



## REQUEST FOR BOARD ACTION

ITEM NO. 13.

**DATE OF MEETING:** April 2, 2012

**REQUESTED BY:** Claiburn B. Watson, Finance Officer

**SHORT TITLE:** Resolution Stating a Preliminary Intent to Issue the Proposed Two-Thirds General Obligation Public Improvement Bonds.

**BACKGROUND:** General Statute allows for the issuance of general obligation bonds to the extent of two-thirds of the amount the County paid down its debt in the prior fiscal year. This is a beginning process and a timing placeholder for issuing these bonds. Also, if the County proceeds with a refinancing of the Series 2005 Bonds, this would reduce the overall total cost of issuance on both bond issues, if sold separately.

**SPECIFIC ACTION REQUESTED:** To consider a resolution stating a preliminary intent to issue up to an approximate amount of \$2,600,000 General Obligation Public Improvement Bonds.

**COUNTY MANAGER'S RECOMMENDATION**

Respectfully recommend approval.



Initial

**RESOLUTION**

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

the attached Resolution hereby authorizes the preliminary intent to issue up to an approximate amount of \$2,600,000 General Obligation Public Improvement Bonds (two-thirds bonds).

The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

MOVED \_\_\_\_\_ SECONDED \_\_\_\_\_

APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_ UNANIMOUS

YEA VOTES: Brown \_\_\_ Tate \_\_\_ Rivenbark \_\_\_ Ward \_\_\_\_\_ Williams \_\_\_

\_\_\_\_\_  
George R. Brown, Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
ATTEST

\_\_\_\_\_  
Date

## **Resolution Stating a Preliminary Intent To Issue General Obligation Public Improvement Bonds**

### ***WHEREAS --***

The Board of Commissioners of Pender County, North Carolina, has considered a variety of capital improvements for the County. These include, for example, construction of a new jail and a new DSS building, new vehicle acquisition, and renovations and improvements to County buildings.

The County expects to be able to issue approximately \$2,600,000 general obligation public improvement bonds in the fiscal year beginning July 1, 2012. Funds for these bonds would be issued under the provisions of law that allow the County to issue general obligation bonds to the extent of two-thirds of the amount the County paid down its debt in the prior fiscal year.

The Board believes that taking advantage of this opportunity to issue the bonds would be a cost-effective way for the Board to address some of its capital needs. The Board therefore desires to begin the process for authorizing these bonds, without making a final determination to proceed.

Under the guidelines of the North Carolina Local Government Commission, this governing body must make certain findings of fact to support the County's application for the LGC's required approval of the County's proposed two-thirds bonds. In this resolution, the County Commissioners make the appropriate findings, and take other appropriate action.

### ***BE IT THEREFORE RESOLVED* by the Board of Commissioners of Pender County, North Carolina, as follows:**

- (a) The County makes a preliminary determination to issue approximately \$2,600,000 general obligation public improvement bonds to provide funds to pay capital costs of County projects. The Board will determine the final amount of bonds to be issued and the purposes for the bonds by one or more later Board actions.
- (b) The Finance Officer is authorized and directed to take all appropriate steps toward the issuance of the bonds, including completing an application to the LGC for its approval of the proposed bonds. The Board appoints the Finance Officer as the County's authorized representative with respect to the LGC application process.

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

- (a) The proposed capital projects are necessary and expedient for the County. The County faces a variety of capital needs, including those of the projects described above.
- (b) The amount of bonds proposed is adequate and not excessive for the proposed purpose. The County will take advantage of its two-thirds bond capacity to address some needs that either may not otherwise lend themselves to convenient financing, or which would otherwise be paid for out of cash resources. The County will in all events closely monitor both the costs of the selected capital projects and borrowing costs.
- (c) The County's debt management and budgetary and fiscal management policies have been carried out consistently in accordance with the law.
- (d) The Board expects that debt service costs on these bonds will have a maximum potential property tax impact to the County of approximately \_\_\_\_ cents per \$100 of assessed valuation. The Board expects that no actual increase in the County's property tax rate will be necessary to provide for principal and interest payments on the bonds. The County expects that the debt service on this amount of general obligation bonds can be absorbed into current resources.

***BE IT FURTHER RESOLVED* as follows:**

- (a) All County officers and employees are directed to take all such further action as they may consider necessary or desirable in connection with the furtherance of the purposes of this resolution. All such prior actions of County officers and employees are ratified.
- (b) The County appoints Sanford Holshouser LLP as the County's bond counsel with respect to the proposed public improvement bonds.
- (c) All other resolutions, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict, and this resolution takes effect immediately.