

1. PLEDGE OF ALLEGIANCE

**(FINAL)**

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL

January 7, 2020

<b>Unit</b>	<b>Type</b>	<b>Purpose</b>	<b>Amount</b>	<b>Comments</b>	<b>Page Number</b>	<b>Last request to Borrow</b>
Lenoir-Rhyne University	N.C. Capital Facilities Finance Agency	Miscellaneous Action - Bank term	NA		2	12-2015 \$17M
SEI Evaluation: Graham Kent McLamb - State Auditor Beth Wood's designee	SEI Evaluation	Miscellaneous - Non- Action Item	NA		3	

PROJECT	FINANCIAL CAPABILITY AND SECURITY	PUBLIC FACILITIES MADE AVAILABLE	MANNER OF SALE ADVERSE EFFECTS	PROJECTS OPERATED FOR PUBLIC BENEFIT	TERMS/OTHER INFORMATION
<b>Lenoir-Rhyne University Series 2014 &amp; Series 2015</b>	<p>Lenoir Rhyne University is a private university located in Hickory, with satellite locations in Asheville and Columbia, SC. The University has a current enrollment in FY 2019/20 of 1,853 undergraduate students and 889 graduate students. The NCCFFA has two bond issues outstanding on behalf of Lenoir-Rhyne University (the "University"), namely the North Carolina Capital Facilities Finance Agency Educational Facilities Revenue Bond (Lenoir-Rhyne University), Series 2014 (the "2014 Bond") and the North Carolina Capital Facilities Finance Agency Educational Facilities Revenue Bond (Lenoir-Rhyne University), Series 2015 (the "2015 Bond"). The 2014 Bond is currently outstanding in the principal amount of \$9,213,000 and The 2015 Bond is currently outstanding in the principal amount of \$11,706,750. The 2014 Bond and the 2015 Bond are owned by STI Institutional &amp; Government, Inc. ("STING") under bond purchase and loan agreements. The University and STING have agreed under the bond purchase and loan agreements to convert the interest rates on the bonds from 67% x (1-Month LIBOR + 2.22%); currently 1.62% for the 2014 Bond and 67% x (1-Month LIBOR + 2.48%); currently 1.79% for the 2015 Bond in each case to 79% x (1-Month LIBOR + 1.65%); currently 1.45% both of which have interest rate swaps associated with them on which the University is paying 3.92% and 3.25%, respectively. The University expects to enter into modifications to existing interest rate swaps related to the new underlying interest rate calculation and based on the current 1-Month LIBOR (.19) and the reduction in the spread, the University expects to save approximately \$200K per year in interest expense on these issues over the next 10 years. In addition, the mandatory tender dates under the bond purchase and loan agreements are being extended an additional 5 years from December 1, 2025 to December 1, 2030. These conversions result in a reissuance for tax purposes. There will be no extension of maturity.</p>				
<b>Graham Kent McLamb State Ethics Evaluation</b>  <b>(on next Page)</b>	<p>Statement of Economic interest evaluations of members pursuant to the Ethics Act § 138A-15c</p> <p>This is being provided for Agency members' review and for recording in the meeting minutes pursuant to the requirements of the state Government Ethics Act. Members are encouraged to review the evaluation to inform and remind them of the identified actual or potential conflicts of interest.</p>				

JULY 7, 2020



**STATE ETHICS COMMISSION**  
POST OFFICE BOX 27685  
RALEIGH, NC 27611  
PHONE: 919-814-3600

Via Email

January 14, 2020

The Honorable Beth A. Wood  
North Carolina Office of the State Auditor  
20601 Mail Service Center  
Raleigh, North Carolina 27699

Re: **Evaluation of Statement of Economic Interest by Mr. Graham Kent McLamb  
to Serve as Your Designee on the North Carolina Capital Facilities Finance Agency**

Dear Ms. Wood:

Our office has received Mr. Graham Kent McLamb's 2019 Statement of Economic Interest serve as your designee on the North Carolina Capital Facilities Finance Agency ("the Agency"). We have reviewed them for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**We did not find an actual conflict of interest or the likelihood for a conflict of interest.**

The North Carolina Capital Facilities Finance Agency was established to provide the benefits of tax-exempt financing to non-profit institutions providing elementary and secondary education, private institutions of higher education and various other entities for special purpose projects serving a public interest. The Agency has the authority to issue bonds and notes, award contracts for the construction of any project on behalf of a participating institution, fix and collect fees, loan repayments, rents and charges for the use of any project.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also

The Honorable Beth A. Wood  
January 14, 2020  
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requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. McLamb will serve as your designee on the Agency.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

Handwritten signature of Mary Roerden in cursive.

Mary Roerden, SEI Unit  
State Ethics Commission

cc: **Graham Kent McLamb, Chief Deputy**  
**Laura Rowe, Compliance Officer and Ethics Liaison**

Attachment: Ethics Education Guide