

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER  
LOCAL GOVERNMENT COMMISSION  
MINUTES  
APRIL 5, 2022**

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

Members Absent: None.

A quorum was present for the entire meeting.

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

Others attending in person: Bill Toole (Secretary of State office); Mike MacMillan, and DST staff Victoria Bledsoe, Sam Watts, and Ben Garner.

Others attending virtually: from Ashe County: Finance Officer Sandy Long, County Manager Adam Stumb, and Director of Economic Development Cathy Barr; from Beech Mountain: Town Manager Bob Pudney; from Laurinburg: City Manager Charles Nichols and Finance Director Carrie Neal; from Clinton City Schools: Exec. Dir. Of Technology & Auxiliary Services John Lowe and CMTA Energy Solutions Project Manager Bill Powell; from Selma: Finance Director Rhonda Summer.

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. There were no conflicts reported.

Mr. Burns made a motion to approve the minutes of the March 1, 2022 regular meeting and the March 23, 2022 special meeting. Secretary Marshall seconded the motion, and the minutes were approved by unanimous vote of 9 – 0.

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

**“RESOLUTION APPROVING THE APPLICATION COUNTY OF ASHE, NORTH CAROLINA, INFRASTRUCTURE WORK AT THE ASHE COUNTY INDUSTRIAL PARK. THROUGH AN INSTALLMENT PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. §160A-20**

WHEREAS, the County of Ashe, North Carolina (the “County”) has determined that it is necessary and expedient to increase economic development in the area; 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 Blue Ridge Electric “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 \$1,360,000 with Semi-annual payments with a term of ten (10) years at a rate of 0.00% per annually; 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 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. Butler seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0. Finance Officer Sandy Long, County Manager Adam Stumb, and Director of Economic Development Cathy Barr attended virtually to speak and answer members' questions.

Secretary Marshall made a motion to adopt the following resolution:

**"RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF BEECH MOUNTAIN 2022 SEWER MAIN IMPROVEMENTS PROJECT WILL IDENTIFY SEWER DEFICIENCIES IN 7 IDENTIFIED AREAS AND TO COMPLETE IMPROVEMENTS. THE PROJECT WILL REHABILITATE OR REPLACE APPROXIMATELY 6,500 LF OF 8" GRAVITY SEWER AND 2,550 LF OF 10" GRAVITY SEWER, COMPLETE 26 PIPE SPOT REPAIRS OF VARIOUS LENGTHS, AND REHAB/REPAIR 194 MANHOLES.**

WHEREAS, the Town of Beech Mountain, North Carolina (the "Town") has it is necessary and expedient as most of the sewer system was constructed in the 1960's and early 1970's making the existing sewers in all areas over 40 years old.; and

WHEREAS, the Town of Beech Mountain filed an application with the North Carolina Government Commission (the Commission) for approval of a Sewer Revolving Loan in the amount not exceed \$2,870,000 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. Burns seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0 . Town Manager Bob Pudney attended virtually to speak and answer members’ questions.

Secretary Marshall made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF BEECH MOUNTAIN 2022 WATER SYSTEM REHABILITATION PROJECT WILL REPLACE APPROXIMATELY 22,700 LF OF 2—INCH, 4-INCH AND 6-INCH GALVANIZED-STEEL PIPES WHICH HAVE LEAKING JOINTS AND SERVICE LINE CONNECTIONS, WITH NEW 6-INCH CL-350 DUCTILE-IRON WATERLINES, REPLACE TWENTY-THREE (23) EXISTING FIRE HYDRANTS AND NEW FIRE HYDRANTS AND INSTALL OTHER ASSOCIATED APPURTENANCES.**

WHEREAS, the Town of Beech Mountain, North Carolina (the “Town”) has it is necessary and expedient as it addresses the failing water distribution lines which is resulting in water loss. Water loss is estimated to be 62% of the water produced at the treatment plant based on the 2020 AWWA water audit.; and

WHEREAS, the Town of Beech Mountain filed an application with the North Carolina Government Commission (the Commission) for approval of a Water Revolving Loan in the amount not exceed \$2,913,265 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. Burns seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0 . Town Manager Bob Pudney attended virtually to speak and answer members’ questions.

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

**“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF LAURINBURG,NORTH CAROLINA. THE PROJECT IS FOR DISTRIBUTION SYSTEM IMPROVEMENTS PROJECT PHASE 2 REPLACE APPROXIMATELY 10,700 LF OF 20 INCH ASBESTOS CEMENT TRASMISSION MAIN WITH SAME DIAMETER DUCTILE -IRON PIPE INSTALL APPROXIMATLEY 500 LF OF 16 INCH DUCTILE -IRON PIPE AND APPROXIMATELY 900 LF OF 12INCH DUCTILE -IRON TRANSMISSION MAIN TO THE EXISITING DISTRIBUTION SYSTEM AND INSTALL 5 NEW FLUSHING HYDRANTS. REPLACEMENT OF THE AFOREMENTIONED ITEMS PROVIDE A 20 YEAR EXPECTED LIFE CYCLE.**

WHEREAS, the City of Laurinburg, North Carolina (the “City”) has determined that it is necessary and expedient as the water main is an asbestos cement pipe that was installed in 1978 making it obsolete. Additionally, 63% of the valves in the finished water distribution are aged beyond their rated life and 59% are in poor condition. As approximately 8M gallons of finished water are conveyed daily through the system, breakage and/or leaks will leave the residents of the City of Laurinburg and Scotland County’s water districts without water or under a boil water advisory while repairs are made.; and

WHEREAS, the City of Laurinburg filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving Loan in the amount not exceed \$4,515,000 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

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

Mr. Philbeck seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0. City Manager Charles Nichols and Finance Director Carrie Neal attended virtually to speak and answer members’ questions.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA THIS PROJECT CONSISTS OF PURCHASE OF FREEMAN PARK WHICH IS APPRXIMATLEY 300 ACRES OF REAL PROPERTY FOR USE AS OPEN SPACE LOCATED AT THE NORTH END OF CAROLINA BEACH THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. 160A-20**

WHEREAS, the Town of Carolina Beach, North Carolina (the “Town”) has determined that it is necessary and expedient to carry out a governmental function and to encourage foster and operate and provide parks by acquiring open space.; 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 \$3,250,000 with annual payments with a term of ten(10) years at a rate of 2.30% per annum; 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 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 G.S. 160A-20 and relevant resolutions of the Commission.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION OF THE CLINTON CITY BOARD OF EDUCATION FOR THE FINANCING OF CERTAIN ENERGY SAVINGS CAPITAL IMPROVEMENTS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20**

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, Clinton City Board of Education (the "School Board") intends to finance the installation of energy conservation measures (ECMs) at school system facilities. ECMs are primarily lighting upgrades, Chiller Retro-Commissioning; solar array; metal roof installation; HVAC and heat pump installation; controls and refurbish cooling Tower; and

WHEREAS, the School Board has determined that it is necessary and expedient to improve operating profiles, reliability and reduce operating costs of the facilities; The energy saving over the period of the contract are guaranteed to equal or exceed the total costs of the improvements. and

WHEREAS, the principal amount to be advanced by Bank of America, (the "Lender") to the School Board under the Contract will not exceed \$2,670,300; and

WHEREAS, the School Board will repay the advance in eighteen (18) years; monthly payments sized to accommodate the savings realization pattern at a rate of 2.95%. The term of the Guaranteed Energy Savings Contract (GESG) is eighteen (18) years; and

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 is 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 School Board'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 School Board 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."

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**"RESOLUTION APPROVING THE APPLICATION COUNTY OF STANLY, NORTH CAROLINA, REPLACE THE EXISTING LIBERTY HILL BOOSTER PUMP STATION WITH A NEW BOOSTER PUMP STATION LOCATED AT NEWSOME ROAD, OAKBORO, NORTH CAROLINA OFF NC HWY 24/27. THROUGH AN INSTALLMENT PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. §160A-20**

WHEREAS, the County of Stanly, North Carolina (the "County ") has determined that it is necessary and expedient to accommodate the increased water demands to the West Stanly water distribution system brought about by the relocation of Charlotte Pipe and Foundry near Oakboro and their stated industrial demand requirements ; 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 Uwharrie Bank ("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 \$1,412,051 with annual payments with a term of fifteen (15) years at a rate of 1.00% per annually; 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 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.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF FUQUAY-VARINA TO ISSUE GENERAL OBLIGATION BONDS FOR PARKS AND RECREATION AND FOR TRANSPORTATION PURPOSES**

WHEREAS, The Town of Fuquay-Varina (the "Town") has determined that it is necessary and expedient for the Town to finance parks and recreation projects and transportation projects;

WHEREAS, the North Carolina Local Government Commission (the "Commission") accepted an application from the Town on June 4, 2021, for the issuance of general obligation bonds in the maximum amounts of \$18,500,000 for parks and recreational facilities and \$20,000,000 for transportation improvements;

WHEREAS, the Town's voters approved the issuance of those bonds at a referendum on November 2, 2021;

WHEREAS, pursuant to Article 4, Chapter 159 of the General Statutes of North Carolina, the Town has made proper application to the Commission for approval of the proposed bonds; and

WHEREAS, the Commission, pursuant to G.S. 159-52, upon information and evidence received, finds and determines as follows:

- (i) that the proposed bond issues are necessary and expedient for the Town;
- (i) that the amounts proposed are adequate and not excessive for the proposed purposes;
- (iii) that the Town's debt management procedures and policies are good;
- (iv) that the increase in taxes, if any, necessary to service the proposed debt will not be excessive; and
- (v) that the bonds can be marketed at reasonable rates of interest.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the Town's application for approval of the bonds is approved under the provisions of G.S. §159-52 and relevant resolutions of the Commission.

AND BE IT FURTHER RESOLVED that the Commission approves the Town's selection of Sanford Holshouser LLP as bond counsel and Davenport & Co. LLC as financial advisor.

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF HIGH POINT, NORTH CAROLINA GENERAL OBLIGATION BONDS**

WHEREAS, the City of High Point, North Carolina (the "City") has requested that the Local Government Commission of North Carolina (the "Commission") approve their selection of the following financing team members for its upcoming general obligation bond issues:

Bond Counsel:	Parker Poe Adams & Bernstein LLP
Financial Advisor:	Davenport & Company LLC

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

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

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Thereupon, Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION OF THE CITY OF HIGH POINT, NORTH CAROLINA FOR THE ISSUANCE OF NOT TO EXCEED \$20,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS AND \$5,300,000 GENERAL OBLIGATION BONDS (TWO-THIRDS)**

WHEREAS, the City of High Point, North Carolina (the "City") has applied to the Local Government Commission of North Carolina (the "Commission"), pursuant to the Local Government Bond Act, as amended, for approval of the issuance in an aggregate principal amount not to exceed \$20,000,000 of its General Obligation Refunding Bonds (the "Refunding Bonds") for the purpose of refunding the City's (a) General Obligation Public Improvement Bonds, Series 2012 maturing on March 1, 2023 to 2032, inclusive; (b) General Obligation Refunding Bonds, Series 2012 maturing on March 1, 2023 to 2026, inclusive; and (c) General Obligation Refunding Bond, Series 2020 maturing on June 1, 2030;

WHEREAS, in addition, the City has applied to the Commission, pursuant to the Local Government Bonds Act, as amended, for approval of the issuance in an aggregate principal amount not to exceed \$5,300,000 of its General Obligation Parks and Recreation Bonds (the "Two Thirds Bonds" and together with the Refunding Bonds, the "Bonds") for the purposes of financing the capital costs of constructing, renovating, improving, acquiring and equipping certain parks and recreation



facilities located in the City, including, without limitation, the City Lake Park project, as provided in the bond order related thereto adopted by the City on March 7, 2022;

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

- (a) a Bond Resolution adopted by the City Council of the City on March 21, 2022 authorizing the City to issue the Bonds and authorizing the form and the terms of the documents described below; and
- (b) a Preliminary Official Statement to be dated on or about April 8, 2022;

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

- (i) such proposed general obligation bond issues are necessary and expedient;
- (ii) the proposed amount of such general obligation bond issues is adequate and not excessive for the proposed purposes thereof;
- (iii) the City's debt management procedures and policies are good;
- (iv) the increase in taxes, if any, necessary to service the general obligation bonds will not be excessive; and
- (v) the proposed general obligation bonds can be marketed at reasonable rates of interest.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the proposed Refunding Bonds in an aggregate principal amount not to exceed \$20,000,000 with a final maturity not to exceed March 1, 2032 and the application for the Two Thirds Bonds in an aggregate principal amount not to exceed \$5,300,000 with a final maturity not to exceed March 1, 2042, each for the purposes set forth therein, are hereby approved pursuant to the Local Government Bond Act, as amended.

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF MORRISVILLE, NORTH CAROLINA FOR THE ISSUANCE OF \$1,110,000 PUBLIC SAFETY IMPROVEMENT BONDS (TWO-THIRDS)**

WHEREAS, the Town of Morrisville, North Carolina (the "Town") has applied to the North Carolina Local Government Commission (the "Commission") pursuant to the Local Government Bond Act, as amended, for approval of the issuance by the Town of \$1,110,000 Public Safety Improvement Bonds (the "Bonds"), for the purpose of providing funds, together with any other available funds, for acquiring certain public safety radio and communications equipment and acquiring, constructing and equipping various law enforcement and firefighting facilities and improvements for the Town, including, without limitation, the acquisition of land and rights of way and the furnishing of incidental facilities and equipment; and

WHEREAS, pursuant to the provisions of G.S. 159-49, which authorizes the issuance of bonds without a vote of the people for the purposes specified therein in an amount not exceeding two-thirds of the amount by which the outstanding indebtedness of the Town has been reduced in the preceding fiscal year, an election is not required for approval of the Bonds; and

WHEREAS, upon the authorization, in accordance with law, of the Bonds, the Town will be empowered to issue bonds and notes in anticipation of the receipt of the proceeds of the sale of the Bonds; and

WHEREAS, based upon the information and evidence received by the Commission, it is of the opinion that the issuance of the Bonds and the issuance of any notes in anticipation of the receipt of the proceeds of the sale of the Bonds should be approved.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the issuance of the Bonds by the Town is hereby approved pursuant to the Local Government Bond Act, as amended.

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Thereupon, Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE FINANCING TEAM FOR THE ISSUANCE OF \$1,110,000 TOWN OF MORRISVILLE, NORTH CAROLINA GENERAL OBLIGATION PUBLIC SAFETY IMPROVEMENT BONDS, SERIES 2022A (TWO-THIRDS)**

WHEREAS, the Town of Morrisville, North Carolina (the “Town”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for the upcoming issuance of its General Obligation Public Safety Improvement Bonds, Series 2022A (the “Bonds”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Financial Advisor:	Davenport & Company LLC

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

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

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION APPROVING HOUSING AUTHORITY OF THE CITY OF DURHAM MULTIFAMILY HOUSING REVENUE BONDS (JFK TOWERS), SERIES 2022 IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$19,000,000 (THE “BONDS”) AND THE FINANCING TEAM THEREFOR**

WHEREAS, the Housing Authority of the City of Durham (the “Authority”) has decided to issue its Multifamily Housing Revenue Bonds (JFK Towers), Series 2022 (the “Bonds”), to finance the acquisition, rehabilitation and equipping by JFK Towers NC TC, LP, a North Carolina limited partnership or a related or affiliated entity (the “Borrower”), of a multifamily residential rental facility known as JFK Towers, consisting of approximately 177 units, located at 4900 Old Farm Road in Durham, 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 \$19,000,000 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 February 23, 2022, 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 Banks Law Firm, P.A.
Borrower:	JFK Towers NC TC, LP
Borrower’s Counsel:	Ellinger & Carr PLLC
Trustee:	The Huntington National Bank
Purchaser:	Deutsche Bank Securities, Inc.
Purchaser’s Counsel:	Kutak Rock LLP
Placement Agent:	Jefferies LLC
Servicer:	Berkadia Capital Mortgage LLC
Servicer’s Counsel:	Kutak Rock LLP
Tax Credit Investor:	Aegon LIHTC Fund 62, LLC
Tax Credit Investor’s Counsel:	Holland & Knight LLP

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

WHEREAS, it is expected that the Bonds will be privately placed with Deutsche Bank Securities, Inc., as Purchaser, through Jefferies LLC, 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 The Huntington National Bank, 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; and

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

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 \$19,000,000, shall initially bear interest at a rate or rates 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.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF  
HIGH POINT, NORTH CAROLINA COMBINED ENTERPRISE SYSTEM  
REVENUE BONDS, SERIES 2022**

*WHEREAS*, the City of High Point, North Carolina (the “City”) has requested that the Local Government Commission of North Carolina (the “Commission”) approve their selection of the following financing team members for the issuance of the City’s Combined Enterprise System Revenue Bonds, Series 2022 of not to exceed \$40,000,000 (the “Bonds”):

Underwriters:

Wells Fargo Bank, National Association  
Loop Capital Markets LLC

Bond Counsel:

Parker Poe Adams & Bernstein LLP

Underwriters' Counsel:	Holland and Knight LLP
Trustee/Paying Agent/Bond Registrar:	U.S. Bank Trust Company, National Association (DTC)
Trustee Counsel:	McGuireWoods LLP
Financial Advisor:	Davenport & Company LLC
Feasibility Consultant:	Willdan Financial Services

*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 Local Government Commission of North Carolina the above financing team is hereby approved for City's upcoming issuance of the Bonds.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF HIGH POINT, NORTH CAROLINA FOR THE ISSUANCE OF COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2022**

*WHEREAS*, the City of High Point, 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 Combined Enterprise System Revenue Bonds, Series 2022 (the “Bonds”), in the aggregate principal amount of not to exceed \$40,000,000 to (1) pay or reimburse the costs of acquiring, constructing and equipping various improvements to the City's water and sanitary sewer systems, including, without limitation, (a) Richland Creek sewer outfall lines replacement, (b) Register's Creek lift station expansion, (c) Riverdale sewer lift station force main and (d) Eastside UV disinfection system replacement; (2) pay the costs of issuing the Bonds and (3) fund any necessary debt service reserve fund for the 2022 bonds. Undefined capitalized terms used herein have the meaning given them in the Supplemental Trust Agreement (as defined herein);

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

- (a) Bond Order adopted by the City Council of the City (the “City Council”) on March 21, 2022 authorizing the issuance of the Bonds and the form and the terms of each of the documents set forth below;
- (b) Eleventh Supplemental Trust Agreement dated as of May 1, 2022 (the “*Supplemental Trust Agreement*”) between the City and U.S. Bank Trust Company, National Association (as successor to Wachovia Bank, National Association), as trustee;
- (c) Preliminary Official Statement dated the date of delivery thereof;
- (d) Bond Purchase Agreement dated the date of delivery thereof among the Commission, the City and Wells Fargo Bank, National Association and Loop Capital Markets LLC, as the underwriters; and

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

- (i) that such proposed revenue bond issue is necessary and expedient;

- (ii) that the proposed amount of such revenue bond issue is adequate and not excessive, when added to other money available to the City, for the proposed purpose thereof;
- (iii) that the proposed financing is feasible;
- (iv) that the City's debt management procedures and policies are good; and
- (v) that the proposed revenue bonds can be marketed at a reasonable interest cost to the City.

*NOW, THEREFORE, BE IT RESOLVED* by the Commission that the application of the City for approval of the proposed 2022 Bonds in an aggregate principal amount not to exceed \$40,000,000 is hereby approved pursuant to the State and Local Government Revenue Bond Act, as amended."

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**"RESOLUTION CONCERNING THE PRIVATE SALE OF THE CITY OF HIGH POINT, NORTH CAROLINA COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2022**

*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*, the City of High Point, 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 Combined Enterprise System Revenue Bonds, Series 2022 (the "*Bonds*"), in the aggregate principal amount of not to exceed \$40,000,000 to (1) pay or reimburse the costs of acquiring, constructing and equipping various improvements to the City's water and sanitary sewer systems, including, without limitation, (a) Richland Creek sewer outfall lines replacement, (b) Register's Creek lift station expansion, (c) Riverdale sewer lift station force main and (d) a UV disinfection system replacement, and (2) pay the costs of issuing the Bonds, Undefined capitalized terms used herein have the meaning given them in the Supplemental Trust Agreement (as defined herein);

*WHEREAS*, Wells Fargo Bank, National Association and Loop Capital Markets LLC (the "*Underwriters*") have offered to purchase the Bonds from the Commission upon the terms and conditions set forth below and in the form of the Bond Purchase Agreement dated the date of delivery thereof (the "*Bond Purchase Agreement*") among the Commission, the City, and the Underwriters; and

*WHEREAS*, the Commission has received a copy of a Preliminary Official Statement to be dated the date of delivery thereof (the "*Preliminary Official Statement*");

*WHEREAS*, the City has requested the Commission to sell the Bonds 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 Bonds at private sale without advertisement; and

*WHEREAS*, the Commission desires to accept the offer of the Underwriters to purchase the Bonds substantially in the form of the Bond Purchase Agreement and upon the terms and conditions set forth below; and

*NOW, THEREFORE, BE IT RESOLVED* by the Commission:

*Section 1.* The sale of the Bonds to the Underwriters at private sale without advertisement pursuant to the executed Bond Purchase Agreement and Eleventh Supplemental Trust Agreement dated as of May 1, 2022 (the “*Supplemental Trust Agreement*”) between the City and U.S. Bank Trust Company, National Association, as successor to Wachovia Bank, National Association, as trustee, substantially in the form furnished to the Commission is hereby approved, such sale being subject to the approval of the Secretary of the Commission or a designated assistant of the Commission (the “*Designated Assistant*”) and satisfaction of the conditions set forth below.

*Section 2.* The aggregate principal amount of the Bonds shall not exceed an aggregate principal amount of \$40,000,000. The purchase price for the Bonds shall be approved by the Designated Assistant on the date of the sale of the Bonds and set forth in the Bond Purchase Agreement.

*Section 3.* The Bonds shall bear interest at a true interest cost not to exceed 4.00%, all measures being defined as determined by the Commission.

*Section 4.* No maturity of the Bonds shall exceed November 1, 2046.

*Section 5.* The Commission hereby determines that the sale of the Bonds 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 6.* The Secretary of the Commission, or any Deputy Secretary is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution, and the Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Bond Purchase Agreement, including details of the Bonds, as shall be satisfactory to him or her, to approve the forms of other documents relating to the 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 Bonds in accordance with the Bond Order, the Supplemental Trust Agreement and the Bond Purchase Agreement and such other documents to be delivered in connection therewith.

*Section 7.* The Preliminary Official Statement, substantially in the form furnished to the Commission, with such insertions and changes therein as may be approved by the Designated Assistant, and the use thereof in connection with the public offering and sale of the Bonds is hereby approved and authorized.

*Section 8.* This Resolution shall be effective immediately upon its passage.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**RESOLUTION CONCERNING THE SALE OF MULTIFAMILY HOUSING  
REVENUE BONDS OF THE NORTH CAROLINA HOUSING FINANCE  
AGENCY IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING  
\$6,000,000**

BE IT RESOLVED by the Local Government Commission of North Carolina (the “Commission”):

Section 1. The Commission does hereby find and determine that the North Carolina Housing Finance Agency (the “Agency”) has advised the Commission that it desires to issue revenue bonds for the purpose of (a) financing the acquisition, construction, improvement, equipping and furnishing of a multifamily residential housing development to be known as Five Points Crossing consisting of approximately 50 units located in Rocky Mount, North Carolina and (b) paying certain fees and expenses incurred in connection with the issuance and sale of the Bonds (hereinafter defined). The facilities to be financed with the proceeds of the Bonds are to be owned by Five Points Crossing Limited Partnership, a North Carolina limited partnership (the “Borrower”), and managed by Woda Management & Real Estate, LLC, a limited liability company, or an affiliate thereof.

Section 2. In connection with the authorization and issuance of the Bonds as hereinafter provided, the Agency has furnished to the Commission on the date hereof the following documents.

(1) Bond Purchase and Loan Agreement (the “Bond Purchase and Loan Agreement”), dated the date of delivery thereof, by and among the Agency, the Borrower and Merchants Bank of Indiana (the “Bank”), providing for the issuance of the “Multifamily Housing Revenue Bonds (Five Points Crossing Limited Partnership)” (the “Bonds”), including attached thereto (a) the form of the Bonds and (b) the form of the promissory note (the “Note”) by the Borrower to the Agency;

(2) Allonge, dated the date of delivery thereof, pursuant to which all right, title and interest of the Agency in and to the Note (except for certain reserved rights) has been assigned by the Agency to the Bank as security for the payment of the Bonds;

(3) Land Use Restriction Agreement, among the Agency, the Borrower and the Bank, relating to the Bonds.

Section 3. The Agency has requested approval of its selection of the following financing team members for the upcoming issuance of the Bonds:

Bond Counsel:	Womble Bond Dickinson (US) LLP
Bank:	Merchants Bank of Indiana
Bank’s Counsel:	Barnes & Thornburg LLP
Financial Advisor:	Caine Mitter & Associates Inc.
Borrower:	Five Points Crossing Limited Partnership
Developer:	Woda Cooper Development Inc. & The Woda Group, Inc.
Developer Counsel:	Reno Cavanaugh PLLC
Construction Lender:	MBI
Construction Lender Counsel:	Dinsmore & Shohl LLP
Permanent Lender:	Riverhills
Permanent Lender Counsel:	Bricker & Eckler LLP
Title:	Pease Law Office



Section 4. The sale of the Bonds in an aggregate principal amount not to exceed \$6,000,000 at a private sale pursuant to the executed Bond Purchase and Loan Agreement, which shall reflect the issuance of the Bonds herein approved is hereby approved.

Section 5. The Bonds are to be issued as a “draw down” bond, in which the principal amount of the Bonds will increase from time to time, not to exceed \$6,000,000, upon the delivery by the Bank of additional payments for the Bonds (“Principal Advances”) as provided in the Bond Purchase and Loan Agreement. Accordingly, the Bonds will be sold to the Bank from time to time at a purchase price equal to 100% of the related Principal Advance.

Section 6. The Bonds shall not mature later than seven years from their date of issuance, and shall be in the principal amounts and bear interest at the rate or rates from the date thereof, all as may be set forth in the Bond Purchase and Loan Agreement, provided that the Bonds shall bear interest at a variable rate, such variable rate not to exceed 20.00% per annum.

Section 7. The Commission does hereby determine that the sale of the Bonds in the manner and for the prices as provided in this resolution is in the best interest of the Agency and best effectuates the purposes of Chapter 122A of the General Statutes of North Carolina, as amended.

Section 8. The Secretary of the Commission shall have the power to appoint such Designated Assistants for the purposes of this resolution as the Secretary shall deem necessary in order to carry out the purposes of this resolution.

Section 9. The issuance of the Bonds is hereby approved subject to the terms and conditions set forth in this resolution.

Section 10. This resolution shall be effective immediately upon its passage.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF BURNSVILLE WATER TREATMENT PLANT (WTP) IMPROVEMENT 1) CONSTRUCT A 50K-GAL EQUALIZATION BASIN AND ASSOCIATED PIPING /VALVES; 2) CONSTRUCT 4-4”DIAMETER MANHOLES BETWEEN THE EXISTING FILTER BUILDING AND PROPOSED EQUALIZATION BASIN; 3) INSTALL APPROX.1,125 LF OF 6” PVC PIPING FROM THE PROPOSED EQUALIZATION BASIN TO THE TOWN’S SEWER SYSTEM VIA HIGH -VELOCITY MANHOLE; 4) MODIFY IMPROVE AND REPAIR SEDIMENTATION BASIN STRUCTURE 5)REPLACE THE FILTER MEDIA;6)MODIFY RAW-WATER PIPING AND FINISHED -WATER STORAGE -TANK PIPING; AND 7) REPLACE OR REPAIR FLOW METER AND FLOW CONTROL VALVE TO ALLOW THROTTLING OF THE RAW-WATER PUMPS.**

WHEREAS, the Town of Burnsville, North Carolina (the “Town”) has it is necessary and expedient because the treatment process for handling coagulant sludge generated by filter backwashing and sedimentation basin cleaning is nonfunctional . Consequently, the WTP discharges wastewater that exceeds its chlorine and total

suspended solids limits. Additionally, the WTP contains aging infrastructure in repair or repair or need of replacement.

WHEREAS, the Town of Burnsville filed an application with the North Carolina Government Commission (the Commission) for approval of a Water Revolving Loan in the amount not exceed \$1,003,013 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.”

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0 .

Auditor Wood made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF HENDERSON, NORTH CAROLINA. THIS PROJECT WILL REHABILITATE APPROXIMATELY 15,000 LINEAR FEET OF GRAVITY SANITARY SEWER AND 103 MANHOLES IN THE SANDY CREEK SEWER SUB-BASIN, PIPE DIAMETERS THAT WILL BE REHABILITATED WILL RANGE IN SIZE FROM 8-INCHES TO 24-INCHES . PREVIOUS LIMITED EVALUATIONS OF PORTIONS OF THE SUB-BASIN WERE PERFORMED UTILIZING THE CITY’S SL-RAT EQUIPMENT AS A PART OF AIA GRANT FROM NCDEQ-DWI. THE FIRST PHASE OF THE REHABILITATION WILL ADDRESS KNOWN ISSUES THAT WERE IDENTIFIED IN THOSE EVALUATIONS. THE SECOND PHASE OF THE REHABILITATION WORK WILL UTILIZE A FIND-IT /FIX-IT APPROACH ON SIMILARLY HIGH-PRIORITY AREAS TO REHABILITATE AND INCREASE THE RESILIENCY OF PORTIONS OF THE GRAVITY SEWER SYSTEM .**

WHEREAS, the City of Henderson, North Carolina (the “City”) has determined that it is necessary and expedient in that it will allow Henderson to correct as many urgent problems as possible that contribute directly to chronic SSOs and to rehabilitate infrastructure that is over 40 years old.

WHEREAS, the City of Henderson filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving Loan in the amount not exceed \$2,542,553 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

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

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF KINSTON, NORTH CAROLINA. THIS PROJECT IS FOR THE NC GLOBAL TRANSPARK (NCGTP) TERMINAL WATERLINE REPLACEMENT PROJECT:1) REPLACE APPROXIMATELY 2,340 LF OF 8” DIAMETER CIP WATERLINE WITH 8” C900 PVC; 2) REPLACE APPROXIMATELY 760LF OF**

**6" DIAMETER CIP WATERLINE WITH 8" C900 PVC ;3) REPLACE APPROXIMATELY 2,340 LF OF 8" CIP WATERLINE WITH 12" C900 PVC; AND REPLACE 14 FIRE HYDRANTS, ASSOCIATED VALVES AND APPURTENCANCES.**

WHEREAS, the City of Kinston, North Carolina (the "City") has determined that it is necessary and expedient as an evaluation of the water system operation determined the water system operation determined the water pressure is insufficient to perform at a sustained rate for the newly announced economic developments to be started at the NCGTP and to address customer complaints of a drop in water pressure during flushing operations. In addition to the low pressure there are concerns about severe corrosion and tuberculosis issues.

WHEREAS, the City of Kinston filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving Loan in the amount not exceed \$358,150 with the term of twenty (20) years at the rate established under this program for respective loan, State or Federal, is not to exceed 4%; and

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

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0.

Auditor Wood made a motion to adopt the following resolution:

**"RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF SELMA THIS PROJECT CONSISTS OF THE RELOCATION OF THE BRACK WILSON PARK PUMP STATION, RAISING IT ABOVE THE 100-YEAR FLOOD ELEVATION, REPAIRING THE CAMPGROUND PUMP STATION LEAKING WET WELL, REPAIRING THE NASSCO LEVEL 4&5 DEFECTS WITHIN THE GRAVITY SEWER COLLECTION SYSTEM AREAS KNOWN AS SUB BASINS 16,11,17 & 8. ALL REPLACEMENTS ARE LIKE FOR LIKE SIZES AND NO INCREASES WILL BE MADE IN SIZE OR CAPACITY.**

WHEREAS, the Town of Selma, North Carolina (the "Town") has it is necessary and expedient to rehabilitate the highest priority pump stations and sewer lines, will decrease collection system maintenance, pumping cost, and wastewater fees paid to Johnson County. Currently the Town of Selma struggles with high wastewater cost charged by Johnston County based on flows due to large amounts of inflow and infiltration (I/I) into the sanitary sewer collection system. A previous I/I study showed a significant increase in sewer flow during and after a large rainfall event. More flow into the sewer collections system causes more run time, more wear and tear on pumps and other equipment, more electricity usage, and higher operation and maintenance cost.

WHEREAS, the Town of Selma filed an application with the North Carolina Government Commission (the Commission) for approval of a Water Revolving Loan in the amount not exceed \$2,515,000 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."

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 9 – 0 .

### **MISCELLANEOUS ACTION ITEMS**

Auditor Wood made a motion to approve the following amendments to the Funding Loan Agreement for the Charlotte Housing Authority – INLIVIAN:

**Resolution approving Charlotte Housing Authority INLIVIAN , North Carolina (INLIVIAN) The financing was approved by the Local Government Commission on or about May 1, 2018. This deal was structured as private placement with Citibank. Citibank is requesting that we amend the Funding Loan Agreement(FLA) in order to facilitate a future securitization of this loan. Citi is requesting that we amend the FLA to allow for transfers to (i) a governmental entity or (ii) a trust or custodial arrangement established by a governmental entity, as long as any beneficial interests that are issued and secured by the loans are either (a) rated BBB- or higher (investment grade) or (b) purchased by a QIB.**

Secretary Marshall seconded the motion, and the foregoing was approved by unanimous vote of 9 – 0.

Auditor Wood made a motion to approve the following for the City of Greenville:

**The City of Greenville and the following fire departments have requested approval of an annexation payment schedules developed in accordance with G.S. 160A-31.1**

Whereby the city will make a lump sum payment for the city's proportionate share of outstanding debt as follows:

<u>Volunteer Fire Department</u>	<u>Effective Annexation Date</u>	<u>Payment Period</u>	<u>Reimbursement</u>
Blackjack Rural FD	2019	2019	381.25
Eastern Pines Rural FD	2017-2020	2017-2020	352.00
Red Oak Rural FD	2017-2020	2017-2020	352.00

Secretary Marshall seconded the motion, and the foregoing was approved by unanimous vote of 9 – 0.

Chair Folwell left the meeting at 1:59 p.m. and returned at 2:05 p.m.

Mr. Philbeck made a motion to adopt the following resolutions:

- 1) a resolution to select an engineering firm to perform an AIA study for Eureka, (SEE EXHIBIT 1: EUREKA Resolution to Select Engineering Firm)**

- 2) a resolution to amend the budget ordinance for the Town of Robersonville,  
(**SEE EXHIBIT 2: ROBERSONVILLE BUDGET ORDINANCE AMENDMENT**)
- 3) a resolution to amend the budget ordinance for the Town of Pikeville Water and Sewer Fund,  
(**SEE EXHIBIT 3: PIKEVILLE BUDGET ORDINANCE AMENDMENT for the Water and Sewer Fund**)
- 4) a resolution to amend the budget ordinance for the Town of Spring Lake Water and Sewer Fund,  
(**SEE EXHIBIT 4: SPRING LAKE BUDGET ORDINANCE AMENDMENT for the Water and Sewer Fund Ord. No. 21-04**)
- 5) a resolution to amend the budget ordinance for the Town of Spring Lake Stormwater Fund, Sewer Fund, (**SEE EXHIBIT 5: SPRING LAKE BUDGET ORDINANCE AMENDMENT for the Stormwater Fund, Ord. No. 21-05**)
- 6) A resolution to amend the budget ordinance for the Town of Spring Lake Sanitation Fund,  
(**SEE EXHIBIT 6: SPRING LAKE BUDGET ORDINANCE AMENDMENT for the Sanitation Fund, Ord. No. 21-06**)
- 7) A resolution to amend the budget ordinance for the Town of Spring Lake General Fund,  
(**SEE EXHIBIT 7: SPRING LAKE BUDGET ORDINANCE AMENDMENT for the General Fund, Ord. No. 21-03**)
- 8) A resolution to amend the budget ordinance for the Town of Spring Lake Fleet Maintenance Financial Plan, (**SEE EXHIBIT 8: SPRING LAKE BUDGET ORDINANCE AMENDMENT for the Fleet Maintenance Financial Plan, Ord. No. 21-07**)

Secretary Marshall seconded the motion, and the foregoing were adopted by unanimous vote of 9 – 0.

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

**SEE EXHIBIT 9: RESOLUTION CONVERTING SRF LOANS TO VUR GRANTS FOR  
THREE DISTRESSED LOCAL GOVERNMENT UNITS**

Auditor Wood seconded the motion which was adopted by unanimous vote of 9 – 0.

Secretary Edmundson gave updates on the scheduling of LGC special meetings, the required report due to the General Assembly May 1 pursuant to SB 105, LGC rule making activity, and an update on East Laurinburg.

Secretary Edmundson presented 2 items for discussion concerning the Town of Spring Lake, the first being the status of the \$1 million loan the Town received from South River Electric Membership Corporation (SREMC) to finance the construction of a fire station. The Town did not apply for or receive the required LGC approval for the loan, but the fire station was built using those funds. LGC staff plans to discuss with SREMC extending the term of repayment, so that the Town is better able to afford annual payments and apply for LGC approval. A lengthy discussion followed. (Auditor

Wood left the meeting at 3:18 p.m.) Secretary Edmundson introduced a draft of a letter to the Town's Mayor and governing board outlining some LGC concerns and asking for the Town's response to the concerns. The Members continued their discussion.

Chair Folwell made a motion to approve sending the following letter to Town of Spring Lake Mayor and Board of Aldermen:

**SEE EXHIBIT 10: LETTER TO THE TOWN OF SPRING LAKE MAYOR AND BOARD OF ALDERMEN**

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

Chair Folwell recognized Secretary Marshall who gave an update about conditions in the country of Moldova as refugees have arrived from Ukraine and she described the humanitarian efforts of the North Carolina-Moldova Partnership and others. Secretary Marshall asked that we continue to keep the people in those countries in our hearts and prayers, and she made a motion to adjourn. Mr. Burns seconded the motion which passed by unanimous vote of 8 – 0 (Absent: Wood). The meeting adjourned at 3:31 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on May 3, 2022 at 1:30 p.m.

\*\*\*\*\*

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, CERTIFY that the foregoing is a true and correct account of actions taken at a meeting of the North Carolina Local Government Commission duly called and held on April 5, 2022.

WITNESS my hand at Raleigh, this 5th day of April 2022.



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



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*

**STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION**

SHARON EDMUNDSON  
DEPUTY TREASURER

**RESOLUTION TO SELECT ENGINEERING FIRM FOR  
ASSET INVENTORY ASSESSMENT WORK FOR THE TOWN OF EUREKA**

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

WHEREAS, the Town was approved to receive a Viable Utility Reserve ("VUR") grant for the purpose of performing an Asset Inventory Assessment ("AIA") required by N.C.G.S. 159G-45(b) and;

WHEREAS, the Town issued a Request for Qualifications ("RFQ") pursuant to N.C.G.S. 143-64.31 for Professional Engineering On-Call Services, to include an AIA engineering evaluation, and;

WHEREAS, CDM Smith, a professional engineering firm, responded to the RFQ with its response dated March 4, 2022, and the firm's qualifications were evaluated by Commission staff, and;

WHEREAS, Commission staff recommends CDM Smith as the best qualified professional engineering firm that responded to the RFQ and recommends that the Commission select CDM Smith as the firm to perform the AIA services for the Town and;

WHEREAS, the Commission desires to select CDM Smith to perform the AIA services for the Town, and to authorize Commission staff to negotiate and execute a contract with CDM Smith for a fair and reasonable fee in accordance with N.C.G.S. 143-64.31.

**NOW THEREFORE, BE IT RESOLVED** that the Commission

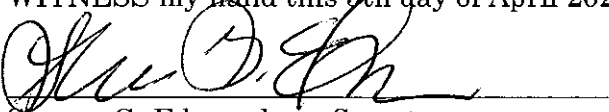
1. Selects CDM Smith to perform the AIA services for the Town;
2. Authorizes the Commission staff to negotiate a contract with CDM Smith for a fair and reasonable fee in accordance with N.C.G.S. 143-64.31;
3. Authorizes the Secretary of the Commission and the Town Finance Officer to execute a contract with CDM Smith and to execute and deliver all necessary documents related to the AIA services and the VUR grant funds.

Exhibit 1

Resolution to Select Engineering Firm for Eureka  
April 5, 2022  
Page 2

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 April 5, 2022.

WITNESS my hand this 5th day of April 2022.

A handwritten signature in black ink, appearing to read "Sharon G. Edmundson", is written over a horizontal line.

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission



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

**ROBERSONVILLE  
BUDGET AMENDMENT  
FISCAL YEAR ENDING June 30, 2022  
PRESENTED FOR ADOPTION ON April 5, 2022**

**BE IT ORDAINED BY THE** by the North Carolina Local Government Commission acting in place of the Town Council of Robersonville, North Carolina pursuant to General Statute 159-181(c), that the following amendment to the budget ordinance for the fiscal year ending June 30, 2022, is hereby adopted as stated:

**Section 1.** The budget for the Viable Utilities Reserve Grant Fund is amended to include the following revenue changes:

<u>Account</u>	<u>Increase</u>
DEQ Emergency	\$ 19,200
Operating Grant Revenues	
Total	<u>\$ 19,200</u>

**Section 2.** The budget for the Viable Utilities Reserve Grant Fund is amended to include the following appropriation changes:

<u>Account</u>	<u>Increase</u>
Clarifier #5 repairs	<u>\$ 19,200</u>
Total	<u>\$ 19,200</u>

Justification: To budget DEQ-approved VUR grant funds and clarifier repair expenditure to the Viable Utilities Reserve Grant Fund.

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, **CERTIFY** that the foregoing is a true and correct copy of the budget ordinance amendment adopted at a meeting of the North Carolina Local Government Commission duly called and held on April 5, 2022.

**WITNESS** my hand at Raleigh, this 5th day of April 2022, (date of LGC meeting)

Sharon Edmundson, Secretary  
North Carolina Local Government Commission

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

**PIKEVILLE  
BUDGET AMENDMENT #6  
FISCAL YEAR ENDING June 30, 2022  
PRESENTED FOR ADOPTION ON April 5, 2022**

**BE IT ORDAINED BY THE** by the North Carolina Local Government Commission acting in place of the Town Council of Pikeville, North Carolina pursuant to General Statute 159-181(c), that the following amendment to the budget ordinance for the fiscal year ending June 30, 2022 is hereby adopted as stated:

**Section 1.** The budget for the Water and Sewer Fund is amended to include the following changes:

<u>Account</u>	<u>Increase</u>
Grant Revenues	<u>\$ 74,700</u>
Total	<u>\$ 74,700</u>

**Section 2.** The budget for the Water and Sewer Fund is amended to include the following changes:

<u>Account</u>	<u>Increase</u>
Sewer Operations	<u>\$ 74,700</u>
Total	<u>\$ 74,700</u>

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, **CERTIFY** that the foregoing is a true and correct copy of the budget ordinance amendment adopted at a meeting of the North Carolina Local Government Commission duly called and held on April 5, 2022.

**WITNESS** my hand at Raleigh, this 5th day of April 2022.

*Sharon Edmundson*

Sharon Edmundson, Secretary  
North Carolina Local Government Commission

**ORDINANCE NO. 21-04**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2021-22 Water and Sewer Fund Budget**


THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE,  
 NORTH CAROLINA DOES ORDAIN:

Section I: Estimated Revenues and Appropriations. Water and Sewer Fund is hereby amended by increasing  
 estimated revenues and appropriations in the amounts indicated:

	2021-22 Original Budget	Increase (Decrease) (Decrease)		2021-22 Amended Budget
<b>ESTIMATED REVENUES</b>				
Hurricane Florence	-	123,000	(2)	123,000
<b>Total Revenues</b>	<b>3,928,500</b>	<b>123,000</b>		<b>4,051,500</b>
<b>APPROPRIATIONS</b>				
Non-Departmental	1,578,882	247,267	(1)	1,826,149
Revenue Collection	233,669	123,000	(2)	356,669
Interfund Transfers	247,267	(247,267)	(1)	-
<b>Total Appropriations</b>	<b>3,928,500</b>	<b>123,000</b>		<b>4,051,500</b>

- 1) \$247,267 Increase in expenditures and elimination of transfers for the Allocation of Costs between the General Fund, Water Sewer Fund, Sanitation Fund, Storm Water Fund and Fleet; in accordance with LGC Memorandum #2014-07
- 2) \$123,000 to cover the cost of Financial Consultants hired to work at the town in the Finance Department; to be funded by Hurricane Florence Reimbursement for expenditures in 2019 and received in 2022.

WITNESS my hand at Raleigh, this 5<sup>th</sup> day of April 2022

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

ORDINANCE NO. 21-05  
TOWN OF SPRING LAKE, NORTH CAROLINA  
Ordinance Amending the 2021-22 Stormwater Fund Budget

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:

Section I: Estimated Revenues and Appropriations. Stormwater Fund is hereby amended by increasing estimated revenues and appropriations in the amounts indicated:

	2021-22 Original Budget	Increase (Decrease) (Decrease)		2021-22 Amended Budget
ESTIMATED REVENUES				
Fees and Charges	283,307	-		283,307
Investment Earnings	500	-		500
Interfund Transfers	8,596	(8,596)	(1)	-
Total Revenues	292,403	(8,596)		283,807
APPROPRIATIONS				
Administration	232,931	14,685	(1) (2)	247,616
Interfund Transfers	59,472	(23,281)	(1)	36,191
Total Appropriations	292,403	(8,596)		283,807

- 1) \$23,281 increase in expenditures and (\$8,596) reduction of expenditures by elimination of interfund transfers for the Allocation of Costs between the General Fund, Water Sewer Fund, Sanitation Fund, Storm Water Fund and Fleet; in accordance with LGC Memorandum #2014-07
- 2) This has net affect of -0- cost due to reducing capital outlay by (\$9,704) to cover the cost of Financial Consultants hired to work at the town and move to the Professional Services Line item.

WITNESS my hand at Raleigh, this 5<sup>th</sup> day of April 2022

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

ORDINANCE NO. 21-06  
TOWN OF SPRING LAKE, NORTH CAROLINA  
Ordinance Amending the 2021-22 Sanitation Fund Budget

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:

Section I: Estimated Revenues and Appropriations. Sanitation Fund is hereby amended by increasing estimated revenues and appropriations in the amounts indicated:

	2021-22 Original Budget	Increase (Decrease) (Decrease)		2021-22 Amended Budget
<b>ESTIMATED REVENUES</b>				
Refuse Collection Fees	622,976	21,040	(2)	644,016
Solid Waste Disposal Tax	8,000	-		8,000
Investment Earnings	1,000	-		1,000
Employee Insurance Premiums	960	-		960
<b>Total Revenues</b>	<b>632,936</b>	<b>21,040</b>		<b>653,976</b>
<b>APPROPRIATIONS</b>				
Non-Departmental	355,768	58,260	(1)	414,028
Sanitation	169,844	21,040	(2)	190,884
Debt Service	49,064	-		49,064
Interfund Transfers	58,260	(58,260)	(1)	-
<b>Total Appropriations</b>	<b>632,936</b>	<b>21,040</b>		<b>653,976</b>

- 1) \$58,260 Increase in expenditures and elimination of transfers for the Allocation of Costs between the General Fund, Water Sewer Fund, Sanitation Fund, Storm Water Fund and Fleet; in accordance with LGC Memorandum #2014-07
- 2) \$21,040 to cover the cost of Financial Consultants hired to work at the town in the Finance Department; to be funded by Collection Fees.

WITNESS my hand at Raleigh, this 5<sup>th</sup> day of April 2022

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



ORDINANCE NO. 21-03  
TOWN OF SPRING LAKE, NORTH CAROLINA  
Ordinance Amending the 2021-22 General Fund  
Budget

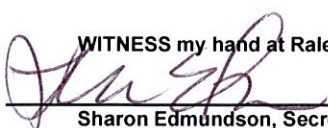
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE,  
NORTH CAROLINA DOES ORDAIN:

Section I: Estimated Revenues and Appropriations. General Fund is hereby amended by increasing estimated revenues and appropriations in the amounts indicated:

	2021-22 Amended Budget	Increase (Decrease) (Decrease)		2021-22 Amended Budget
<b>ESTIMATED REVENUES</b>				
Property Taxes - Real	2,864,500	8,729	(3)	2,873,229
Interfund Transfers	279,050	(279,050)	(1)	-
Employee Insurance Premiums	27,840			27,840
Appropriated Fund Balance	(64,049)			(64,049)
<b>Total Revenues</b>	<b>7,875,970</b>	<b>(270,321)</b>		<b>7,605,649</b>
<b>APPROPRIATIONS</b>				
Non-Departmental	873,665	127,213	(1)	1,000,878
Governing Body	127,479	(27,951)	(1)	99,528
Administration	281,606	(179,625)	(1) (2)	101,981
Finance	293,656	47,657	(1) (2)	341,313
Legal	59,000	(12,526)	(1)	46,474
Human Resources	28,808	(809)	(1)	27,999
Communications/Information Technology	237,353	(48,734)	(1)	188,619
Public Works	92,695	(20,417)	(1)	72,278
Public Buildings	113,018	(28,153)	(1)	84,865
Police	2,404,530	8,729	(3)	2,413,259
Interfund Transfers	135,705	(135,705)	(1)	-
<b>Total Appropriations</b>	<b>7,875,970</b>	<b>(270,321)</b>		<b>7,605,649</b>

- 1) (\$279,050) Reduction of expenditures and elimination of transfers for the Allocation of Costs between the General Fund, Water Sewer Fund, Sanitation Fund, Storm Water Fund and Fleet; in accordance with LGC Memorandum #2014-07
- 2) This has net affect of -0- cost due to lapsed salaries and benefits in both Administration and Finance. \$113,653 moved from Administration to Finance to cover the cost of Financial Consultants hired to work at the town. \$121,090 unspent salaries and benefits in Finance Department as Consultants are handling that work. Both are moved to the Professional Services Line item.
- 3) \$8,729 Contracted IT Support from Cumberland County Sheriff's Office - Contract higher than budget

WITNESS my hand at Raleigh, this 5<sup>th</sup> day of April 2022

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

ORDINANCE NO. 21-07  
TOWN OF SPRING LAKE, NORTH CAROLINA  
Ordinance Amending the 2021-22 Fleet Maintenance Financial Plan

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:

Section I: Estimated Revenues and Appropriations. Fleet Maintenance Financial Plan is hereby amended by increasing estimated revenues and appropriations in the amounts indicated:

	2021-22 Original Plan	Increase (Decrease) (Decrease)	2021-22 Amended Plan
ESTIMATED REVENUES			
Employee Insurance Premiums	480	-	480
Interfund Transfers	200,132	(200,132)	(1) -
Total Revenues	200,612	(200,132)	480
APPROPRIATIONS			
Fleet Maintenance	177,347	(200,132)	(1) (2) (22,785)
Non-Departmental	0	23,265	(1) 23,265
Interfund Transfers	23,265	(23,265)	(1) -
Total Appropriations	200,612	(200,132)	480

- 1) (\$200,132) Reduction of expenditures and elimination of transfers in and \$23,265 Increase of expenditures and elimination of transfers out for the Allocation of Costs between the General Fund, Water Sewer Fund, Sanitation Fund, Storm Water Fund and Fleet; in accordance with LGC Memorandum #2014-07
- 2) This has net affect of -0- cost due to reducing outsourced work by (\$6,549) to cover the cost of Financial Consultants hired to work at the town and move to the Professional Services Line item.

WITNESS my hand at Raleigh, this 5<sup>th</sup> day of April 2022

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



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON  
DEPUTY TREASURER

## RESOLUTION CONVERTING SRF LOANS TO VUR GRANTS FOR THREE DISTRESSED LOCAL GOVERNMENT UNITS

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

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

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

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

WHEREAS, North Carolina Session Law 2021-180, the “Current Operations Appropriations Act of 2021” as modified by Session Law 2022-6, appropriated more than \$444 million for the VUR; and

WHEREAS, the appropriated VUR funds were allocated to the state from the American Rescue Plan Act (ARPA) State Fiscal Recovery Fund; projects eligible for ARPA funds passing through the VUR are limited by federal ARPA requirements of project eligibility as well as NC G.S. 159G-32(d) for projects funded through the VUR; and the United States Department of the Treasury’s Final Rule on Coronavirus State and Local Fiscal Recovery Funds (SLFRF) effective April 1, 2022 requires that all SLFRF funds be expended by December 31, 2026; and

WHEREAS, the Department’s Division of Water Infrastructure’s ARPA Administration Plan specifies that LGUs designated as distressed that have been recently awarded state revolving fund (SRF) loans for VUR-eligible projects but have not yet drawn down their loans will be given the option to replace their existing SRF loan funding with VUR grant funds. This option may provide those LGUs more streamlined access to ARPA funds, relieve financial burdens from pending debt, and better assure the success of existing projects; and



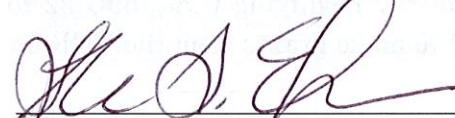
WHEREAS, the local government units ("LGUs") in Table 1 have requested conversion of SRF loans to VUR grants in the amounts noted and have acknowledged the requirements of funding the projects with ARPA funds from the VUR; and

WHEREAS, the State Water Infrastructure Authority approved the requests to convert SRF loans to VUR grants for the units in Table 1 at its March 9, 2022 meeting;

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, THAT the Commission approves the VUR grants in the amounts listed in Table 1.

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 April 5, 2022.

WITNESS my hand this 5<sup>th</sup> day of April 2022.

A handwritten signature in dark ink, appearing to read 'S. G. Edmundson', is written over a horizontal line.

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission

# Exhibit 9

RESOLUTION CONVERTING SRF LOANS TO VUR GRANTS FOR DISTRESSED LGUs  
 April 5, 2022  
 Page 3

**Table 1: LGUs Requesting Conversion of SRF Loans to VUR Grants**

Local Government Unit	Project	Total Project Cost	Awarded SRF Loan (not yet disbursed)	Requested VUR (ARPA) Grant Funds
Town of Ellerbe	Wastewater system rehabilitation	\$2,097,000	\$1,047,461	\$1,047,461
<b>Notes:</b>	Project also funded with \$549,539 state grant and \$500,000 SRF principal forgiveness. These funds will not be replaced with VUR grants; only the repayable loan portion is being considered for replacement.  Ellerbe received a \$150,000 direct appropriation from the VUR in S.L. 2021-180.			
Town of Pilot Mountain	Wastewater treatment plant and sewer lift station improvements	\$2,244,000	\$935,000	\$1,744,000
<b>Notes:</b>	Project cost increase reflected in updated budget. Scope of work remains the same. Project also funded with \$500,000 SRF principal forgiveness, which will not be replaced; only the repayable loan portion is being considered for replacement.			
Town of Scotland Neck	Replace existing aged waterlines, hydrants, and water services	\$750,000	\$153,000	\$291,000
<b>Notes:</b>	Project cost increase reflected in updated budget. Scope of work remains the same. Project also funded with \$459,000 (75%) SRF principal forgiveness, which will not be replaced; only the repayable loan portion is being considered for replacement.			
<b>TOTAL</b>				<b>\$3,082,461</b>



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON  
DEPUTY TREASURER

April 6, 2022

The Honorable Kia Anthony, Mayor  
Members of the Board of Alderman  
Town of Spring Lake  
300 Ruth Street  
Spring Lake, North Carolina 28390

Mayor Anthony and Members of the Board of Alderman:

The members of the Local Government Commission (LGC) have concerns related to specific actions that have been taken recently by the Board of Alderman (the "Board") of the Town of Spring Lake (the "Town") as follows:

1. Compliance with North Carolina Open Meeting Laws

The Board has in the last two weeks, dismissed an interim manager and sworn in a new interim manager without a public vote by the Board on either of those two actions. The statutes are very clear that these actions must take place in an open meeting of the Board ([N.C.G.S. 143-318.11\(a\)\(6\)](#)). Approval of the manager's contract also must take place by a vote of the Board in an open meeting. Discussions that precede these final decisions can be held in closed session, but the final decisions must be made in an open meeting of the Board and by a vote of the Board (consensus, voice, roll call, etc.). Please see this blog post by Professor Frayda Bluestein at the UNC School of Government for further discussion of this requirement.

<https://canons.sog.unc.edu/2010/05/voting-and-taking-action-in-closed-sessions/>

2. Compliance with Provisions of the Local Government Budget and Fiscal Control Act

The current interim manager was sworn in without a contract in place. Without a contract that is properly executed and pre-audited, no payments can be legally made for the interim town manager's services (North Carolina General Statute 159-28). Also, at the March 14, 2022, meeting the Board discussed wanting to lift the current furlough that is in place on Town employees. The furlough was established as a cost saving measure to balance the 2022 operating budget. Lifting the furlough was not discussed with the LGC prior to the meeting, despite the significant financial impact of the change. Under the action taken by the LGC pursuant to G.S. 159-181(c), the LGC has assumed full control of the financial affairs of the Town, and the Town's Board does not currently have the authority to make this decision unilaterally.

3. Willingness to Work Collaboratively with the Staff of the LGC

The Town attorney resigned via email notification to Mayor Anthony on March 23, 2022. In his emailed letter, the attorney provided the 30-day notice required by his contract but also offered to end the contract at an earlier date should the Town agree. The LGC staff agree with the attorney's recognition in his resignation letter



The Honorable Kia Anthony, Mayor  
Members of the Board of Alderman  
Town of Spring Lake  
April 6, 2022  
Page 2

that new legal representation for the Town is appropriate. The LGC staff believe that such a change is necessary. There was no mention, however, of this resignation at the Board's regular meeting on March 28, 2022. The LGC staff has not been informed whether the Board has officially accepted the resignation of the attorney and if so, if it has established the date the contract will terminate. These decisions impact the Town financially and as such must be communicated to the LGC.

Please provide answers to the following:

- 1) Has the Board officially accepted the resignation of the Town attorney?
- 2) If so, please provide the date the contract will terminate.
- 3) If not, please provide the date that the Board will accept the resignation.
- 4) What plans does the Board have, and what steps does it plan to take, to obtain legal representation for the Town following the termination of the current contract?

Further, at its meeting on March 28, 2022, the Board voted to remove the LGC staff's presentation of interim financial information from that evening's agenda. We acknowledge that the information was not available when the Board's packets were prepared five days earlier, but the LGC staff was prepared to review the financial information in detail, was available at the meeting, and would have provided copies to the Board if permitted. In addition, the LGC staff had communicated this prior to the meeting. Understanding the Town's financial situation is critical to the Board's understanding of the challenges facing the Town and is a key fiduciary responsibility of the Board. The LGC is the governing board for all financial matters; its representatives must be permitted to speak at Board meetings on all financial matters and share financial information with the Board.

The concerns outlined above were presented to and discussed by the LGC at its April 5, 2022, meeting and we ask for a response to these concerns by April 13, 2022. We believe that filling the interim manager position is a positive step that will improve communications among the Board, the LGC, and the LGC staff, and we stress that it is critical that the Board work openly and transparently with the interim manager, the LGC, and the citizens of the Town. The LGC and its staff are committed to assisting the Town in implementing policies and practices that will restore the Town's fiscal health and establish a path to long-term viability. We ask the Board to demonstrate that same commitment.

Sincerely,



Dale R. Folwell, CPA

Treasurer

Chairman, Local Government Commission

*Sent with the unanimous consent of the members of the LGC:*

Auditor Beth Wood  
Mr. John Burns  
Ms. Nancy Hoffmann

Secretary of State Elaine Marshall  
Mr. Paul Butler  
Mr. Michael Philbeck

Secretary of Revenue Ronald Penny  
Ms. Vida Harvey

cc: Joe Durham, Interim Town Manager, Town of Spring Lake  
Rose Williams, Executive Director, North Carolina League of Municipalities  
Sam Watts, Department of State Treasurer Legislative Liaison and Senior Public Policy Director