWC received bids that exceeded the previously estimated costs of the Project by \$14,722,150; and

WHEREAS, the Department of Environmental Quality (“DEQ”) approved the additional funding for the PWC in the amount of \$5,000,000; and

WHEREAS, the additional amount required in the amount of \$9,722,150 will be funded from the Fayetteville PWC Series 2023 Revenue Bond; and

WHEREAS, the PWC filed an application with the Commission for approval of a revised Drinking Water State Revolving Loan in the increased total amount not to exceed \$15,719,300, with the term of twenty (20) years at the rate, as established under this program for the respective loan, State or Federal, not to exceed 4.0%; and

WHEREAS, the Commission, upon the information and evidence it received, finds and determines as follows:

- (1) That the proposed loan is necessary or expedient;
- (2) That the amount proposed is adequate and not excessive for the proposed purpose of the loan;
- (3) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law;
- (4) That the increase in taxes, if any, necessary to service the proposed debt will not be excessive; and
- (5) That the interest rate for the proposed loan will be a reasonable rate.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the Commission hereby approves the award of the Wastewater State Revolving Loan to the Town and approves the increased loan amount and the loan terms.”

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

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NC TURNPIKE AUTHORITY

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING ISSUANCE OF THE NORTH CAROLINA
TURNPIKE AUTHORITY TRIANGLE EXPRESSWAY SYSTEM SENIOR LIEN
TURNPIKE REVENUE BONDS, SERIES 2024A, TRIANGLE EXPRESSWAY
SYSTEM SENIOR LIEN TURNPIKE REVENUE BONDS, SERIES 2024B
(CAPITAL APPRECIATION BONDS), AND TRIANGLE EXPRESSWAY
SYSTEM REVENUE BOND, TIFIA SERIES 2024**

WHEREAS, the North Carolina Turnpike Authority (the “*Authority*”) is duly organized and existing under the laws of the State of North Carolina (the “*State*”) within the State Department of Transportation, and is authorized under Article 6H (Public Toll Roads and Bridges) of Chapter 136, as amended (the “*Act*”), of the North Carolina General Statutes (the “*NCGS*”), and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the NCGS (the “*Revenue Bond Act*”), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping “turnpike projects,” as defined in the Act;

WHEREAS, the Secretary of Transportation of the State (the “*Secretary*”), pursuant to Section 143B-10 and 143B-348 of the NCGS, has delegated to the Board of the Authority certain powers including the power to fix, revise, charge, and collect tolls and fees for the use of turnpike projects and the power to issue bonds or notes of the Authority to finance such projects;

WHEREAS, pursuant to the Act and the Revenue Bond Act, the Authority and Computershare Trust Company, N.A., as successor trustee (the “*Trustee*”), have heretofore entered into the Amended and Restated Trust Agreement, dated as of December 1, 2019, as supplemented and amended by a Fifth Supplemental Trust Agreement, dated as of October 1, 2020, between the Authority and the Trustee, as supplemented and amended by a First Supplement to Fifth Supplemental Trust Agreement, dated as of August 1, 2022 (collectively, the “*Existing A&R Trust Agreement*”), providing for, among other things, the issuance by the Authority of its Triangle Expressway System Senior Lien Turnpike Revenue Bonds to provide funds, together with other available funds, to pay the costs of land acquisition for and design, construction and equipping of the Triangle Expressway System;

WHEREAS, it is now proposed that the Authority, pursuant to the Existing A&R Trust Agreement and a Sixth Supplemental Trust Agreement to be executed by the Authority and the Trustee (the “*Sixth Supplemental Trust Agreement*” and, together with the Existing

A&R Trust Agreement, the “*Trust Agreement*”), and two Bond Orders adopted by the Authority on October 31, 2023 (the “*2024 Senior Bond Orders*”), issue its Triangle Expressway System Senior Lien Turnpike Revenue Bonds, Series 2024A (the “*Series 2024A Bonds*”), and Triangle Expressway System Senior Lien Turnpike Revenue Bonds, Series 2024B (Capital Appreciation Bonds) (all or a portion of which may be issued as capital appreciation bonds or convertible capital appreciation bonds) (the “*Series 2024B Bonds*” and, together with the Series 2024A Bonds, the “*Series 2024 Bonds*”), to provide funds, together with other available funds, to (a) pay costs of Complete 540 – Phase 2, the extension of the Triangle Expressway System from I-40 to I-87/U.S. 64/U.S. 264, (b) pay certain interest on the Series 2024A Bonds, (c) pay the costs of issuance of the Series 2024 Bonds and (d) if determined to be cost effective and suitable for the needs of the Authority (i) pay the premium for a bond insurance policy for all or a portion of the Series 2024 Bonds and (ii) pay the premium for a surety bond policy for an incremental addition to a debt service reserve fund for all or a portion of the Series 2024 Bonds;

WHEREAS, the Authority, pursuant to the Trust Agreement, including the Sixth Supplemental Trust Agreement, and a Bond Order adopted by the Authority on October 31, 2023 (the “*2024 TIFIA Bond Order*” and, together with the 2024 Senior Bond Orders, the “*2024 Bond Orders*”), desires to obtain a new loan from the United States Department of Transportation (“*USDOT*”) under the Transportation Infrastructure Finance Innovation and Finance Act of 1998 (“*TIFIA*”) pursuant to the TIFIA 2024 Loan Agreement (as hereinafter defined), with the Authority’s obligation to repay such loan evidenced by a bond to be issued under the Trust Agreement and the 2024 TIFIA Bond Order (the “*TIFIA Series 2024 Bond*”), to aid in financing Complete 540 – Phase 2 in a manner compatible with outstanding indebtedness issued under the Trust Agreement, with the TIFIA Series 2024 Bond treated under the Trust Agreement as junior indebtedness but, upon certain conditions, may be treated as secured on parity with the Series 2024 Bonds and the other senior lien bonds;

WHEREAS, it is further proposed to enter into the Sixth Supplemental Trust Agreement to effect certain amendments to the Existing A&R Trust Agreement to (a) facilitate the issuance of the TIFIA Series 2024 Bond and future financings, (b) clarify any inconsistencies that might otherwise arise and (c) provide flexibility to the Authority in future financings while still preserving the security for senior lien bonds and other indebtedness issued under the Trust Agreement;

WHEREAS, the Authority and USDOT will enter into a TIFIA Loan Agreement for the loan from USDOT related to the TIFIA Series 2024 Bond (the “*TIFIA 2024 Loan Agreement*”);

WHEREAS, the Series 2024 Bonds and the TIFIA Series 2024 Bond will be secured by and payable from toll and other revenues of the Triangle Expressway System or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State or any political subdivision or agency thereof, including the Authority, will be pledged to the payment of the principal of and interest on the Series 2024 Bonds and the TIFIA Series 2024 Bond;

WHEREAS, it is proposed that the Series 2024A Bonds and Series 2024B Bonds will be sold as current interest bonds and capital appreciation bonds (or convertible capital appreciation bonds), respectively, through a negotiated sale to a group of underwriters

represented by BofA Securities, Inc., as senior manager (collectively, the “*Underwriters*”), pursuant to a Bond Purchase Agreement among the North Carolina Local Government Commission (the “*Commission*”), the Authority and the Underwriters (the “*Bond Purchase Agreement*”);

WHEREAS, it is possible that the Underwriters will recommend, and the Authority’s financial advisor will concur, that obtaining bond insurance for all or a part of the Series 2024 Bonds and/or obtaining a surety bond in lieu of a cash deposit to fund the debt service reserve fund for the Series 2024 Bonds will be cost effective, and the Authority should be prepared for either or both possibilities;

WHEREAS, a Preliminary Official Statement relating to the Series 2024 Bonds (the “*Preliminary Official Statement*”) and an Official Statement relating to the Series 2024 Bonds, containing pricing and other information (the “*Final Official Statement*”), will be used and distributed by the Underwriters in connection with the offering and sale of the Series 2024 Bonds;

WHEREAS, the Board of Transportation of the State and the North Carolina Department of Transportation, as evidenced in the Trust Agreement, have agreed to provide certain contingent guarantees as to (a) the payment of unexpected construction costs, if necessary, (b) the payment of certain operating and maintenance costs of the Triangle Expressway System, if necessary, and (c) the payment of certain renewal and replacement costs of the Triangle Expressway System, if necessary, with any such amounts so made repaid, with interest, to the North Carolina Department of Transportation;

WHEREAS, the Revenue Bond Act requires that revenue bonds thereunder, including the Series 2024 Bonds and the TIFIA Series 2024 Bond, be approved by the Commission, and application has been made to the Commission for approval of the issuance of the Series 2024 Bonds and the TIFIA Series 2024 Bond and findings of the Board of the Authority with respect thereto with a list of consultants and other parties involved in the issuance of such bonds have been forwarded to the Commission for its consideration, all in accordance with the Revenue Bond Act;

WHEREAS, forms of the following documents have been reviewed by the staff of the Commission and made available to the Commission:

- (a) Drafts of the 2024 Bond Orders required pursuant to the Revenue Bond Act;
- (b) A draft of the Sixth Supplemental Trust Agreement;
- (c) A draft of the TIFIA 2024 Loan Agreement;
- (d) A draft of the Preliminary Official Statement, including updated traffic and revenue information with respect to the Triangle Expressway System; and
- (e) A draft of the Bond Purchase Agreement;

WHEREAS, on October 31, 2023, the Authority adopted a final resolution with respect to the issuance of the Series 2024 Bonds and the TIFIA Series 2024 Bond, authorizing

such issuance and related measures and actions subject to the approval of the Commission and finalization of the documents by the officers executing them; and

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

- (i) such proposed Series 2024 Bonds and TIFIA Series 2024 Bond are necessary or expedient;
- (ii) the proposed amounts of such proposed Series 2024 Bonds and TIFIA Series 2024 Bond are adequate and not excessive for the proposed purposes described above;
- (iii) the financing of Complete 540 – Phase 2 as an extension to the Triangle Expressway System by the Series 2024 Bonds and the TIFIA Series 2024 Bond is feasible;
- (iv) the Authority’s debt management procedures and policies are good; and
- (v) the proposed Series 2024 Bonds and the TIFIA Series 2024 Bond can be marketed at reasonable rates of interest;

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

Section 1. The application of the Authority for approval of the issuance of the Series 2024A Bonds, the Series 2024B Bonds (all or a portion of which may be issued as capital appreciation bonds or convertible capital appreciation bonds) and the TIFIA Series 2024 Bond for the purposes set forth above is hereby approved pursuant to the Revenue Bond Act based in part on the foregoing findings. Subject to the provisions of this resolution, the Series 2024 Bonds and the TIFIA Series 2024 Bond may be issued at a time as the Authority and the Commission deem necessary or appropriate to facilitate the marketing at the best interest rates consistent with the ability of the Authority to carry out its rate covenants and similar financial covenants under the Trust Agreement. The amendments to the Existing A&R Trust Agreement set forth in the Sixth Supplemental Trust Agreement are hereby approved, and the Chairman of the Commission, the Secretary of the Commission or any Designated Assistant (as hereinafter defined) is hereby authorized and directed to approve any additions, changes, modifications and deletions to the amendments to the Existing A&R Trust Agreement to be effected by the Sixth Supplemental Trust Agreement as such officer may deem necessary and appropriate.

Section 2. The sale of the Series 2024 Bonds by the Commission to the Underwriters through a negotiated sale without advertisement pursuant to an executed Bond Purchase Agreement substantially in the form made available to the Commission is hereby approved. The entry into the TIFIA 2024 Loan Agreement by the Authority is hereby approved.

Section 3. All Deputy Secretaries of the Commission are hereby appointed as Designated Assistants of the Commission for the purposes of this resolution. The Chairman of the Commission, the Secretary of the Commission or any Designated Assistant is hereby

authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Bond Purchase Agreement, including details of the Series 2024 Bonds, as shall be satisfactory to him or her, to approve the forms of other documents relating to the Series 2024 Bonds, to execute and deliver the Bond Purchase Agreement and such other documents on behalf of the Commission and to provide for the execution and delivery of the Series 2024 Bonds in accordance with the Trust Agreement and the Bond Purchase Agreement.

Section 4. The Preliminary Official Statement relating to the Series 2024 Bonds, substantially in the form made available to the Commission, with such insertions and changes therein as may be approved by the Chairman of the Commission, the Secretary of the Commission or any Designated Assistant, and the use thereof in connection with the public offering and sale of the Series 2024 Bonds, are hereby approved and authorized. A Final Official Statement relating to the Series 2024 Bonds, substantially in the form of the Preliminary Official Statement made available to the Commission, with such pricing information and other insertions and changes therein as may be approved by the Chairman of the Commission, the Secretary of the Commission or any Designated Assistant, and the use thereof in connection with the public offering and sale of the Series 2024 Bonds, are hereby approved and authorized. The Chairman of the Commission, the Secretary of the Commission or any Designated Assistant is hereby authorized and directed to execute and deliver on behalf of the Commission such Final Official Statement relating to the Series 2024 Bonds.

Section 5. The Chairman of the Commission, the Secretary of the Commission or any Deputy Secretary of the Commission is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Trust Agreement and the TIFIA 2024 Loan Agreement, including details of the TIFIA Series 2024 Bond, as shall be satisfactory to him or her, to approve the forms of other documents relating to the TIFIA Series 2024 Bond, to execute and deliver such documents on behalf of the Commission as may be required to provide for the execution and delivery of the TIFIA Series 2024 Bond in accordance with the Trust Agreement and the TIFIA 2024 Loan Agreement.

Section 6. Notwithstanding anything herein to the contrary, the following limits and condition are imposed on the issuance of the Series 2024 Bonds and the TIFIA Series 2024 Bond and related matters and the authorizations and directions herein provided are conditioned upon the terms of such factors being within these limits:

(a) Final maturity dates:

Series 2024A Bonds	01/01/2058
Series 2024B Bonds	01/01/2058
TIFIA Series 2024 Bond	07/01/2063

(b) Maximum aggregate principal amount (initial principal amount for Series 2024B Bonds) of:

Series 2024A Bonds	\$550,000,000
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Series 2024B Bonds	\$300,000,000
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TIFIA Series 2024 Bond (excluding capitalized interest)	\$550,000,000
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The combined aggregate principal amount of the Series 2024A Bonds and aggregate initial principal amount of the Series 2024B Bonds shall not exceed \$550,000,000.

(c) Maximum true interest cost (in the case of the Series 2024 Bonds) or interest rate (in the case of the TIFIA Series 2024 Bond) for:

Series 2024A Bonds	7.00%
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Series 2024B Bonds	7.00%
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TIFIA Series 2024 Bond	7.00%
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(d) Maximum percentage of aggregate discount to Underwriters:

Series 2024A Bonds	0.50%
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Series 2024B Bonds	0.50%
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(e) Notwithstanding other requirements, the Series 2024 Bonds may not be issued unless the TIFIA Series 2024 Bond will be issued not later than the same day, unless the Chairman of the Commission, the Secretary of the Commission or any Designated Assistant agrees otherwise.

Section 7. The Commission approves, to the extent necessary, the following parties working in the following capacities in connection with the Series 2024 Bonds and the TIFIA Series 2024 Bond:

Underwriters:

Senior Manager	BofA Securities, Inc.
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Co-Senior Manager	Citigroup Global Markets Inc.
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Co-Managers	Drexel Hamilton, LLC, Loop Capital Markets LLC, PNC Capital Markets LLC, and Samuel A. Ramirez & Co., Inc.
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Municipal Advisor	PFM Financial Advisors, LLC
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Professional Engineers	HNTB
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Traffic and Revenue Consultants	CDM Smith
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Trustee	Computershare Trust Company, N.A.
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Underwriters' Counsel	McGuireWoods LLP
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Bond Counsel

Hunton Andrews Kurth LLP

Authority Counsel

Alan McInnes, Esq, of Attorney General's Office

Section 8. This resolution shall take effect immediately.

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

* * * * *

RALEIGH HOUSING AUTHORITY - PRESERVE AT GRESHAM LAKE

Auditor Wood made a motion to approve the following action:

**RESOLUTION APPROVING HOUSING AUTHORITY OF
THE CITY OF RALEIGH, NORTH CAROLINA
MULTIFAMILY NOTE IN AN AMOUNT UP TO \$26,000,000
(THE "MULTIFAMILY NOTE") FOR THE PRESERVE AT
GRESHAM LAKE AND THE FINANCING TEAM
THEREFOR**

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (the "Authority") has decided to issue its Multifamily Note (the "Multifamily Note") to finance the acquisition, construction and equipping by Gresham Lake Family LP, a North Carolina limited partnership (the "Borrower"), of a low and moderate-income multifamily residential rental development to be known as The Preserve at Gresham Lake, consisting of approximately 156 units in the City of Raleigh, North Carolina (the "Development"); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Multifamily Note in an aggregate principal amount not to exceed \$26,000,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"); and

WHEREAS, the Multifamily Note must 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 November 13, 2023, it is hereby determined and found by the Commission:

- (a) that such proposed note issue is necessary or expedient;
- (b) that the proposed amount of such note issue is adequate and not excessive for the proposed purposes thereof;

(c) that the Borrower has demonstrated that it is financially responsible and capable of fulfilling its obligations with respect to the Multifamily Note and the Development;

(d) that the Authority's debt management procedures and policies are good and that it is not in material default with respect to any of its debt service obligations; and

(e) that the proposed date and manner of sale of the Multifamily Note will not have an adverse effect upon any scheduled or anticipated sale of any obligations by the State of North Carolina or any political subdivision thereof or any agency of either of them; and

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

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Francis Law Firm, PLLC
Borrower:	Gresham Lake Family LP
Borrower's Counsel:	Hunter, Maclean, Exley, & Dunn, P.C.
Fiscal Agent:	BOKF, NA
Funding Lender:	Allianz Life Insurance Company of North America
Servicer:	R4 Servicer LLC
Funding Lender/Servicer's Counsel:	Kutak Rock LLP

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

WHEREAS, it is expected that the Multifamily Note will be privately placed with Allianz Life Insurance Company of North America, a Minnesota corporation (the "Funding Lender"); 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 Multifamily Note:

(a) Funding Loan Agreement, by and among the Authority, the Funding Lender, and BOKF, NA, as fiscal agent (the "Fiscal Agent"), providing for the issuance of the Multifamily Note, together with the form of the Multifamily Note;

(b) Borrower Loan Agreement, by and between the Authority and the Borrower, providing for the financing of the Development by the Authority, together with the form of the promissory note of the Borrower in favor of the Authority, which will be endorsed by the Authority to the Fiscal Agent; and

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

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

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

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Multifamily Note shall be issued in an aggregate principal amount not to exceed \$26,000,000, 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, 2068.

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

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

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

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

* * * * *

RALEIGH HOUSING AUTHORITY – BIRCH AND BRANCH

Auditor Wood made a motion to approve the following action:

RESOLUTION APPROVING HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA MULTIFAMILY NOTE IN AN AMOUNT UP TO \$30,000,000 (THE "MULTIFAMILY NOTE") FOR BIRCH AND BRANCH APARTMENTS AND THE FINANCING TEAM THEREFOR

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (the "Authority") has decided to issue its Multifamily Note (the "Multifamily Note") to finance the acquisition, construction and equipping by KTJ 397 LP, a Minnesota limited partnership (the "Borrower"), of a low and moderate income multifamily residential rental facility to be known as Birch and Branch Apartments, consisting of 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 Multifamily Note in an aggregate principal amount not to exceed \$30,000,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"); and

WHEREAS, the Multifamily Note has to be approved by the North Carolina Local Government Commission (the "Commission"), for which approval the Commission may

consider the criteria set forth in North Carolina General Statutes Section 159-153, and the Authority has applied to the Commission for such approval; and

WHEREAS, based upon the information and evidence received in connection with such application, including resolutions adopted by the Board of Commissioners of the Authority on October 26, 2023, it is hereby determined and found by the Commission:

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

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

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Francis Law Firm, PLLC
Borrower:	KTJ 397 LP
Borrower's Counsel:	Winthrop & Weinstine, P.A.
Fiscal Agent:	The Huntington National Bank
Fiscal Agent's Counsel:	Squire Patton Boggs LLP
Initial Funding Lender:	Merchants Bank of Indiana
Permanent Lender:	Federal Home Loan Mortgage Corporation
Freddie Mac Seller/Servicer:	Merchants Capital Corp.

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 Multifamily Note will initially be privately placed with Merchants Bank of Indiana (the "Initial Funding Lender") during construction; and

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

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

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

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

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

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

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Multifamily Note shall be issued in an aggregate principal amount not to exceed \$30,000,000, 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, 2042.

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

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

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

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

* * * * *

TOWN OF SAWMILLS

Auditor Wood made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF SAWMILLS, NORTH CAROLINA. THIS PROJECT CONSISTS OF THE PURCHASE AND INSTALLATION OF LIGHTS ON PUBLIC FACILITIES (THE “PROJECT”) THROUGH AN INSTALLMENT FINANCING CONTRACT AGREEMENT PURSUANT TO G.S. 160A-20.

WHEREAS, the Town of Sawmills, North Carolina (the “Town”) has determined that the Project, purchase and installation of field lights and parking lot lights at Sawmills Municipal Park and Veterans Park, is necessary and expedient to improve public security for citizens using the parks; and

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

WHEREAS, the principal amount of the Contract shall not exceed \$1,345,500 with annual level principal payments for a term of ten (10) years at an approved interest rate of 4.91%; and

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

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

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

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

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

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

* * * * *

TOWN OF WAKE FOREST

Auditor Wood made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR THE TOWN OF WAKE FOREST, NORTH CAROLINA INSTALLMENT FINANCING AGREEMENT

WHEREAS, the Town of Wake Forest, North Carolina (the “Town”) has requested that the North Carolina Local Government Commission (the “Commission”) approve the Town’s selection of the following financing team members in relation to an Installment Financing Agreement to be dated on or about December 29, 2023, between the Town and JPMorgan Chase Bank, N.A. (the “Lender”):

Lender:	JPMorgan Chase Bank, N.A.
Lender’s Counsel:	McGuireWoods LLP

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

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission that the above financing team is hereby approved.

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

Auditor Wood made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF WAKE FOREST, NORTH CAROLINA FOR THE APPROVAL OF AN INSTALLMENT FINANCING AGREEMENT BETWEEN THE TOWN AND JPMORGAN CHASE BANK, N.A. TO FINANCE THE COSTS OF RESURFACING AND REHABILITATING CERTAIN STREETS OWNED BY THE TOWN

WHEREAS, the Town of Wake Forest, North Carolina (the “Town”) intends to resurface and rehabilitate certain streets owned by the Town (the “Project”); and

WHEREAS, the Town has approved the execution and delivery of an Installment Financing Agreement (the “Agreement”) to be dated on or about December 29, 2023, with JPMorgan Chase Bank, N.A. (the “Lender”) to provide the financing for the Project; and

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

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

(a) Installment Financing Agreement to be dated on or about December 29, 2023, between the Town and the Lender; and

(b) Deed of Trust, Assignment of Rents and Leases, Security Agreement and Financing Statement (Future Advances) to be dated on or about December 29, 2023 (the “Deed of Trust”) from the Town to the deed of trust trustee named therein for the benefit of the Lender, granting a lien to the Lender on the Project; and

WHEREAS, to secure its obligations with respect to the Agreement, the Town will execute and deliver the Deed of Trust; and

WHEREAS, under the Agreement, the Lender shall make a loan to the Town in the aggregate principal amount of \$5,500,000 with a final maturity not to exceed December 31, 2031 and bear interest at a rate not to exceed 4.410% per annum; and

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

(a) the proposed Agreement is necessary or expedient for the Town;

(b) the Agreement, 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 Agreement are adequate and not excessive for the proposed purposes thereof;

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

(e) no increase in taxes will be necessary to meet the sums to fall due under the Agreement; and

(f) the Town is not in default in any of its debt service obligations.

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

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

MISCELLANEOUS ACTION ITEM

TOWN OF NASHVILLE

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE MODIFICATION OF THE
INTEREST RATE RELATING TO AN INSTALLMENT FINANCING
CONTRACT FOR THE TOWN OF NASHVILLE, NORTH CAROLINA**

WHEREAS, on October 3, 2023 the Local Government Commission of North Carolina (the “LGC”) adopted a resolution (the “Resolution”) authorizing the Town of Nashville, North Carolina (the “Town”) to enter into an Installment Financing Contract (the “Contract”), between the Town and Providence Bank (the “Bank”), pursuant to 160A-20 of the General Statutes of North Carolina, as amended, for the purpose of financing the construction of a fire station on certain property to be leased by the Town as described in the Resolution; and

WHEREAS, pursuant to the Resolution the LGC approved the Contract with payments to be made in installments at an interest rate of 4.45% per annum; and

WHEREAS, various issues arose relating to the real property security and other matters causing a delay in closing and the expiration of the Bank’s initial interest rate commitment; and

WHEREAS, the Bank has notified the Town that interest rates have risen requiring an increase in the interest rate of the Contract from 4.45% per annum to not to exceed 5.10% per annum ,and the Town has requested that the LGC modify the interest rate approval as set forth in the Resolution; and

WHEREAS, the LGC has determined that it is in the best interests of the Commission to approve the modification of the interest rate to not to exceed 5.10% per annum in order for the Town to consummate the financing transaction;

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

Section 1. The LGC hereby approves the modification of the interest rate on the Contract to a rate not to exceed 5.10% per annum, subject to adjustment as provided in the Contract.

Section 2. All other terms and conditions of the Resolution remain in full force and effect.

Section 3. This resolution shall take effect immediately upon its adoption.

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

END OF CONSENT AGENDA

* * * * *

Secretary Marshall made a motion to adopt the following items:

See EXHIBIT 2: Amendment # 2 to the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement for the **Town of Kingstown;**

See EXHIBIT 3: Budget Ordinance Amendment # 24-06 for the **Town of Spring Lake**;

See EXHIBIT 4: Budget Ordinance Amendment # 24-07 for the **Town of Spring Lake**; and

See EXHIBIT 5: Resolution No. TSL-120523 to accept donations for Shop With A Cop for the **Town of Spring Lake**.

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

TOWN OF EUREKA

Chair Folwell made a motion to adopt the following item:

See EXHIBIT 6: Approval of a Memorandum of Understanding Regarding Sanitary Sewer Service between the Town of Fremont and the **Town of Eureka**.

Auditor Wood seconded the motion and the foregoing was adopted by unanimous vote of 8 – 0 (Absent: Burns). During the discussion about the memorandum, members asked LGC staff about the status of the replacement flow meter for the Town of Eureka. Staff reported that the meter has been ordered and staff will follow up with the vendor.

Establishing Guidelines for Successful Appeal - Units with Late Audits – Sales Tax Withholding

Auditor Wood made a motion to adopt the following item:

See EXHIBIT 7: Resolution Establishing Guidelines for Successful Appeal of Sales Tax Withholding Pursuant to Session Law 2023-59.

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

Before adjournment, Auditor Wood and Secretary Sharon Edmundson were recognized by Chair Folwell and the other members for their contributions to the State of North Carolina and were thanked for their long careers of public service..

Auditor Wood made a motion to adjourn. Secretary Marshall seconded the motion which passed by unanimous vote. The meeting adjourned at 2:37 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on January 9, 2024 at 1:30 p.m.

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, CERTIFY that the foregoing is a true and correct account of actions taken at a meeting of the North Carolina Local Government Commission duly called and held on December 5, 2023.

WITNESS my hand at Raleigh, NC, this 5th day of December 2023.

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

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

EXHIBIT 1

Local Governments Requesting Debt Approval by LGC									
Meeting Date 12/05/23									
		As Reported in 2023 Fiscal Year End Audits							
Name of Unit	County	Total OPEB Liability	Actuarial Value of OPEB Assets	Net OPEB Liability	Total LEOSSA Pension Liability	Actuarial Value of LEOSSA Assets	Net LEOSSA Pension Liability	Total Net Liability for OPEB and LEOSSA	LGERS/TSERS Net Pension Liability (1)
Beech Mountain	Watauga	N/A	N/A	N/A	363,944	0	363,944	363,944	2,564,593
Chowan County	Chowan	8,475,492	0	8,475,492	864,306	0	864,306	9,339,798	4,385,082
City of Durham	Durham	161,280,749	0	161,280,749	33,109,627	0	33,109,627	194,390,376	124,520,420
Fayetteville Public Works Commission	Cumberland	23,637,116	0	23,637,116	N/A	N/A	N/A	23,637,116	34,249,109
Nashville (3)	Nash	741,793	0	741,793	514,135	0	514,135	1,255,928	1,402,501
Raleigh Housing Authority (2)	Wake	1,312,151	2,955,907	(1,643,756)	N/A	N/A	N/A	(1,643,756)	1,036,711
Sawmills	Caldwell	N/A	N/A	N/A	N/A	N/A	N/A	N/A	451,878
Wake Forest	Wake	12,653,254	0	12,653,254	5,469,790	0	5,469,790	18,123,044	20,742,967
LGERS - Local Government Employees' Retirement System		OPEB - Other Post Employment Benefits (e.g. retiree healthcare)							
TSERS - Teachers' and State Employees' Retirement System		NA - Not applicable							
(1) LGERS/TSERS liabilities are satisfied by monthly employer contributions to the plans. The contribution rates are reviewed annually and adjusted as needed. See detailed explanation on cover page.									
(2) Financials as of 03/31/2022									
(3) Financials as of 06/30/2022									

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



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

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

Town of Kingstown

**Update to the Local Government Commission
As of November 15, 2023**

Action Items

Amendment to the Municipal Accounting Services, Cybersecurity & Technical Assistance Memorandum of Agreement is requested. This amendment is to accept additional services from the North Carolina League of Municipalities (NCLM).

Fiscal Summary

All bank reconciliations current as of 10/31/23

<u>Financial Update</u>	<u>10/30/23</u>	<u>09/30/23</u>
Cash - General Fund	\$392,265	\$698,080
Cash – Sewer Fund	\$ 28,102	\$ 47,164

Status of Audits

- A draft audit report and financial statements for the fiscal year ended June 30, 2023, has been submitted to the Town for review.

Update on Significant Goals

- The Town is working closely with NCLM on the change in accounting software to Black Mountain.
- The Town staff and the LGC staff are putting together a plan of action to determine the write-off amount for outstanding receivables for sewer services by the end of January 2024.

AMENDMENT #2
To the MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND
TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT

This **AMENDMENT #2** to the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (hereinafter the "Amendment #2") is entered into as of the Effective Date set out below, by and between the Town of Kingstown, (hereinafter the "Municipality") and the NC League of Municipalities (hereinafter the "League"), each additionally referred to as a "Party"; and collectively as the "Parties."

WHEREAS, the Parties executed a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement ("MOA") dated 06/23/2023;

WHEREAS, pursuant to Section 5 of the MOA, the League is offering, and the Municipality is willing to accept, Additional Services as set forth in Exhibit C to this Amendment #2, which will be provided by Parker Poe ("Consultant");

THEREFORE, for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree to amend the original MOA by adding the attached Exhibit C to the MOA. The MOA, with this Amendment #2, constitutes the entire agreement of the Parties with respect to the subject matter hereof. Except as provided in this Amendment #2, the MOA and any previous amendments, if any, will remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by digital signature on the respective dates below, and this Agreement shall be effective upon the date of the MUNICIPALITY's signature.

NC LEAGUE OF MUNICIPALITIES:

MUNICIPALITY:


KINGSTOWN

a North Carolina municipal corporation

By:

By:


Signature


Signature


Rose Vaughn Williams

Sharon Edmundson
Name

Executive Director

Secretary, Local Government Commission
Title

12/6/2023
Date of Signature

December 5, 2023
Date of Signature

ATTEST:

Town Clerk (or designee)

Exhibit C

Contractor Services

American Rescue Plan Legal Representation

Consult with a North Carolina attorney(s) concerning requirements of the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP) and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (commonly called Uniform Guidance).

The scope of this representation can include review, consultation and drafting regarding policy review, budget ordinance, internal controls, contracts, and ARP project selection and implementation.

Total cost of this grant provided service is not to exceed \$10,000. It is provided at no cost to the Municipality. Additional costs may be borne by the municipality.

These services are provided to the undersigned Municipality pursuant to the NCLM-66 grant. This constitutes guidance and technical services provided to the Municipality to assist in development of the Municipality's ARP project funded in part by the Municipality's ARP Local Fiscal Recovery Funds or State Fiscal Recovery Funds, (ARP funds) or ARP enabled funds. ("ARP enabled funds" are described in numerous UNC SOG publications. See American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund: Reimbursements - Coates' Canons NC Local Government Law (unc.edu)).

ORDINANCE NO.24-06
TOWN OF SPRING LAKE, NORTH CAROLINA
Ordinance Adopting the SL 2021 180 H 53 Direct Grant ID 11541
Item 549 Parks and Recreation Grant Project Ordinance (Fund 13)

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section I: This Ordinance is to establish a budget for a project funded by SL 2021 180 H 53 Direct Grant ID 11541, Item 549 for Improvements to Parks and Recreation Facilities. Cumberland County is a subrecipient of this grant and will oversee and manage the : Purchase and installation of a new playground unit at Edward Mendoza Municipal Park. Re-locate existing playground units from Edward Mendoza Municipal Park to Odell Road Park & Woodland West Park.

Section II: The following amounts are appropriated for the project and authorized for revenue and expenditure as of March 21, 2022.

	Grant Project Budget
ESTIMATED REVENUES	
State Grant - Parks and Recreation ID 11541	\$200,000
Investment Earnings	15,840
Total Revenues	<u>\$215,840</u>
APPROPRIATIONS	
Sub-Recipient - Cumberland County	
Fayetteville-Cumberland Parks & Recreation	
Supplies and Equipment	\$200,000
Contingency	15,840
Total Appropriations	<u>\$215,840</u>

Section III: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements.

Section IV: The Town Manager is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

Section V: Copies of the grant project ordinance shall be furnished to the Town Manager, the Finance Officer and to the Clerk to the Town Council.

Section VI: This grant project ordinance expires when all grant funds have been obligated and expended by the Town or December 31, 2024 whichever comes first.

Note: Investment Earnings is projected through December 2024 and does not represent current cash on hand. Investment Earnings through October 31, 2023 is \$11,340. This is reflected in Contingency and will be moved to available spending when earned.

WITNESS my hand at Raleigh, this 5th day of December 2023



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

ORDINANCE NO.24-07
TOWN OF SPRING LAKE, NORTH CAROLINA
Ordinance Adopting the SL 2021 180 H 53 Direct Grant ID 11542
Item 550 Veterans Memorial Park Grant Project Ordinance (Fund 14)

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section I: This Ordinance is to establish a budget for a project funded by SL 2021 180 H 53 Direct Grant ID 11542, Item 550 for Improvements to Veterans Memorial Park.

Section II: The following amounts are appropriated for the project and authorized for revenue and expenditure as of March 21, 2022.

	Grant Project Budget
ESTIMATED REVENUES	
State Grant - Veterans Memorial Park ID 11542	\$110,000
Investment Earnings	8,937
Total Revenues	<u>\$118,937</u>
APPROPRIATIONS	
Capital Improvements	
Contract Expenses	\$64,200
Supplies and Equipment	40,800
Administrative Expenses	5,000
Contingency	8,937
Total Appropriations	<u>\$118,937</u>

Section III: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements.

Section IV: The Town Manager is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

Section V: Copies of the grant project ordinance shall be furnished to the Town Manager, the Finance Officer and to the Clerk to the Town Council.

Section VI: This grant project ordinance expires when all grant funds have been obligated and expended by the Town or October 27, 2025 whichever comes first.

Note: Investment Earnings is projected through October 27, 2025 and does not represent current cash on hand. Investment Earnings through October 31, 2023 is \$6,237. This is reflected in Contingency and will be moved to available spending when earned.

WITNESS my hand at Raleigh, this 5th day of December 2023



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

EXHIBIT 5

RESOLUTION NO. TSL-120523

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES HEREBY ACCEPT THE FOLLOWING DONATIONS:

Section I: This Resolution accounts for all Shop With A Cop Donations since April 2022 through November 2023. All deposits and withdrawals are recorded in account 10-00-2110-000-04; which ensures any unspent donations are recorded as Restricted Fund Balance in the General Fund.

Section II: The following is a list of all donations and purchases from April 2022 through November 2023

	Amount
DEPOSITS	
Donations	\$ 7,798
Total deposits to date	\$ 7,798
WITHDRAWALS	
Program purchases	\$ 4,159
Total withdrawals to date	\$ 4,159
Restricted Fund Balance to date	\$ 3,639

Section III: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to ensure that the donations are not commingled with other funds the Town maintains.

WITNESS my hand at Raleigh, this 5th day of December 2023



Sharon Edmundson, Secretary of the Local Government Commission

MEMORANDUM OF UNDERSTANDING (MOU)
REGARDING SANITARY SEWER SERVICE
BETWEEN
TOWN OF FREMONT
AND
TOWN OF EUREKA

WITNESSETH:

WHEREAS, the **TOWN OF FREMONT**, a municipal corporation existing under the laws of the State of North Carolina ("**FREMONT**"), has approximately 735 sanitary sewer connections with a population of 1,463, is currently designated as a distressed utility under Viable Utility legislation, and is on the most recently published Unit Assistance List (UAL) published by the Department of State Treasurer. The Town operates a facultative sewer lagoon and land application spray field with an average daily capacity of 0.091 million gallons per day ("MGD"). The Town also has 0.30 MGD of treatment capacity with the Town of Goldsboro.

WHEREAS, the **TOWN OF EUREKA**, a municipal corporation existing under the laws of the State of North Carolina ("**EUREKA**"), has approximately 108 sanitary sewer connections with a population of 183, is currently designated as a distressed utility under Viable Utility legislation, and is on the most recently published Unit Assistance List (UAL) published by the Department of State Treasurer. In addition, **EUREKA's** charter is suspended as of June 17, 2019 pursuant to North Carolina Session Law 2019-29 and the Local Government Commission assumed control of the financial affairs of the town on July 9, 2019. **EUREKA** currently conveys all wastewater to **FREMONT**. The two Towns have an interlocal agreement to permit to discharge of 0.054 MGD average daily flow to **FREMONT** with a 0.081 MGD maximum peak flow.

WHEREAS, **EUREKA** owns and operates a wastewater collection system including gravity sewers, two pump stations, and other components designed to collect and convey wastewater (the "System") as identified in the 2023 Asset Inventory and Assessment study (the "AIA").

WHEREAS, **FREMONT** currently bills **EUREKA** at a bulk rate for wastewater conveyed to **FREMONT**; bills are based on flow typically measured by a flow meter but since February 2023 have been based on estimates due to non-functioning flow meters in **FREMONT**.

WHEREAS, flow data gathered through **EUREKA'S** AIA documents that **EUREKA'S** System experiences inflow and infiltration throughout much of its service area and needs to be replaced.

WHEREAS, **EUREKA** does not have the financial resources to replace its System through debt financing or capital reserve funds and must rely on grant funding.

WHEREAS, **FREMONT** and **EUREKA** entered into a Utility Agreement dated May 25, 1999, to construct pump stations and force mains to convey wastewater from **EUREKA** to **FREMONT** via the pump stations identified as EUREKA #1, located on Stan Ray Road, and EUREKA #2, located on NC Hwy. 222, and currently

owned and operated by **FREMONT**; both of the aforementioned pump stations handle wastewater from **EUREKA** only.

WHEREAS, the pumping station known as EUREKA #1 receives wastewater from **EUREKA** via the Baker Street pump station, currently owned and operated by **EUREKA**.

WHEREAS, **FREMONT** accepts wastewater from **EUREKA** for treatment at **FREMONT'S** facultative treatment lagoons and land application facility. When it is not feasible to utilize the lagoons and land application system, **FREMONT** directs the wastewater, which is combined with **FREMONT'S** wastewater, to the City of Goldsboro via their Hillandale, Goldsboro #1 (at Hillandale), and Goldsboro #2 (at Norwayne Elementary School) pump stations and force main that discharges to a metering point near the City of Goldsboro.

WHEREAS, the **EUREKA** System is considered substandard due to excessive inflow and infiltration. Thus, much of the flow that is currently conveyed to **FREMONT** from **EUREKA** during wet weather events is due to inflow and infiltration.

WHEREAS, **EUREKA'S** Sewer Fund does not have or generate adequate funds for the operation of the System or for timely payment of the town's outstanding liabilities without transfers from the General Fund, and as a result, the General Fund has been depleted of reserves.

WHEREAS, **FREMONT** acknowledges that replacing the **EUREKA** System is of mutual interest to the citizens of **FREMONT** to maintain its Sewer Fund's present and future financial viability.

WHEREAS, **EUREKA** has applied multiple times to the North Carolina Department of Environmental Quality, Division of Water Infrastructure ("NCDEQ/DWI") for funds to address deficiencies in the System, and it is understood that the Memorandum of Understanding herein may enhance the potential of both towns to receive grant funding in order to merge the systems and support the combined system.

NOW, THEREFORE, be it resolved that:

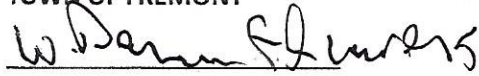
- A. **FREMONT** agrees to utilize grant funds from NCDEQ/DWI to rehabilitate the existing pump stations known as EUREKA #1, located on Stan Ray Road, and EUREKA #2, located on NC Highway 222, and other infrastructure as deemed appropriate by the town and its engineer.
- B. **EUREKA** agrees to provide the last three years of customer billing data to **FREMONT'S** engineering consultant for determining the initial user rate needed to maintain the proposed replacement **EUREKA** System.
- C. **FREMONT** agrees to continue to work with its Wayne County partners and NCDEQ/DWI to explore additional merger opportunities that may result from the ongoing Wayne County Partnership merger and regionalization feasibility study.

- D. The Utility Agreement dated May 25, 1999 between **FREMONT** and **EUREKA** shall be reviewed and revised as appropriate within 90 days of the execution of this MOU to accurately represent the current assets and operations of the systems, to ensure viability and reliability of sanitary sewer service for **FREMONT** and **EUREKA**, and to ensure justifiable and appropriate rates are established.
- E. **FREMONT** shall provide **EUREKA** monthly bills for wastewater conveyed from **EUREKA** to **FREMONT**; such bills shall include volumetric and base rates, volume of wastewater conveyed or treated, overcapacity volumes and rates, and all calculations used to compute the fee from the rates and volumes.
- F. Bills issued by **FREMONT** for wastewater conveyed by **EUREKA** shall be computed based on volume of **EUREKA** wastewater conveyed to **FREMONT** as measured by meters at Eureka and Fremont. In the event one or more meter is inoperable or is deemed to be inoperable or unreliable, bills shall be calculated based on an alternate calculation upon the written approval of both **FREMONT** and **EUREKA**.
- G. Upon completion, acceptance, and transfer of ownership of the **EUREKA** System to **FREMONT**, **EUREKA** shall cease to be a bulk customer of **FREMONT** and all **EUREKA** System customers shall be billed monthly by **FREMONT**. **FREMONT** shall establish individual user charges for **EUREKA** customers based upon a rate study performed by **FREMONT'S** engineering consultant.
- H. **FREMONT** agrees to assume administrative, financial, and operational ownership of the **EUREKA** System upon satisfactory completion of the following conditions:
 - a. Approval by all appropriate and required regulatory agencies of the transfer of ownership of the **EUREKA** System to **FREMONT** and approval of any required permits related to the transfer of ownership of the **EUREKA** System to **FREMONT**.
 - b. Approval by the Local Government Commission, acting as the governing board for financial affairs for **EUREKA** pursuant to North Carolina G.S. 159-181(c), to transfer ownership of the **EUREKA** System to **FREMONT**.
 - c. Transfer of legal rights from **EUREKA** to **FREMONT** to real property interests and/or infrastructure and equipment necessary to ensure **FREMONT'S** access to the System for operation and maintenance.
 - d. Receipt of grant funding by **EUREKA** from NCDEQ/DIW or other appropriation sources to replace **EUREKA'S** System, including Baker Street and Cemetery Street pump stations and force mains (if needed).

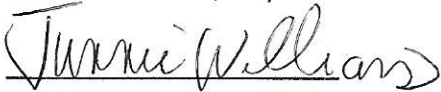
- e. Review and approval by **FREMONT'S** public works staff and engineer of the proposed design components of the new **EUREKA** System to ensure the proposed changes to the System are within the technical competence of **FREMONT'S** staff to maintain and operate the System properly, and to ensure that compatibility of components such as SCADA can be achieved between the two systems.
- f. Completed replacement of the **EUREKA** System and other components as required, with inspection and acceptance by NCDEQ/DWI and the concurrence of **FREMONT**.
- g. Provision of the record drawings of the newly renovated **EUREKA** System and any additional pertinent System data to **FREMONT** by **EUREKA**.
- h. Confirmation by **EUREKA** that no outstanding Notice of Violations (NOVs), including any proposed monetary forfeitures, are pending from the NCDEQ Division of Water Resources at the time of the transfer of ownership. Any pending claims will be settled before the permit transfers to **FREMONT**.
- i. Confirmation by **EUREKA** that there are no outstanding debts or other financial obligations associated with the System at the time of the transfer of ownership.
- j. Confirmation by **EUREKA** that there are no outstanding warranty issues associated with the System at the time of the transfer of ownership. The standard one-year warranty will transfer to **FREMONT** for any remaining warranty period upon transfer of ownership.

IN WITNESS WHEREOF, **FREMONT**, and the Local Government Commission, acting as governing board for financial matters for **EUREKA** pursuant to North Carolina G.S. 159-181(c), have caused this MEMORANDUM OF UNDERSTANDING to be executed effective December 6, 2023.

TOWN OF FREMONT



W. Darron Flowers, Mayor



Junnie Williams, Town Clerk

TOWN OF EUREKA



Dale R. Folwell, CPA

North Carolina State Treasurer

Chair, Local Government Commission



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA

DALE R. FOLWELL, CPA

A handwritten signature in blue ink that reads "Dale R. Folwell, CPA".

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION ESTABLISHING GUIDELINES FOR SUCCESSFUL APPEAL OF
SALES TAX WITHHOLDING PURSUANT TO SESSION LAW 2023-59

WHEREAS, North Carolina Session Law [2023-59](#) (SB299), An Act to Increase Compliance by Counties and Municipalities That Fail to Timely Submit an Annual Audit Report, was enacted on June 27, 2023; and

WHEREAS, the law provides that the Secretary of the Local Government Commission (the "Commission") must provide notices of noncompliance to each county or municipality that fails to submit an annual audit report within nine months of its fiscal year end; and that a county or municipality that fails to complete its annual audit within 12 months of its fiscal year end shall be deemed to have given consent to the withholding of a portion of its sales tax distributions (G.S. 159-34(e)) and may have a portion of its sales tax distributions withheld; and

WHEREAS, the law provides that a county or municipality that receives a notice of noncompliance may notify the Secretary in writing that it plans to appeal the action and state the basis for the appeal as well as evidence to support the appeal (G.S. 159-34(f)); and

WHEREAS, the law requires that the Commission establish guidelines outlining specific criteria that would warrant a successful appeal (G.S. 159-34(f)); that these guidelines must be established and made available prior to issuing notices of noncompliance; that the guidelines may be established prior to January 1, 2024 but may not become effective until on or after that date;

NOW THEREFORE BE IT RESOLVED,

- 1) That the Commission shall deem an appeal successful if a county or municipality states as the basis for appeal that the county or municipality has submitted all annual audit reports within 12 months of fiscal year end for each of the prior five fiscal years to the Secretary as required pursuant to G.S. 159-34(a) other than the audit for which the non-compliance notice was issued.

EXHIBIT 7 Page 2 of 2

Resolution Establishing Guidelines for Successful Appeal of Sales Tax Withholding
Required Pursuant to Session Law 2023-59
December 5, 2023

- 2) That the Commission may waive the requirement for a county or municipality to appear before the Commission if the appeal is considered successful based on the guideline established in Paragraph 1 above.
- 3) That a county or municipality that cannot successfully appeal the Commission's action based on the guideline established in Paragraph 1 above may submit an appeal to the Secretary based on other good cause with evidence to support the basis for the appeal.
- 4) That the Commission retains the discretion to direct or delay withholding portions of sales tax distributions of counties and municipalities that have failed to submit an appeal or are unable to successfully appeal the Commission's action under the guideline established in Paragraphs 1 or 3 above.
- 5) That the Commission directs staff to develop procedures and processes to facilitate submission of appeals by counties and municipalities.
- 6) That the guideline above is hereby established as of the date of this Resolution and is effective as of January 1, 2024.
- 7) That the Commission directs staff to make this guideline available prior to issuing notices of noncompliance.

I, Sharon G. Edmundson, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the resolution adopted by the North Carolina Local Government Commission at its meeting held on December 5, 2023.

WITNESS my hand this 5th day of December 2023.



Sharon G. Edmundson, Secretary
North Carolina Local Government Commission