

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

JULY 12, 2022

The meeting was called to order at 1:31 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 and Secretary of State Elaine Marshall, Members present virtually: State Auditor Beth Wood, Nancy Hoffmann, and Mike Philbeck, Vida Harvey, Paul Butler.

Members Absent: Secretary of Revenue Ronald Penny, John Burns.

A quorum was present for the entire meeting.

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

Others attending in person: Bill Toole (Secretary of State office); and DST staff Victoria Bledsoe.

Secretary Marshall made a motion to approve the minutes of the June 7, 2022 regular meeting. Auditor Wood seconded the motion, and the minutes were approved by unanimous vote of 7 – 0.

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

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF BOILING
SPRING LAKES INSTALLMENT FINANCING”**

WHEREAS, the City of Boiling Spring Lakes (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for its upcoming installment financing:

Special Counsel:	Sanford Holshouser LLP
Lender:	Truist Bank
Lender’s Counsel:	Pope Flynn LLC
Financial Advisor	Davenport & Company LLC

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

NOW, THEREFORE, BE IT RESOLVED that the above financing team is hereby approved for the financing.”

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 7 – 0 (Absent: Penny, Burns). City Manager David Andrews, Finance Director Suzanne Tungate, and Mitch Brigulio and Ted Cole of Davenport Public Finance attended virtually to speak and answer members’ questions.

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

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF BOILING SPRING LAKES TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A POLICE STATION AND TO PAY FINANCING COSTS THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. 160A-20.”

WHEREAS, the City of Boiling Spring Lakes (the “City”) has determined that it is necessary and expedient for the city to undertake the acquisition, construction and equipping of a police station and to pay financing costs; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the City intends to finance the project through an Installment Financing Contract to be dated on or about July 20, 2022 (the “Contract”), between the City and Truist Bank (the “Lender”), whereby the Lender will advance moneys to the City for the purpose of carrying out the project and the City, subject to its right of nonappropriation and the provisions of Section 160A-20, will repay the advance in installments, with interest; and

WHEREAS, the principal amount of the advance under the Contract will not exceed \$1,900,000; and

WHEREAS, the maturity of the installment payments to be made pursuant to the Contract will not extend beyond December 31, 2023, with an annual interest rate not to exceed 2.42% (in the absence of default, or a change in tax status); and

WHEREAS, the United States Department of Agriculture – Rural Development has agreed to provide long-term permanent financing after maturity of moneys due under the Contract for interim construction financing between the Lender and the City.

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

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

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

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

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

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

(v) that the City is not in default in any of its debt service obligations; and

(vi) that the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive;

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

Ms. Hoffmann seconded the motion, and the foregoing was adopted by unanimous vote of 7 – 0 (Absent: Penny, Burns). City Manager David Andrews, Finance Director Suzanne Tungate, and Mitch Brigulio and Ted Cole of Davenport Public Finance attended virtually to speak and answer members' questions.

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

“RESOLUTION APPROVING THE REQUEST OF COUNTY OF WARREN COUNTY NORTH CAROLINA, THE KERR LAKE REGIONAL WATER SYSTEM’S WATER TREATMENT PLANT (WTP) UPGRADES PROJECT IS DESIGNED TO EXPAND THE WTP’S CAPACITY FROM 10 MGD TO 20 MGD AND ENHANCE ITS TREATMENT PROCESSES, TO INCLUDE: 1.) REPLACE THE EXISTING CLARIFICATION SYSTEM; 2.) REPLACE THE ANTHRACITE MEDIA IN THE EXISTING GRAVITY FILTERS; WITH ACTIVATED CARBON; 3.) INSTALL FOUR (4) ADDITIONAL GRAVITY FILTERS ; 4.) INSTALL A POWERED ACTIVATED CARBON (PAC) SLURRY SYSTEM; 5.) INSTALL A NEW CLEARWELL TO INCREASE DISINFECTANT CONTACT -TIME ; AND 6.) MAKE MISCELLANEOUS IMPROVEMNETS TO THE CHEMICAL STORAGE , INSTRUMENTATION, AND CONTROLS THROUGHOUT THE WTP.

WHEREAS, the County of Warren has determined that it is necessary and expedient The KLRWS Water Treatment Plant has been in operation for over 40 years. The project will expand the treatment capacity from 13.97 mgd to 20 mgd and rehabilitate and replace equipment and structures that are beyond their service life.; and

WHEREAS, the County of Warren has filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving loan in the amount not exceed \$2,000,000 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 County is hereby approved.

Secretary Marshall seconded the motion, and the foregoing was adopted by unanimous vote of 7 – 0 (Absent: Penny, Burns). County Manager Vincent Jones, County Commissioner and Vice-Chair Victor Hunt and Public Utilities Director Eric St. Sing attended virtually to speak and answer members' questions.

Secretary Marshall made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF STANLY, NORTH CAROLINA. THIS PROJECT CONSISTS OF THE CONSTRUCTION OF AN EDUCATIONAL TRADES FACILITY LOCATED ON THE CAMPUS OF STANLY COMMUNITY COLLEGE. THIS BUILDING WILL BE A ONE-STORY, 33,210 SQUARE FOOT FACILITY LOCATED ON AN APPROXIMATE 3.6 ARE PORTION OF A LARGER 58.97 ACRE PARCEL 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 provide classrooms for heavy equipment operations, industry flex lab, HVAC systems, Welding technology, machining, electrical line worker, electronics, and building trades; and

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

WHEREAS, the principal amount of the Contract shall not exceed \$11,400,000 with Quarterly payments for a term of twenty (20) years at an approval rate of 3.08%; and

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

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

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

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

- (i) that the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive;

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

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF
WOODFIN FOR THE FINANCING OF CERTAIN ROAD IMPROVEMENTS
THROUGH A FINANCING AGREEMENT PURSUANT TO G.S. §160A-20**

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town of Woodfin, North Carolina (the “*Town*”) intends to finance (a) the repair and resurfacing of certain streets in the Town (the “*Project*”) and (b) pay certain costs related to the execution and delivery of a Financing Agreement dated the date of delivery thereof (the “*Agreement*”) between the Town and Truist Bank (the “*Bank*”), whereby the Bank will advance moneys to the Town for the purpose of financing the Project, and the Town, subject to its right of nonappropriation, will repay the advancement with interest in installments;

WHEREAS, the principal amount to be advanced by the Bank to the Town under the Agreement shall not exceed \$2,354,000;

WHEREAS, the Town will repay the advance in annual payments of interest and principal at an interest rate not to exceed 3.19% per annum;

WHEREAS, the final maturity date of the Agreement may not extend beyond fifteen (15) years;

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

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

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

- (i) the Agreement is necessary and expedient for the Town;
- (ii) the Agreement, under the circumstances, is preferable to a bond issue by the Town for the same purposes;
- (iii) the sums to fall due under the Agreement are adequate and not excessive for its proposed purposes;
- (iv) the Town’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 Agreement will not be excessive; and
- (vi) the Town 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 Agreement and planned financing are hereby approved under the provisions of Section 160A-20 of the General Statutes, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission.”

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to approve the following resolution:

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

WHEREAS, the Town of Woodfin, 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 financing agreement:

Special Counsel:	Parker Poe Adams & Bernstein LLP
Bank:	Truist Bank
Bank Counsel:	Pope Flynn, LLC
Financial Advisor:	First Tryon Advisors

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

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

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR THE CAROLINAEAST HEALTH SYSTEM HEALTHCARE SYSTEM REVENUE REFUNDING BOND, SERIES 2022 AND THE MODIFICATION OF A RELATED INTEREST RATE SWAP AGREEMENT

WHEREAS, CarolinaEast Health System (the “*Authority*”) 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 Healthcare System Revenue Refunding Bond, Series 2022 (the “*Bond*”) and the modification of a related interest rate swap agreement:

Bond Counsel:	Womble Bond Dickinson (US) LLP
Purchaser:	Truist Commercial Equity, Inc.
Purchaser’s Counsel:	Moore & Van Allen, PLLC
Authority Counsel:	Sumrell Sugg, P.A.
Financial Advisor:	Cain Brothers, a division of Keybanc Capital Markets
Trustee:	Truist Bank
Trustee Counsel:	Alston & Bird

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

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved for the issuance of the Bond and the modification of a related interest rate swap agreement.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Thereupon, Secretary Marshall made a motion to adopt the following resolution:

**RESOLUTION APPROVING THE APPLICATION OF CAROLINAEAST
HEALTH SYSTEM FOR THE ISSUANCE OF A NOT TO EXCEED \$52,395,000
HEALTHCARE SYSTEM REVENUE REFUNDING BOND, SERIES 2022**

WHEREAS, CarolinaEast Health System, a hospital authority and a public body and a body corporate and politic under the laws of the State of North Carolina (the "Authority"), has applied to the North Carolina Local Government Commission (the "Commission"), pursuant to The State and Local Government Revenue Bond Act, as amended, for approval of the issuance by the Authority of a not to exceed \$52,395,000 Healthcare System Revenue Refunding Bond, Series 2022 (the "Bond") for the purpose of providing funds, together with other available funds, to (a) refund the outstanding principal amount of the CarolinaEast Health System Healthcare System Revenue Bond, Series 2016 (the "Series 2016 Bond") and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Bond; and

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

(a) Second Supplemental Trust Agreement, to be dated as of August 1, 2022, between the Authority and Truist Bank, as trustee (the "Trustee"), as accepted and agreed to by CarolinaEast Medical Center (the "Medical Center") and CarolinaEast Physicians ("Physicians"), supplementing the Master Trust Agreement, dated as of October 1, 2016, between the Authority and the Trustee, as accepted and agreed to by Medical Center and Physicians;

(b) Covenant Agreement, to be dated as of August 1, 2022 (the "Covenant Agreement"), among the Authority, the Medical Center, Physicians and Truist Commercial Equity, Inc., as the initial purchaser of the Bond (the "Purchaser"); and

(c) Bond Purchase Agreement, to be dated as of the date of delivery thereof, among the Commission, the Authority and the Purchaser;

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

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

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

(iii) that the proposed refunding of the Series 2016 Bond is feasible;

(iv) that the Authority's debt management procedures and policies are good; and

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

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application of CarolinaEast Health System for approval of the proposed Bond in a principal amount not to exceed \$52,395,000 for the purposes set forth herein is hereby approved pursuant to The State and Local Government Revenue Bond Act, as amended.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Thereupon, Secretary Marshall made a motion to adopt the following resolution:

**RESOLUTION CONCERNING THE PRIVATE SALE OF THE
CAROLINAEAST HEALTH SYSTEM HEALTHCARE SYSTEM REVENUE
REFUNDING BOND, SERIES 2022**

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

WHEREAS, Truist Commercial Equity, Inc. (the "Purchaser") has offered to purchase from CarolinaEast Health System (the "Authority") its Healthcare System Revenue Refunding Bond, Series 2022 (the "Bond") from the Commission upon the terms and conditions set forth below; and

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

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

WHEREAS, the Commission desires to accept the offer of the Purchaser to purchase the Bond upon the terms and conditions set forth below.

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

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

Section 2. The aggregate principal amount of the Bond shall not exceed \$52,395,000.

Section 3. The Bond shall bear interest at a variable rate determined as set forth in the Bond with an initial rate not to exceed 6.00% per annum.

Section 4. The final maturity of the Bond shall not exceed November 1, 2046.

Section 5. The Commission hereby determines that the sale of the Bond in the manner and for the price as provided in this resolution is in the best interest of the Authority, provided that such sale shall be approved by the Authority.

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 relating to the Bond, including details of the Bond, as shall be satisfactory to him or her, to approve the forms of other documents relating to the Bond, 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 Bond in accordance with the order of the Authority, the Trust Agreement and the Second Supplemental Trust Agreement relating to the issuance of the Bond.

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

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to approve the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE COUNTY OF HENDERSON, NORTH CAROLINA HOSPITAL REVENUE BONDS (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2022A

WHEREAS, the County of Henderson, North Carolina (the “*County*”) has requested that the North Carolina Local Government Commission (the “*Commission*”) approve its selection of the following financing team members for the upcoming issuance of its not to exceed \$14,100,000 County of Henderson, North Carolina Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2022A (the “*2022 Bond*”):

Bond Counsel	Hawkins Delafield & Wood LLP
County	County of Henderson, North Carolina
County Attorney	Charles Russell Burell
Financial Advisor	First Tryon Advisors
Hospital Attorney	Prince, Youngblood and Massagee, PLLC
Hospital Corporation	Henderson County Hospital Corporation
Original Purchaser	First-Citizens Bank & Trust Company
Original Purchaser’s Counsel	McGuireWoods LLP
Trustee	U.S. Bank Trust Company, National Association

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

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved for the proposed issuance of the 2022 Bond for the County.”

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Thereupon, Secretary Marshall made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF HENDERSON, NORTH CAROLINA FOR THE ISSUANCE OF THE TAXABLE HOSPITAL REVENUE BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2022A

WHEREAS, County of Henderson, North Carolina (the “*County*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the State and Local Government Revenue Bonds Act, as amended (the “*Act*”), for approval of the issuance of its not to exceed \$14,100,000 County of Henderson, North Carolina Taxable Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2022A (the “*2022 Bond*”), in one or more series, to (i) provide reimbursement for previous expenditures for (1) the acquisition and/or updates to the O-Arm O2 Base System, (2) the acquisition and/or capital expenditures for the following structures: three buildings on Fleming Street in Hendersonville, the Hawk Brown Building, a modular building in Brevard and the Brevard UC/PC/PT facilities, (3) relocations and updates to various specialist suites and buildings, (4) the purchase of various equipment, including, without limitation, nuclear med camera and a spine robot, and (5) various other capital expenditures (collectively, the “*Projects*”), all for use by the Margaret R. Pardee Memorial Hospital (the “*Hospital*”), and (ii) to pay the cost of issuing the 2022 Bond.

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

- (a) the Master Trust Indenture, dated as of September 1, 2001, by and between the County and First-Citizens Bank & Trust Company, as succeeded by U.S. Bank National Association, as trustee (the “*Trustee*”); and
- (b) a draft of the Eighth Supplemental Trust Indenture, to be dated as of July 1, 2022, between the County and the Trustee (the “*Eighth Supplemental Indenture*”); and
- (c) the Bond Order adopted by the Board of County Commissioners on June 15, 2022 (the “*Bond Order*”), which Bond Order authorizes the issuance and delivery of the 2022 Bond.

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

- (i) that such proposed 2022 Bond issued is necessary and expedient;
- (ii) that the proposed amount of such 2022 Bond issued is adequate and not excessive for the proposed purpose thereof;
- (iii) that the Projects are feasible;
- (iv) that the County’s debt management procedures and policies are good; and
- (v) that the proposed 2022 Bond can be marketed as a reasonable interest cost to the County.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Commission that the application of the County for approval of the proposed 2022 Bond in an aggregate principal amount not to exceed \$14,100,000 is hereby approved pursuant to the State and Local Government Revenue Bonds Act, as amended.”

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to approve the following resolution:

“RESOLUTION CONCERNING THE PRIVATE SALE OF COUNTY OF HENDERSON, NORTH CAROLINA’S TAXABLE HOSPITAL REVENUE BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2022A

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;

WHEREAS, County of Henderson, North Carolina (the “*County*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the State and Local Government Revenue Bonds Act, as amended (the “*Act*”), for approval of the issuance of its not to exceed \$14,100,000 County of Henderson, North Carolina Taxable Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2022A (the “*2022 Bond*”), in one or more series, to (i) provide reimbursement for previous expenditures for (1) the acquisition and/or updates to the O-Arm O2 Base System, (2) the acquisition and/or capital expenditures for the following structures: three buildings on Fleming Street in Hendersonville, the Hawk Brown Building, a modular building in Brevard and the Brevard UC/PC/PT facilities, (3) relocations and updates to various specialist suites and buildings, (4) the purchase of various equipment, including, without limitation, nuclear med camera and a spine robot, and (5) various other capital expenditures (collectively, the “*Projects*”), all for use by the Margaret R. Pardee Memorial Hospital (the “*Hospital*”), and (ii) to pay the cost of issuing the 2022 Bond.

WHEREAS, First-Citizens Bank & Trust Company (the “*Initial Purchaser*”) has offered to purchase the 2022 Bonds from the County at a rate of 4.57%, all on the terms and conditions set forth in the Eighth Supplemental Trust Indenture, to be dated as of July 1, 2022 (the “*Supplemental Indenture*”), by and between the County and the U.S. Bank Trust Company, National Association, as trustee;

WHEREAS, the County has requested to sell the 2022 Bond at private sale without advertisement in accordance with Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina; and

WHEREAS, the Commission desires to approve the request of the County that it sell the 2022 Bond at private sale without advertisement.

NOW, THEREFORE, BE IT RESOLVED by the Commission:

The sale of the 2022 Bond to the Initial Purchaser at private sale without advertisement at the rates set forth above and in accordance with the terms outlined in the Supplemental Indenture is hereby approved, such sale being subject to the approval of the County and satisfaction of the conditions set forth below.

The aggregate purchase price for the 2022 Bond shall be the principal amount thereof.

The maturity of the 2022 Bond shall not be later than June 1, 2042.

The Commission hereby determines that the sale of the 2022 Bond in the manner and for the price as provided in this resolution is in the best interest of the County, provided that such sale shall be approved by the County.

This resolution shall be effective immediately upon its passage.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler)

Secretary Marshall made a motion to approve the following resolution:

**RESOLUTION APPROVING INLIVIAN MULTIFAMILY HOUSING
REVENUE BONDS (HISTORIC NATHANIEL CARR SENIOR
COMMUNITY), SERIES 2022 IN AN AMOUNT UP TO \$19,500,000 (THE
“BONDS”) AND THE FINANCING TEAM THEREFOR**

WHEREAS, INLIVIAN (the “Authority”) has decided to issue its Multifamily Housing Revenue Bonds (Historic Nathaniel Carr Senior Community), Series 2022 (the “Bonds”) to finance the acquisition, construction and equipping by West Boulevard Historic Preservation, LLC, a North Carolina limited liability company or a related or affiliated entity (the “Borrower”), of a low income multifamily residential rental facility to be known as Historic Nathaniel Carr Senior Community, consisting of 120 units, in the City of Charlotte, North Carolina (the “Development”); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Bonds in an aggregate principal amount of not to exceed \$19,500,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the “Act”); and

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

WHEREAS, based upon the information and evidence received in connection with such application, including resolutions adopted by the Board of Commissioners of the Authority on June 21, 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

Issuer's Counsel:	The Banks Law Firm, P.A.
Borrower:	West Boulevard Historic Preservation, LLC
Borrower's Counsel:	Nelson Mullins Riley & Scarborough, LLP
Initial Purchaser:	Fifth Third Commercial Funding, Inc.
Initial Purchaser's Counsel:	Womble Bond Dickinson (US) LLP
Trustee:	UMB Bank, N.A.
Permanent Bondholder:	Barings Affordable Housing Mortgage Fund III LLC
Investment Advisor:	Barings, LLC
Investment Advisor's Counsel:	Kutak Rock LLP
Tax Credit Investor:	Raymond James Tax Credit Fund XX L.L.C.
Tax Credit Investor's Counsel:	Nixon Peabody LLP

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

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

(a) Trust Indenture between the Authority and UMB Bank, N.A., as trustee (the "Trustee"), providing for the issuance of the Bonds, together with the form of the Bonds;

(b) Loan Agreement, among the Authority, the Borrower and the Trustee, 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 Trustee.

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

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

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Bonds shall be issued in an aggregate principal amount not to exceed \$19,500,000, shall initially bear interest at a variable rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2043.

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.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF ALBEMARLE, NORTH CAROLINA. THIS PROPOSED PROJECT WILL FOCUS ON REHABILITATION AND REPLACEMENT OF APPROXIMATELY 10,000 FEET OF GRAVITY SEWER LINES FROM 8- INCHES TO 24-INCHES IN DIAMETER. THE MAJORITY OF THE REHAB WILL BE DIG-AND REPLACE . WHEN LINES ARE NOT CONDUCTIVE TO EXCAVATION, THEY WILL BE REHABBED IN PLACE. ALL MANHOLES WILL EITHER BE REPLACED OR REHABBED. INCLUDED IN THIS PROJECT ARE MAJOR ELECTRICAL SYSTEM UPGRADES AT THE CITY’S WWTP.

WHEREAS, the City of Albemarle, North Carolina (the “City”) has determined that it is necessary and expedient in that much of the City’s collection system is greater than 60 years in age.

WHEREAS, the City of Albemarle filed an application with the North Carolina Government Commission (the Commission) for approval of a Sewer revolving Loan in the amount not exceed \$6,156,000 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.”

Auditor Wood seconded the motion, and the foregoing was adopted by unanimous vote of 6-0(Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF BESSEMER City, NORTH CAROLINA. THE PROPOSED VANTINE PUMP STATION AND SEWER REPLACEMENTS PROJECT INCLUDES REPLACEMENT OF THE EXISTING SUCTION-LIFT PUMP STATION WITH A NEW, MORE EFFICIENT PUMP STATION USING TWO (2) SUBMERSIBLE PUMPS, REPLACEMENT OF 2,000 LINEAR FEET OF FORCE MAIN WITH NEW FORCE MAIN PIPING , A NEW VALVE VAULT WITH CHECK VALVES AND FITTINGS THAT REDUCE FRICTION LOSSES. MECHANICAL PUMP STATION UPGRADES WILL ALSO REQUIRE THE REPLACEMENT OF SOME ELECTRICAL COMPONENTS FOR THE STATION.

WHEREAS, the City of Bessemer, North Carolina (the “City”) has determined that it is necessary and expedient because the existing pumps have reduced pumping capacity and the existing force main has capacity and the existing force main has capacity restrictions that contribute to sanitary sewer overflows during wet weather events. The existing 5-foot diameter wet well is also undersized and has insufficient storage capacity that also contributes to overflows. Also, many of gravity sewers within the Vantine Basin are aging vitrified clay pipes and manholes are constructed from brick and /or block, which further contributes to the excessive inflow/infiltration experienced during wet weather events.

WHEREAS, the City of Bessemer filed an application with the North Carolina Government Commission (the Commission) for approval of a Sewer revolving Loan in the amount not exceed \$1,350,000 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.”

Auditor Wood seconded the motion, and the foregoing was adopted by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE REQUEST OF CITY OF HENDERSON NORTH CAROLINA, THE KERR LAKE REGIONAL WATER SYSTEM’S WATER TREATMENT PLANT (WTP) UPGRADES PROJECT IS DESIGNED TO EXPAND THE WTP’S CAPACITY FROM 10 MGD TO 20 MGD AND ENHANCE ITS TREATMENT PROCESSES, TO INCLUDE: 1.) REPLACE THE EXISTING CLARIFICATION SYSTEM; 2.) REPLACE THE ANTHRACITE MEDIA IN THE EXISTING GRAVITY FILTERS; WITH ACTIVATED CARBON; 3.) INSTALL FOUR (4) ADDITIONAL GRAVITY FILTERS ; 4.) INSTALL A POWDERED ACTIVATED CARBON (PAC)SLURRY SYSTEM; 5.) INSTALL A NEW CLEARWELL TO INCREASE DISINFECTANT CONTACT -TIME ; AND 6.) MAKE MISCELLANEOUS IMPROVEMNETS TO THE CHEMICAL STORAGE , INSTRUMENTATION, AND CONTROLS THROUGHOUT THE WTP.

WHEREAS, the City of Henderson has determined that it is necessary and expedient The KLRWS Water Treatment Plant has been in operation for over 40 years. The project will expand the treatment capacity from 13.97 mgd to 20 mgd and rehabilitate and replace equipment and structures that are beyond their service life.; and

WHEREAS, the City of Henderson has filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving loan in the amount not exceed \$31,893,000 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 County is hereby approved.

Auditor Wood seconded the motion, and the foregoing was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF OXFORD, NORTH CAROLINA. THIS PROPOSED PROJECT THE KERR LAKE REGIONAL WATER SYSTEM’S WATER TREATMENT PLANT (WTP) UPGRADES PROJECT IS DESIGNED TO EXPAND THE WTP’S CAPACITY FROM 10 MGD TO 20 MGD AND ENHANCE ITS TREATMENT PROCESSES, TO INCLUDE 1.) REPLACE THE EXISTING CLARIFICATION SYSTEM; 2.) REPLACE THE ANTHRACITE MEDIA IN THE EXISTING GRAVITY FILTERS; WITH ACTIVATED CARBON; 3.) INSTALL FOUR (4) ADDITIONAL GRAVITY FILTERS ; 4.) INSTALL A POWERED ACTIVATED CARBON (PAC) SLURRY SYSTEM; 5.) INSTALL A NEW CLEARWELL TO INCREASE DISINFECTANT CONTACT -TIME; AND 6.) MAKE MISCELLANEOUS IMPROVEMNETS TO THE CHEMICAL STORAGE , INSTRUMENTATION, AND CONTROLS THROUGHOUT THE WTP.

WHEREAS, the City of Oxford has determined that it is necessary and expedient The KLRWS Water Treatment Plant has been in operation for over 40 years. The project will expand the treatment capacity from 13.97 mgd to 20 mgd and rehabilitate and replace equipment and structures that are beyond their service life.; and

WHEREAS, the City of Oxford filed an application with the North Carolina Government Commission (the Commission) for approval of a water revolving Loan in the amount not exceed \$5,500,000 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 City is hereby approved.”

Auditor Wood seconded the motion, and the foregoing was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

MISCELLANEOUS – ACTION ITEMS:

Secretary Marshall made a motion to approve the following:

The Town of Apex requests a three -year extension per G.S.159-64 of the following bonds authorized by voters at a referendum on November 3, 2015: \$15,000,000 G.O. Street and Sidewalk Improvements Bonds, of which \$7,000,000 of such bonds remain unissued.

Despite the Town’s best efforts to plan and construct the projects, issuance of the bonds has been delayed due to changes in the scope of the projects, delays in obtaining approvals of the projects from oversight agencies and the need for additional funding due to cost increases. Apex expects to be able to issue the bonds to construct the various projects within the revised timetable.

Staff recommends approval of extending the authorization to November 3, 2025.

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following:

RESOLUTION APPROVING TOWN OF BEECH MOUNTAIN, IS REQUESTING APPROVAL OF AN INCREASE IN ADDITIONAL FUNDS TO STATE REVOLVING LOAN.

WHEREAS, Town of Beech Mountain (the “Town) requests an increase of \$354,107 for a total loan of \$2,094,107. The original loan was approved by the Local Government Commission on October 2, 2018, for \$1,740,000; and

WHEREAS, the increase is due to change orders for increased material quantities required to complete the project.; and

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

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

The Town of Chapel Hill requests a three -year extension per G.S.159-64 of the following bonds authorized by voters at a referendum on November 3, 2015: \$16,200,000 G.O. Street and Sidewalk Bonds, of which \$7,700,000 of such bonds remain unissued; \$8,000,000 G.O. Parks and Recreation Bonds, of which \$2,700,000 of such bonds remain unissued; \$5,900,000 G.O. Stormwater Bonds, of which \$3,200,000 of such bonds remain unissued, and \$5,200,000 G.O. Solid Waste Bonds, of which all \$5,200,000 of such bonds remain unissued.

Chapel Hill requests the extension as it has taken longer to complete design, permitting and construction of these projects, and the Town believes the three-year extension will provide adequate time to design and finance construction of the various projects.

Staff recommends approval of extending the authorization to November 3, 2025.

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following:

RESOLUTION APPROVING HOUSING AUTHORITY OF THE CITY OF HIGH POINT MULTIFAMILY HOUSING REVENUE BONDS (LEGACY RIDGE), SERIES 2022 IN AN AMOUNT UP TO \$14,000,000 (THE “BONDS”)

WHEREAS, the Housing Authority of the City of High Point (the “Authority”) has decided to issue its Multifamily Housing Revenue Bonds (Legacy Ridge), Series 2022 (the “Bonds”) to finance the ground leasing, construction and equipping by Daniel Brooks Phase I, LLC, a North Carolina limited liability company or a related or affiliated entity (the “Borrower”), of a low income multifamily residential rental facility to be known as Legacy Ridge, consisting of 100 units, in the City of High Point, North Carolina (the “Development”); and

WHEREAS, the Bonds will be issued pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended; 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, on July 13, 2021, the Commission approved the issuance of the Bonds in an aggregate principal amount not to exceed \$11,000,000, with an initial interest rate not to exceed 12.0% per annum and a final maturity of not later than December 31, 2061 (the “Prior Approval”); and

WHEREAS, due to increased costs the Borrower has determined that the amount of tax-exempt debt to be provided to finance the cost of the Development is more than originally anticipated; and

WHEREAS, the Authority and the Borrower have requested that the Commission amend the Prior Approval to increase the authorized amount of the Bonds to an aggregate principal amount not to exceed \$14,000,000; and

WHEREAS, based upon the information and evidence received in connection with such request, including resolutions adopted by the Board of Commissioners of the Authority on May 11, 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, 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;

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

Section 1. 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 \$14,000,000, shall initially bear interest at a tax-exempt rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2061.

Section 2. 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 3. All other terms of the Prior Approval remain in full force and effect.

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

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following:

RESOLUTION APPROVING INLIVIAN MULTIFAMILY NOTE IN AN AMOUNT UP TO \$28,000,000 (THE "NOTE") FOR SUGAR CREEK APARTMENTS

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

WHEREAS, the Note will be issued pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended; and

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

WHEREAS, on February 1, 2022, the Commission approved the issuance of the Note in an aggregate principal amount not to exceed \$23,000,000, with an initial interest rate not to exceed 12.0% per annum and a final maturity of not later than December 31, 2041 (the “Prior Approval”); and

WHEREAS, due to increased costs the Borrower has determined that the amount of tax-exempt debt to be provided to finance the cost of the Development is more than originally anticipated; and

WHEREAS, the Authority and the Borrower have requested that the Commission amend the Prior Approval to increase the authorized amount of the Note to an aggregate principal amount not to exceed \$28,000,000; and

WHEREAS, based upon the information and evidence received in connection with such request, including resolutions adopted by the Board of Commissioners of the Authority on June 21, 2022, it is hereby determined and found by the Commission:

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

WHEREAS, 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;

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

Section 1. It is hereby determined, with the approval of the Authority and the Borrower that the Note shall be issued in an aggregate principal amount not to exceed \$28,000,000, shall initially bear interest at a tax-exempt rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2041.

Section 2. The Secretary of the Commission, or any Deputy Secretary, is hereby appointed the designated representative of the Commission for the purposes of this resolution and such designated representative is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Documents, including details of the Note, as shall be satisfactory to him or her, and to approve the forms of other documents relating to the Note.

Section 3. All other terms of the Prior Approval remain in full force and effect.

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

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following:

IN RESOLUTION APPROVING INLIVIAN MULTIFAMILY NOTE IN AN AMOUNT UP TO \$20,800,000 (THE “NOTE”) FOR UNION AT TRYON

WHEREAS, INLIVIAN (the “Authority”) has decided to issue its Multifamily Note (the “Note”) to finance the acquisition, construction and equipping by Union at Tryon, LP, an Indiana limited partnership, or a related or affiliated entity (the “Borrower”), of a low income multifamily residential rental facility to be known as Union at Tryon, consisting of approximately 200 units, in the City of Charlotte, Mecklenburg County, North Carolina (the “Development”); and

WHEREAS, the Note will be issued pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended; and

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

WHEREAS, on September 14, 2021, the Commission approved the Authority’s issuance of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$20,800,000, with an initial interest rate not to exceed 12.0% per annum and a final maturity of not later than December 31, 2041 (the “Prior Approval”) for the financing of the Development; and

WHEREAS, at the time of the Prior Approval it was anticipated that such bonds would be sold in a public offering with a Fannie Mae tax-exempt bond structure; and

WHEREAS, the Authority and the Borrower have requested that the Commission amend the Prior Approval to approve the change in the financing structure for the financing of the Development from a publicly offered Fannie Mae tax-exempt bond structure to the issuance of the Note through a privately placed Freddie Mac tax-exempt loan structure; and

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

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

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

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

WHEREAS, based upon the information and evidence received in connection with such request, including resolutions adopted by the Board of Commissioners of the Authority on June 21, 2022, it is hereby determined and found by the Commission:

(a) that such proposed note issue is necessary or expedient;

(b) that the proposed amount of the note issue is adequate and not excessive for the proposed purposes thereof;

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

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

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

WHEREAS, 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;

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

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

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Note shall be issued in an aggregate principal amount not to exceed \$20,800,000, shall initially bear interest at a tax-exempt rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2041.

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

Section 4. All other terms of the Prior Approval remain in full force and effect.

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

Auditor Wood seconded the motion, and the foregoing was approved by unanimous vote of 6 – 0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following resolution:

The City of Salisbury 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>
South Salisbury Fire Dept.	6/30/2021	2022	12,321.42

Auditor Wood seconded the motion and the foregoing was adopted by unanimous vote of 6-0 (Absent: Penny, Burns, Butler).

Secretary Marshall made a motion to adopt the following:

RESOLUTION APPROVING TOWN OF WAYNESVILLE, IS REQUESTING APPROVAL OF AN INCREASE IN ADDITIONAL FUNDS TO STATE REVOLVING LOAN. THE WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT WILL REHABILITATE THE EXISTING SUSPENDED GROWTH ACTIVATED SLUDGE PROCESS WITH REPLACEMENT THE HEADWORKS AND SECONDARY CLARIFIERS.

WHEREAS, Town of Waynesville (the "Town) requests an increase of \$5,000,000 for a total of \$24,045,900. The original loan was approved by the Local Government Commission on January 5, 2021, for \$19,045,000. The loan term was extended to 26 years and the extension approved on February 2, 2021. The Town has requested an increase in the amount of \$5,000,000; and

WHEREAS, the increase is due to higher than anticipated bids for the project.; and

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

Auditor Wood seconded the motion and the foregoing was adopted by unanimous vote of 6-0.(Absent : Penny, Burns, Butler)

Discussion of Units with Audits Two or More Years Late

LGC staff issued letters to 14 units that were two or more years behind on submitting their annual audits as of May 27, 2022, asking for explanations for the delay. LGC staff reviewed the responses and asked five units to appear before the Commission to address staff concerns and questions of the Commission: The Town of Black Creek, Town of Hamilton, Town of Lucama, Engelhard Sanitary District, and Swan Quarter Sanitary District. Representatives from Black Creek, Lucama, Hamilton, and Engelhard Sanitary District attended virtually and answered the members'

questions (**See Attachment A**). Representatives from Swan Quarter Sanitary District were not able to establish an audible connection to the meeting and will be asked to participate in the Commission's August meeting. The unit representatives shared the various problems experienced that caused delays in the timely submission of their audits including software implementation issues, staff turnover, and issues with CPA firms' availability and performance. Chair Folwell recommended that representatives from the North Carolina Board of CPA Examiners be invited to listen to future discussions of this issue. Auditor Wood requested that the LGC staff provide monthly reports on the progress being made by all 14 units in completing and submitting their outstanding audit reports.

Auditor Wood made a motion to adopt the following resolution:

SEE EXHIBIT 1: Resolution To Modify the Appointment of Finance Officer and Account Signatories for the Town of Eureka

Ms. Harvey seconded the motion, and the foregoing was adopted by unanimous vote of 7 – 0 (Absent: Penny, Burns). The meeting webinar connection was momentarily lost at approximately 3:12 p.m. during the vote, but the connection was restored within a minute and the vote continued.

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

SEE EXHIBIT 2: Resolutions adopting Uniform Guidance Policies

(Thirty resolutions consisting of six Uniform Guidance policies related to the receipt of ARPA funds for each of five Towns under LGC financial control -Eureka, Kingstown, Pikeville, Robersonville and Spring Lake)

Mr. Philbeck seconded the motion, and the foregoing were adopted by unanimous vote of 7 – 0 (Absent: Penny, Burns).

Auditor Wood left the meeting at 3:20 p.m.

Secretary Marshall made a motion to adjourn. Mr. Philbeck seconded the motion which passed by unanimous vote of 6 – 0 (Absent: Penny, Burns, Wood). The meeting adjourned at 3:24 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on August 2, 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 July 12, 2022.

WITNESS my hand at Raleigh, this 12th day of July 2022.

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

Attachment A to LGC Meeting Minutes July 12, 2022

Unit Representatives Participating

To Discuss Late Audits

Town of Black Creek

Ralph Smith, Mayor

Candy Minshew, Commissioner

Cindy Dougherty, Town Clerk

Town of Lucama

Jeff Johnson, Mayor

Darlene Newsome, Town Administrator

James Overton, CPA, Carr, Riggs & Ingram

Town of Hamilton

Ervin Williams, Mayor

William Freeman, Commissioner

Linda Goodrich, Commissioner

Judith Stewart, Commissioner

Allison Roebuck, Finance Officer

Engelhard Sanitary District

Jo Ann Spencer, Chairperson

EXHIBIT 1



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA

DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

RESOLUTION TO MODIFY THE APPOINTMENT OF FINANCE OFFICER AND ACCOUNT SIGNATORIES 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 Commission desires to discharge Manasa Cooper from her duties as Finance Officer, to appoint and designate a replacement Finance Officer, and to designate an additional Account Signatory for the Town;

NOW THEREFORE, BE IT RESOLVED that the Commission:

- 1) Terminates the appointment of Manasa Cooper as Finance Officer and appoints Michael Milam as Finance Officer; and
- 2) Terminates Manasa Cooper as an Account Signatory, and retains Michael Milam as an Account Signatory pursuant to the Commission's resolution adopted April 13, 2021; and
- 3) Appoints Kendra Boyle an Account Signatory with the authority to execute signature cards for the existing Town bank accounts and countersign disbursements; and
- 4) Retains Antonio Edmundson as Deputy Finance Officer and Account Signatory pursuant to the Commission's resolution adopted December 7, 2021.

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 July 12, 2022.

WITNESS my hand this 12th day of July 2022.

Sharon G. Edmundson, Secretary
North Carolina Local Government Commission

EXHIBIT 2
Resolutions adopting Uniform Guidance Policies

(Thirty resolutions consisting of six Uniform Guidance policies related to the receipt of ARPA funds for each of five Towns under LGC financial control - Eureka, Kingstown, Pikeville, Robersonville and Spring Lake)

Because the resolutions total nearly 300 pages, copies are not attached. Copies are available from LGC staff upon request (SLGFD@nctreasurer.com).

Six Uniform Guidance policies were adopted for each town:

- Eligible Project Policy
- Allowable Costs and Cost Principles Policy
- Nondiscrimination Policy
- Records Retention Policy
- Conflict of Interest Policy
- Financial Management and Internal Controls Policy