

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

**MINUTES**

**June 6, 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 and Secretary of State Elaine Marshall. Members present virtually: State Auditor Beth Wood, Secretary of Revenue designee Anthony Edwards, John Burns, Paul Butler, Vida Harvey, Nancy Hoffmann, and Mike Philbeck.

Members absent: Auditor Wood left the meeting at 3:30 p.m.; Mr. Burns left the meeting at 3:33 p.m..

A quorum was present for the entire meeting.

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

Others attending in person: Bill Toole (Secretary of State office); and DST staff Ted Brinn; Joah Bickley; and DST Interns Gray Brooks, Grayson Fuller and John Hollowell.

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. Ms. Harvey reported conflicts of interest and recused herself from the City of Salisbury and Onslow County matters. Auditor Wood reported potential conflicts of interest and recused herself from the City of Wilmington, Onslow County, City of Rocky Mount and New Hanover County matters.

Secretary Marshall made a motion to approve the minutes of the May 2, 2023 meeting. Mr. Burns seconded the motion, and the minutes were approved by unanimous vote of 9 – 0.

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

\* \* \* \* \*

**EDGECOMBE WATER AND SEWER DISTRICT NO. 6**

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

**"RESOLUTION APPROVING THE APPLICATION OF THE  
EDGECOMBE WATER AND SEWER DISTRICT NO. 6 FOR THE  
ISSUANCE OF NOT TO EXCEED AN AGGREGATE PRINCIPAL  
AMOUNT OF \$2,619,000 WATER AND SEWER SYSTEM REVENUE  
BONDS AND TO ISSUE A LIKE AMOUNT OF WATER AND SEWER**

**SYSTEM REVENUE BOND ANTICIPATION NOTES IN  
ANTICIPATION OF THE ISSUANCE OF SUCH BONDS**

WHEREAS, the Edgecombe Water and Sewer District No. 6 (the “District”) has applied to the North Carolina Local Government Commission (the “Commission”), for approval of the issuance of not to exceed \$2,619,000 aggregate principal amount of water and sewer system revenue bonds (the “Bonds”) to finance various improvements to the District’s sewer system (the “Project”); and

WHEREAS, under the plan of finance for the issuance of these Bonds, the United States Department of Agriculture (“USDA”) has issued a commitment to purchase the Bonds, subject to certain terms and conditions, upon completion of the Project, but in order to provide construction funding for the Project, it is necessary for the District to issue its Water and Sewer System Revenue Bond Anticipation Note in an aggregate principal amount of not to exceed \$2,619,000 in anticipation of the issuance of the Bonds (the “Note”).

WHEREAS, in connection with the long-term plan of finance, in the event the Project is not completed by the maturity date of the Notes, and subject to the approval of the Commission, the District may need to issue one or more additional bond anticipation notes (the “Additional Notes”) in anticipation of the issuance of the Bonds, in order to complete the construction of the Project before USDA will purchase the Bonds. The principal amount of any such Additional Notes shall not exceed the principal amount of the Notes such Additional Notes are refinancing; and

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

- (a) Bond Order, adopted June 5, 2023, authorizing the issuance of Bonds, the Notes and any Additional Notes of the District, subject to the terms thereof; and
- (b) Series Resolution of the District, adopted June 5, 2023, authorizing the issuance of the Note by the District, subject to the terms thereof (the “Series Resolution”)

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

- (i) that the proposed issuance of the Bonds and the issuance of the Note in anticipation of the issuance of the Bonds is necessary or expedient;
- (ii) that the proposed amount of the proposed Bonds and the Notes are adequate, when added to other monies available to the District, and not excessive for the proposed purposes thereof;
- (iii) that the Project is feasible;
- (iv) that the annual audit of the District shows the District to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the District are in compliance with the law; and

- (v) that the Bonds and the Notes can be marketed at a reasonable interest cost to the District.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application of the Edgecombe Water and Sewer District No. 6 for approval of the proposed Bonds, the Notes and any Additional Notes in an aggregate principal amount not to exceed \$2,619,000 for the purposes set forth is hereby approved pursuant to The State and Local Government Revenue Bond Act, as amended.

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9-0. Eric Evans, County Manager; Linda Barfield, Chief Financial Officer; Beth Edmondson, Interim Finance Director; and Michael Matthews, Assistant County Manager attended in person to speak and answer members' questions.

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

**“RESOLUTION CONCERNING THE PRIVATE SALE OF  
EDGECOMBE WATER AND SEWER DISTRICT NO. 6 WATER AND  
SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE**

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

WHEREAS, the Edgecombe Water and Sewer District No. 6 (the “District”) has requested the Commission to sell its Water and Sewer System Revenue Bond Anticipation Note, Series 2023 (the “Note”) in accordance with Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina; and

WHEREAS, the Note is being issued in anticipation of the issuance of Water and Sewer System Revenue Bonds by the District (the “Bonds”) to be purchased by the United States Department of Agriculture (the “USDA”) pursuant to a commitment to purchase the Bonds, subject to certain terms and conditions, upon completion of the project for which the Note is being issued (the “Project”); and

WHEREAS, in the event the Project is not completed at the time of maturity of the Note, the District may need to issue additional notes (the “Additional Notes”), subject to the approval of the Commission, in anticipation of the issuance of the Bonds, in connection with completion of the construction of the Project before USDA will purchase the Bonds. The principal amount of any Additional Notes shall not exceed the principal amount of the Note being refinanced by such Additional Notes; and

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

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

Section 1. The sale of the Note at private sale without advertisement to one or more purchasers determined by the Secretary of the Commission as proposing the best interest rate or rates practicably available to the District is hereby approved, such sale being subject to the approval of the District and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the Note shall not exceed \$2,619,000 and the purchase price for the Note shall be approved by the Secretary of the Commission at the time of the sale of the Note. The aggregate principal amount of any Additional Notes later approved by the Commission, shall not exceed the aggregate principal amount of the Note being refinanced, such amount equal to the aggregate principal amount of all commitments issued by USDA to purchase the Bonds.

Section 3. Subject to the approval of the Commission, renewal notes may be sold to private purchasers to refinance any maturing Note or renewals thereof.

Section 4. The Commission hereby determines that the sale of the Note in the manner and for the price as provided in this resolution is in the best interest of the District, provided that such sale shall be approved by the District.

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

Section 6. The Commission hereby approves the engagement of Parker Poe Adams & Bernstein LLP as bond counsel to the District in connection with the issuance of the Note.

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9-0. Eric Evans, County Manager; Linda Barfield, Chief Financial Officer; Beth Edmondson, Interim Finance Director; and Michael Matthews, Assistant County Manager attended in person to speak and answer members' questions.

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

**“RESOLUTION CONCERNING THE PRIVATE SALE OF THE  
EDGECOMBE WATER AND SEWER DISTRICT NO. 6 WATER AND  
SEWER SYSTEM REVENUE BONDS TO USDA**

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

WHEREAS, Edgecombe Water and Sewer District No. 6 (the “District”) has requested the Commission to sell its Water and Sewer System Revenue Bonds approved concurrently herewith (the “Bonds”) to the United States Department of Agriculture (“USDA”) upon the completion of construction of the project to be permanently financed thereby pursuant to

commitments previously issued by USDA, all 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 District that it sell the Bonds to USDA at private sale without advertisement;

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

Section 1. The sale of the Bonds to USDA at private sale without advertisement in accordance with commitments previously made by USDA is hereby approved, such sale being subject to the approval of the District and satisfaction of the conditions set forth below.

Section 2. The aggregate purchase price for the Bonds shall not exceed \$2,619,000.

Section 3. No maturity of the Bonds shall be later than forty years from the date of issuance thereof.

Section 4. 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 District, provided that such sale shall be approved by the District.

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

Section 6. The Commission hereby approves the engagement of Parker Poe Adams & Bernstein LLP as bond counsel to the District in connection with the issuance of the Notes and the Bonds.

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 9-0. Eric Evans, County Manager; Linda Barfield, Chief Financial Officer; Beth Edmondson, Interim Finance Director; and Michael Matthews, Assistant County Manager attended in person to speak and answer members' questions.

\* \* \* \* \*

## **CITY OF LAURINBURG**

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

**“RESOLUTION APPROVING THE FINANCING REQUEST OF THE CITY OF LAURINBURG, NORTH CAROLINA: THIS PROJECT CONSISTS OF A DISTRIBUTION-SYSTEM IMPROVEMENTS PROJECT – PHASE 2, UPGRADING THE CITY’S WATER DISTRIBUTION SYSTEM.**

WHEREAS, the City of Laurinburg, North Carolina (the “City”) has determined that it is necessary or expedient to upgrade the City’s water distribution system, by replacing system components including a transmission main, water lines and flushing hydrants; and

WHEREAS, the City filed an application with the North Carolina Local Government Commission (the Commission) for approval of a Drinking Water State Revolving Loan increase in an amount not to exceed \$2,635,000, with the term of twenty (20) years at the rate, as established under this program for the respective loan, State or Federal, not to exceed 4%; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission hereby approves the award of the Drinking Water Revolving Loan increase to the City and approves the loan terms.”

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

\* \* \* \* \*

## **ONSLOW COUNTY**

Secretary Marshall made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE SALE AND DELIVERY OF ONSLOW COUNTY PUBLIC FACILITIES COMPANY LIMITED OBLIGATION BONDS (ONSLOW COUNTY, NORTH CAROLINA), SERIES 2023

WHEREAS, County of Onslow (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 sale and delivery of the Onslow County Public Facilities Company Limited Obligation Bonds (Onslow County, North Carolina), Series 2023 (the “Bonds”):

Bond Counsel:	Robinson, Bradshaw & Hinson, P.A.
Underwriters:	PNC Capital Markets LLC Robert W. Baird & Co., Incorporated
Underwriters' Counsel:	Parker Poe Adams & Bernstein LLP
Trustee:	U.S. Bank Trust Company National Association
Trustee Counsel:	McGuire Woods, LLP
Financial Advisor:	Davenport & Company LLC

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 Commission that the above financing team is hereby approved for the sale and delivery of the Bonds.”

Mr. Burns seconded the motion and the foregoing resolution was adopted by unanimous vote of 7-0 (Recusal: Wood, Harvey). R. Andrew Prince, Finance Officer; Brendan Gartner, Chief of Operations, Onslow County Schools; Jeff Hollamon, Chief Financial Officer, Onslow County Schools; and Ted Cole and Mitch Brigulio with Davenport & Company LLC attended virtually to speak and answer members’ questions.

Secretary Marshall made the motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF COUNTY OF ONSLOW, NORTH CAROLINA TO FINANCE A PORTION OF THE COST OF VARIOUS PROJECTS THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. § 160A-20.

WHEREAS, the Onslow County Public Facilities Company (the “Corporation”) previously executed and delivered its Limited Obligation Bonds (Onslow County, North Carolina) Series 2012A (the “Prior Bonds”) and pursuant to an Installment Financing Agreement, dated as of December 1, 2012 (the “Prior Contract”) between the Corporation and Onslow County, North Carolina (the “County”), loaned the proceeds thereof to the County for the (a) construction of the Onslow County Environmental Education Center and Public Library, (b) construction of a five-site simulcast radio communications system and (c) construction of the Onslow County Government Center at the Burton Industrial Park; and

WHEREAS, the County of Onslow, North Carolina, (the “County”) has determined that it is in the best interest of the County to (i) refund the Prior Bonds and (ii) finance a portion of the cost of cost of acquiring, constructing, equipping and improving a new elementary school to be located at 2221 Belgrade Swansboro Road, Maysville, North Carolina 28555 (the “Project”); and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to effectuate such purposes through funds to be made available pursuant to an Installment Financing Agreement, dated as of June 1, 2023 (the “Installment Financing Agreement”), between the County and Onslow County Public Facilities Company (the “Corporation”), whereby the Corporation will advance moneys to the County for such purposes and the County, subject to its right of nonappropriation, will repay the amount advanced with interest in installments; and

WHEREAS, the Corporation intends to enter into a Trust Agreement, dated as of June 1, 2023, with U.S. Bank Trust Company National Association (the “Trustee”), pursuant to which the Corporation will execute and deliver its Limited Obligation Bonds (Onslow County, North Carolina), Series 2023 (the “Bonds”) evidencing the proportionate and undivided interests in the rights of the owners thereof to receive installment payments to be made by the County pursuant to the Installment Financing Agreement; and

WHEREAS, the Bonds will be underwritten by PNC Capital Markets LLC and Robert W. Baird & Co., Incorporated (collectively, the “Underwriters”), and the proceeds of the sale of the Bonds shall be advanced by the Underwriters to the Corporation for deposit with the Trustee; and

WHEREAS, the principal amount of the advance under the Installment Financing Agreement shall not exceed \$68,000,000; and

WHEREAS, the final maturity of the installment payments to be made pursuant to the Installment Financing Agreement shall not be beyond June 30, 2044; and

WHEREAS, the effective interest cost of the amount advanced pursuant to the Installment Financing Agreement shall not to exceed 5.00% per annum; and

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

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

that the Installment Financing Agreement is necessary or expedient for the County;

that the Installment Financing Agreement, under the circumstances, is preferable to a general obligation bond issue for the same purpose;

that the sums to fall due under the Installment Financing Agreement are adequate and not excessive for its proposed purpose;

that the County’s debt management procedures and policies are good;

that the County is not in default in any of its debt service obligations; and

that the increase in taxes, if any, necessary to meet the sums to fall due under the Installment Financing Agreement will not be excessive;

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application for approval of the Installment Financing Agreement and the proposed financing are hereby approved under the provisions of Section 160A-20 of the General Statutes of North Carolina and relevant resolutions of the Commission.”



Mr. Burns seconded the motion and the foregoing resolution was adopted by unanimous vote of 7-0 (Recusal: Wood, Harvey). R. Andrew Prince, Finance Officer; Brendan Gartner, Chief of Operations, Onslow County Schools; Jeff Hollamon, Chief Financial Officer, Onslow County Schools; and Ted Cole and Mitch Brigulio with Davenport & Company LLC attended virtually to speak and answer members' questions.

\* \* \* \* \*

## **ORANGE COUNTY**

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

### **“RESOLUTION APPROVING THE FINANCING TEAM FOR ORANGE COUNTY INSTALLMENT FINANCING**

WHEREAS, Orange County (the “County”) 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:	TD Bank
Lender's Counsel:	Pope Flynn LLP
Financial Advisor:	Davenport & Company LLC
Trustee:	The Bank of New York Mellon Trust Company, N.A.

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

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

Mr. Butler seconded the motion and the foregoing resolution was adopted by unanimous vote of 9-0. Gary Donaldson, Chief Financial Officer and Ted Cole and Mitch Brigulio with Davenport & Company LLC attended virtually to speak and answer members' questions.

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

### **“RESOLUTION APPROVING THE APPLICATION OF ORANGE COUNTY TO FINANCE VARIOUS PUBLIC IMPROVEMENTS AND ACQUISITIONS AND TO PAY FINANCING COSTS THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. 160A-20**

WHEREAS, Orange County (the “County”) has determined that it is necessary and expedient for the County to finance the acquisition, construction and equipping of various public improvements and to pay financing costs; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the County intends to finance the project through a supplemental trust agreement to be dated on or about June 13, 2023 (the “Contract”), between the County and a trustee, through which TD Bank (the “Lender”) will advance moneys to the County for the purpose of carrying out the project and the County, subject to its right of nonappropriation and the provisions of Section 160A-20, will repay the advance in installments, with interest; and

WHEREAS, the Contract will provide for two different advances of funds from the Lender, with a total amount financed not to exceed \$14,500,000; and

WHEREAS, for the “Series A” advance, the maturity of the installment payments will not extend beyond February 1, 2032, with an interest rate not to exceed 3.73% (in the absence of default, or a change in tax status); and

WHEREAS, for the “Series B” advance, the maturity of the installment payments will not extend beyond February 1, 2043, with an interest rate not to exceed 3.83% (in the absence of default, or a change in tax status); and

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

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

- (i) that the Contract is necessary or expedient for the County;
- (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 County’s debt management procedures and policies are good;
- (v) that the County is not in default in any of its debt service obligations; and

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

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

Mr. Butler seconded the motion and the foregoing resolution was adopted by unanimous vote of 9-0. Gary Donaldson, Chief Financial Officer and Ted Cole and Mitch Brigulio with Davenport & Company LLC attended virtually to speak and answer members' questions.

\* \* \* \* \*

### **CITY OF ROCKY MOUNT**

Secretary Marshall made a motion to adopt the following resolution:

**"RESOLUTION APPROVING THE APPLICATION OF THE CITY OF ROCKY MOUNT, NORTH CAROLINA. THIS PROJECT CONSISTS OF REMODELING, RENOVATIONS, AND IMPROVEMENTS TO VARIOUS CITY PROPERTIES (THE "PROJECT") THROUGH AN INSTALLMENT PURCHASE CONTRACT AGREEMENT PURSUANT TO G.S. 160A-20.**

WHEREAS, the City of Rocky Mount, North Carolina (the "City") has determined that the Project, including improvements to and remodeling of the City Warehouse, and renovations to the Business Service Center and Denton Street Pool, is necessary to extend the life of and to maintain the integrity and continued safe operation of those City facilities; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the City intends to finance the Project through an Installment Purchase Contract (the "Contract") with Webster Bank (the "Bank") whereby the Bank shall advance moneys to the City, and the City, 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 \$3,125,000 with monthly level principal and interest payments for a term of ten (10) years at an approved interest rate of 3.935%; and

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

WHEREAS, the Secretary of the Commission has determined that the unit has complied with 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 City;
- (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.”

Ms. Hoffmann seconded the motion and the foregoing resolution was adopted by unanimous vote of 8 – 0 (Recusal: Wood). Kenneth Hunter, Assistant to the City Manager for Budget & Evaluation attended in person to speak and answer members’ questions.

\* \* \* \* \*

## **TOWN OF WALLACE**

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

### **“RESOLUTION APPROVING THE FINANCING REQUEST OF THE TOWN OF WALLACE, NORTH CAROLINA: THIS PROJECT CONSISTS OF IMPROVEMENTS TO THE TOWN’S WATER DISTRIBUTION SYSTEM.**

WHEREAS, the Town of Wallace, North Carolina (the “Town”) has determined that it is necessary or expedient to upgrade the Town’s water distribution system, by constructing pumping facilities, installing two permanent wells, electrical controls and other system components, in order to replace production capacity due to the loss of a contaminated well and two abandoned wells; and

WHEREAS, the Town filed an application with the North Carolina Local Government Commission (the Commission) for approval of a Drinking Water State Revolving Loan

increase in an amount not to exceed \$1,214,962, with the term of twenty (20) years at the rate, as established under this program for the respective loan, State or Federal, not to exceed 4%; and

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

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

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission hereby approves the award of the Drinking Water Revolving Loan increase to the Town and approves the loan terms.”

Mr. Butler seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0. Robert Taylor, Town Manager attended virtually to speak and answer members’ questions.

\* \* \* \* \*

## **CITY OF BELMONT**

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

### **“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF BELMONT 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 City of Belmont, North Carolina (the “*City*”) has determined that it is in the best interests of the City to enter into an installment financing contract (the “*Contract*”) with JPMorgan Chase Bank, N.A. (the “*Bank*”) in order to pay the costs of the construction of a recreation center (collectively, 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 City under the Contract will not exceed \$11,700,000;

WHEREAS, the City 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 3.40% 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 City 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 City;
- (2) the Contract, under the circumstances, is preferable to a bond issue by the City for the same purposes;
- (3) the sums to fall due under the Contract are adequate and not excessive for its proposed purposes;
- (4) the City's debt management procedures and policies are good or reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law;
- (5) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (6) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application for approval of the Contract and planned financing 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. Harvey seconded the motion and the foregoing resolution was adopted by a vote of 7 – 2 (No: Butler, Folwell). Jared Pyles, Finance Director and Kevin Krouse, Assistant City Manager attended in person and Parks Wilson, City Attorney; Miles Braswell, City Manager; and David Cheatwood with First Tryon Advisors attended virtually to speak and answer members' questions.

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

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

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

Special Counsel:	- Parker Poe Adams & Bernstein LLP
Bank:	- JPMorgan Chase Bank, N.A.
Bank’s Counsel:	- McGuireWoods 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 City’s request should be approved.

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

Ms. Harvey seconded the motion and the foregoing resolution was adopted by a vote of 7 – 2 (No: Butler, Folwell). Jared Pyles, Finance Director and Kevin Krouse, Assistant City Manager attended in person and Parks Wilson, City Attorney; Miles Braswell, City Manager; and David Cheatwood with First Tryon Advisors attended virtually to speak and answer members’ questions.

\* \* \* \* \*

**BEGIN CONSENT AGENDA**

**ASHEBORO HOUSING AUTHORITY**

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

**RESOLUTION APPROVING ASHEBORO HOUSING AUTHORITY MULTIFAMILY HOUSING REVENUE NOTE (ASHEBORO SUMMIT APARTMENTS), SERIES 2023 IN AN AMOUNT UP TO \$10,790,000 (THE “MULTIFAMILY NOTE”) FOR ASHEBORO SUMMIT APARTMENTS AND THE FINANCING TEAM THEREFOR**

WHEREAS, the Asheboro Housing Authority (the “Authority”) has decided to issue its Multifamily Housing Revenue Note (Asheboro Summit Apartments), Series 2023 (the “Multifamily Note”) to finance the acquisition, rehabilitation and equipping by Asheboro Summit, LP, a North Carolina limited partnership, or a related or affiliated entity (the

“Borrower”), of a low income multifamily residential rental facility known as Asheboro Summit Apartments, consisting of 101 units, in the City of Asheboro, Randolph County, North Carolina (the “Development”); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Multifamily Note in an aggregate principal amount not to exceed \$10,790,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the “Act”); and

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

WHEREAS, based upon the information and evidence received in connection with such application, including resolutions adopted by the Board of Commissioners of the Authority on May 1, 2023, it is hereby determined and found by the Commission:

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

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

Bond Counsel:	McGuireWoods LLP
Authority’s Counsel:	Ellinger & Carr PLLC
Borrower:	Asheboro Summit, LP
Borrower’s Counsel:	Bocarsly Emden Cowan Esmail & Arndt LLP
Funding Lender:	Citibank, N.A.
Funding Lender’s Counsel:	Robinson & Cole LLP and Norris George & Ostrow PLLC

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

WHEREAS, it is expected that the Multifamily Note will be privately placed with Citibank, N.A. (the “Funding Lender”); and



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

(a) Funding Loan Agreement, between the Authority and the Funding Lender, providing for the issuance of the Multifamily Note, together with the form of the Multifamily Note;

(b) Borrower Loan Agreement, between the Authority and the Borrower, 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 Multifamily Note pursuant to the Documents in substantially the forms furnished to the Commission is hereby approved, such sale being subject to the satisfaction of the conditions set forth in the Documents and herein.

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Multifamily Note shall be issued in an aggregate principal amount not to exceed \$10,790,000, shall initially bear interest at a fixed rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2060.

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

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

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

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

\* \* \* \* \*

**NC CAPITAL FACILITIES FINANCING AGENCY  
(ELON UNIVERSITY)**

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

**RESOLUTION APPROVING THE FINANCING TEAM FOR THE  
NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY  
REVENUE BONDS (ELON UNIVERSITY), SERIES 2023**

WHEREAS, Elon University (the “University”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for the upcoming issuance by the North Carolina Capital Facilities Finance Agency of its Revenue Bonds (Elon University), Series 2023 (the “Bonds”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
University Counsel:	Fox Rothschild LLP
Lender:	TD Bank, N.A.
Lender’s Counsel:	Parker Poe Adams & Bernstein LLP
Trustee:	Truist Bank
Financial Advisor:	Janney Montgomery Scott LLC

WHEREAS, based upon the information and evidence received by the Commission, it is of the opinion that the request by the University 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 Bonds for the University.

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

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

**RESOLUTION AUTHORIZING AND APPROVING THE SALE AND  
ISSUANCE OF NOT TO EXCEED \$37,500,000 AGGREGATE  
PRINCIPAL AMOUNT OF REVENUE BONDS (ELON UNIVERSITY),  
SERIES 2023 OF THE NORTH CAROLINA CAPITAL FACILITIES  
FINANCE AGENCY**

WHEREAS, the North Carolina Capital Facilities Finance Agency (the “Agency”), pursuant to the provisions of the Private Capital Facilities Finance Act, Article 2 of Chapter 159D of the General Statutes of North Carolina, as amended (the “Act”), has authorized issuance of not to exceed \$37,500,000 North Carolina Capital Facilities Finance Revenue Bonds (Elon University), Series 2023 (the “Bonds”) to be issued pursuant to a Trust Agreement, to be dated as of June 1, 2023 (the “Trust Agreement”), between the Agency and Truist Bank, as trustee, for the purpose of loaning the proceeds thereof to Elon University (the “University”) to provide funds, together with other available funds, to (a) pay or reimburse all or a portion of the cost of (i) the design, renovation, expansion, construction, and equipping of a building or buildings designated to provide classroom, instructional, laboratory, collaboration, and study space, offices, and related facilities in connection with the University’s health science curriculum; (ii) the design, construction, and equipping of student housing, faculty and staff housing, classroom and event space, study space, student common and collaboration space, and faculty offices located at the East Neighborhood area of the University’s main campus; (iii) related parking facilities, sidewalks, landscaping,

marker walls and furniture, fixtures and equipment and other facilities; and (iv) miscellaneous capital improvement projects throughout the main campus of the University including, without limitation, the acquisition of specialized equipment in connection with the University's health science curriculum (collectively, the "Project), (b) pay a portion of the interest on the Bonds during construction of the projects being financed and (c) pay certain costs incurred in connection with the authorization and issuance of the Bonds, and

WHEREAS, the Agency has notified the Local Government Commission of North Carolina (the "Commission") that TD Bank, N.A. (the "Lender"), will offer to purchase the Bonds at private sale; and

WHEREAS, the Agency has filed an application with the Commission, including therewith, among other things, drafts or executed copies, as applicable, of the following:

(1) Master Trust Indenture, dated as of July 1, 2012 (as amended or supplemented from time to time in accordance with its terms, the "Master Indenture"), between the University and Branch Banking and Trust Company (now known as Truist Bank), as trustee (the "Master Trustee");

(2) Trust Agreement, together with the form of the Bonds attached thereto;

(3) Loan Agreement, to be dated as of June 1, 2023 (the "Loan Agreement"), between the Agency and the University;

(4) Supplemental Indenture for Obligation No. 12A and Obligation No. 12B, to be dated as of June 1, 2023, between the University and the Master Trustee, supplementing the Master Indenture, together with the forms of Obligation No. 12A and Obligation No. 12B attached thereto, Obligation No. 12A evidencing the obligation of the University to pay the amounts due under the Loan Agreement; and

(5) Credit Agreement, to be dated as of June 1, 2023, between the University and the Lender; and

WHEREAS, the Commission desires to approve the issuance of the Bonds and accept the offer of the Lender when made, all subject to the satisfaction of the conditions hereinafter set forth; and

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

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

Section 1. The issuance of the Bonds by the Agency in an aggregate principal amount not to exceed \$37,500,000 is hereby approved, all as provided in the Trust Agreement.

Section 2. The Bonds are hereby awarded to the Lender at private sale pursuant to the provisions of Section 159D-45 of the Act. The Bonds shall bear interest at the interest rates determined as set forth the Trust Agreement, with an initial fixed rate for the first ten

years following the date of issuance of the Bonds not to exceed 6% per annum, and a final maturity date of not to exceed December 31, 2043.

Section 3. The Bonds shall be issued in accordance with and pursuant to the terms and conditions of the Trust Agreement. Subject to the limitations in Section 2 of this resolution, 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 details of the Bonds, as shall be satisfactory to the Designated Assistant, to approve the forms of other documents relating to the Bonds, and to execute and deliver any such documents required to be executed and delivered by the Commission on behalf of the Commission.

Section 4. This resolution shall take effect immediately upon its passage.

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

\* \* \* \* \*

#### **TOWN OF KERNERSVILLE**

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

**“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF  
KERNERSVILLE FOR THE FINANCING OF THE RENOVATION,  
CONSTRUCTION AND EQUIPPING OF A FIRE STATION 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 Town of Kernersville, North Carolina (the “*Town*”) has determined that it is in the best interests of the Town to enter into an installment financing contract (the “*Contract*”) with JPMorgan Chase Bank, N.A. (the “*Bank*”) in order to (1) pay the costs of renovations, construction and equipping of the existing Beeson Crossroads Fire Station Number 26 (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 Town under the Contract will not exceed \$4,525,000;

WHEREAS, the Town will repay the advance of the Contract in semi-annual payments of interest and principal for a term of fifteen (15) years at an interest rate not to exceed 3.29% per annum;

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

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;

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

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

- (i) the Contract is necessary or expedient for the Town;
- (ii) the Contract, under the circumstances, is preferable to a bond issue by the Town for the same purposes;
- (iii) the sums to fall due under the Contract 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 Contract 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 Contract and planned financing of the Project is hereby approved under the provisions of Section 160A-20 of the General Statutes, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission."

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

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

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

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

Bank:	JPMorgan Chase Bank, N.A.
Special Tax Counsel & Bank's Counsel:	Parker Poe Adams & Bernstein LLP

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 contract."

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

\* \* \* \* \*

**ROWAN COUNTY**

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

**RESOLUTION APPROVING THE FINANCING TEAM  
FOR THE COUNTY OF ROWAN, NORTH CAROLINA  
INSTALLMENT FINANCING CONTRACT**

WHEREAS, the County of Rowan, North Carolina (the “County”) has requested that the North Carolina Local Government Commission (the “Commission”) approve the County’s selection of the following financing team members in relation to an Installment Financing Contract to be dated on or about June 13, 2023, between the County of Rowan, North Carolina and JPMorgan Chase Bank, N.A.:

Bond Counsel:	McGuireWoods LLP
Bank:	JPMorgan Chase Bank, N.A.
Bank’s Counsel:	Parker Poe Adams & Bernstein LLP
Financial Advisor:	First Tryon Advisors

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

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

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

\*\*\*\*\*

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

**RESOLUTION APPROVING THE APPLICATION OF THE  
COUNTY OF ROWAN, NORTH CAROLINA FOR THE  
APPROVAL OF AN INSTALLMENT FINANCING  
CONTRACT BETWEEN THE COUNTY AND JPMORGAN  
CHASE BANK, N.A. TO FINANCE A PORTION OF THE  
COSTS OF THE ACQUISITION, INSTALLATION AND  
EQUIPPING OF NEW AIRPORT HANGARS AT THE MID-  
CAROLINA REGIONAL AIRPORT**

WHEREAS, the County of Rowan, North Carolina (the “County”) intends to finance the cost of the acquisition, installation and equipping of new airport hangars at the Mid-Carolina Regional Airport (collectively, the “Project”); and

WHEREAS, the County has approved the execution and delivery of an Installment Financing Contract (the “Contract”) to be dated on or about June 13, 2023, with JPMorgan Chase Bank, N.A. (the “Bank”) to provide the financing for the Project; and

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

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

(a) Installment Financing Contract dated June 13, 2023, between the County and the Bank; and

(b) Security Agreement dated June 13, 2023 (the “Security Agreement”) from the County for the benefit of the Bank, granting a security interest to the Bank in the Project; and

WHEREAS, to secure its obligations with respect to the Contract, the County will execute and deliver the Security Agreement; and

WHEREAS, under the Contract, the Bank shall make a loan to the County in the aggregate principal amount of \$17,438,000, of which \$9,311,000 will be a taxable loan at an initial rate of 4.39% per annum, and \$8,127,000 will be a tax-exempt loan at an initial rate of 3.62% per annum, in each case subject to adjustment as set forth in the Contract; and

WHEREAS, the Contract has a final maturity not beyond 2038; and

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

(a) the proposed Contract is necessary or expedient for the County;

(b) the Contract, under the circumstances, is preferable to a general obligation bond issue for the same purpose;

(c) the sums to fall due with respect to the Contract are adequate and not excessive for the proposed purposes thereof;

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

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

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

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

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

\* \* \* \* \*

## **WINSTON-SALEM HOUSING AUTHORITY**

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

### **RESOLUTION APPROVING HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM MULTIFAMILY HOUSING REVENUE NOTE (WINSTON SUMMIT APARTMENTS), SERIES 2023 IN AN AMOUNT UP TO \$13,089,000 (THE "MULTIFAMILY NOTE") FOR WINSTON SUMMIT APARTMENTS AND THE FINANCING TEAM THEREFOR**

WHEREAS, the Housing Authority of the City of Winston-Salem (the "Authority") has decided to issue its Multifamily Housing Revenue Note (Winston Summit Apartments), Series 2023 (the "Multifamily Note") to finance the acquisition, rehabilitation and equipping by Winston Summit, LP, a North Carolina limited partnership, or a related or affiliated entity (the "Borrower"), of a low income multifamily residential rental facility known as Winston Summit Apartments, consisting of 100 units, in the City of Winston-Salem, Forsyth County, North Carolina (the "Development"); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Multifamily Note in an aggregate principal amount not to exceed \$13,089,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"); and

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

WHEREAS, based upon the information and evidence received in connection with such application, including resolutions adopted by the Board of Commissioners of the Authority on May 9, 2023, it is hereby determined and found by the Commission:

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



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

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

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

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

Bond Counsel:	McGuireWoods LLP
Borrower:	Winston Summit, LP
Borrower's Counsel:	Bocarsly Emden Cowan Esmail & Arndt LLP
Funding Lender:	Citibank, N.A.
Funding Lender's Counsel:	Robinson & Cole LLP and Norris George & Ostrow PLLC

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

WHEREAS, it is expected that the Multifamily Note will be privately placed with Citibank, N.A. (the "Funding Lender"); and

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

(a) Funding Loan Agreement, between the Authority and the Funding Lender, providing for the issuance of the Multifamily Note, together with the form of the Multifamily Note;

(b) Borrower Loan Agreement, between the Authority and the Borrower, 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 Multifamily Note pursuant to the Documents in substantially the forms furnished to the Commission is hereby approved, such sale being subject to the satisfaction of the conditions set forth in the Documents and herein.

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Multifamily Note shall be issued in an aggregate principal amount not to exceed \$13,089,000, shall initially bear interest at a fixed rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2060.

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

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

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

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

\* \* \* \* \*

#### **MISCELLANEOUS – ACTION ITEMS:**

##### **CITY OF KINGS MOUNTAIN**

Mr. Philbeck made a motion to approve the following requests:

The City of Kings Mountain and the Bethlehem Volunteer Fire Department are requesting approval of an annexation payment of Cleveland County Parcels 62675 and 62668 in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the debt on the land and real estate (\$381.33) and a lump sum payment for the debt on the purchase of equipment (\$56.40). The Fire District's total payment for the real estate and equipment is \$437.73. The annexation was completed on September 27, 2022.

The City of Kings Mountain and the Bethlehem Volunteer Fire Department are requesting approval of an annexation payment of Cleveland County Parcel 10699 in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the debt on the land and real estate (\$805.22) and a lump sum payment for the debt on the purchase of equipment (\$119.15). The Fire District's total payment for the real estate and equipment is \$924.37. The annexation was completed on September 27, 2022.

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

\* \* \* \* \*

##### **TOWN OF MOCKSVILLE**

Mr. Philbeck made a motion to approve the following request:

The Town of Mocksville and the Center Volunteer Fire Department are requesting approval of an annexation payment in accordance with G.S. 160A-31.1, whereby the Town will make a lump sum payment for the Town's proportionate share (0.016%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$5,247.90. The annexation was completed on April 4, 2023.

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

\* \* \* \* \*

## **CITY OF GASTONIA**

Mr. Philbeck made a motion to approve the following requests:

The City of Gastonia and the Union Road Volunteer Fire Department are requesting approval of an annexation payment on Howe Dairy Road in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.00210%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$2,006.82. The annexation was completed on May 6, 2022.

The City of Gastonia and the Union Road Volunteer Fire Department are requesting approval of an annexation payment on Nolen Farm Drive in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.0002%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$191.13. The annexation was completed on September 6, 2022.

The City of Gastonia and the Union Road Volunteer Fire Department are requesting approval of an annexation payment on Union Road in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.00045%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$275.80. The annexation was completed on December 29, 2020.

The City of Gastonia and the Union Volunteer Fire Department are requesting approval of an annexation payment on Neal Hawkins Road in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.0007%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$668.94. The annexation was completed on November 29, 2022.

The City of Gastonia and the New Hope Fire Department are requesting approval of an annexation payment on Kendrick and Beaty Roads in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.00052%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$322.24. The annexation was completed on June 18, 2021.

The City of Gastonia and the Crowder's Mountain Volunteer Fire & Rescue are requesting approval of an annexation payment on Linwood Road in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.00138%) of the entire tax value of the Fire District's parcel and the Fire District's

outstanding debt which totals \$3,641.07. The annexation was completed on November 12, 2021.

The City of Gastonia and the Crowder's Mountain Volunteer Fire & Rescue are requesting approval of an annexation payment on Davis Park Road in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.00021%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$554.08. The annexation was completed on December 22, 2021.

The City of Gastonia and the Crowder's Mountain Volunteer Fire & Rescue are requesting approval of an annexation payment on Stagecoach Road in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share (0.0035%) of the entire tax value of the Fire District's parcel and the Fire District's outstanding debt which totals \$8,263.06. The annexation was completed on September 27, 2022.

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

#### **END OF CONSENT AGENDA**

\* \* \* \* \*

#### **CITY OF SALISBURY**

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

#### **“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF SALISBURY INSTALLMENT FINANCING CONTRACT**

WHEREAS, the City of Salisbury (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for the upcoming Installment Financing Contract (the “Contract”) between the City and JPMorgan Chase Bank, NA (the “Lender”) whereby the Lender shall advance moneys to the City and the City, subject to its right of nonappropriation, shall repay the advance with interest:

Bond Counsel:	Robinson, Bradshaw & Hinson, P.A.
Purchaser:	JPMorgan Chase Bank, NA
Purchaser’s Counsel:	Parker Poe Adams & Bernstein LLP
Financial Advisor:	First Tryon Advisors, LLC

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

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above financing team is hereby approved for the execution and delivery of the Contract.”

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 8-0 (Recusal: Harvey).

\* \* \*

Ms. Hoffmann made a motion that the following resolution, which was read by its title, be approved.

**“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF SALISBURY TO FINANCE THE COST OF CERTAIN PROJECTS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. 160A-20.**

WHEREAS, the City of Salisbury (the “City”) has determined to finance a portion of the acquisition, construction, equipping, and improvement of a new fire station to be located at 150 Mahaley Avenue, Salisbury, North Carolina 28144 (the “Project”); and

WHEREAS, the City has determined that it is necessary or expedient to finance the cost of the Project in order to provide improved facilities to serve the residents of the City; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the City intends to finance the cost of the Project through an Installment Financing Contract (the “Contract”) between the City and JPMorgan Chase Bank, NA (the “Lender”) whereby the Lender shall advance moneys to the City and the City, subject to its right of nonappropriation, shall repay the advance with interest; and

WHEREAS, the principal amount of the Contract shall not exceed \$6,500,000 and shall be payable annually as to principal and semiannually as to interest at a rate of interest of 3.290% per annum and a final maturity not exceeding June 1, 2038; and

WHEREAS, pursuant to Article 8 of 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 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 or expedient for the City;
- (ii) that the Contract, under the circumstances, is preferable to a bond issue for the same purpose;
- (iii) that the sums to fall due under the Contract are adequate and not excessive for the proposed purpose of the Contract;
- (iv) that the 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 the planned financing, are hereby approved under the provisions of G.S. 160A-20 and relevant resolutions of the Commission.”

Secretary Marshall seconded the motion and the foregoing resolution was adopted by unanimous vote of 8-0 (Recusal: Harvey).

\* \* \* \* \*

### NEW HANOVER COUNTY

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

**“RESOLUTION APPROVING THE APPLICATION OF THE COUNTY OF NEW HANOVER FOR THE FINANCING OF VARIOUS CAPITAL IMPROVEMENTS, VEHICLES AND EQUIPMENT, AND THE ACQUISITION OF REAL PROPERTY THROUGH AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. § 160A-20”**

WHEREAS, under Section 160A-20 of the General Statutes, the County of New Hanover, North Carolina (the “*County*”) has previously entered into an Installment Financing Contract dated as of June 1, 2010 (the “*2010 Contract*”), between the County and the New Hanover Financing Corporation (the “*Corporation*”), as amended by Amendment Number One to the 2010 Contract dated as of September 1, 2012 (the “*First Amendment*”), Amendment Number Two to the 2010 Contract dated as of February 1, 2020 (the “*Second Amendment*”), Amendment Number Three to the 2010 Contract dated as of March 1, 2021 (the “*Third Amendment*”), and Amendment Number Four to the 2010 Contract dated as of June 1, 2022 (the “*Fourth Amendment*”); and

WHEREAS, the County has determined that it is in the County’s best interest to enter into Amendment Number Five to the 2010 Contract dated as of June 1, 2023 (the “*Fifth Amendment*” and together with the 2010 Contract, the First Amendment, the Second Amendment, the Third Amendment, and the Fourth Amendment the “*Contract*”), between the County and Corporation in order to pay the capital costs of (1) the acquisition of vehicles and equipment for use by various County departments, (b) construction and development of Hanover Pines Nature Park, (c) improvements to various County buildings, (d) expansion of the County’s maintenance facility at Ogden Park, (e) facility replacement for the detective and vice units of the Sheriff’s department, and (f) the purchase of real property for use by Cape Fear Community College to expand its nursing and allied health programs (collectively, the “*2023 Projects*”); and

WHEREAS, the County intends to enter into the Fifth Contract Amendment whereby the Corporation will advance money to the County for the purposes outlined herein, subject to its right of nonappropriation and will repay the advancement with interest in installments; and

WHEREAS, the Corporation will enter into an Supplemental Indenture, Number 5 dated as of June 1, 2023 (the “*Fifth Supplement*” and together with the Indenture of Trust Dated as of June 1, 2010, as previously supplemented, the “*Indenture*”) between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”) and successor in interest to U.S. Bank National Association, pursuant to which the Corporation will execute and deliver its Limited Obligation Bonds, Series 2023 (the “*2023 Bonds*”); and

WHEREAS, the 2023 Bonds are to be underwritten by PNC Capital Markets LLC (the “*Underwriter*”), and the proceeds from the sale of the 2023 Bonds will be remitted by the Underwriter to the County to fund the advances by the Corporation to the County under the Contract; and

WHEREAS, the aggregate principal amount of 2023 Bonds shall not exceed \$25,000,000; and

WHEREAS, the maturity of the installment payments related to the 2023 Bonds shall not extend beyond 2043; and

WHEREAS, the interest rate shall not exceed an all-in TIC of 4.5%; and

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

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

- i) the Fifth Amendment is necessary or expedient for the County;
- ii) the Fifth Amendment, under the circumstances, is preferable to a bond issue by the County for the same purposes;
- iii) the sums to fall due under the Fifth Amendment are adequate and not excessive for the Fifth Amendment’s proposed purposes;
- iv) the County’s debt management procedures and policies are good;
- v) the increase in taxes, if any, necessary to meet the sums to fall due under the Fifth Amendment will not be excessive; and
- vi) the County is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Fifth Amendment, the 2023 Bonds and the planned financing are hereby approved under the provisions of Section 160A-20, Article 8 of Chapter 159 of the General Statutes and is hereby approved as required under the provisions of Section 159-196 of the General Statutes.”

Ms. Hoffmann seconded the motion and the foregoing resolution was adopted by a vote of 6-2 (No: Butler, Folwell; Recusal: Wood). One citizen, Neal Shulman, made comments to the Commission. Eric Credle, County CFO; Chris Coudriet, County Manager; Bill Rivenbark, Chair of the Board of Commissioners; Dane Scalise, Commissioner; Tim Buckland, Intergovernmental Affairs Manager and Rebecca Joyner, Parker Poe, Bond Counsel attended in person to speak and answer members’ questions.

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

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE  
COUNTY OF NEW HANOVER LIMITED OBLIGATION BONDS,  
SERIES 2023**

WHEREAS, the County of New Hanover, North Carolina (the “County”) has requested that the North Carolina Local Government Commission approve its selection of the following financing team members for the referenced limited obligation bonds:

Bond Counsel:	- Parker Poe Adams & Bernstein LLP
Underwriter:	- PNC Capital Markets LLC
Underwriter’s Counsel:	- Holland & Knight LLP
Trustee:	- U.S. Bank Trust Company, National Association
Financial Advisor:	- First Tryon Advisors

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

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved for the referenced limited obligation bond financing.

Ms. Hoffmann seconded the motion and the foregoing resolution was adopted by vote of 6-2 (No: Butler, Folwell; Recusal: Wood). One citizen, Neal Shulman, made comments to the Commission. Eric Credle, County CFO; Chris Coudriet, County Manager; Bill Rivenbark, Chair of the Board of Commissioners; Dane Scalise, Commissioner; Tim Buckland, Intergovernmental Affairs Manager and Rebecca Joyner, Parker Poe, Bond Counsel attended in person to speak and answer members’ questions.

\*\*\*\*\*



## CITY OF WILMINGTON

Secretary Marshall made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF WILMINGTON FOR THE FINANCING OF THE ACQUISITION OF A DOWNTOWN CAMPUS INCLUDING A BUILDING, A PARKING DECK, AND RELATED PROPERTY THROUGH AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. § 160A-20**

WHEREAS, under Section 160A-20 of the General Statutes of North Carolina (the “*General Statutes*”), the City of Wilmington, North Carolina (the “*City*”) has previously entered into (A) an Installment Financing Contract dated as of June 15, 2012 (the “*2012 Contract*”), as amended by Amendment Number One to the 2012 Contract dated as of June 1, 2015 (the “*First Amendment*”), Amendment Number Two to the 2012 Contract dated as of May 1, 2020 (the “*Second Amendment*”), Amendment Number Three to the 2012 Contract dated as of May 1, 2021 (the “*Third Amendment*”), and Amendment Number Four to the 2012 Contract dated as of May 1, 2023 (the “*Fourth Amendment*”), each with Wilmington Future, Inc. (the “*Corporation*”), to finance and refinance the projects described therein; and (B) to secure its obligations under the 2012 Contract, as amended, a Deed of Trust and Security Agreement dated as of June 26, 2012 (the “*2012 Deed of Trust*”), granting a security interest in the sites of the Operations Center, Fire Station 8, Fire Station 9, Masonboro Fire Station, Seagate Fire Station and the Command Center (all as defined in the 2012 Contract), a Notice of Extension dated as of June 1, 2015, extending the lien of the 2012 Deed of Trust to the sites of Cinema Drive and Shipyard Fire Stations (all as defined in the First Amendment), a Second Notice of Extension dated as of May 1, 2020, extending the lien of the 2012 Deed of Trust to the site of the Public Safety Training Facility and Firing Range (as defined in the Second Amendment), and a Third Notice of Extension dated as of May 1, 2023, extending the lien of the 2012 Deed of Trust to the site of the Riverlights Fire Station (as defined in the Third Amendment); and

WHEREAS, the City has determined that, in connection with the execution and delivery by the Corporation of its Variable Rate Taxable Limited Obligation Bond, Series 2023B (the “*2023B Bond*”), Taxable Limited Obligation Bonds, Series 2023C (the “*2023C Bonds*”), and Limited Obligation Bonds, Series 2023D (the “*2023D Bonds*” and together with the 2023B Bond and the 2023C Bonds, the “*2023BCD Bonds*”) it was in the best interest of the City to (1) to enter into Amendment Number Five to the 2012 Contract (the “*Fifth Amendment*” and together with the 2012 Contract, the First Amendment, the Second Amendment, the Third Amendment, and the Fourth Amendment, the “*Contract*”) and use the advance by the Corporation related to the 2023BCD Bonds to pay the capital costs of the acquisition of the Northern Downtown Campus that includes a building with 370,000 square feet of office space in which the City will consolidate City administrative offices, a parking deck, and related property (the “*2023BCD Project*”) and (2) to secure its obligations under the 2012 Contract, enter into a Fourth Notice of Extension to the 2012 Deed of Trust (the “*Fourth Extension*” and together with the 2012 Deed of Trust, the First Extension, the Second Extension, and the Third Extension, the “*Deed of Trust*”), extending the lien of the 2012 Deed

of Trust to the site of the Northern Downton Campus (as defined in the Fifth Amendment), once acquired; and

WHEREAS, the 2023B Bond, the 2023C Bonds, and the 2023D Bonds each evidence proportionate undivided interests in rights to receive certain Revenues pursuant to the Contract and Deed of Trust; and

WHEREAS, Truist Bank (the “*Bank*”) has agreed to purchase the 2023B Bond pursuant to the terms of a Bond Purchase Agreement to be dated on or about July 12, 2023 and will advance funds to the Corporation, which will fund a portion of the advance by the Corporation to the City under the Fifth Amendment; and

WHEREAS, the 2023C Bonds and 2023D Bonds are to be underwritten by Raymond James & Associates, Inc. (the “*Underwriter*”), and the proceeds from the sale of the 2023C Bonds and 2023D Bonds will be remitted by the Underwriter to the Corporation to fund a portion of the advance by the Corporation to the City under the Fifth Amendment; and

WHEREAS, the aggregate principal amount of the 2023BCD Bonds, shall not exceed \$70,000,000; and

WHEREAS, the maturity of the installment payments relating to the 2023BCD Bonds shall not extend beyond September 1, 2043; and

WHEREAS, the effective interest cost of the 2023BCD Bonds shall not exceed 6.00%; and

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

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

- i) the Fifth Amendment is necessary or expedient for the City;
- ii) the Fifth Amendment, under the circumstances, is preferable to a bond issue by the City for the same purposes;
- iii) the sums to fall due under the Fifth Amendment are adequate and not excessive for the proposed purposes;
- iv) the City’s debt management procedures and policies are good;
- v) the increase in taxes, if any, necessary to meet the sums to fall due under the Fifth Amendment will not be excessive; and
- vi) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Fifth Amendment, the 2023BCD Bonds

and the planned financing is hereby approved under the provisions of Section 160A-20, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission.”

Mr. Burns seconded the motion and the foregoing resolution was adopted by a vote of 7-1 (No: Folwell; Recusal: Wood). Bill Saffo, Mayor; Clifford Barnett, Councilman; Tony Caudle, City Manager; Chad McEwan, Deputy City Manager; Meredith Everhart, City Attorney; Jennifer Maready, Finance Director; Bryon Dorey, Assistant Finance Director; and Rebecca Joyner, Parker Poe, Bond Counsel attended in person to speak and answer members’ questions.

Secretary Marshall made a motion to approve the following resolution:

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF WILMINGTON LIMITED OBLIGATION BONDS FINANCING**

WHEREAS, the City of Wilmington, North Carolina (the “City”) has requested that the North Carolina Local Government Commission approve its selection of the following financing team members for the referenced limited obligation bonds:

Bond Counsel:	Parker Poe Adams & Bernstein LLP
Underwriter (CD Bonds):	Raymond James & Associates, Inc.
Underwriter’s Counsel:	Pope Flynn, LLC
Bank (B Bond):	Truist Bank
Bank’s Counsel:	Moore & Van Allen, PLLC
Financial Advisor:	Waters & Company, LLC
Trustee:	U.S. Bank Trust Company, National Association
Trustee’s Counsel:	McGuireWoods LLP

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

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

Mr. Burns seconded the motion and the foregoing resolution was adopted by a vote of 7-1 (No: Folwell; Recusal: Wood). Bill Saffo, Mayor; Clifford Barnett, Councilman; Tony Caudle, City Manager; Chad McEwan, Deputy City Manager; Meredith Everhart, City Attorney; Jennifer Maready, Finance Director; Bryon Dorey, Assistant Finance Director; and Rebecca Joyner, Parker Poe, Bond Counsel attended in person to speak and answer members’ questions.

\* \* \* \* \*

Secretary Marshall made a motion to adopt the following items:

**See EXHIBIT 2: Grant Project Ordinance For Town of Robersonville 2023  
Community Project Fund/Street Improvements**

**See EXHIBIT 3:** Grant Project Ordinance For Town of Robersonville - American Rescue Plan Act of 2021: Coronavirus State And Local Fiscal Recovery Funds

**See EXHIBIT 4:** for the Town of Kingstown: Resolution to Approve a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement

**See EXHIBITS 5 – 15:** Eleven (11) Budget Ordinance Amendments for the Town of Spring Lake (Ordinance Nos. 23–15 through 23–25)

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

\* \* \* \* \*

Secretary Marshall made a motion to adopt the following item:

**See EXHIBIT 16:** Resolution Approving Viable Utility Reserve Grant Application for the Lumber River Council of Governments

Mr. Philbeck seconded the motion and the foregoing was adopted by a vote of 5 – 2 (No: Butler, Folwell; Absent: Wood, Burns).

\* \* \* \* \*

Chair Folwell asked that the meeting be adjourned in remembrance of Memorial Day and in honor of all those who have served our country in the military, those alive, deceased and missing in action. Mr. Philbeck made a motion to adjourn. Mr. Butler seconded the motion which passed by unanimous vote (Absent: Wood, Burns). The meeting adjourned at 3:51 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on July 11, 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 June 6, 2023.

WITNESS my hand at Raleigh, NC, this 6th day of June 2023.



---

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

Local Governments Requesting Debt Approval by LGC									
Meeting Date		06/06/23							
		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)
Asheboro Housing Authority (2)	Randolph	699,174	0	699,174	N/A	N/A	N/A	N/A	151,979
Gastonia	Gaston	65,707,214	0	65,707,214	24,212,812	0	24,212,812	89,920,026	9,941,229
Hope Mills	Cumberland	11,742,491	0	11,742,491	835,249	0	835,249	12,577,740	1,291,748
Kernersville	Forsyth	1,051,659	0	1,051,659	155,442	0	155,442	1,207,101	73,613
Kings Mountain	Cleveland	14,689,355	0	14,689,355	1,685,091	0	1,685,091	16,374,446	1,980,637
Laurinburg	Scotland	2,786,571	0	2,786,571	1,939,078	0	1,939,078	4,725,649	1,518,873
Mocksville	Davie	839,594	0	839,594	211,503	0	211,503	1,051,097	430,787
New Hanover County	New Hanover	383,103,721	0	383,103,721	20,021,043	0	20,021,043	403,124,764	21,906,192
Onslow County	Onslow	20,720,525	0	20,720,525	5,342,353	0	5,342,353	26,062,878	11,994,408
Orange County	Orange	132,737,808	363,033	132,374,775	6,941,163	0	6,941,163	139,315,938	11,317,480
Rocky Mount	Nash	50,418,123	0	50,418,123	10,163,709	0	10,163,709	60,581,832	10,246,722
Rowan County	Rowan	13,161,926	0	13,161,926	5,746,791	0	5,746,791	18,908,717	8,594,426
Salisbury	Rowan	8,833,858	0	8,833,858	3,952,090	0	3,952,090	12,785,948	5,005,351
Wallace	Duplin	N/A	N/A	N/A	275,021	0	275,021	275,021	552,401
Wilmington	New Hanover	41,653,001	3,061,235	38,591,766	17,159,226	0	17,159,226	55,750,992	12,200,983
Winston Salem Housing Authority	Forsyth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

LGERS - Local Government Employees' Retirement System  
 TSERS - Teachers' and State Employees' Retirement System

OPEB - Other Post Employment Benefits (e.g. retiree healthcare)  
 NA - Not applicable

(1) LGERS/TSERS liabilities are satisfied by monthly employer contributions to the plans. The contribution rates are reviewed annually and adjusted as needed. See detailed explanation on cover page.

(2) Financials as of 03/31/2022

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



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

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

**GRANT PROJECT ORDINANCE FOR  
TOWN OF ROBERSONVILLE  
2023 COMMUNITY PROJECT FUND/STREET IMPROVEMENTS**

BE IT ORDAINED, by the North Carolina Local Government Commission acting in place of the Board of Commissioners of the Town of Robersonville, North Carolina pursuant to General Statute 159-181(c) that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Ordinance is hereby adopted:

Section 1. The projects authorized are for the 2023 Community Project Fund (CPF) / Street Improvements Project to be paid 100% with the Federal HUD CPF Grant.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the board resolution and the budget contained herein.

Section 3. The following amounts are appropriated for the projects:

Construction	\$	675,000
Design/Engineering		37,500
Construction/Administration/Oversight		18,750
Project Management		<u>18,750</u>
Total	\$	<u>750,000</u>

Section 4. The following revenue is anticipated to be available to complete these projects:

Federal HUD CPF Grant	\$	<u>750,000</u>
-----------------------	----	----------------

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations. The terms of the resolution also shall be met.

Section 6. Funds may be advanced by the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agencies in an orderly and timely manner.

Section 7. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total grant revenues received or claimed.



LOCAL GOVERNMENT COMMISSION  
STATE AND LOCAL GOVERNMENT  
FINANCE DIVISION

SHARON EDMUNDSON  
DEPUTY TREASURER

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this Grant project in every budget submission made to the Local Government Commission on behalf of the Town Council.

Section 9. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this 6th day of June 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 Grant Project Ordinance adopted by the North Carolina Local Government Commission at its meeting held on June 6<sup>th</sup>, 2023.

WITNESS my hand this 6th day of June 2023

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

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



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

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

**GRANT PROJECT ORDINANCE FOR  
TOWN OF ROBERSONVILLE  
AMERICAN RESCUE PLAN ACT OF 2021: CORONAVIRUS STATE AND LOCAL FISCAL  
RECOVERY FUNDS**

**BE IT ORDAINED** by the North Carolina Local Government Commission acting in place of the Town of Robersonville, North Carolina pursuant to General Statute 159-181(c) that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

**Section 1:** This ordinance is to establish a budget for projects to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The Town of Robersonville (Town) has received the total allocation of \$428,010.67. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

**Section 2:** The Town has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

**Section 3:** The following amounts are recognized as grant revenue and associated investment earnings and are appropriated for transfer to the General Fund:

Transfer out to General Fund	\$435,050	
ARP/CSLFRF Funds		\$428,010
Investment earnings		\$7,040





LOCAL GOVERNMENT COMMISSION  
STATE AND LOCAL GOVERNMENT  
FINANCE DIVISION

SHARON EDMUNDSON  
DEPUTY TREASURER

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this Grant project in every budget submission made to the Local Government Commission on behalf of the Town Council.

Section 9. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this 6th day of June 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 Grant Project Ordinance adopted by the North Carolina Local Government Commission at its meeting held on June 6<sup>th</sup>, 2023.

WITNESS my hand this 6th day of June 2023

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

A handwritten signature of Dale R. Folwell, CPA, in dark ink.

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON  
DEPUTY TREASURER

**RESOLUTION TO APPROVE A MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY  
AND TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT**

**WHEREAS**, the North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the NC League of Municipalities (League) grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (ARP); and

**WHEREAS**, the League received two Award Agreements (OSBM-NCLM-65) from the Office of State Budget and Management (OSBM) and the North Carolina Pandemic Recovery Office (NCPRO); and

**WHEREAS**, the first Award Agreement is identified as OSBM-NCLM-65. This grant enables the League to provide "financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic..." This grant is referred to as the Municipal Accounting Services and Cybersecurity Grant; and

**WHEREAS**, the second Award Agreement is identified as OSBM-NCLM-66. This grant enables the League "to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in Section 2.2 of S.L. 2021-25." This grant is referred to as the Guidance and Technical Assistance Grant; and

**WHEREAS**, the Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the "League Grants".

**WHEREAS**, the League Grants are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services; and

**WHEREAS**, pursuant to US Treasury Guidance, units of local government that receive services that are funded by one or both of the League Grants are beneficiaries of one or both of the League Grants, respectively, and such services are provided at no cost to these local governments; and

**WHEREAS**, the value of the Contractor Services provided by Black Mountain Software, LLC, to the Town of Kingstown is currently \$45,080; and

**WHEREAS**, the League has established a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement pursuant to the terms of the League's Municipal Accounting Systems and Cybersecurity Grant and the Guidance and Technical Assistance Grant; and

## EXHIBIT 4 (cont.)

RESOLUTION APPROVING MAS MOA FOR THE TOWN OF KINGSTOWN  
June 6, 2023  
Page 2

**WHEREAS**, this Municipal Accounting System, Cybersecurity and Technical Assistance Memorandum of Agreement will offer local municipalities:

- (1) Services rendered by the League (League Services) (see Memorandum of Agreement Exhibit A); and
- (2) Services rendered by one or more service providers (Contractor Services), retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459; and
- (3) Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453; and

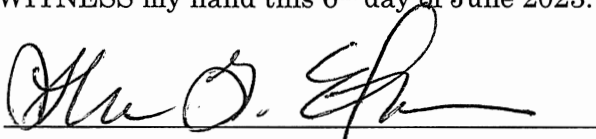
**WHEREAS**, the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement, is attached hereto as EXHIBIT A.

**NOW, THEREFORE BE IT RESOLVED BY THE LOCAL GOVERNMENT COMMISSION ACTING IN PLACE OF THE TOWN COUNCIL OF KINGSTOWN PURSUANT TO GENERAL STATUTE 159-181(c):**

1. That the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement is hereby approved.
2. That the Finance Officer is authorized to execute the attached Memorandum of Agreement (or one substantially equivalent thereto) and such other agreements as necessary in accordance with the League's Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant.

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 June 6, 2023.

WITNESS my hand this 6<sup>th</sup> day of June 2023.



Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission

**RESOLUTION TO APPROVE A MUNICIPAL ACCOUNTING SERVICES,  
CYBERSECURITY AND TECHNICAL ASSISTANCE MEMORANDUM OF  
AGREEMENT**

**EXHIBIT A  
MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND  
TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT**

This Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (hereinafter the “Agreement”) is entered into as of the Effective Date set out below, by and between the Town of Kingstown (hereinafter the “Municipality”) and the NC League of Municipalities (hereinafter the League), each additionally referred to as a “Party”; and collectively as the “Parties.” This Agreement and the obligations hereunder shall be effective upon execution of this Agreement by all Parties (“Effective Date”).

For good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree follows:

**Article I. Overview.**

**1. Enabling Law and Regulation.**

The North Carolina State Budget Act of 2021 (SL 2021-180, as amended by SL 2021-189, and SL 2022-6) provided to the League grant funds provided to the State of North Carolina by the U.S. Treasury pursuant the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319, American Rescue Plan Act of 2021 (hereinafter ARP/CSLFRF). Pursuant to this legislation, the League received two Award Agreements from the Office of State Budget and Management (hereinafter OSBM) and the North Carolina Pandemic Recovery Office (hereinafter NCPRO).

The funds are deemed part of US Treasury Expenditure Category: 6, Revenue Replacement and shall only be spent on governmental services.

**2. Grants Awarded to the NC League of Municipalities.**

The first Award Agreement is identified as **OSBM-NCLM-65**. This grant enables the League to provide “financial software and assistance programs for units of local government for expenses related to the COVID-19 pandemic...” This grant is referred to as the **Municipal Accounting Services and Cybersecurity Grant**.

The second Award Agreement is identified as **OSBM-NCLM-66**. This grant enables the League “to provide guidance and technical assistance to units of local government in the administration of funds from the Local Fiscal Recovery Fund, as established in Section 2.6 of S.L. 2021-25, and in the administration of projects funded through the State Fiscal Recovery Fund, as established in

Section 2.2 of S.L. 2021-25." This grant is referred to as the **Guidance and Technical Assistance Grant**.

The Municipal Accounting Services and Cybersecurity Grant and the Guidance and Technical Assistance Grant are collectively referred to herein as the **"League Grants"**.

One or both of the League Grants fund this Agreement.

### **3. Status of the Parties.**

The undersigned Municipality is a beneficiary of the League Grants. The service providers retained by the League and funded by the League Grants for the benefit of the Municipality are contractors ("Contractors").

### **4. Services Offered.**

Pursuant to this Agreement, the League hereby offers the following to the Municipality:

- Services rendered by the League ("League Services"). See Exhibit A.
- Services rendered by one or more service providers ("Contractor Services") retained by the League on behalf of the Municipality, who are members of a particular profession or possess a special skill as set forth in §2 C.F.R. 200.459. See Exhibit B (and subsequent Exhibits, as applicable).
- Equipment, including information technology systems, and supplies, including computing devices, as set forth in §2 C.F.R. 200.439 and §2 C.F.R. 200.453. The League shall fund League Services and Contractor Services pursuant to this Agreement.

### **5. Additional Services.**

Additional Services (hereinafter "Additional Services") may be offered to the Municipality by the League during the League's Grant period pursuant to this Agreement. The Municipality's official, who is designated in the Municipality's adopting Resolution, may execute further agreements, modifications of this Agreement, and agree to Additional Services to be provided to the Municipality. These Additional Services shall be described in additional Exhibits to this Agreement (Exhibit C, D, E, etc.) that, when executed by the Parties, shall become part of this Agreement.

### **6. Term of Agreement.**

This Agreement shall begin on the Effective Date of this agreement and shall end when terminated at the discretion either party. All expenditures by the League under this Agreement

must be obligated on or before December 31, 2024 and expended on or before December 31, 2026. Unless otherwise terminated, this Agreement shall expire on December, 31, 2026. Agreements executed by the Municipality and the Contractor, as may be reflected in Exhibit B, (and subsequent Exhibits attached hereto, as applicable) will survive termination of this Agreement, unless terminated early by the Municipality and the Contractor.

#### **7. Termination of Agreement.**

The League may terminate this Agreement, in whole or in part, at any time upon written notice to the Municipality and the Contractor. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the League to be paid. If the Contractor has any property in its possession belonging to the League, the Contractor will account for the same, and dispose of it in the manner the League directs.

#### **8. Duties of the Municipality.**

The Municipality will utilize League Services and Contractor Services in accordance with this Agreement. It agrees to submit quarterly performance reports for the League Services and Contractor Services received pursuant to this Agreement and to cooperate with the League in appropriate review of these League Services and Contractor Services. The nature and scope of the reports will depend on the project. Any deficiencies or other performance concerns will be addressed with the Municipality and the Contractor.

The Municipality shall obtain and provide to the League a unique entity identifier assigned by the System for Award Management (SAM), which is accessible at [www.sam.gov](http://www.sam.gov).

The Municipality shall provide the League with all relevant information requested by the League to enable the League to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) or other federal or state requirements or audits, unless such information is otherwise confidential under applicable federal or state laws.

### **Article II. Scope of Funded Activities.**

#### **1. Scope of Services**

Services provided pursuant to this Agreement are set forth in the Exhibit A & B attached hereto (and subsequent Exhibits as applicable).

#### **2. Approved Budget.**

The League, in consultation with the Municipality and the Contractor, shall establish applicable rates and fees to align with the scope of services described in Exhibit B (and subsequent Exhibits as applicable) or amendments thereto as approved in writing by the League. Such charges and

rates under this Agreement, once finalized and accepted by the League, are hereinafter referred to as the “Approved Budget”. The League shall furnish the Municipality with a copy of the Approved Budget, which will include a detailed summary of charges and rates that the League will be obligated to expend for the benefit of the Municipality using applicable grant funding.

**3. Prior Approval for Changes.**

The Municipality shall not make any changes, directly or indirectly, to the Contractor Services, or the Approved Budget, without the prior written approval of the League.

**4. Allowable Costs for Services Rendered.**

All services provided pursuant to this Agreement must fall with the definitions of allowable cost and not be otherwise prohibited under State or Federal law.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance, Subpart E, defines those items of cost that are allowable, and which are unallowable. These allowable cost requirements are:

1. The costs must be reasonable;
2. The costs must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP);
3. The costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances;
4. The costs must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items.

**4. Prohibited Uses of Funding.**

The US Treasury’s Final Rule prohibits certain uses of ARP/CSLFRF funds. Specifically, ARP/CSLFRF funds may not be used for projects within the following categories of expenditures:

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Routine contributions which are part of a payroll obligation for an eligible project are allowed);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or to fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or regulatory proceeding;
5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;

6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c).

7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

### **Article III. Compensation.**

#### **1. Payment of Funds.**

The League will pay the Contractor identified in Exhibit B (and other Contractors identified in subsequent Exhibits as applicable) for services rendered in accordance with the Approved Budget and for the performance of the Contractor Services. No Contractor Services shall be funded by the League outside the parameters of the League Grants. Fees and costs must be supported by evidence of bona fide services rendered.

The Municipality has no obligation to pay for any services identified in the Approved Budget that are the League's responsibility. Services not expressly agreed to by the League shall be the responsibility of the Municipality.

#### **2. Invoices.**

<mailto:Accountspayablearp@nclm.org> Expenses must be reasonable and necessary, documented, itemized, and incurred in accordance with this Agreement. All League expenditures under this Agreement must be obligated on or before December 31, 2024 and expended on or before December 31, 2026.

### **Article IV. Compliance with Grant Agreement and Applicable Laws.**

#### **1. Expenditure Authority.**

This Agreement is subject to the laws, regulations, and guidance documents authorizing and implementing the ARP/CSLFRF grant, including, but not limited to, the following:

- Authorizing Statute. Section 603 of the Social Security Act (42 U.S.C. 803), as added by section 9901(a) of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).
- Implementing Regulations. Subpart A of 31 CFR Part 35 (Coronavirus State and Local Fiscal Recovery Funds), as adopted in the Coronavirus State and Local Fiscal Recovery Funds interim final rule (86 FR 26786, applicable May 17, 2021 through March 31, 2022) and final rule (87 FR 4338, applicable January 27, 2022 through the end of the ARP/CSLFRF award term), and other subsequent regulations implementing Section 603 of the Social Security Act (42 U.S.C. 803).



- **Guidance Documents.** Applicable guidance documents issued from time-to-time by the US Department of Treasury, including the currently applicable version of the Compliance and Reporting Guidance: State and Local Fiscal Recovery Funds.

This Agreement is also subject to all applicable laws of the State of North Carolina.

## **2. Conflicts of Interest; Gifts & Favors.**

The Municipality understands that (1) it will use Fiscal Recovery Funds to pay for the cost of this Agreement, and (2) the expenditure of Fiscal Recovery Funds is governed by the League's Conflict of Interest Policy and the Federal and State regulatory requirements (including, without limitation, N.C. Gen. Stat. § 14- 234(a)(1) and N.C. Gen. Stat. § 14-234.3(a)).

The Municipality certifies that, as of the date hereof, to the best of its knowledge after reasonable inquiry, no employee, officer, or agent of the Municipality involved in the selection, award, or administration of this Agreement (each, a "Covered Individual"), nor any member of a Covered Individual's immediate family, nor a Covered Individual's partner, nor an organization which employs or is about to employ a Covered Individual, has a financial or other interest in or has received a tangible personal benefit from Fiscal Recovery Funds, except as to the funds legally expended in this Agreement. Should the Municipality obtain knowledge of any such interest, or any tangible personal benefit described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

The Municipality certifies to the League that it has not provided, nor offered to provide, any gratuities, favors, or anything of value to an officer, employee, or agent of the League. Should the Municipality obtain knowledge of the provision, or offer of a provision, of any gratuity, favor, or anything of value to an officer, employee, or agent described in the preceding sentence after the date hereof, the Municipality shall promptly disclose the same to the League in writing.

## **3. Records Retention and Access.**

The Municipality shall maintain all records, books, papers and other documents related to its performance of Approved Activities under this Agreement (including without limitation personnel, property, financial and medical records) through at least December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit, or other inquiry involving this Agreement. The Municipality shall make all records, books, papers and other documents that relate to this Agreement, unless otherwise privileged, available at all reasonable times for inspection, review or audit by the authorized representatives of the League, the North Carolina State Auditor, the US Department of Treasury, the US Government Accountability Office, and any other authorized state or federal oversight office.

**4. Suspension and Debarment.**

The Municipality shall comply with the Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR Part 180, as adopted by the U.S. Department of Treasury at 31 CFR Part 19. The Municipality represents that neither it, nor any of its principals has been debarred, suspended, or otherwise determined ineligible to participate in federal assistance awards or contracts. The Municipality further agrees that it will notify the League immediately if it, or any of its principals, is placed on the list of parties excluded from federal procurement or nonprocurement programs available at [www.sam.gov](http://www.sam.gov).

**5. Byrd Anti-Lobbying Amendment.**

The Municipality certifies to the League that it has not used and will not use Federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. The Municipality shall disclose any lobbying with non-Federally appropriated funds that takes place in connection with obtaining any Federal award. This certification is a material representation of fact upon which the League has relied when entering this Agreement and all liability arising from an erroneous representation shall be borne solely by the Municipality.

**6. Publications.**

Any publications produced with funds from this Agreement shall display the following language: “This project is supported, in whole or in part, by federal award number SLFRP0129 awarded to NC League of Municipalities through the State of North Carolina by the U.S. Department of the Treasury.”

**7. Equal Opportunity and Other Relevant Federal Laws**

The Municipality agrees during the performance of this Agreement the following:

**Civil Rights Laws.**

The Municipality shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

**Fair Housing Laws.**

The Municipality shall comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

**Disability Protections.**

The Municipality shall comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

**Age Discrimination.**

The Municipality shall comply with the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 CFR Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

**Americans with Disabilities Act.**

The Municipality shall comply with Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

**Clean Air Act.**

The Municipality agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

**Federal Water Pollution Control Act.**

The Municipality agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Municipality agrees to report each violation to Unit and understands and agrees that Unit will, in turn, report each violation as required to assure notification to the U.S. Department of the Treasury, and the appropriate Environmental Protection Agency Regional Office.

**Hatch Act.**

The Municipality agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

**Protections for Whistleblowers.**

In accordance with 41 U.S.C. § 4712, the Municipality may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

**Uniform Relocation Assistance and Real Property Acquisitions Act of 1970.**

(42 U.S.C. §§ 4601-4655) The Municipality will implement standards for predictable real property acquisition and relocation expenses for homeowners and tenants of land acquired through eminent domain.

**Governmentwide Requirements for Drug-Free Workplace.**

31 C.F.R. Part 20. The Municipality will implement required statements, policies and procedures.

**Increasing Seat Belt Use in the United States.**

Pursuant to Executive Order 13043, 62 Fed. Reg. 19216 (Apr. 18, 1997), The Municipality encourages its employees to adopt and enforce on-the-job seat belt policies and programs for its employees when operating company-owned, rented or personally owned vehicles.

**Reducing Text Messaging While Driving.**

Pursuant to Executive Order 13513, 74 Fed. Reg. 51225 (Oct. 6, 2009), The Municipality encourages its employees to adopt and enforce policies that ban text messaging while driving.

**Article V. Limitations of Liability**

**1. Limitations of Liability.**

In no event shall the League have any liability to the Municipality or any third party for damages resulting from Municipality's use of services provided through this Agreement or any separate agreement between the Municipality and the Contractor identified in Exhibit B (and other Contractors identified in subsequent Exhibits as applicable)

In no event shall the League be liable for any loss of profit or revenue by the Municipality or any consequential, indirect, incidental, special, punitive, or exemplary damages incurred or suffered by the Municipality, even if the League has been advised of the possibility of such loss or damage. Further, except for claims based on U.S. Patent or

U.S. Copyright infringement or for personal injury or physical loss or damage to real or tangible personal property caused by the negligence of the League, Municipality agrees that the League's total liability for all claims of any kinds arising as a result of, or related to, this Agreement, whether based on contract, tort, (including but not limited to strict liability and negligence) warranty, or on other legal or equitable grounds, shall be limited to general money damages and shall not exceed the amounts actually received by Municipality under this Agreement.

THE REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES, EXCEPT FOR THE WARRANTIES SET FORTH IN THIS AGREEMENT. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE GOODS AND SERVICES COVERED BY OR FURNISHED PURSUANT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES (I) OF MERCHANTABILITY, (II) OF FITNESS FOR A PRACTICAL PURPOSE, OR (III) ARISING FROM COURSE OF PERFORMANCE OR DEALING, OR FROM USAGE OF TRADE.

## **Article VI. General Conditions.**

### **2. Venue and Jurisdiction.**

This Agreement will be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this Agreement is the appropriate division of the North Carolina General Court of Justice in Wake County. Such actions may not be commenced in, nor removed to, federal court unless required by law.

### **3. Nonwaiver.**

No action or failure to act by the League constitutes a waiver of any of its rights or remedies that arise out of this Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, except as specifically agreed in writing.

### **4. Limitation of Authority.**

Nothing contained in this Agreement may be deemed or construed to in any way stop, limit, or impair the Municipality from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.

### **5. Assignment.**

The Municipality may not assign or delegate any of their rights or duties that arise out of this Agreement without the League's written consent.

**6. Integration.**

This Agreement contains the entire agreement between the parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this Agreement.

**7. North Carolina Public Records Law**

Notwithstanding any other provisions of this Agreement, this Agreement and all materials submitted to the Municipality by the League are subject to the public records laws of the State of North Carolina and it is the responsibility of the League to properly designate materials that may be protected from disclosure as trade secrets under North Carolina law as such and in the form required by law prior to the submission of such materials to the Municipality. League understands and agrees that the Municipality may take any and all actions necessary to comply with federal, state, and local laws and/or judicial orders and such actions will not constitute a breach of the terms of this Agreement. To the extent that any other provisions of this Agreement conflict with this paragraph, the provisions of this section shall control.

**8. E-Verify**

League shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with N.C.G.S. §64-25 et seq. In addition, to the best of League's knowledge, any subcontractor employed by League as a part of this contract shall be in compliance with the requirements of E-Verify and N.C.G.S. §64-25 et seq.

**9. Iran Divestment Act**

League certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55, et seq. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 147-86.59, League shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

**10. Companies Boycotting Israel Divestment Act**

League certifies that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.81.

*[Remainder of page left blank intentionally. Signatures are on following page.]*

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

**NC LEAGUE OF MUNICIPALITIES:**

**MUNICIPALITY:**

Town of Kingstown  
a North Carolina municipal corporation

By:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Rose Vaughn Williams

\_\_\_\_\_  
Name

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

ATTEST:

\_\_\_\_\_  
City/Town/Village Clerk (or designee)

.

\_\_\_\_\_

**Memorandum of Agreement  
Exhibit A: League Services**

**In addition to the Contractor Services set out in Exhibit B, the League may provide the services noted below.**

**1. IT Evaluation**

Prior to the installation of the Black Mountain software, the League's IT technicians ("Technical Team") will review and evaluate the IT System's environment ("IT Evaluation") of the Municipality to verify the system is adequate to operate Black Mountain software. The Technical Team will review the computer system for minimum security controls such as password protection, firewall installation and operation, and up to date antivirus programs. The Technical Team will act as a liaison to assist with communications between Black Mountain Software and the Municipality. The Technical Team will make appropriate hardware and software recommendations if any deficiencies are found during the IT Evaluation.

**2. Hardware and Software Acquisition**

In the event that hardware or software deficiencies are found during the IT Evaluation, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Minimum Requirements" as determined by Black Mountain Software. As determined by the League's IT Director, Cyber Advisor, or Cyber Field Technician, computer hardware may be provided under this Agreement, which may include the following: 2 Computers, 1 Laser Printer, 1 Scanner, 2 Monitors, 2 Keyboards, 2 mouse devices, 2 UPS devices. Computer software to be provided under this Agreement may include a Microsoft Office license (if organization has no license).

**All hardware and software shall be used only for governmental purposes and primarily used for MAS purposes. The Municipality is responsible for the security, operation, support and maintenance of the provided assets.**

**3. Hardware and Software Installation**

Hardware and software provided by the League will be installed by the Municipality's IT professionals. If the Municipality has no IT service provider, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will contract for a third-party IT professional installer to set up and load the hardware and software provided pursuant to this Agreement.

**4. Finance Evaluation and Assistance During Implementation**

Prior to the installation of the Black Mountain software, the League's Finance Team ("Finance Team"), in consultation with the Municipality and Black Mountain Software, will determine the



appropriate Black Mountain Software to be installed. League MAS representatives will further work with Black Mountain Software during the pre-implementation period to prepare the Municipality for conversion actions and assist the Municipality in adopting best practice options for the new system.

**5. Accounting Assistance Efforts Following Implementation**

During the term of this Agreement (as described in Article I, Paragraph 6 above), League Accounting Assistance personnel will provide the Municipality with ongoing assistance with accounting issues, review and assist with best practice accounting and finance processes, and generally assist the Municipality to be current with its bookkeeping and accounting. An emphasis will be placed on ensuring participating Municipalities are prepared for their annual audit. The implementation of best practices and timely preparation should improve the audit experience for both the Municipality and the firm performing the audit.

**6. Duties of the Municipality**

The Municipality further agrees to: (1) give the League access to data managed by the Municipality in order to facilitate implementation of the Municipal Accounting Services and Cybersecurity Grant; (2) provide on-line “read only” access into the Municipal Accounting System by the League’s Accounting Assistance personnel; (3) permit the League to contact Black Mountain Software on behalf of the Municipality as needed to facilitate implementation of the Municipal Accounting Services and Cybersecurity Grant; (4) make reasonable efforts to maintain industry standards for cybersecurity, which may include allowing the League to perform security audits in the League’s sole discretion; and (5) use the Standardized Chart of Accounts as provided in the Black Mountain Software installation.

**7. Duties of the League Related to Data Security**

The League agrees to: (1) access only the Municipality’s data that is necessary to implement the software; (2) restrict access to the Municipality’s data to designated League employees and agents; and (3) take reasonable measures to safeguard the Municipality’s data.

**Memorandum of Agreement  
Exhibit B: Contractor Services**

**See following pages for:  
Master Consultant Agreement Including Scope of Services and Initial Service Fee Schedule**

## License Agreement for Purchase and Support of Application Software



This AGREEMENT is made and entered into by and between BLACK MOUNTAIN SOFTWARE LLC, located at 110 Main Street, Suite 3, Polson, Montana 59860 (hereinafter referred to as BMS), and THE TOWN OF KINGSTOWN, located at 2014 Kinston Road, Kingstown, North Carolina 28150 (hereinafter referred to as LICENSEE).

The LICENSED SOFTWARE, as such term is used in the Agreement, includes all software products that the LICENSEE has obtained from BMS through purchase, lease, subscription, or rental and includes software, associated files, and documentation that may be related thereto, as the same may, from time to time, be amended, updated, or customized. The software products, associated files, and documentation that together constitute a computerized system are hereinafter referred to as LICENSED SOFTWARE. Examples of LICENSED SOFTWARE include, but are not limited to, the following products: (a) BMS Cloud Hosting, software hosted on cloud servers which the LICENSEE is granted access to; and (b) BMS Summit products, web application software hosted online which the LICENSEE is granted access to.

BMS hereby grants LICENSEE a limited, nontransferable, non-exclusive LICENSE to an executable copy of the LICENSED SOFTWARE, solely for LICENSEE's own internal business purposes and subject to the terms set forth herein. All rights not expressly granted to LICENSEE are reserved by BMS and its licensors. LICENSEE's ownership of and right to use the LICENSED SOFTWARE shall survive termination of this AGREEMENT. Notwithstanding, LICENSEE's obligation to only utilize the LICENSE SOFTWARE for internal business purposes and not transfer to other entities, not named in this AGREEMENT, shall survive termination of this AGREEMENT.

### SCOPE OF SERVICES & FEES

The Scope of Services to be provided by BMS are more specifically set forth in Exhibit 1 to this AGREEMENT.

The Initial Service Fee for each software product provided to LICENSEE is to be paid for by the NC League of Municipalities (hereinafter referred to as "NCLM") pursuant to the Municipal Accounting Services Assistance Master Agreement. The Initial Service Fee Schedule is attached hereto as Exhibit 2. This Initial Service Fee shall cover a period of three (3) years ("Initial Performance Period") beginning upon the date on which the BMS commences implementation of the software for LICENSEE. . Thereafter, LICENSEE shall have the option to continue this AGREEMENT as described below.

During the Initial Performance Period, neither the LICENSEE nor BMS shall make any changes, directly or indirectly, to the Scope of Services, as stated in Exhibit 1 of the Agreement, or the Initial Service Fee paid by the League as indicated in Exhibit 2 of the Agreement, without the prior written approval of the NC League of Municipalities. All costs incurred for activities outside of Exhibit 1 and Exhibit 2 of the Agreement or without prior approval of the NC League of Municipalities shall be borne by the LICENSEE.

After the Initial Performance Period expires, LICENSEE shall be notified annually of rates for the Annual Service Fee for the upcoming year in sufficient time for budgeting, if requested. LICENSEE agrees to

## EXHIBIT 4 (cont.)

payment of Service fees for as long as LICENSEE uses the LICENSED SOFTWARE.

### **1. WARRANTY AND LIMITATIONS OF LIABILITY**

All work performed under this AGREEMENT shall be performed in a workmanlike and professional manner, to the reasonable satisfaction of the LICENSEE, and shall conform to all prevailing industry and professional standards.

BMS does not warrant that the functions contained in the LICENSED SOFTWARE meet LICENSEE'S requirements. It is the responsibility of LICENSEE to determine that the functions provided by the software meet LICENSEE'S needs. In addition, LICENSEE assumes the entire risk of using the LICENSED SOFTWARE.

BMS agrees to use reasonable efforts to correct any material errors found in the LICENSED SOFTWARE, during the term of this and any subsequent AGREEMENTS regarding the LICENSED SOFTWARE, at no additional cost to LICENSEE. An error, or "bug", is defined as a logical defect in the software that causes it to perform a specific function or calculation in an improper manner, or not as originally intended or designed.

LICENSEE agrees to report any suspected error to BMS and to provide a detailed description of the situation surrounding the detection of the suspected error. BMS shall analyze the situation and determine the cause of the problem. If it is a material error, BMS shall use reasonable efforts to correct it and provide a new copy of the corrected executable code for use by LICENSEE. If an error has caused the loss or inaccessibility of any significant data previously entered into the LICENSED SOFTWARE by LICENSEE, BMS shall provide all reasonable assistance necessary to retrieve or reenter such data. BMS shall advise LICENSEE if there are charges associated with the data recovery effort.

IN NO EVENT SHALL BMS HAVE ANY LIABILITY TO LICENSEE OR ANY THIRD PARTY FOR DAMAGES RESULTING FROM LICENSEE'S USE OR POSSESSION OF THE LICENSED SOFTWARE.

IN NO EVENT SHALL BMS BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUE BY LICENSEE OR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES INCURRED OR SUFFERED BY LICENSEE, EVEN IF BMS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. FURTHER, EXCEPT FOR CLAIMS BASED ON US PATENT OR US COPYRIGHT INFRINGEMENT OR FOR PERSONAL INJURY OR PHYSICAL LOSS OR DAMAGE TO REAL OR TANGIBLE PERSONAL PROPERTY CAUSED BY THE NEGLIGENCE OF BMS, LICENSEE AGREES THAT BMS'S TOTAL LIABILITY FOR ALL CLAIMS OF ANY KIND ARISING AS A RESULT OF, OR RELATED TO, THIS AGREEMENT, WHETHER BASED ON CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO STRICT LIABILITY AND NEGLIGENCE), WARRANTY, OR ON OTHER LEGAL OR EQUITABLE GROUNDS, SHALL BE LIMITED TO GENERAL MONEY DAMAGES AND SHALL NOT EXCEED THE AMOUNTS ACTUALLY RECEIVED BY BMS FROM LICENSEE FOR SUCH SPECIFIC LICENSE FOR THE PARTICULAR PRODUCT(S) AND SERVICE PERIOD(S) TO WHICH THIS CLAIMS PERTAIN.

LICENSEE'S REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES, EXPRESS OR IMPLIED, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE LICENSED SOFTWARE AND ANY OTHER GOODS AND SERVICES COVERED BY OR FURNISHED PURSUANT TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES (i) OF MERCHANTABILITY, (ii) OF FITNESS FOR A PARTICULAR PURPOSE, OR (iii) ARISING FROM COURSE OF PERFORMANCE OR DEALING, OR FROM USAGE OF TRADE.

## **2. OWNERSHIP OF SOURCE CODE**

BMS owns the copyrights and all associated intellectual property rights to the licensed software which is considered confidential and a trade secret. The original source code for each software product, including any alterations or customization requested and paid for by the LICENSEE, is the sole property of BMS. The original source code is not provided as part of this AGREEMENT. LICENSEE is only granted permission to utilize a copy of the executable code for each software product, subject to the terms and restrictions set forth in this AGREEMENT. However, if BMS should discontinue its operations so as to no longer be in a position to service, update, or otherwise care for its software products under this AGREEMENT, BMS shall take all reasonable steps to provide LICENSEE with a single copy of the then-current version of the source code of each software product LICENSEE utilized, at no additional charge. The source code supplied to LICENSEE under this provision shall be subject to each and every restriction on use and disclosure set forth in this AGREEMENT, and LICENSEE acknowledges that the source code and its associated documentation are extraordinarily valuable proprietary property of BMS that shall be guarded against unauthorized use or disclosure with great care.

## **3. NONDISCLOSURE**

All rights of any kind associated with LICENSED SOFTWARE that are not expressly granted in this AGREEMENT are entirely and exclusively reserved to and by BMS. LICENSEE shall not give, assign, sell, rent, lease, or otherwise transfer this LICENSE or the LICENSED SOFTWARE, or any access to the same, to any third party. LICENSEE may also not modify, translate, reverse engineer, decompile, disassemble, or create derivative works based on the LICENSED SOFTWARE.

The LICENSED SOFTWARE is protected by both United States copyright law and international treaty provisions. LICENSEE agrees not to disclose or otherwise make available the LICENSED SOFTWARE, or related documentation, in any form, to any person for any purpose other than as necessary to LICENSEE'S use of the software as authorized herein. LICENSEE is hereby granted permission only to make archival copies of approved LICENSED SOFTWARE for the sole purpose of back up to protect LICENSEE'S investment from loss. However, LICENSEE shall safeguard the original and all copies of the LICENSED SOFTWARE and documentation against unauthorized disclosure and take such steps as necessary to ensure that the provisions of this AGREEMENT are not violated by any employee of LICENSEE or any other individual with access to LICENSEE'S computer system. For only those users that have elected to have their software hosted through BMS on the "Cloud", or other online hosting service, a backup of each application and the related application database shall routinely be performed each workday by a third-party provider.

## **4. ADDITIONAL SERVICES**

See Scope of Services in Exhibit 1.

## **5. PROTECTION OF DATA**

### **5.1 Implementation on Client Hardware/Network**

Intentionally omitted.

### **5.2 Implementation on Cloud and for Online Services**

BMS shall make commercially reasonable efforts to safeguard LICENSEE'S data. LICENSEE UNDERSTANDS AND AGREES THAT BMS IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS OF THE THIRD-PARTY PROVIDERS, AND THAT LICENSEE'S REMEDIES, IF ANY, RELATING TO LOSS OF DATA ASSOCIATED WITH ERRORS OR OMISSIONS OF THE THIRD-PARTY PROVIDERS ARE STRICTLY LIMITED TO CLAIMS LICENSEE MAY HAVE AGAINST THE THIRD-PARTY PROVIDERS.

In the event of loss of data, LICENSEE shall participate and assist with data recovery by all reasonable means, in conjunction with the efforts of the third-party provider of infrastructure as a service, as well as the third-party provider of backup services. IT IS UNDERSTOOD AND AGREED THAT BMS'S LIABILITY IN THE EVENT OF LOSS OF DATA IS STRICTLY LIMITED TO TAKING THE REMEDIAL MEASURES DESCRIBED HEREIN, AND IN NO EVENT SHALL BMS BE LIABLE FOR ANY LOSS OR DAMAGES OF ANY KIND RESULTING FROM THE LOSS OF LICENSEE'S DATA.

### **5.3 Data Breach: Licensee's Obligation to Notify Individuals**

In the event the parties hereto discover an unauthorized disclosure of LICENSEE'S data, the discovering party shall notify the other party within 24 hours of discovery of such a disclosure. LICENSEE hereby accepts all obligations under applicable law to notify each individual affected by the disclosure. LICENSEE agrees to pay all costs associated with the notification process and to diligently abide by all laws governing the unauthorized disclosure of personal information. BMS agrees to fully cooperate with the LICENSEE in their process. To the extent permitted by law, LICENSEE shall indemnify and hold harmless BMS against all costs of notification and remediation of an unauthorized disclosure of LICENSEE'S data, whether or not such breach is the direct result of an action or inaction of BMS. This indemnification shall extend to all claims for any losses, damages, liabilities, fines or expenses, including reasonable attorney's fees, arising out of any failure by LICENSEE to comply with its obligations hereunder.

## **6. NONPAYMENT**

The Initial Service Fee for each software product provided to LICENSEE under this Agreement is to be paid for by the NC League of Municipalities pursuant to the Municipal Accounting Services Assistance Master Agreement. LICENSEE agrees to make all required payments for: (a) Annual Service Fees; (b) additional services that are requested by the LICENSEE under Section 4 above; and (c) any applicable Cloud Hosting or access fees, on or before the due date of such payment. If any such payment remains unpaid for a period of thirty (30) days, BMS shall have the right to terminate this AGREEMENT and all Service, support, Cloud Hosting, and/or access to the LICENSED SOFTWARE and other services.

## **7. COMPUTER SYSTEM**

LICENSEE is responsible for and agrees to provide and maintain a computer system suitable to support the use and operation of BMS'S software products, as specified on BMS'S website in a document entitled Minimum Requirements. When applicable, LICENSEE is responsible for the stability of their internet access and understands that the quality of their internet connection can impact the services BMS provides. LICENSEE is responsible for and agrees to keep computer workstations, servers, operating systems, network switches and wiring, uninterruptible power supplies, etc. up to date and functioning properly. Information on the use of LICENSED SOFTWARE, including system performance metrics, is monitored and collected by BMS for the explicit purpose of improving the Software, End Users' experience, Software performance, Software reliability and general troubleshooting practices. LICENSEE may request BMS'S advice regarding modification of server, workstation, and/or network environments to ensure proper functioning of BMS'S software. However, actual modifications are to be performed by LICENSEE'S in-house or contracted technical support personnel, unless BMS personnel are specifically directed to make changes in an emergency. In this case, authorization to proceed must be provided in writing to BMS. If LICENSEE fails to properly provide and maintain a suitable computer system, and this leads to data corruption, LICENSEE may incur charges from BMS to cover costs related to repairing or restoring damaged data. In such an event, BMS retains the right to notify LICENSEE of the fact and the amount of the charges within 30 days of discovery and reporting of the issue.

## **8. APPLICABLE LAW**

This AGREEMENT is the complete statement of the AGREEMENT between the parties on the subject matter, and merges and supersedes all other or prior understandings, agreements, and arrangements. This AGREEMENT shall be governed by the laws of the State of North Carolina. Exclusive jurisdiction and venue for all matters relating to this AGREEMENT shall be in courts located in the State of North Carolina, and BMS and LICENSEE consent to such jurisdiction and venue. If any of the provisions of this AGREEMENT are invalid under any applicable statute or rule of law, they are, to that extent, modified to conform with such applicable statute or rule of law.

## **9. NORTH CAROLINA PUBLIC RECORDS LAW**

Notwithstanding any other provisions of this Agreement, this Agreement and all materials submitted to the LICENSEE by the BMS are subject to the public records laws of the State of North Carolina and it is the responsibility of the BMS to properly designate materials that may be protected from disclosure as trade secrets under North Carolina law as such and in the form required by law prior to the submission of such materials to the LICENSEE. BMS understands and agrees that the LICENSEE may take any and all actions necessary to comply with federal, state, and local laws and/or judicial orders and such actions will not constitute a breach of the terms of this Agreement. To the extent that any other provisions of this Agreement conflict with this paragraph, the provisions of this section shall control.

## **10. E – VERIFY**

BMS shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with N.C.G.S. §64-25 et seq. In addition, to the best of BMS's knowledge, any subcontractor employed by BMS as a part of this contract shall be in compliance with the requirements of E-Verify and N.C.G.S. §64-25 et seq.

## **11. IRAN DIVESTMENT ACT**

BMS certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55, et seq. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 147-86.59, BMS shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

## **12. COMPANIES BOYCOTTING ISRAEL DIVESTMENT ACT**

BMS certifies that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.81.

## **13. FORCE MAJEURE**

BMS will not be responsible for any delay or failure to perform obligations specified in this AGREEMENT due to causes beyond BMS's reasonable control.

## **14. TERM AND TERMINATION**

The term of this AGREEMENT shall be for so long as there are then current orders made a part hereof unless earlier terminated as provided herein.

Either party may terminate this AGREEMENT by giving the other written notice effective no later than sixty (60) days prior to the next Annual Service fee date. Such written notice shall be addressed and delivered to the designated points of contact, respectively, for LICENSEE and BMS at the addresses provided above or as later provided.

BMS may suspend LICENSEE's access to the LICENSED SOFTWARE and services during any period that LICENSEE is in material breach of this AGREEMENT or LICENSEE's access to and use of the LICENSED SOFTWARE creates a material security vulnerability. Where practicable, BMS will give LICENSEE at least two (2) days' advance notice of the suspension unless the suspension is made under emergency circumstances. BMS will reinstate LICENSEE's access to the LICENSED SOFTWARE when the grounds for suspension are cured.

In the event this AGREEMENT is terminated, BMS will retain LICENSEE's data for up to sixty (60) days from the effective date of termination. During that sixty (60) day period, upon LICENSEE's request, BMS shall provide LICENSEE with a backup copy of their data for each licensed software product that can be reasonably transferred to a local hosting service. In this case, BMS may assist LICENSEE with installation and/or configuration of LICENSEE'S software and data on a local network, upon payment of related installation fees. BMS has no obligation to retain LICENSEE's data after the sixty (60) day period and may destroy LICENSEE's data any time thereafter



## **15. INDEPENDENT CONTRACTOR**

BMS shall be considered to be an Independent Contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. Nothing herein is intended or will be construed to establish any agency, partnership, or joint venture. BMS represents that it has, or will secure at its own expense, all personnel required in performing the services under this Contract. Such employees shall not be employees of or have any individual contractual relationship with the LICENSEE.

## **16. NO ASSIGNMENT**

Neither party may assign this AGREEMENT without the express written consent of the other. Notwithstanding the foregoing, a Party may assign this AGREEMENT and all of its rights and obligations hereunder to any AFFILIATE or to any THIRD PARTY in connection with the transfer or sale of all or substantially all of its business, or to which it may transfer all or substantially all of its assets to which this AGREEMENT relates, or in the event of its merger, consolidation, change in control or similar transaction, without obtaining the consent of the other Party, provided that the assigning party remains liable under this AGREEMENT and that the THIRD PARTY assignee or surviving entity assumes in writing all of its obligations under this AGREEMENT.

## **17. DUTY OF LICENSEE**

The LICENSEE further agrees to: (1) give the League access to data managed by the Municipality in order to facilitate implementation of the Municipal Accounting Systems and Cybersecurity Grant; (2) provide on-line "read only" access into the Municipal Accounting System by the League's Accounting Assistance personnel; (3) permit the League to contact Black Mountain Software on behalf of the LICENSEE as needed to facilitate implementation of the Municipal Accounting Systems and Cybersecurity Grant; (4) make reasonable efforts to maintain industry standards for cybersecurity; and (5) use the Standardized Chart of Accounts as provided in the Black Mountain Software installation.

*THE REMAINDER OF THIS PAGE REMAINS BLANK INTENTIONALLY.*

*SIGNATURES ARE ON THE NEXT PAGE.*

EXHIBIT 4 (cont.)

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

**BLACK MOUNTAIN SOFTWARE, LLC:**

**LICENSEE:**

Town of Kingstown

a North Carolina municipal corporation

By:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Mike Fabrizio

\_\_\_\_\_  
Name

\_\_\_\_\_  
Co-CEO

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

ATTEST:

\_\_\_\_\_  
City/Town/Village Clerk (or designee)

**The undersigned acknowledges this Agreement  
and its obligation to fund services  
provided herein as set forth under  
separate agreements between the NC  
League of Municipalities and each of the  
parties above.**

NC League of  
Municipalities  
By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## EXHIBIT 1 Scope Of Services

### **MEMBER SERVICES**

The Initial Service Fee and Annual Service Fee, as shown in The Initial Service Fee Schedule cover 1.) the purchase of an executable copy of the LICENSED SOFTWARE; 2.) telephone and other means of support, including granting access to online services provided by BMS, and training to all of LICENSEE'S involved personnel in the use of the LICENSED SOFTWARE; 3.) initial transfer of data from the LICENSEE's current system into the LICENSED SOFTWARE, 4.) error correction, including software updates current with all changes in applicable law and equivalent to the products sold to new clients, and related data files changes; and 5.) hosting LICENSED SOFTWARE, including backup through a third-party provider.

1. Software Purchase. BMS grants LICENSEE a limited, nontransferable, non-exclusive LICENSE to an executable copy of the LICENSED SOFTWARE. This includes the selected Base Package and Add-On Applications from the corresponding Initial Service Fee Schedule.

All the software products are multi-user, with an unlimited number of LICENSE users (seats).

2. Support and Training. Unlimited phone, email, and internet support is included in the LICENSEE's services. Support is available during normal business hours, which are Monday through Friday, 7:00 a.m. to 5:30 p.m. (Mountain Time). Any unexpected down times will be communicated via email as needed.

Training is included for the LICENSEE, with the services provided for each software application. Unless specifically arranged, initial training will be conducted online. After initial training, free online training is always available with advanced scheduling required. Hourly charges and travel costs apply at a pre-quoted rate for training physically provided onsite.

3. Data Transfer. At initial implementation, BMS will assist the LICENSEE in transferring (i.e. converting) data from an existing system(s). BMS will provide the LICENSEE, via NCLM, all data requests and data conversion templates needed for the conversion process. Any additional conversion data requested by LICENSEE would be custom and additional costs would apply to convert such data. A quote would be provided after discussion of the data to be included and review from BMS staff.

The following list includes, but is not limited to, the data BMS will convert for the Base Packages:

**Fund Accounting** – BMS approved universal chart of accounts as required for NCLM MAS participants, vendors, conversion month, YTD balances for balance sheets, revenue and expenditure accounts, outstanding checks, current year purchase orders.

**Payroll** – employee master file information (including demographic area, rates of pay, tax exemption settings, contact information), deductions, YTDs (to produce W2s), outstanding checks, leave balances.

**Utility Billing** – customer information (including account numbers, route/walk sequences,

## EXHIBIT 4 (cont.)

independent billing, owner and resident names/addresses), balances, rate codes, security deposits, meter information (including readings), comments/notes.

Year-to-date (YTD) totals and/or ending balances are converted. Detailed transaction history is not converted.

4. Software Updates. Updates to the software will be applied as needed on a per-application basis. Critical updates required for error correction will be applied as needed. All BMS applications and cloud systems have updates automatically applied as they become available. Required system maintenance shall be scheduled and performed in such a way as to minimize disruption to LICENSEE's workflow.
5. Hosting. BMS shall arrange for the hosting of LICENSEE'S applications by a third-party provider of infrastructure as a service, or through BMS'S online services.

Via Hosting, the software and data can be accessed 24/7 outside of the designated weekly maintenance window, which is 11:00 p.m. Saturday to 1:00 a.m. on Sunday (Mountain Time). Unexpected down times will be communicated via email as needed.

In addition, BMS shall arrange for LICENSEE'S data for each software product to be backed up each workday using a third-party provider of backup services. Data storage and backup shall meet all applicable industry and governmental standards for electronic storage, data security and backup. LICENSEE has the option, but not obligation, to perform additional backups manually to local workstations.

ANNUAL SERVICE FEES SPECIFICALLY **DO NOT COVER** (1) CUSTOM SOFTWARE ENHANCEMENTS, (2) LOCAL CLIENT HARDWARE/NETWORK RELATED SUPPORT, (3) DATABASE REPAIR DUE TO NON-SOFTWARE RELATED PROBLEMS SUCH AS THOSE INVOLVING LOCAL CLIENT HARDWARE, THE LOCAL CLIENT NETWORK, OR THE LOCAL CLIENT NETWORK ENVIRONMENT AND (4) FORMAT CHANGES TO ANY FILE USED TO IMPORT DATA FROM OR EXPORT DATA TO A THIRD PARTY.

### ADDITIONAL SERVICES

LICENSEE may request BMS to perform additional services. Additional services can include, but are not limited to, additional data preparation or conversion; supplemental training or preparation of supplemental training materials; changes to any import or export file; changes to any credit card processing interface; and systems analysis and custom programming. A cost estimate for any such services shall be provided by BMS in response to a request by LICENSEE. If travel is required, an estimate of these costs shall also be provided. Upon agreement in writing by both parties, the requested effort shall be performed. Such an effort shall be provided at BMS'S standard rate during the period of performance. Costs of additional services shall be billed once the services have been provided and shall be due and payable within one month of billing. Actual travel costs shall be billed. Travel costs may include mileage or airfare, a nominal travel time charge per person, per diem, rental car, and lodging. Mileage and per diem shall be based on the current Federal rates.

Any additional services, not covered in the Scope of Services and Annual Service Fees, are paid for by the LICENSEE, and not the funding responsibility of NCLM.

## **EXHIBIT 2 - Initial Service Fee Schedule**

**Note to drafters:** the “Initial Service Fee Schedule” for Exhibit 2 will vary for each License Agreement signed by Municipalities based on the package that the NCLM chooses for them.

Please see next Page for Exhibit 2, which will become part of the “Approved Budget” pursuant to Article II, Section 2 of the Memorandum of Agreement.

## Initial Service Fee Schedule

Town of Kingstown  
 Janet Gerald, Mayor  
 2204 Kingstown Road  
 Kingstown, NC 28150  
 townofkingstown@yahoo.com



April 18, 2023

Package Description	License Purchase Fees	Annual Fees Year 1	Conversion Fees	Annual Fee Prepayment		Total
				Year 2	Year 3	
<b>Base Packages:</b> Fund Accounting						
Fund Accounting	\$27,820	\$5,100	\$1,500	\$5,250	\$5,410	\$45,080
<b>Base Package Subtotals:</b>	<b>\$27,820</b>	<b>\$5,100</b>	<b>\$1,500</b>	<b>\$5,250</b>	<b>\$5,410</b>	
<b>Add-On Applications:</b>						
<b>All Subtotals:</b>	<b>\$27,820</b>	<b>\$5,100</b>	<b>\$1,500</b>	<b>\$5,250</b>	<b>\$5,410</b>	
<b>Grand Total:</b>						<b>\$45,080</b>

### Base Package Detail by Application *(All applications and packages are inclusive of Cloud Hosting)*

**Fund Accounting:**  
 Accounting Core  
 Purchase Orders  
 Remote Requisitions  
 ACH Credit  
 Positive Pay  
 Cash Receipting  
 Budget Preparation

## EXHIBIT 4 (cont.)

### Additional Terms

1. All prices are in effect for calendar year 2023. To guarantee these prices, individual License Agreements must be entered into by the end of 2023. All pricing after 2023 will be subject to change. All towns/cities not belonging to the MAS program will be subject to standard BMS pricing.
2. Prices do not reflect sale or use taxes imposed by any state or local government, or any unit or subdivision thereof; during the Term of the Master Agreement between BMS and NCLM, such taxes are the responsibility of the League.
3. Utility Billing requires the use of specific bill layouts, options, and laser compatible billing forms for either postcard or full-page bills, as provided by BMS during the implementation process. Any additional work to edit or modify form layouts will be considered custom and billed at our current hourly rate. For the avoidance of doubt, LICENSEE shall be responsible for paying such costs.
4. With Automated Bank Drafting (ACH), there are setup and transaction fees charged by the banking institution (normally, a local bank) that processes these payments. LICENSEE shall be responsible for paying for such transaction fees.
5. This price indicates a standard file layout that BMS uses for the AMR Interface (Utility Billing). If a new/custom layout is needed to successfully complete this interface, additional service fees may be charged to accommodate a UB – AMR Custom Interface. LICENSEE shall be responsible for paying for such additional service fees.
6. The League will be billed and will pay for the License Purchase Fee, Year 1 Annual Service Fee, and Conversion Fee, as set out in the Initial Service Fee Schedule (under the applicable License Agreement between BMS and the LICENSEE), at the beginning of implementation. Upon completion of implementation, the League shall pay the Year 2 and Year 3 Annual Service Fee Prepayment fees referenced in the Initial Service Fee Schedule.
7. Existing clients purchasing additional modules will be billed upon commitment as follows: one-time fees billed in full and annual fees prorated to coincide with the annual renewal date.
8. All fees not identified in this License Agreement or the Memorandum of Agreement between the LICENSEE and the League shall be borne by the LICENSEE.

**ORDINANCE NO. 23-15**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the OPEB and LEO Ordinance**

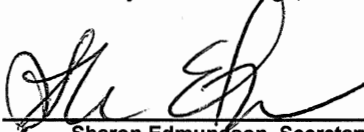
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:

**Section I: Estimated Revenues and Appropriations.** OPEB and LEO Fund is hereby amended by increasing estimated revenues and appropriations in the amount indicated:

	2022-23 Amended Budget	Increase (Decrease)		Revised 2022-23 Amended Budget
<b>ESTIMATED REVENUES</b>				
Current Employee Ins Contribution	-	468	(1)	468
Retiree Ins Contribution	-	1,920	(1)	1,920
Interfund Transfer in - Water Sewer	-	10,457	(1)	10,457
Interfund Transfer in - General Fund -LEO	58,339	55,649	(2)	113,988
Interfund Transfer in - General Fund -OPEB	22,000	382	(1)	22,382
<b>Total Revenues</b>	<b>80,339</b>	<b>68,876</b>		<b>149,215</b>
<b>APPROPRIATIONS</b>				
Fund Balance Increase	-	36,148	(2)	36,148
LEO Separation Allowance Payments	58,339	-		58,339
Retiree Insurance Premium	22,000	13,227	(1)	35,227
Interfund Transfer out - Stormwater	-	18,426	(2)	18,426
Interfund Transfer out - Sanitation	-	1,075	(2)	1,075
<b>Total Appropriations</b>	<b>80,339</b>	<b>68,876</b>		<b>149,215</b>

- 1) FY 23 Fund 75 Budget had a \$80,339 Transfer in from the General Fund for both OPEB and LEO expenditures and an additional \$382 is required for OPEB. A Water Sewer Fund Transfer in the amount of \$10,457 is for those retiree OPEB expenditures. Contributions from employees with ages between 62 and 64 are \$468 and age 65 and over are \$1,920. The Towns share of the employees OPEB current year cost needs an additional \$13,227.
- 2) Prior Year reconciliation of transactions in Fund 75 discovered the following: An additional \$55,649 Transfer in from the General Fund. Fund 62 and Fund 66 did not have any retirees on OPEB and \$18,425 and \$1,075 respectively will be transferred back to those funds. This will leave a fund balance increase of \$36,148

WITNESS my hand at Raleigh, this 6th day of June 2023



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



## EXHIBIT 6

**ORDINANCE NO. 23-16**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 General Fund Budget**

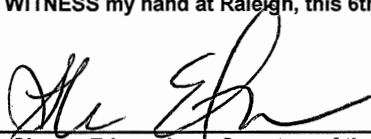
**THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:**

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

	2022-23 Amended Budget	Increase (Decrease)		Revised 2022-23 Amended Budget
<b>ESTIMATED REVENUES</b>				
<b>Total Revenues</b>	11,158,047	-		11,158,047
<b>APPROPRIATIONS</b>				
Fund Balance Increase	888,978	(106,370)	(1) (2)	782,608
Retiree Insurance Premium	30,000	(30,000)	(1)	-
Interfund Transfer out - OPEB (Fund 75)	-	22,382	(1)	22,382
Interfund Transfer out - LEO (Fund 75)	-	113,988	(1) (2)	113,988
Interfund Transfer out - SAFR Grant	333,091	-		333,091
Interfund Transfer out - Sanitation	57,352			57,352
Interfund Transfer out - W/S Capital Project (Fund 46)	543,200	-		543,200
<b>Total Appropriations</b>	11,158,047	-		11,158,047

- 1) FY 2023 Budget for Fund 75 - included a Transfer from General Fund \$80,339 however, the General Fund did not include a Transfer out to Fund 75. The \$30,000 budgeted as an expenditure is eliminated and moved to Fund Balance Increase. The Transfer out to Fund 75 for \$80,339 is broken out by \$58,339 for LEO and \$22,000 for OPEB.
- 2) Prior Year reconciliation of transactions in Fund 75 discovered the following shortfall: An additional \$56,031 Transfer out to Fund 75 (\$55,649 LEO and \$382 OPEB) and will be funded by Fund Balance Increase account.

**WITNESS my hand at Raleigh, this 6th day of June 2023**



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

**ORDINANCE NO. 23-17**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 Water and Sewer Fund Budget**

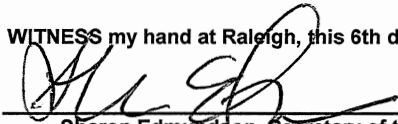
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:

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

	2022-23 Amended Budget	Current Request Increase (Decrease)	Revised 2022-23 Amended Budget
<b>ESTIMATED REVENUES</b>			
Total Revenues	4,844,255	-	4,844,255
<b>APPROPRIATIONS</b>			
Increase in Fund Balance	29,872	(10,457) (1)	19,415
Interfund Transfer out - OPEB Fund 75	-	10,457 (1)	10,457
Total Appropriations	4,844,255	-	4,844,255

- 1) The Water Sewer Fund has retirees with OPEB benefits. The FY 23 cost was not originally budgeted and this amendment appropriates the \$10,457 needed to fund those OPEB retirees.

WITNESS my hand at Raleigh, this 6th day of June 2023



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

**ORDINANCE NO. 23-18**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 Stormwater Fund Budget**

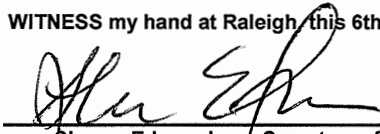
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:

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

	2022-23 Amended Budget	Current Request Increase (Decrease)	Revised 2022-23 Amended Budget
<b>ESTIMATED REVENUES</b>			
Interfund Transfer in - OPEB Fund 75	-	18,426 (1)	18,426
Interfund Transfer In - ARPA	170,515	-	170,515
<b>Total Revenues</b>	<b>449,935</b>	<b>18,426</b>	<b>468,361</b>
<b>APPROPRIATIONS</b>			
Fund Balance Increase	165,458	18,426 (1)	-
<b>Total Appropriations</b>	<b>449,935</b>	<b>18,426</b>	<b>468,361</b>

- 1) Prior Year reconciliation of transactions in Fund 75 discovered that Fund 62 did not have any retirees on OPEB and \$18,425 is appropriated to repay Fund 62 and added to Fund Balance Increase.

WITNESS my hand at Raleigh, this 6th day of June 2023



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

**ORDINANCE NO. 23-19**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 Sanitation Fund Budget**

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

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

	2022-23 Amended Budget	Current Request Increase (Decrease)	Revised 2022-23 Amended Budget
<b>ESTIMATED REVENUES</b>			
Interfund Transfer In - Fleet	62,389	-	62,389
Interfund Transfer in - General Fund	57,352	-	57,352
Interfund Transfer in - OPEB Fund 75	-	1,075 (1)	1,075
Interfund Transfer In - ARPA	99,919	-	99,919
<b>Total Revenues</b>	<b>961,695</b>	<b>1,075</b>	<b>962,770</b>
<b>APPROPRIATIONS</b>			
Non-Departmental	426,243	-	427,318
Fund Balance Increase	-	1,075 (1)	
<b>Total Appropriations</b>	<b>961,695</b>	<b>1,075</b>	<b>962,770</b>

- 1) Prior Year reconciliation of transactions in Fund 75 discovered that Fund 66 did not have any retirees on OPEB and \$1,075 is appropriated to repay Fund 66 and added to Fund Balance Increase.

WITNESS my hand at Raleigh, this 6th day of June 2023

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

**ORDINANCE NO. 23-20**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 General Fund Budget**

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

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

	<b>2022-23 Amended Budget</b>	<b>Increase (Decrease)</b>		<b>Revised 2022-23 Amended Budget</b>
<b>ESTIMATED REVENUES</b>				
<b>Total Revenues</b>	11,158,047	-		11,158,047
<b>APPROPRIATIONS</b>				
Fund Balance Increase	782,608	(4,077)	(1)	778,531
Interfund Transfer out - OPEB (Fund 75)	22,382			22,382
Interfund Transfer out - LEO (Fund 75)	113,988			113,988
Interfund Transfer out - Spring Fling Fund 20		4,077	(1)	4,077
Interfund Transfer out - SAFR Grant	333,091	-		333,091
Interfund Transfer out - Sanitation	57,352			57,352
Interfund Transfer out - W/S Capital Project (Fund 46)	543,200	-		543,200
<b>Total Appropriations</b>	11,158,047	-		11,158,047

- 1) Prior Year reconciliation of transactions in Spring Fling Fund 20 discovered a shortfall of \$4,077. A transfer out to Fund 20 in the amount of \$4,077 will be funded by Fund Balance Increase account.

WITNESS my hand at Raleigh, this 6th day of June 2023

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

**ORDINANCE NO .23-21**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the OPEB and LEO Ordinance**

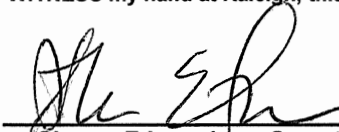
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended:

**Section I:** This Ordinance is to amend the Spring Fling Special Revenue Fund (Fund20).

	Prior Project	Increase (Decrease)	Amended Project
<b>ESTIMATED REVENUES</b>			
Vendor Fees	1,250		1,250
Contribution Proceeds	14,200		14,200
Interfund Transfer in - General Fund	-	4,007 (1)	4,007
<b>Total Revenues</b>	<b>15,450</b>	<b>4,007</b>	<b>19,457</b>
<b>APPROPRIATIONS</b>			
Spring Fling	15,450	-	15,450
Fund Balance Increase	-	4,007 (1)	4,007
<b>Total Appropriations</b>	<b>15,450</b>	<b>4,007</b>	<b>19,457</b>

- 1) Prior Year reconciliation of transactions in Spring Fling Fund 20 discovered a shortfall of \$4,077. A transfer in from the General Fund in the amount of \$4,077 will be offset by Fund Balance Increase account.

WITNESS my hand at Raleigh, this 6th day of June 2023



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

## EXHIBIT 12

**ORDINANCE NO. 23-22**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 General Fund Budget**

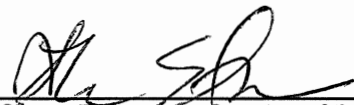
**THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN:**

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

	<b>2022-23 Amended Budget</b>	<b>Increase (Decrease)</b>		<b>Revised 2022-23 Amended Budget</b>
<b>ESTIMATED REVENUES</b>				
<b>Total Revenues</b>	11,158,047	-		11,158,047
<b>APPROPRIATIONS</b>				
Fund Balance Increase	778,531	(19,144)	(1)	759,387
Interfund Transfer out - OPEB (Fund 75)	22,382			22,382
Interfund Transfer out - LEO (Fund 75)	113,988			113,988
Interfund Transfer out - Spring Fling Fund 20	4,077			4,077
Interfund Transfer out - Fire Station #2 Fund 30	-	19,144	(1)	19,144
Interfund Transfer out - SAFR Grant	333,091	-		333,091
Interfund Transfer out - Sanitation	57,352			57,352
Interfund Transfer out - W/S Capital Project (Fund 46)	543,200	-		543,200
<b>Total Appropriations</b>	11,158,047	-		11,158,047

- 1) Fire Station #2 has an outstanding Receivable from NCDOT since FY 2022. The contractor paved over the driveway prior to NCDOT inspection. Until a cut in the pavement is made and passes inspection NCDOT will not pay for the upgrades they requested. Due to this delay the General Fund will transfer the \$19,144 to Fund 30 and it will be funded by Fund Balance Increase account.

**WITNESS my hand at Raleigh, this 6th day of June 2023**



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

**ORDINANCE NO. 23-23**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the Fire Station #2 Capital Project Ordinance**

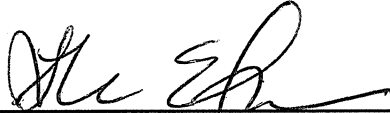
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended:

**Section I:** This Ordinance is to amend the Fire Station #2 Capital Project Fund (Fund30).

	Prior Project	Increase (Decrease)	Amended Project
<b>ESTIMATED REVENUES</b>			
NCDOT - Reimbursement	19,144	(19,144) (1)	-
South River EMC Loan	1,000,000		1,000,000
Interfund Transfer in - General Fund	230,761	19,144 (1)	249,905
<b>Total Revenues</b>	<b>1,249,905</b>	<b>-</b>	<b>1,249,905</b>
<b>APPROPRIATIONS</b>			
Fire Station #2 Construction	1,249,905	-	1,249,905
<b>Total Appropriations</b>	<b>1,249,905</b>	<b>-</b>	<b>1,249,905</b>

- 1) Fire Station #2 has an outstanding Receivable from NCDOT since FY 2022. The contractor paved over the driveway prior to NCDOT inspection. Until a cut in the pavement is made and passes inspection NCDOT will not pay for the upgrades they requested. Due to this delay the General Fund will transfer the \$19,144 to Fund 30 and the NCDOT Reimbursement is reduced the same amount.

WITNESS my hand at Raleigh, this 6th day of June 2023



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



**ORDINANCE NO. 23-24**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the 2022-23 General Fund Budget**

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

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

	<b>2022-23 Amended Budget</b>	<b>Increase (Decrease)</b>		<b>Revised 2022-23 Amended Budget</b>
<b>ESTIMATED REVENUES</b>				
<b>Total Revenues</b>	11,158,047	-		11,158,047
<b>APPROPRIATIONS</b>				
Fund Balance Increase	759,387	(114,503)	(1)	644,884
Interfund Transfer out - OPEB (Fund 75)	22,382			22,382
Interfund Transfer out - LEO (Fund 75)	113,988			113,988
Interfund Transfer out - Spring Fling Fund 20	4,077			4,077
Interfund Transfer out - Fire Station #2 Fund 30	19,144	-		19,144
Interfund Transfer out - Recreation Prj Fund 47	-	114,503	(1)	114,503
Interfund Transfer out - SAFR Grant	333,091	-		333,091
Interfund Transfer out - Sanitation	57,352			57,352
Interfund Transfer out - W/S Capital Project (Fund 46)	543,200	-		543,200
<b>Total Appropriations</b>	11,158,047	-		11,158,047

- 1) Prior Year reconciliation of transactions in Recreation Capital Project Fund 47 discovered the following shortfall: PARTF Grant (\$63,018) and Fit Community Grant (\$51,485) were not requested for reimbursement and to close this Project the General Fund needs to transfer \$114,503 to Fund 47 which will be funded by Fund Balance Increase account.

**WITNESS my hand at Raleigh, this 6th day of June 2023**



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

**ORDINANCE NO. 23-25**  
**TOWN OF SPRING LAKE, NORTH CAROLINA**  
**Ordinance Amending the Recreation Grant Project Ordinance**

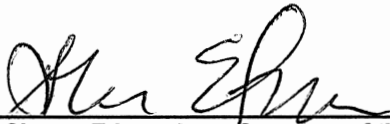
THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION ON BEHALF OF THE TOWN OF SPRING LAKE, NORTH CAROLINA DOES ORDAIN that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended:

**Section I:** This Ordinance is to amend the Recreation Grant Project Fund (Fund 47).

	Prior Project	Increase (Decrease)	Amended Project
<b>ESTIMATED REVENUES</b>			
PARTF Grant	426,400	(63,018)	363,382
Fit Community Grant	63,250	(51,485)	11,765
Installment Purchase Proceeds	365,450	-	365,450
Interfund Transfer in - General Fund	26,040	114,503	140,543
Interfund Transfer in - WS Fund	18,960	-	18,960
<b>Total Revenues</b>	<b>900,100</b>	<b>-</b>	<b>900,100</b>
<b>APPROPRIATIONS</b>			
<b>Total Appropriations</b>	<b>900,100</b>	<b>-</b>	<b>900,100</b>

- 1) Prior Year reconciliation of transactions in Recreation Capital Project Fund 47 discovered the following shortfall: PARTF Grant (\$63,018) and Fit Community Grant (\$51,485) were not requested for reimbursement and to close this Project the General Fund needs to transfer \$114,503 to Fund 47.

WITNESS my hand at Raleigh, this 6th day of June 2023



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



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

A handwritten signature in black ink, reading "Dale R. Folwell, CPA".

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON  
DEPUTY TREASURER

**RESOLUTION APPROVING VIABLE UTILITY RESERVE GRANT APPLICATION  
FOR THE LUMBER RIVER COUNCIL OF GOVERNMENTS**

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

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

WHEREAS, the Act amended Chapter 159G of the General Statutes by adding a new Section 159G-34.5 authorizing the Department of Environmental Quality (the "Department") to make grants from the Viable Utility Reserve (VUR) for (1) asset inventory and assessment (AIA) and rate studies to inventory the existing public water or wastewater system, or both, document the condition of the inventoried infrastructure, and conduct a rate study to determine a rate structure sufficient to prevent the local government unit from becoming a distressed unit, and (2) merger/regionalization feasibility (MRF) studies to determine the feasibility of consolidating the management of multiple water or wastewater systems into a single operation or to provide regional treatment or water supply and the best way of carrying out the consolidation or regionalization; and

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

WHEREAS, the Commission and the State Water Infrastructure Authority (the "Authority") have developed and adopted criteria to determine how local government units should be assessed and reviewed pursuant to G.S. 159G-45(a), and have used the assessment and review process to identify distressed units, pursuant to G.S. 159G-45(b); and

WHEREAS, the Commission and the Authority have adopted resolutions approving the use of VUR funds for non-distressed units for the purpose of AIAs, rate studies, and/or MRF studies involving solutions for designated distressed units pursuant to specific requirements outlined in the Commission's July 13, 2021 resolution; and

RESOLUTION APPROVING VUR GRANT FOR LRCOG  
June 6, 2023  
Page 2

WHEREAS, the Commission approved a \$383,000 VUR grant at its March 1, 2022 meeting to the Lumber River Council of Governments (LRCOG) for a Merger/Regionalization Feasibility (MRF) grant for the wastewater systems of Fairmont, Fair Bluff, Boardman, Cerro Gordo, Proctorville, and Rowland and for the drinking water systems of Fairmont, Fair Bluff, Boardman, Cerro Gordo, and Rowland; and

WHEREAS, LRCOG wishes to expand the scope of the MRF to include a Rate Studies and Rate Education Project therefore increasing the funding required for the MRF; and

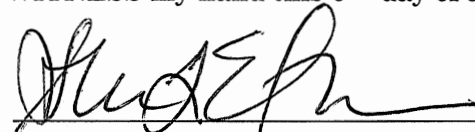
WHEREAS, merger/regionalization feasibility studies provide essential information on the options available to units regarding the management, financing, and regionalization of their water and/or wastewater systems, support the development of long-term action plans required of distressed units under G.S. 159G-45(b)(3), and assist the unit in identifying options for long-term viability of their systems; and

WHEREAS, the Authority approved increased funding for the LRCOG MRF at its February 21, 2023 meeting;

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, THAT the Commission approves a Viable Utility Reserve grant of up to the maximum funding amount of \$195,000 for the expanded scope of the LRCOG's MRF study related to the drinking water and/or wastewater systems of Fairmont, Fair Bluff, Boardman, Cerro Gordo, Proctorville, and Rowland.

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 June 6, 2023.

WITNESS my hand this 6<sup>th</sup> day of June 2023.

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

Sharon G. Edmundson, Secretary  
North Carolina Local Government Commission