

STATE OF NORTH CAROLINA

COUNTY OF VANCE

The Vance County Board of Commissioners met in special session on Wednesday, May 8, 2013 at 5:00 p.m. in the Commissioners' Conference Room, Vance County Administration Building, 122 Young Street, Henderson, NC. Those Commissioners present were as follows: Chairman Thomas S. Hester, Jr., Commissioners Dan Brummitt, Terry E. Garrison, Archie B. Taylor, Jr., Gordon Wilder, and Eddie L. Wright.

Absent: Commissioner Deborah F. Brown.

Also present were County Manager Jerry L. Ayscue, Finance Director David C. Beck, County Attorney Jonathan S. Care, and Clerk to the Board Kelly H. Grissom.

The purpose of the special meeting was to hold a public hearing for Qualified Zone Academy Bonds (QZAB) for Schools, adopt the QZAB resolution, and address other items as needed.

Chairman Hester announced that this was the hour and day of the public hearing on a proposed installment financing agreement to be entered into by the County of Vance, North Carolina pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended (the "Act"), in a principal amount not to exceed \$2,000,000 for the purpose of providing funds, together with any other available funds, to pay the costs of renovating, improving and equipping various public school facilities in the County, including, without limitation, Aycock Elementary School, Dabney Elementary School, Zeb Vance Elementary School, E.O. Young Elementary School, Carver Elementary School, L.B. Yancey Elementary School, Eaton-Johnson Middle School, Henderson Middle School, Northern Vance High School, Western Vance High School and Southern Vance High School. Such financing would be secured by a deed of trust on certain of the real property being improved in the financing.

The Chairman acknowledged due publication of the notice of public hearing in a newspaper with a general circulation in said County as required by Section 160A-20(g) of the Act and directed the Clerk to the Board of Commissioners to attach the affidavit showing publication in said paper on a date at least ten days prior to the date hereof. The Chairman then announced that said Board of Commissioners would immediately hear anyone who might wish to be heard on the advisability of the proposed project or financing as so described.

A list of any persons making comments and a summary of such comments are as follows:

There was no one present who wished to speak on this matter.

Thereupon, County Manager Jerry L. Ayscue introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner:

. . . . .

**RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF PUBLIC SCHOOL IMPROVEMENTS PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT; REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT; AND DECLARING THE COUNTY’S OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF THE AMOUNT FINANCED**

WHEREAS, the County of Vance, North Carolina (the “County”) is considering entering into an installment financing agreement (the “Agreement”) pursuant to G.S. 160A-20 with a financial institution to be selected by the County (the “Lender”) for the purpose of providing funds to pay the costs of renovating, improving and equipping various public school facilities in the County, including, without limitation, Aycock Elementary School, Dabney Elementary School, Zeb Vance Elementary School, E.O. Young Elementary School, Carver Elementary School, L.B. Yancey Elementary School, Eaton-Johnson Middle School, Henderson Middle School, Northern Vance High School, Western Vance High School and Southern Vance High School (the “Project”); and

WHEREAS, in order to secure the payment obligations of the County to the Lender in connection with the Agreement, the County will grant to the Lender a Deed of Trust on all or some portion of the Project;

WHEREAS, in accordance with Section 160A-20(g) of the North Carolina General Statutes, the County has held a public hearing regarding entering into the proposed Installment Financing Agreement; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings prior to approval of the proposed Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County as follows:

Section 1. The Board does hereby find and determine as follows:

(a) The proposed Agreement is necessary or expedient because it will result in much needed public safety facilities and other facilities needed by the County in the future for carrying out its governmental purposes.

(b) The proposed Agreement is preferable to a bond issue for the same purpose because the size of this debt issue would not allow for proper savings on the more favorable rates of a general obligation bond versus the costs of issuing a general obligation bond.

(c) The sums to fall due under the Agreement are adequate and not excessive for the proposed purpose.

(d) The County's debt management procedures and policies are good because all debt management practices have been made in accordance with State law.

(e) The County is not in default in any of its debt service obligations.

(f) The attorney for the County has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

Section 2. The Board hereby authorizes and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve of the Agreement and the proposed financing in connection therewith.

Section 3. The Board hereby finds, determines and declares the following:

(a) Section 1.150-2 of the Treasury Regulations (the "Regulations") prescribes specific procedures which are applicable to tax-exempt bonds or notes, and certain other bonds or notes, issued by or on behalf of the County for which prior expenditures are to be reimbursed, including, without limitation, a requirement that prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed the County declare its official intent to reimburse certain expenditures with proceeds of debt to be incurred by the County.

(b) The Board hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself from the proceeds of debt to be hereinafter incurred by the County for certain expenditures on the improvements described in this resolution paid by the County on or after the date which is sixty (60) days prior to the date hereof.

(c) \$2,000,000 is the maximum principal amount of debt reasonably expected to be incurred for the purpose of paying the costs of the improvements described in this resolution.

Section 3. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Gordon Wilder, seconded by Commissioner Dan Brummitt, the foregoing resolution entitled “RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF PUBLIC SCHOOL IMPROVEMENTS PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT; REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT; AND DECLARING THE COUNTY’S OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF THE AMOUNT FINANCED” was passed by the following vote:

Ayes: Commissioners Dan Brummitt, Terry E. Garrison, Thomas S. Hester, Jr., Archie B. Taylor, Jr., Gordon Wilder, and Eddie Wright.

Noes: None



*Northern Vance High School (NVHS) Science Labs Renovations.* County Manager Jerry L. Ayscue stated that the Board approved this project to move forward back in the fall of 2012 and gave approval to the Schools to use the unused funds from the Clarke Elementary School project (\$364,145) toward the NVHS Science Labs Renovations. The Board of Education solicited bids and has awarded the bid to HG Reynolds Construction in the amount of \$545,850. This leaves a balance of \$181,705. The Schools are willing to allocate \$181,705 from its Capital Outlay Fund Balance to make up that difference. Upon approval from BB&T, the financing institution, unused QSCB funds (construction bonds) will be used to reimburse the Schools Capital Outlay Fund. If this is not approved by BB&T, the Schools will use the funds from its Fund Balance.

Motion was made by Commissioner Terry E. Garrison to approve the appropriation of unused funds from the Clarke Elementary School project in the amount of \$364,145 to be used toward the renovation of science labs at NVHS. Also, authorize the Schools to provide the difference of \$181,705 from its Capital Outlay Fund Balance. In the event that approval from BB&T is obtained, unused QSCB funds may be used to reimburse the Schools Capital Outlay Fund. This motion was seconded by Commissioner Gordon Wilder and unanimously approved.

Regarding the Qualified Zone Academy Bonds, Commissioner Gordon Wilder asked if the County was able to enter into a contract right away for roof repairs at various schools. Mr.

Ayscue responded that this matter will hopefully be on the June 4<sup>th</sup> agenda of the Local Government Commission. If it is approved, work may begin in mid to late June.

Mr. Claiborne Woods, Director of School Maintenance, stated that if work does not begin by August, there may be a price increase in roofing materials. Mr. Irv Gupton, Gupton Roofing, was present and stated that he would like to begin the work in July. If that is the case, there would not be an increase in materials. However, if he receives more roofing jobs between now and the end of the month, without a contract in place, that would put Vance County further down on his schedule.

Commissioner Archie B. Taylor, Jr. asked if the price increases, can the project be re-bid. County Manager Jerry L. Ayscue responded that that was an option, but there is a risk with this in that the prices could be even higher.

Mr. Gupton stated that he would work with the County through this process.

*Budget Work Sessions.* The Board discussed upcoming budget work sessions and scheduled the first two for Thursday, May 30 and Tuesday, June 4 at 6:00 p.m. in the Commissioners' Meeting Room.

As there was no further business, at 5:35 p.m., motion was made by Commissioner Gordon Wilder, seconded by Commissioner Eddie L. Wright, vote unanimous, that the meeting be adjourned.

**Approved and signed June 3, 2013.**

**Thomas S. Hester, Jr. (signed)**  
**Thomas S. Hester, Jr., Chairman**