

**RICHMOND COUNTY BOARD OF COMMISSIONERS
RICHMOND COUNTY ADMINISTRATIVE OFFICE BUILDING
SPECIAL MEETING
MONDAY, JANUARY 22, 2007, 11:30 A.M.**

The Richmond County Board of Commissioners met for a Special Meeting on Monday, January 22, 2007 at 11:30 A.M. with the following present: Chairman Kenneth R. Robinette; Vice-Chairman John B. Garner; Commissioners Jimmy L. Maske; Thad Ussery, and J. C. Watkins.

Commissioners Paul Wilson, Jr. and Pamela N. Dillman were absent.

ITEM NO. 1 – CALL TO ORDER BY CHAIRMAN

The meeting was called to order by Chairman Robinette at 11:30 A.M.

ITEM NO. 2 – INVOCATION

The invocation was delivered by Commissioner J. C. Watkins.

ITEM NO. 3 – APPROVAL OF AGENDA

By a motion of Commissioner Watkins, seconded by Commissioner Maske and unanimously carried, the Board approved the Agenda as presented.

**ITEM NO. 4 – CONSIDERATION OF FINANCING PROPOSALS TO PROVIDE
INSTALLMENT FINANCING FOR WATER SYSTEM IMPROVEMENTS PROJECT
PENDING LOCAL GOVERNMENT COMMISSION APPROVAL**

County Manager Jim Haynes referenced the following recap of 7 financing proposals received from various lending institutions for installment financing of the Richmond County Water System Improvements Project. Mr. Haynes recommended that the Board award the bid to Banc of America Leasing & Capital LLC as low bidder at an interest rate of 3.79%.

Mr. Haynes noted that a public hearing would be advertised to take place during the Board's February 5, 2007 Regular Meeting to offer an opportunity for citizen input on the application to the Local Government Commission for financing of the water improvements project..

A motion was offered by Commissioner Garner, seconded by Commissioner Watkins and unanimously carried to award the bid for installment financing of Richmond County's water improvements project to low bidder Banc of America Leasing & Capital LLC at a rate of 3.79% for a term of 6 years, subject to Local Government Commission approval.

ITEM NO. 5 – CONSIDERATION OF RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

County Manager Haynes referenced a Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by North Carolina General Statute 160A-20 which is to be submitted to the Local Government Commission for the Richmond County Water Improvements Project. Mr. Haynes asked the Board to consider adoption of the LGC Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by N. C. G.S. 160A-20.

By a motion of Commissioner Maske, seconded by Commissioner Ussery and unanimously carried the Board approved the following Resolution:

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the County of Richmond, North Carolina desires to fund extensive water system improvements to handle the water needs of an expanded Trinity Manufacturing Plant and Viking Pools, a new industry to the area, in an effort to improve the local economy.; and

WHEREAS, the County of Richmond desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Richmond County, North Carolina, meeting in special session on the 22nd day of January, 2007, make the following findings of fact:

1. The proposed contract is necessary or expedient because the County's cost in the project will be spread over multiple years in order to allow the debt service to be funded by the increased water revenue generated by the Project.

2. The proposed contract is preferable to a bond issue for the same purpose because the amount of funds needed for the Project is less than that which would be practical for a bond issue. The administrative cost as well as the cost of holding a referendum would be prohibitive. Additionally, the completion of the Project would be unduly delayed due the procedures required for a General Obligation Bond. The cost of financing under the proposed contract is less than the cost of issuing general obligation bonds.
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because a Request For Proposals for financing was distributed. The RFP generated multiple offers for financing from local and regional banks.
4. The Richmond County debt management procedures and policies are good because all debt service is paid timely. Further, the Local Government Commission's mandated debt limit for Counties is 8% of the assessed value of property subject to tax. Richmond County has a debt ratio of 1.32%, so the County is well within guidelines.
5. No increase in taxes will be necessary to meet the sums to fall due under the proposed contract .
6. The County of Richmond of North Carolina is not in default in any of its debt service obligations.
7. The attorney for the County of Richmond 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.
8. The probable net revenues of the project to be financed will be sufficient to meet the sums to fall due under the proposed contract.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the County Manager is hereby authorized to act on behalf of the County of Richmond in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This Resolution is effective upon its adoption this 22nd day of January, 2007.

The motion to adopt this Resolution was made by a motion of Commissioner Maske, seconded by Commissioner Ussery and passed by a vote of 5 ayes to 0 nays.

Kenneth R. Robinette, Chairman
Richmond County Board of Commissioners

ATTEST:

This is to certify that this is a true and accurate copy of the Resolution Authorizing the Filing of An Application for Approval of a Financing Agreement Authorized by North Carolina General Statute 160A-20 as adopted by the Richmond County Board of Commissioners this 22nd day of January 2007.

Date: January 22, 2007

Marian S. Savage, CMC
Clerk to the Board of Commissioners

Commissioner Watkins asked how much money the County would actually be borrowing, and County Manager Haynes called the Board's attention to the following breakdown of the two Community Development Block Grant Water Projects, with total construction cost for the two projects of \$2,714,500.00; total grant money for the projects of \$1,730,000.00; leaving \$984,500.00 for county funding to be paid back through water usage over a period of 5.26 years.

ITEM NO. 6 - ADJOURNMENT

There being no further business for discussion, the meeting adjourned at 11:40 A.M. by a motion of Commissioner Ussery, seconded by Commissioner Maske and unanimously carried.

*Marian S. Savage, CMC
Clerk to the Board of Commissioners*