

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

**July 11, 2023**

The meeting was called to order by Chairman Dale R. Folwell at 1:30 p.m., on the above date. The meeting was conducted in person and by use of simultaneous communication by GoToWebinar™. Members present in person: Chair Folwell, State Auditor Beth Wood, Bill Toole (Secretary of State designee). Members present virtually: Anthony Edwards (Secretary of Revenue designee), Vida Harvey, Nancy Hoffmann, and Mike Philbeck.

Members absent: John Burns, Paul Butler.

Other DST participants present in person: Sharon Edmundson, Jennifer Wimmer, Debbie Tomasko, David Erwin, and Cindy Aiken.

Others attending in person: DST staff Jason Sass, Laura Rowe, Kendra Boyle, and Joah Bickley.

A quorum was present for the entire meeting.

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

Auditor Wood made a motion to approve the minutes of the June 6, 2023 regular meeting and the June 26, 2023 special meeting. Mr. Toole seconded the motion, and the minutes were approved by unanimous vote of 7 – 0 (Absent: Burns, Butler).

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

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**PENDER COUNTY**

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

**“RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL  
OBLIGATION BONDS”**

WHEREAS, the following unit has filed an application with the North Carolina Local Government Commission (the “Commission”) for approval to issue general obligation bonds, pursuant to the Local Government Bond Act, as amended.

APPLICANT	Pender County
PURPOSE	Schools

AMOUNT	\$178,000,000
ELECTION DATE	November 8, 2022
BOND COUNSEL	Sanford Holshouser LLP
FINANCIAL ADVISOR	Davenport & Company LLC

WHEREAS, upon the authorization, in accordance with law, of the bonds hereinabove mentioned, the respective unit will be empowered to issue bonds and notes in anticipation of the receipt of the proceeds of the sale of said bonds; and

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

- (1) That the proposed bond issue is necessary or expedient.
- (2) That the amount proposed is adequate and not excessive for the proposed purpose of the issue.
- (3) That the County's debt management procedures and policies are good.
- (4) That the increase in taxes, if any, necessary to service the proposed debt will not be excessive.
- (5) That the proposed bonds can be marketed at reasonable rates of interest.
- (6) That the assumptions used by the County's finance officer in preparing the statement of estimated interest filed with the clerk pursuant to G.S. 159-55.1(a) are reasonable.

WHEREAS, based upon the information and evidence received by the Commission, it is of the opinion that the issuance of the bonds hereinabove mentioned and the issuance of any notes in anticipation of the receipt of the proceeds of the sale of said bonds should be approved; and that the bond counsel and financial advisor hereinabove mentioned should be approved;

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the County's application for approval of the issuance of the bonds, bond counsel, and financial advisor hereinabove mentioned are hereby approved under the provisions of the Local Government Bond Act, as amended."

Ms. Hoffmann seconded the motion and the foregoing resolution was adopted by unanimous vote of 6 – 0 (Abstain: Harvey; Absent: Burns, Butler). Ms. Harvey announced she would abstain from the vote due to the potential sale of the building Novant Health now leases in connection with its current ownership and operation of Pender Memorial Hospital. David Andrews, County Manager; Margaret “Meg” Blue, Finance Director; Allen Vann, Assistant County Manager; Michael Taylor, Chief Officer of Auxiliary Services, Pender Co. Schools; Bob Jessup, Bond Counsel – Sanford Holshouser; Ted Cole, Davenport; and Mitch Brigulio, Davenport attended virtually to speak and answer members’ questions.

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## TRANSYLVANIA COUNTY

Auditor Wood made a motion to adopt the following resolution:

### **“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF TRANSYLVANIA FOR THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20**

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, the County of Transylvania, North Carolina (the “*County*”) has determined that it is in the best interests of the County to enter into an installment financing contract (the “*Contract*”) with JPMorgan Chase Bank, N.A. (the “*Bank*”) in order to pay the capital costs of constructing, equipping and furnishing a new Emergency Medical Services base station in the County (the “*Project*”) and (2) pay certain costs related to the execution and delivery of the Contract;

WHEREAS, the principal amount to be advanced by the Bank to the County under the Contract will not exceed \$5,500,000;

WHEREAS, the County will repay the advance of the Contract in semi-annual payments of interest and annual payments of principal at an interest rate not to exceed 3.56% per annum;

WHEREAS, the final maturity date of the Contract may not extend beyond June 1, 2038;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the County has made proper application to the Local Government Commission of North Carolina (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, 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 or expedient for the County;
- (2) the Contract, under the circumstances, is preferable to a bond issue by the County for the same purposes;
- (3) the sums to fall due under the Contract are adequate and not excessive for its proposed purposes;
- (4) the County'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 County is not in default in any of its debt service obligations.

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

Ms. Hoffmann seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler). Jamie Laughter, County Manager; David Cheatwood, First Tryon Advisors; and Chazzo Habliston, First Tryon Advisors attended virtually to speak and answer members' questions.

Auditor Wood made a motion to approve the following resolution:

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

WHEREAS, the County of Transylvania, North Carolina (the "*County*") has requested that the Local Government Commission of North Carolina (the "*Commission*") approve its selection of the following financing team members for the above-referenced installment financing contract:

Special Counsel:	- Parker Poe Adams & Bernstein LLP
Bank:	- JPMorgan Chase Bank, N.A.
Bank's Counsel:	- Womble Bond Dickinson (US) LLP
Financial Advisor:	- First Tryon Advisors

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

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

Ms. Hoffmann seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler). Jamie Laughter, County Manager; David Cheatwood, First Tryon Advisors; and Chazzo Habliston, First Tryon Advisors attended virtually to speak and answer members’ questions.

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**BEGIN CONSENT AGENDA**

**ASHEVILLE HOUSING AUTHORITY**

Ms. Hoffmann made a motion to approve the following action:

**RESOLUTION APPROVING HOUSING AUTHORITY OF  
THE CITY OF ASHEVILLE MULTIFAMILY HOUSING  
REVENUE BONDS (LAUREL WOOD APARTMENTS),  
SERIES 2023 IN ONE OR MORE SERIES IN AN AMOUNT  
UP TO \$15,555,000 (THE “BONDS”) AND THE  
FINANCING TEAM THEREFOR**

WHEREAS, the Housing Authority of the City of Asheville (the “Authority”) has decided to issue its Multifamily Housing Revenue Bonds (Laurel Wood Apartments), Series 2023 (the “Bonds”) to finance the acquisition and rehabilitation by Laurel Wood VOA Affordable Housing, LLC, a North Carolina limited liability company or a related or affiliated entity (the “Borrower”), of a 51-unit multifamily residential rental facility for seniors known as Laurel Wood Apartments and located in the City of Asheville, North Carolina, and the construction of 54 additional units for seniors on the same site to become part of Laurel Wood Apartments (the “Development”); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Bonds in one or more series in an aggregate principal amount not to exceed \$15,555,000, 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 28, 2023, 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 such 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:	Roberts & Stevens, P.A.
Borrower:	Laurel Wood VOA Affordable Housing, LLC
Borrower's Counsel:	The Banks Law Firm, P.A.
Underwriter:	Piper Sandler & Co.
Underwriter's Counsel:	Orrick, Herrington & Sutcliffe LLP
Tax Credit Investor:	NHT Equity, LLC or an affiliate
Tax Credit Investor's Counsel:	Kutak Rock LLP
Trustee:	U.S. Bank Trust Company, National Association
Trustee's Counsel:	Stover Legal Group, LLC

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) Indenture of Trust between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), providing for the issuance of the Bonds, together with the form of the Bonds;

(b) Loan Agreement between the Authority and the Borrower, pursuant to which the Authority will lend the proceeds of the Bonds to the Borrower (the "Loan");

(c) Promissory Note given by the Borrower to the Authority to evidence the Loan, which the Authority will assign to the Trustee as security for the Bonds;

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

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

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 one or more series in an aggregate principal amount not to exceed \$15,555,000, shall initially bear interest at fixed rates, such rates not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2044.

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 7 – 0 (Absent: Burns, Butler).

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## **CITY OF GASTONIA**

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

### **RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF GASTONIA, NORTH CAROLINA COMBINED UTILITIES SYSTEM REVENUE BONDS, SERIES 2023**

WHEREAS, the City of Gastonia, North Carolina (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve their selection of the following financing team members for the upcoming issuance of the City’s Combined Utilities System Revenue Bonds, Series 2023 (the “Bonds”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriter:	Wells Fargo Bank, National Association
Underwriter’s Counsel:	Pope Flynn, LLC
Trustee/Bond Registrar:	U.S. Bank Trust Company, National Association
Financial Advisor:	First Tryon Advisors
Feasibility Consultant:	Willdan Financial Services

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

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

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

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

**RESOLUTION APPROVING THE APPLICATION OF THE CITY OF GASTONIA, NORTH CAROLINA FOR THE ISSUANCE OF COMBINED UTILITIES SYSTEM REVENUE BONDS, SERIES 2023**

WHEREAS, the City of Gastonia, North Carolina (the “City”) has applied to the North Carolina Local Government Commission (the “Commission”) pursuant to The State and Local Government Revenue Bond Act, as amended, for approval of the issuance by the City of not to exceed \$42,000,000 City of Gastonia, North Carolina Combined Utilities System Revenue Bonds, Series 2023 (the “Bonds”) for the purpose of providing funds, together with any other available funds, to (a) pay the costs of acquiring, constructing and equipping various improvements to the City’s combined utilities system including, without limitation, (i) the construction and installation of water and sanitary sewer mains and lines within and without the corporate limits of the City, (ii) the construction of a new wastewater pump station and (iii) the decommissioning of existing wastewater pump stations (the “Series 2023 Project”), (b) pay all or a portion of the interest on the Bonds during construction of the Series 2023 Project, (c) fund any necessary debt service reserve fund for the Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the Bonds; and

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

(a) Trust Agreement, dated as of May 1, 1994, as supplemented and amended (the “Trust Agreement”), between the City and First Union National Bank (succeeded by U.S. Bank Trust Company, National Association), as trustee (the “Trustee”);

(b) Eleventh Supplemental Trust Agreement, to be dated as of August 1, 2023, between the City and the Trustee;

(c) Bond Purchase Agreement, to be dated as of the date of delivery thereof (the “Bond Purchase Agreement”), among Wells Fargo Bank, National Association (the “Underwriter”), the Commission and the City; and

(d) Preliminary Official Statement, to be dated as of the date of delivery thereof, relating to the offering and sale of the Bonds; and

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

(i) that the proposed Bonds are necessary or expedient;

(ii) that the amount of the proposed Bonds is adequate, when added to other monies available to the City, and not excessive for the proposed purposes 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 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 Bonds in a principal amount not to exceed \$42,000,000 for the purposes set forth above 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 7 – 0 (Absent: Burns, Butler).

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

**RESOLUTION CONCERNING THE PRIVATE SALE OF THE CITY OF  
GASTONIA, NORTH CAROLINA COMBINED UTILITIES SYSTEM  
REVENUE BONDS, SERIES 2023**

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, Wells Fargo Bank, National Association (the "Underwriter") has offered to purchase from the City of Gastonia, North Carolina (the "City") its Combined Utilities System Revenue Bonds, Series 2023 (the "Bonds") from the Commission upon the terms and conditions set forth below and in the form of a Bond Purchase Agreement relating thereto (the "Bond Purchase Agreement"); and

WHEREAS, the Commission has received a copy of the Preliminary Official Statement relating to the offering and sale of the Bonds; and

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 Underwriter to purchase the Bonds substantially in the form of the Bond Purchase Agreement and upon the terms and conditions set forth below.

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

Section 1. The sale of the Bonds to the Underwriter at private sale without advertisement pursuant to an executed Bond Purchase Agreement substantially in the form

furnished to the Commission is hereby approved, such sale being subject to the approval of the City and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the Bonds shall not exceed \$42,000,000. 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 an effective interest cost of not to exceed 5% per annum, such measure being defined as determined by the Commission.

Section 4. No maturity of the Bonds shall exceed May 1, 2043.

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 or any Deputy Secretary of the Commission is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution, and the Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the 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 provisions of the bond order of the City, the Trust Agreement and the Eleventh Supplemental Trust Agreement relating to the issuance of the Bonds and the Bond Purchase Agreement.

Section 7. The Preliminary Official Statement relating to the Bonds, in substantially the form of the Preliminary Official Statement 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 are hereby approved and authorized. The Designated Assistant is hereby authorized and directed to approve and deliver on behalf of the Commission the final Official Statement in substantially such form, together with the inclusion of the pricing and other information relating to the Bonds as may be approved by the Designated Assistant.

Section 8. This resolution shall be effective immediately upon its adoption.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

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#### **HICKORY HOUSING AUTHORITY**

Ms. Hoffmann made a motion to approve the following action:

#### **RESOLUTION APPROVING CITY OF HICKORY PUBLIC HOUSING AUTHORITY MULTIFAMILY HOUSING**

**REVENUE BONDS (HILLTOP APARTMENTS), SERIES  
2023 IN ONE OR MORE SERIES IN AN AMOUNT UP TO  
\$12,000,000 (THE “BONDS”) AND THE FINANCING  
TEAM THEREFOR**

WHEREAS, the City of Hickory Public Housing Authority (the “Authority”) has decided to issue its Multifamily Housing Revenue Bonds (Hilltop Apartments), Series 2023 (the “Bonds”) to finance the acquisition, rehabilitation and equipping by Hilltop NC TC, LP, a North Carolina limited partnership, or a related or affiliated entity (the “Borrower”), of a low income multifamily residential rental facility known as Hilltop Apartments, consisting of 106 units and located in the City of Hickory and Town of Long View, North Carolina (the “Development”); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Bonds in one or more series in an aggregate principal amount not to exceed \$12,000,000, 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 June 22, 2023, 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 such 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:	Hilltop NC TC, LP
Borrower’s Counsel:	Ellinger & Carr, PLLC
Bondholder:	Cedar Rapids Bank and Trust Company

Bondholder's Counsel: Winthrop & Weinstine, P.A.  
Tax Credit Investor: CAHEC, or an affiliate

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 Cedar Rapids Bank and Trust Company (the "Bondholder"); and

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

(a) Bond Financing Agreement, by and among the Authority, the Borrower and the Bondholder, providing for the issuance of the Bonds, together with the form of the Bonds, and providing for the financing of the Development by the Authority;

(c) Promissory Note given by the Borrower to the Authority; and

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

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

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

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Bonds shall be issued in an aggregate principal amount not to exceed \$12,000,000, shall initially bear interest at a variable rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 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 7 – 0 (Absent: Burns, Butler).

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## JOHNSTON COUNTY

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

### **RESOLUTION APPROVING THE FINANCING TEAM FOR THE COUNTY OF JOHNSTON, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2023**

WHEREAS, the County of Johnston, North Carolina (the “County”) has requested that the North Carolina Local Government Commission approve its selection of the following financing team members for its water and sewer system revenue bond issue, Series 2023:

Bond Counsel:	Maynard Nexsen PC
Underwriters:	R. W. Baird & Co. (Sr.) Wells Fargo Bank, National Association/ Wells Fargo Securities, LLC (Co.)
Underwriters’ Counsel:	Hawkins Delafield & Wood LLP
Registrar/Trustee:	U.S. Bank Trust Company, National Association
County Attorney:	Jennifer J. Slusser, Esq.
Financial Adviser:	Davenport & Company, LLC
Feasibility Consultant:	Willdan Financial Services

WHEREAS, based upon the information and evidence received by the LGC, the LGC 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 County’s water and sewer system revenue bond issue, Series 2023.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

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

### **RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF JOHNSTON, NORTH CAROLINA FOR THE ISSUANCE OF THE COUNTY OF JOHNSTON, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2023 IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$85,000,000**

WHEREAS, the County of Johnston, North Carolina (the “County”) has applied to the Local Government Commission of North Carolina (the “Commission”), pursuant to The State and Local Government Revenue Bond Act, as amended (the “Act”), for approval of the issuance of the County’s Water and Sewer System Revenue Bonds , Series 2023 (the “Bonds”),

in an aggregate principal amount not exceeding \$85,000,000, for the purpose of providing funds, together with other available funds, to pay all or a portion of (a) the costs of the 2023 Project (as defined in the Second Supplement described herein) and (b) the expenses of issuing the Bonds;

WHEREAS, the County has determined to provide for the issuance from time to time of revenue bonds under the Act for the purpose of (i) financing or refinancing the costs of extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the water and sewer system and (ii) paying the costs of issuance for any revenue bonds;

WHEREAS, the County has adopted a bond order, dated July 19, 2021 (the "Bond Order"), which authorizes the use of a master trust indenture structure for the revenue bonds, approves the form of a master trust indenture and provides for the issuance from time to time of water and sewer revenue bonds by the County in accordance with the terms and provisions of the Bond Order and the master trust indenture;

WHEREAS, the County has entered into a Master Trust Indenture, dated as of August 1, 2021 (the "Master Indenture"), between the County and U.S. Bank Trust Company, National Association, as master trustee (the "Master Trustee");

WHEREAS, all such revenue bonds will be special obligations of the County, secured by and payable solely from the Net Revenues of the County's Water and Sewer System (each as defined in the master trust indenture), which Net Revenues are pledged to the payment thereof pursuant to the terms and provisions of the master trust indenture;

WHEREAS, as part of said proposed revenue bond program, each of the existing water districts created by the County (collectively, the "Districts") have executed and delivered an Interlocal Agreement (the "Interlocal Agreement") between the County and such District, pursuant to which such District will contractually agree to provide financial support, if requested by the County and subject to the terms and limitations of said Interlocal Agreement, to the County for the repayment of the revenue bonds issued by the County from time to time;

WHEREAS, the Interlocal Agreement entered into by a District constitutes only a contractual obligation of such District, and will not constitute indebtedness of, or a guarantee by, such District;

WHEREAS, there has been submitted at this meeting a proposed draft of a Bond Purchase Agreement, proposed to be dated on or about July 20, 2023, or a mutually agreeable later date (the "Purchase Agreement"), whereby R. W. Baird & Co. and Wells Fargo Bank, National Association (the "Underwriters"), will offer to purchase the Bonds on the terms and conditions set forth therein and in the Master Indenture and Second Supplement (each as defined herein), and the Commission desires to approve the issuance of the Bonds and then accept such offer when made and approve the Purchase Agreement, subject to the approval of the County;

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

(a) a Second Supplemental Trust Agreement, proposed to be dated as of August 1, 2023 (the "Second Supplement"), between the County and U.S. Bank Trust Company, National Association, as bond trustee (the "Bond Trustee"), including a form of the Bonds contained therein;

(b) a Preliminary Official Statement with respect to the Bonds, proposed to be dated July 13, 2013 or thereafter (the "Preliminary Official Statement"); and

(c) the Purchase Agreement;

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby determined and found that (1) such proposed revenue bond issue is necessary or expedient, (2) the proposed amount of such revenue bond issue is adequate and not excessive for the proposed purpose(s) thereof, (3) the 2023 Project proposed to be financed by the bonds is feasible, (4) the County's debt management procedures and policies are good and (5) such proposed revenue bonds can be marketed at a reasonable interest cost to the County; and

WHEREAS, the Commission has found and determined, based upon the information and evidence it has received, that the proposed financing will effectuate the purposes of the Act;

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

Section 1. The terms and provisions of the Second Supplement, in substantially the form submitted at this meeting, are hereby approved.

Section 2. The issuance of the Bonds by the County pursuant to the terms and provisions of the Master Indenture and the Second Supplement for the purposes set forth above is hereby approved pursuant to the Act.

Section 3. The Bonds are hereby awarded to the Underwriters pursuant to the provisions of the Act and in accordance with the Purchase Agreement, subject to the approval of the County. The Commission hereby determines that such award and sale of the Bonds at rates that will provide a true interest cost not to exceed 6.00% (as determined by the Commission) and in an aggregate principal amount not to exceed \$85,000,000, are in the best interests of the County.

Section 4. The Bonds shall mature on the dates and in the principal amounts as shall be provided in the Second Supplement. The final maturity of any of the Bonds shall not exceed December 31, 2053.

Section 5. The distribution of the Preliminary Official Statement, in substantially the form submitted at this meeting, with such insertions and changes therein as may be approved by the Designated Assistant, is hereby authorized and the distribution of the final Official Statement relating to the Bonds, upon approval by the County, is hereby approved.

Section 6. Subject to the limitations set forth in Section 3 of this resolution, the form of the Purchase Agreement as submitted at this meeting is hereby approved, and the

Designated Assistant (as defined herein) is hereby authorized and directed to execute and to deliver on behalf of the LGC the Purchase Agreement in substantially the form submitted at this meeting, with any changes in the terms provided therein as may be appropriate to conform to the provisions of this resolution.

Section 7. 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 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 Purchase Agreement and such other documents on behalf of the LGC and to provide for the execution and delivery of the Bonds in accordance with the Master Indenture, the Second Supplement and the Purchase Agreement.

Section 8. This resolution shall be effective immediately upon its passage.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

\* \* \* \* \*

#### **TOWN OF MILLS RIVER**

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

**“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF MILLS RIVER, NORTH CAROLINA. THIS PROJECT CONSISTS OF PURCHASE OF 34.16 ACRES ADJACENT TO THE EXISTING TOWN PARK AND TOWN HALL COMPLEX (THE “PROJECT”) THROUGH A SELLER-FINANCED INSTALLMENT PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. 160A-20.**

WHEREAS, the Town of Mills River, North Carolina (the “Town”) has determined that the Project, is necessary and expedient to accommodate future expansion of the Town’s park and future construction of a new town hall as the Town’s population and Town staff grow; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town intends to finance the Project through a purchase money installment purchase contract (the “Contract”) with the seller of the property (the “Seller”), whereby the Town will be indebted to the Seller for the purchase price, and the Town, subject to its right of nonappropriation, shall repay the indebtedness with interest in installments; and

WHEREAS, the principal amount of the Contract shall not exceed \$2,416,000 with monthly level principal payments for a term of thirteen (13) years at an approved interest rate of 5.0%; and



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

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

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

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

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

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

\* \* \* \* \*

#### NASH COUNTY

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

**RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF NASH, NORTH CAROLINA FOR THE FINANCING OF THE ACQUISITION OF TWO SHELL BUILDINGS FOR SAID COUNTY THROUGH TWO INSTALLMENT FINANCING AGREEMENTS PURSUANT TO G.S. §160A-20**

WHEREAS, the County of Nash, North Carolina (the "County") has determined that it is necessary or expedient to pay the cost of acquiring and constructing (a) an industrial

shell building located at Middlesex Corporate Park to be used for economic development purposes (the “Middlesex Project”) and (b) an industrial shell building located on Highway 97 to be used for economic development purposes (the “Highway 97 Project” and, together with the Middlesex Project, the “Project”); and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to finance the Project pursuant to two Installment Financing Agreements (collectively, the “Agreements”) between the County and United Community Bank (the “Lender”), whereby the Lender shall advance moneys to the County, and the County, subject to its right of nonappropriation, shall repay the advancement with interest in installments; and

WHEREAS, the aggregate principal amount to be advanced to the County pursuant to the Agreements shall not exceed \$6,200,000 to be repaid in annual installments of principal and interest over a term of approximately ten (10) years (final maturity not to exceed June 1, 2033) at a rate of 5.27% per annum.

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

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

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

- (i) that the Agreements are necessary or expedient for the County;
- (ii) that the Agreements, under the circumstances, are preferable to a bond issue for the same purpose;
- (iii) that the sums to fall due under the Agreements 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 Agreements will not be excessive.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Agreements 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.

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

\* \* \* \* \*

**CITY OF STATESVILLE**

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

**RESOLUTION APPROVING THE APPLICATION OF THE CITY OF STATESVILLE, NORTH CAROLINA FOR THE FINANCING OF A FIRE STATION AND A NEW MUNICIPAL OPERATIONS CENTER FOR SAID CITY THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. § 160A-20**

WHEREAS, the City of Statesville, North Carolina (the “City”) has determined that it is necessary and expedient to pay the costs of acquiring, constructing and equipping (a) a Fire Station in the City and (b) a new Municipal Operations Center for the City (collectively, the “Project”); and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the City intends to finance the Project pursuant to an Installment Financing Agreement (the “Agreement”) between the City and Truist Commercial Equity, Inc. (the “Lender”), whereby the Lender shall advance moneys to the City, and the City, subject to its right of nonappropriation, shall repay the advancement with interest in installments; and

WHEREAS, the aggregate principal amount of the Agreement shall not exceed \$9,400,000 with annual principal and semi-annual interest payments with a term of approximately fifteen (15) years (final maturity not to exceed June 1, 2038) at a rate of 4.04% per annum (subject to adjustment as provided in the Agreement).

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

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

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

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

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

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

Auditor Wood seconded the motion and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

\* \* \* \* \*

#### **MISCELLANEOUS - ACTION ITEM:**

#### **GASTONIA HOUSING AUTHORITY**

Ms. Hoffmann made a motion to approve the following request:

The financing for Fairhaven Place was approved by the LGC on October 4, 2022 with a not to exceed bond amount of \$39 million, including \$22 million of tax-exempt Series A and \$17 million of taxable Series B Multifamily Housing Revenue Notes (the “Multifamily Notes”). On March 7, 2023, due to rising construction costs, the LGC approved a not-to-exceed amount of \$47,900,000, consisting of up to \$24.9 million of tax-exempt Series A and \$23 million of taxable Series B, a not to exceed interest rate of 12% and a not to exceed maturity date of December 31, 2042. The approval included a private placement with Pacific Western Bank.

The borrower recently secured improved financing terms by transitioning to a private placement with Cedar Rapids Bank and Trust Company. The tax-exempt bonds will not exceed \$24.9 million which will be issued by the Gastonia Housing Authority and the approximate \$23 million taxable portion of financing will be a direct loan between the bank and the borrower (no LGC approval required for the taxable portion). Gastonia Housing Authority is requesting approval of the bank change as well as an extension of the maturity date which is not to exceed December 31, 2046. The remaining terms of not to exceed of \$47 million and the not to exceed interest rate of 12% both remain the same.

Auditor Wood seconded the motion and the foregoing was approved by unanimous vote of 7 – 0 (Absent: Burns, Butler).

**END OF CONSENT AGENDA**

\*\*\*\*\*

Auditor Wood made a motion to adopt the following items:

**See EXHIBIT 2:** Resolution to Modify the Appointment of Deputy Finance Officer and Account Signatories for the Town of Eureka

**See EXHIBIT 3:** Resolution Authorizing the Town of Robersonville to Accept Grant Funding from the North Carolina Department of Environmental Quality (\$506,765)

**See EXHIBIT 4:** Resolution Authorizing the Town of Robersonville to Accept Grant Funding from the North Carolina Department of Environmental Quality (\$6,000,000)

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

Mr. Toole made a motion to adopt the following item:

**See EXHIBIT 5:** Resolution Repealing Rules and Adopting Proposed New Rules in 20 NCAC 03 Section .0700

Ms. Harvey seconded the motion and the foregoing was adopted by unanimous vote of 7 – 0 (Absent: Burns, Butler).

\*\*\*\*\*

## OVERVIEW OF NC SESSION LAW 2023-59

Debbie Tomasko gave a presentation of Session Law 2023-59 (SB299), *An Act to Increase Compliance by Counties and Municipalities That Fail to Timely Submit an Annual Audit Report*. Ms. Tomasko summarized the provisions of the law, which amends G.S. 159-34, and outlined the LGC responsibilities to implement the law and develop guidelines outlining specific criteria and circumstances that would warrant a local government's successful appeal of a notice of non-compliance. LGC members requested that LGC staff work with the NC League of Municipalities, the Association of County Commissioners and others to provide elected boards and local government staff plenty of notice about the new law and the implementation timeline.

\*\*\*\*\*

## UNIT UPDATES

### Town of Spring Lake Presentation

LGC Staff member David Erwin (current Town Finance Officer) gave a financial update on the Town using the presentation he made to the Town Board of Aldermen in March 2023. The presentation included a summary of the financial status of the Town funds as of February 28, 2023 and a summary of benefits provided to the Town since July 2021 by the LGC staff and the contracted accounting services firm.

### Elizabeth City Discussion

LGC members received the packet of citizen comments sent to the LGC (the same packet was included in the June 2023 meeting agenda packet). Sharon Edmundson summarized the comments (lack of confidence in the City government; concerns about the financial condition, internal controls, qualifications of the staff, and how the City will continue to grow and move forward). She gave a brief update on the City's FY 2024 adopted budget, and the status of the audits (2021 received, 2022 not yet completed, work is progressing). She continues to be concerned since the current financial condition of the City is still unknown. The LGC members discussed the LGC's options and the appropriate processes and timelines for an LGC course of action.

Auditor Wood left the meeting at 3:28 p.m.

Ms. Hoffmann made a motion to adjourn. Mr. Toole seconded the motion which passed by unanimous vote (Absent: Wood, Burns and Butler). The meeting adjourned at 3:30 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on August 1, 2023 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 11, 2023.

WITNESS my hand at Raleigh, NC, this 11th day of July 2023.



---

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

# EXHIBIT 1

Local Governments Requesting Debt Approval by LGC									
Meeting Date 07/11/23									
		As Reported in 2022 Fiscal Year End Audits							
Name of Unit	County	Total OPEB Liability	Actuarial Value of OPEB Assets	Net OPEB Liability	Total LEOSSA Pension Liability	Actuarial Value of LEOSSA Assets	Net LEOSSA Pension Liability	Total Net Liability for OPEB and LEOSSA	LGERS/TSERS Net Pension Liability (1)
Asheville Housing Authority (2)	Buncombe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charlotte-Mecklenburg Hospital Authority (2)	Mecklenburg	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gastonia	Gaston	65,707,214	0	65,707,214	24,212,812	0	24,212,812	89,920,026	9,941,229
Gastonia Housing Authority (3)	Gaston	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hickory Housing Authority (3)	Catawba	N/A	N/A	N/A	N/A	N/A	N/A	N/A	382,489
Inlivian Housing Redefined (2)	Mecklenburg	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,143,872
Johnston County	Johnston	235,318,865	0	235,318,865	6,409,934	0	6,409,934	241,728,799	13,328,498
Mills River	Henderson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77,908
Nash County	Nash	74,544,759	0	74,544,759	4,622,023	0	4,622,023	79,166,782	6,254,618
Pender County	Pender	22,041,675	0	22,041,675	2,635,853	0	2,635,853	24,677,528	4,531,623
Statesville	Iredell	1,415,057	0	1,415,057	3,667,521	0	3,667,521	5,082,578	4,562,756
Transylvania County	Transylvania	2,929,428	0	2,929,428	2,457,496	0	2,457,496	5,386,924	3,693,973
LGERS - Local Government Employees' Retirement System		OPEB - Other Post Employment Benefits (e.g. retiree healthcare)							
TSERS - Teachers' and State Employees' Retirement System		NA - Not applicable							
(1) LGERS/TSERS liabilities are satisfied by monthly employer contributions to the plans. The contribution rates are reviewed annually and adjusted as needed. See detailed explanation on cover page.									
(2) Financials as of 12/31/2021.									
(3) Financials as of 09/30/2022.									



**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 MODIFY THE APPOINTMENT OF DEPUTY 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 Kendra Boyle from her duties as Account Signatory, and to appoint Eric Faust as Deputy Finance Officer and additional Account Signatory for the Town;

NOW THEREFORE, BE IT RESOLVED that the Commission:

- 1) Terminates the appointment of Kendra Boyle as Account Signatory; and
- 2) Appoints Eric Faust as Deputy Finance Officer and an Account Signatory with the authority to execute signature cards for the existing Town bank accounts and countersign disbursements; and
- 3) Retains Michael Milam as Finance Officer and Account Signatory pursuant to the Commission's resolution adopted July 12, 2022; 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 11, 2023.

WITNESS my hand this 11<sup>th</sup> day of July 2023.

*Sharon Edmundson*

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission





**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 AUTHORIZING THE TOWN OF ROBERSONVILLE  
TO ACCEPT GRANT FUNDING FROM THE  
NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY**

WHEREAS, The Town of Robersonville has qualified for the Viability Utility Reserve (VUR) designation associated with the American Rescue Plan (ARP) funded from the State Fiscal Recovery Fund established in S.L. 2021-180/S.L. 2022-74 to assist eligible units of government with meeting their water/wastewater infrastructure needs; and

WHEREAS, The North Carolina Department of Environmental Quality has offered a VUR grant from American Rescue Plan (ARP) funding in the amount of \$506,765 for to perform work detailed in the submitted application related to Project No. VUR-D-ARP-0053; and

WHEREAS, The Town of Robersonville intends to perform said project in accordance with the agreed scope of work;

**NOW, THEREFORE, BE IT RESOLVED, BY THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION, ACTING AS GOVERNING BOARD FOR FINANCIAL MATTERS FOR THE TOWN OF ROBERSONVILLE PURSUANT TO NORTH CAROLINA GENERAL STATUTE §159-181(c):**

That the Town of Robersonville does hereby accept the American Rescue Plan Grant offer of \$506,765.

That the Town of Robersonville does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Chris Roberson, Town Manager, the Authorized Representative, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State Agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

EXHIBIT 3 Page 2 of 2

Resolution Authorizing Acceptance of \$506,765 DEQ ARP Grant  
Town of Robersonville  
July 11, 2023

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 11, 2023.

WITNESS my hand this 11th day of July 2023.

A handwritten signature in black ink that reads "Sharon Edmundson". The signature is written in a cursive, flowing style.

---

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission



**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 AUTHORIZING THE TOWN OF ROBERSONVILLE  
TO ACCEPT GRANT FUNDING FROM THE  
NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY**

WHEREAS, The Town of Robersonville has qualified for the Viability Utility Reserve (VUR) designation associated with the American Rescue Plan (ARP) funded from the State Fiscal Recovery Fund established in S.L. 2021-180 / S.L.2022-74 to assist eligible units of government with meeting their water/wastewater infrastructure needs; and

WHEREAS, The North Carolina Department of Environmental Quality has offered a grant from American Rescue Plan (ARP) funding in the amount of \$6,000,000 for to perform work detailed in the submitted application related to Project No. SRP-W-ARP-0250; and

WHEREAS, The Town of Robersonville intends to perform said project in accordance with the agreed scope of work;

**NOW, THEREFORE, BE IT RESOLVED, BY THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION, ACTING AS GOVERNING BOARD FOR FINANCIAL MATTERS FOR THE TOWN OF ROBERSONVILLE PURSUANT TO NORTH CAROLINA GENERAL STATUTE §159-181(c):**

That the Town of Robersonville does hereby accept the American Rescue Plan Grant offer of \$6,000,000.

That the Town of Robersonville does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Chris Roberson, Town Manager, the Authorized Representative, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State Agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

EXHIBIT 4 Page 2 of 2

Resolution Authorizing Acceptance of \$6,000,000 DEQ ARP  
Grant Town of Robersonville  
July 11, 2023

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 11, 2023.

WITNESS my hand this 11th day of July 2023.

A handwritten signature in cursive script, reading "Sharon Edmundson", written in black ink.

---

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission



**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

DEPUTY TREASURER

**RESOLUTION REPEALING RULES AND ADOPTING PROPOSED  
NEW RULES IN 20 NCAC 03 SECTION .0700**

WHEREAS, North Carolina General Statute §159-30(c)(8) permits local governments and public authorities to invest in “participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this subsection (c) and that said fund is certified by the Local Government Commission”; and

WHEREAS, North Carolina General Statute §159-30(c)(8) further provides that “The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment” (“mutual fund rules”); and

WHEREAS, North Carolina Administrative Code [Title 20, Chapter 03](#), Section .0700 contains such rules (the “Current Rules”); and

WHEREAS, Commission staff have recommended repealing 20 NCAC 03 .0701 through .0709 concerning the establishment and qualifications of a mutual fund for local government investment; and

WHEREAS, staff have developed proposed text for new rules (20 NCAC .0710 through .0715) concerning the establishment and qualifications of a mutual fund for local government investment (the “Proposed Rules”);

WHEREAS, the Commission previously approved proposed text for the Proposed Rules at its meeting on March 7, 2023; and

WHEREAS, the Proposed Rules were published in the NC Register on April 3, 2023 for the required 60-day comment period; and

WHEREAS, the 60-day comment period ended on June 2, 2023 during which time two public comment letters were received;

WHEREAS, the entirety of the two public comment letters have been provided to the Commission for the Commission’s full consideration; and

WHEREAS, Commission staff reviewed the public comment letters, proposed changes to the final text of the Proposed Rules to the Commission, presents the attached final language of the Proposed Rules to the Commission for final review, and recommends the Commission adopt the Proposed Rules;

EXHIBIT 5 Page 2 of 7

Resolution Repealing Rules and Adopting New Rules in 20 NCAC 03 Section. 0700

July 11, 2023

Page 2

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

1. The Commission approves the proposed repeal of 20 NCAC 03 .0701 through .0709;
2. The Commission adopts the Proposed Rules 20 NCAC 03 .0710 through .0715 presented to the Commission as Attachment A;
3. The Commission authorizes its staff, working with the DST Rule Making Coordinator, to take all steps required by the permanent rulemaking process in accordance with NCGS Chapter 150B Article 2A.

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution adopted by the North Carolina Local Government Commission at its meeting held on July 11, 2023.

WITNESS my hand this 11th day of July 2023.



---

Sharon Edmundson, Secretary  
North Carolina Local Government Commission

**CHAPTER 03 - LOCAL GOVERNMENT COMMISSION**

**SECTION .0700 - MUTUAL FUND FOR LOCAL GOVERNMENT INVESTMENT**

**20 NCAC 03 .0710      GENERAL INFORMATION**

(a) This Section sets forth the manner in which a mutual fund for local government investment shall be certified as required by G.S. 159-30(c)(8).

(b) All correspondence to the State Treasurer under this Section shall be addressed to: Secretary, Local Government Commission, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604 or emailed to [SLGFD@nctreasurer.com](mailto:SLGFD@nctreasurer.com).

*History Note:* Authority G.S. 159-3(f); 159-30(c)(8);

Eff.

**20 NCAC 03 .0711      DEFINITION OF TERMS**

The following words and phrases used in this Section are defined as follows:

- (1) "Active Participants" means ~~local governments and public authorities as defined in G.S. 159-7, school administrative units, local ABC boards, community colleges, public hospitals, and other entities authorized by law to use forms of investment allowed by G.S. 159-30, Eligible Participants~~ that are currently invested in a Fund.
- (2) "Affiliate" means, with respect to any party, any person, entity, or organization that either directly or indirectly controls, is controlled by, or is under common control with such party, including any employee, officer, or director of such party.
- (3) "Broker-Dealer" means either a "broker" or a "dealer" as both are defined in the Securities Exchange Act of 1934 which is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title15/chapter2B&edition=prelim>.
- (4) "Certified Money Market Mutual Fund" means ~~a mutual fund certified under this Section which meets the definition of "Money Market Mutual Fund" in this Rule .0711.~~
- (5) "Certified Mutual Fund" means ~~a mutual fund certified under this Section which does not meet the definition of "Money Market Mutual Fund" in this Rule .0711.~~
- (6) "Decertification Period" means ~~the period of time beginning on the date the Commission adopts a resolution terminating the certification of a Fund and ending either 30 calendar days thereafter or on a date specified in such resolution.~~
- (7) "Eligible Participants" means ~~the following North Carolina entities: local governments and public authorities as defined in G.S. 159-7, school administrative units, local ABC boards, community colleges, public hospitals, and other entities authorized by North Carolina law to use forms of investment allowed by G.S. 159-30.~~

~~(5)(8)~~ “~~Enforcement-Reporting Event~~” means any of the following which either is a public record or is required by law to be reported to the Active Participants:

(a) any civil, administrative or criminal enforcement action under either state or federal law against a Fund, a Manager, or any Affiliate of a Fund or Manager.

(b) any notice from the SEC that SEC staff intends to recommend an enforcement action against a Fund, ~~or, with respect to services provided to the relevant Fund, against a~~ Manager, or any Affiliate of a Fund or Manager, or

(c) any non-routine SEC inquiry or investigation or any similar inquiry or investigation from any similar federal, state or self-regulatory body or organization against a Fund, a Manager, or any Affiliate of a Fund or Manager.

~~(6)(9)~~ “Fund” means a mutual fund certified under this Section.

~~(7)(10)~~ “Manager” means the investment adviser managing a Fund certified under this Section as required by Rule .0712(~~g~~f).

~~(8)(11)~~ “Money Market Mutual Fund” means a money market fund that complies with 17 C.F.R. § 270.2a-7 and which maintains a stable one-dollar net asset value (NAV) per share.

~~(9)(12)~~ “SEC” means the U.S. Securities and Exchange Commission.

*History Note: Authority G.S. 159-3(f); 159-30(c)(8);*

*Eff.*

## **20 NCAC 03 .0712 MINIMUM FUND STANDARDS**

(a) Moneys of a Fund may be invested only in securities permitted by G.S. 159-30. The maximum maturity of any security purchased shall not be set by the Commission; however, no maturity shall exceed seven years.

(b) A Fund shall be registered with the SEC as an investment company under the Investment Company Act of 1940 and shall comply with all applicable SEC rules, regulations, and reporting requirements. The SEC requirements of 17 CFR Chapter 2 are hereby incorporated by reference, including subsequent amendments and editions, and are available online, at no cost, at <https://www.ecfr.gov/current/title-17/chapter-II>. SEC registration and compliance do not modify the requirement that a Fund comply with G.S. 159-30. The Investment Company Act of 1940 is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title15/chapter2D/subchapterI&edition=prelim>.

(c) A Fund shall be established and operated in such a manner that any local, state, or federal income tax liability will be passed through to the Active Participants.

(d) A Fund shall ~~assign a benchmark that is specified in advance and is representative of the Fund’s current investment strategy and shall~~ periodically report performance in conformance with SEC rules and regulations, 17 CFR Chapter 2, and such reports shall include at least annually the Fund’s performance against any benchmarks assigned by the Fund. A Fund shall assign a benchmark that meets the following requirements:

(1) is unaffiliated with the Fund’s Manager;



(2) is specified in advance; and

(3) is representative of the Fund's current investment strategy and parameters.

(e) A Fund shall calculate a daily net asset value according to US "generally accepted accounting principles" (GAAP) and allow investors to transact daily at the net asset value.

(f) A Fund shall be managed by an investment adviser registered with either the SEC as an investment adviser under the Investment Advisers Act of 1940, or the North Carolina Secretary of State as an investment adviser under the North Carolina Investment Advisers Act, and such investment adviser shall comply with all applicable federal and state rules, regulations, and reporting requirements. The Investment Advisers Act of 1940 is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title15/chapter2D/subchapter2&edition=prelim>. The North Carolina Investment Advisers Act, G.S. 78C is hereby incorporated by reference, including subsequent amendments and editions and is available online, at no cost, at [https://ncleg.gov/EnactedLegislation/Statutes/HTML/ByChapter/Chapter\\_78C.html](https://ncleg.gov/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_78C.html).

(g) The sale and marketing of a Fund must adhere to all applicable state and federal laws and regulations.

(h) A Fund shall bear one of the two highest ratings of at least one nationally recognized rating service and shall not bear a rating below one of the two highest ratings by any nationally recognized rating service which rates the Fund.

(i) A Fund shall disclose prominently in its prospectus, marketing materials, and communications with Eligible Participants and Active Participants that it invests only in those securities that are authorized for investment by units of local governments pursuant to G.S. 159-30(c)(8) and this Section.

(j) A Certified Mutual Fund shall disclose prominently in its prospectus, marketing materials, and communications with Eligible Participants and Active Participants that, in contrast to any Certified Money Market Mutual Fund, such Certified Mutual Fund does not seek to maintain a stable one-dollar net asset value (NAV) per share.

History Note: Authority G.S. 159-3(f); 159-30(c)(8);

Eff.

## **20 NCAC 03 .0713 CERTIFICATION OF A FUND**

(a) Certification of a Fund may be requested by submitting a proposal to the Secretary, in a method prescribed by the Secretary, containing the following information:

(1) the name of the Fund;

(2) the address of the Fund;

(3) the Fund prospectus;

(4) the most recent holdings report;

(5) the most recent annual report;

(6) an attestation that the Fund meets, and will maintain compliance with, the minimum Fund standards set forth in Rule .0712 of this Section;

(7) if the Fund is seeking certification as a Money Market Mutual Fund, an attestation that the Fund meets, and will maintain compliance with, the definition of Money Market Mutual Fund; and

(8) a list of all Broker-Dealers selling or marketing the Fund.

(b) The Commission will review the proposal and may request supporting information as needed to assist in its review of the proposal.

(c) If the Commission certifies a Fund, it shall identify the Fund as a "Certified Money Market Mutual Fund", if the Fund is a Money Market Mutual Fund as defined in this Section; otherwise, it shall identify the Fund as a "Certified Mutual Fund".

(d) Certification is effective the day after the Commission adopts a resolution certifying the Fund and is effective until termination of certification pursuant to Rule .0715 of this Section.

*History Note: Authority G.S. 159-3(f); 159-30(c)(8);*

*Eff.*

## **20 NCAC 03 .0714 REVIEW OF FUND**

(a) Beginning one year after the effective date of the certification of a Fund, and by December 31 each year thereafter, the Manager shall submit an attestation to the Secretary, in a method prescribed by the Secretary:

(1) Attesting that the Fund continues to meet all minimum Fund standards provided in Rule .0712;

(2) Listing all Reporting Events from the date of the prior attestation provided to the Secretary or, in the case of the first attestation of a Fund, all Reporting Events from the date of the initial submission of proposal for certification, and Attesting that no other Enforcement-Reporting Event has occurred;

(3) Attesting that the sale and marketing of the Fund adheres to all applicable state and federal laws and regulations;

(4) If the Fund is a Certified Money Market Mutual Fund, attesting that the Fund continues to comply with the definition of Certified Money Market Mutual Fund in Rule .0711-;

(5) Providing a list of all Broker-Dealers selling or marketing the Fund-;

(6) Providing a holdings report including all holdings from the date of the prior attestation provided to the Secretary or, in the case of the first attestation of a Fund, all holdings from the date of the holdings report provided in the initial submission of proposal for certification; and

(5)(7) Providing the most recent Fund prospectus and annual report.

(b) The Commission may request an attestation at any other time to review and confirm compliance of the Fund with the Rules in this Section.

(c) Any changes to a Fund's or investment adviser's federal or state registration documents shall be reported to the Secretary within 30 days of the filing of the updated registration documents, with all changes marked and identified.

(d) The Manager shall, upon request from the Commission, provide documentation supporting any attestation with specific reference to the location within such supporting documentation which demonstrates that the minimum Fund standards of Rule .0712 have been met.

(e) The Commission shall have access to all Fund documents, shall be able to make any examinations it deems necessary to ensure compliance with the Rules in this Section, and shall have the right to copies of all Fund documents at the expense of the Manager of the Fund.

*History Note: Authority G.S. 159-3(f); 159-30(c)(8);*

*Eff.*

## **20 NCAC 03 .0715      TERMINATION OF CERTIFICATION**

(a) The Commission may adopt a resolution terminating the certification of a Fund due to one or more of the following:

(1) A Manager or a Fund violates any of the Rules in this Section and the Commission finds that there has been a material adverse effect on the Fund or the interests of the Active Participants;

(2) A Fund fails to meet any state or federal legal requirement and the Commission finds that there has been a material adverse effect on the Fund or the interests of the Active Participants;

(3) A Fund fails to submit an attestation pursuant to Rule .0714 of this Section within 30 calendar days of the due date;

(4) The Manager of a Fund requests termination of certification; or

(5) A Fund is dissolved or terminated.

(6) A Reporting Event has occurred and the Commission finds that there has been a material adverse effect on the Fund or the interests of the Active Participants.

(b) A Decertification Period shall commence upon the Commission's adoption of a resolution terminating certification of a Fund, during which time the Manager of the Fund shall notify all Active Participants of the termination of certification and provide instructions on withdrawing assets from the Fund.

(c) Termination of certification shall be effective upon the conclusion of the Decertification Period.

*History Note: Authority G.S. 159-3(f); 159-30(c)(8);*

*Eff.*