

REQUEST FOR BOARD ACTION

ITEM NO. 13.

DATE OF MEETING: September 8, 2009

REQUESTED BY: David McCole, Finance Officer, Finance Department

SHORT TITLE: Resolution Approving Request for Qualified School Construction Bond (QSCB) Financing for Heide Trask High School

BACKGROUND: The Pender County Board of Commissioners has previously made a preliminary determination to cooperate with the Board of Education in proceeding with qualified school construction bond (QSCB) financing for improvements at Heide Trask High School, as previously described to the Board. The Board of Education has applied for approximately \$2,500,000 in QSCB financing. The County's debt management procedures and policies are sound and in compliance with law, and the County is not in default under any of its debt service obligations. This financing will have no impact on the County's tax rate.

SPECIFIC ACTION REQUESTED: The Board is requested to approve a resolution to confirm its preliminary determination to carry out and finance the school projects as described above. A copy of the resolution is attached.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

 MT
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that

the resolution entitled *Resolution Supporting an Application to the Local Government Commission* is hereby adopted. The County Manager is authorized to execute any documents necessary to implement this resolution.

AMENDMENTS:

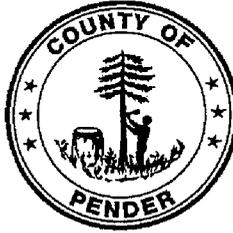
MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman 9/8/09
Date

ATTEST 9/8/09
Date



**RESOLUTION SUPPORTING AN APPLICATION TO THE LOCAL GOVERNMENT
COMMISSION FOR ITS APPROVAL OF SCHOOL FINANCING ARRANGEMENTS
FOR THE COUNTY**

WHEREAS, the Pender County Board of Commissioners has previously made a preliminary determination to cooperate with the Board of Education in proceeding with qualified school construction bond financing financing for improvements at Trask High School, as previously described to the Board. The Board of Education has applied for approximately \$2,500,000 in QSCB financing; and

WHEREAS, the County is likely to undertake this financing, if it goes forward, pursuant to the installment financing provisions of Section 160A-20 of the North Carolina General Statutes. The North Carolina Local Government Commission would have to approve any such financing arrangements; and

WHEREAS, Under the LGC's guidelines, this governing body must make certain findings of fact to support the County's application for the LGC's approval of the financing arrangements.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of Pender County, North Carolina, that the County confirms its preliminary determination to carry out and finance the school projects as described above. The Board will make a final determination as to whether to proceed with this financing by a subsequent resolution. If the financing proceeds, the Board will also make a final determination of the projects and amounts to be financed, and give final approval to financing terms and conditions, by one or more subsequent resolutions; and

BE IT FURTHER RESOLVED that the Board of Commissioners makes the following findings of fact:

(1) The proposed projects are necessary and appropriate for the County under all the circumstances. The Board of Education has provided the County with information as to the nature of the projects, and the need for the projects, and the County accepts the Board of Education's evaluation.

(2) The proposed installment financing is preferable to a bond issue for the same purpose under all the circumstances.

The County has no ability to issue general obligation bonds for these projects without

referendum approval, and there is no time to conduct a bond referendum before the December 31 deadline (under federal law) for completing this financing. These projects therefore lend themselves to the use of installment financing. This financing will be in keeping with the County's approach to balance school project financing between voter-approved bonds and installment financings.

(3) The estimated sums to fall due under the proposed financing contract will be adequate and not excessive for the proposed purpose. The contemplated financing will proceed only as QSCB financing carrying a zero or very low interest rate. Amounts to be financed for each project will reflect contract prices or well-developed engineering or architectural estimates acceptable to the County.

(4) As confirmed to the Board at this meeting by the County's Finance Officer, (a) the County's debt management procedures and policies are sound and in compliance with law, and (b) the County is not in default under any of its debt service obligations.

(5) The County estimates that this financing will have no tax rate impact, in that the repayment of the amounts financed will be within the existing resources dedicated to school capital projects.

(6) The County Attorney is of the opinion that the proposed projects are authorized by law and are purposes for which public funds of the County may be expended pursuant to the Constitution and laws of North Carolina; and

BE IT FURTHER RESOLVED, as follows:

(a) The Finance Officer is authorized and directed to take all appropriate steps toward the completion of the financing, including (i) completing an application to the LGC for its approval of the proposed financing, and (ii) soliciting one or more proposals from financial institutions to provide the financing. All actions of the County's Finance Officer and other County representatives in furtherance of the completion of the contemplated financing are ratified, approved and confirmed.

(b) The County intends that the adoption of this resolution will be a declaration of the County's official intent to reimburse project expenditures from financing proceeds. The County intends that funds that have been advanced for project costs, or which may be so advanced, from the County's general fund, or any other County fund, may be reimbursed from the financing proceeds.

(c) The Board will hold a public hearing on this matter. The County Manager is authorized and directed to schedule the public hearing in his discretion. The Clerk to this Board is authorized and directed to publish a notice of such public hearing in the manner provided for by law, in consultation with the County Manager.

(d) This resolution takes effect immediately.

* * * * *

I certify that the foregoing resolution was duly adopted at a meeting of the Board of Commissioners of Pender County, North Carolina, duly called and held on September 8, 2009, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this ____ day of September, 2009.

[SEAL]

Clerk, Board of Commissioners
Pender County, North Carolina