

County of Brunswick
Office of the County Commissioners



**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF
BRUNSWICK, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN
AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT AND PROVIDING
FOR CERTAIN OTHER RELATED MATTERS THERETO**

WHEREAS, the County of Brunswick, North Carolina (the "County") is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "State");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the County has previously entered into an Installment Financing Contract between Brunswick County Leasing Corporation and the County dated as of March 15, 2012 (the "2012 Contract"), the proceeds of which were used to refinance prior contracts which had financed

- (1) the acquisition, construction, equipping and furnishing of a new County Law Enforcement/Detention Center,
- (2) renovations and additions to Bolivia Elementary, Union Elementary and South Brunswick Middle Schools
- (3) acquisition of land for, construction, furnishing and equipping of Town Creek Elementary School and
- (4) acquisition of land for, construction, furnishing and equipping of Cedar Grove Middle School (collectively, the "Projects");

WHEREAS, the County has been advised that it may be advantageous to refinance the 2012 Contract to achieve debt service savings;

WHEREAS, the Board hereby determines that it is in the best interest of the County to enter into an amendment to the 2012 Contract (the "Amendment") in order to obtain sufficient funds to refinance the 2012 Contract, secured by an existing deed of trust and security agreement dated as of March 15, 2012 (the "2012 Deed of Trust") that granted a security interest in the real property on which Town Creek Elementary School and Cedar Grove Middle School are located;

WHEREAS, the County hereby determines that the Projects are essential to the County's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the Projects provide an essential use and permit the County to carry out public functions that it is authorized by law to perform; and that entering into the Amendment is necessary and expedient for the County by virtue of the findings presented herein;

WHEREAS, the County hereby determines that the Amendment allows the County to refinance the 2012 Contract at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the County;

WHEREAS, the County hereby determines that the estimated cost of refinancing the 2012 Contract is an amount not to exceed \$11,500,000 and that such cost exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of refinancing the 2012 Contract pursuant to the Amendment is expected to exceed the cost pursuant to a bond financing for the same undertaking, the County hereby determines that the cost of refinancing the 2012 Contract pursuant to the Amendment and the obligations of the County thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of refinancing the 2012 Contract; and (3) insufficient revenues are produced by the Projects so as to permit a revenue bond financing;

WHEREAS, the County has determined and hereby determines that the estimated cost of refinancing the 2012 Contract pursuant to the Amendment reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the increase in taxes, if any, necessary to meet the sums to fall due under the Amendment will not be excessive;

WHEREAS, Parker Poe Adams & Bernstein LLP, as special counsel ("Special Counsel"), will render an opinion to the effect that entering into the Amendment and the transactions contemplated thereby are authorized by law;

WHEREAS, no deficiency judgment may be rendered against the County in any action for its breach of the Amendment, and the taxing power of the County is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Amendment;

WHEREAS, the County is not in default under any of its debt service obligations;

WHEREAS, the County's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the County has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget ordinance;

WHEREAS, past audit reports of the County indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the County has not been censured by the North Carolina Local Government Commission (the "LGC"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Amendment after publication of a notice with respect to such

public hearing must be held and approval of the LGC with respect to entering the Amendment must be received;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Brunswick, North Carolina, as follows:

Section 1. Authorization to Negotiate. That the County Manager and the Director of Fiscal Operations, with advice from the County Attorney and Special Counsel, are hereby authorized and directed to solicit proposals from financial institutions to refinance the 2012 Contract and proceed and negotiate on behalf of the County for such purposes for a principal amount not to exceed \$11,500,000 under the Amendment to be entered into in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina.

Section 2. Application to LGC. That the Director of Fiscal Operations or her designee is hereby directed to file with the LGC an application for its approval of the Amendment and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the County and its financial condition as the LGC may require.

Section 3. Direction to Retain Special Counsel and Placement Agent. That the County Manager and the Director of Fiscal Operations, with advice from the County Attorney, are hereby authorized and directed to retain the assistance of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, as special counsel ("Special Counsel") and Robert W. Baird & Co., Incorporated, Winston-Salem, North Carolina, as placement agent.

Section 4. Public Hearing. That a public hearing (the "Public Hearing") shall be conducted by the Board of Commissioners on December 6, 2021 at 3:00 p.m. in the Commissioners' Chambers, the David R. Sandifer Administration Building, 30 Government Center Drive NE, Bolivia, North Carolina, concerning the Amendment, the proposed refinancing of the Projects and any other transactions contemplated therein and associated therewith.

Section 5. Notice of Public Hearing. That the Clerk to the Board is hereby directed to cause a notice of the Public Hearing, in the form attached hereto as Exhibit A, to be published once in a qualified newspaper of general circulation within the County no fewer than 10 days prior to the Public Hearing.

Section 6. Repealer. That all motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 7. Effective Date. That this Resolution is effective on the date of its adoption.

Randy Thompson, Chairman
Board of Commissioners

ATTEST:

Daralyn Spivey NCCCC
Clerk to the Board