REQUEST FOR BOARD ACTION

ITEM NO. 8.

DATE OF MEETING: August 20, 2012

REQUESTED BY: Michael G. Mack, Director, PCU

SHORT TITLE: Resolution by the Board of Directors of the Scotts Hill Water & Sewer District to Adopt a Bond Order Authorizing the Issuance of General Obligation Refunding Bonds for the Scotts Hill Water & Sewer District in the Maximum Amount of $3,000,000 to Refund Existing District Bonds.

BACKGROUND: The Pender County Board of Commissioners, as the governing body of Scotts Hill Water & Sewer District, has determined that refinancing all or a portion of the District's outstanding general obligation bonds could provide savings to the District. The District has applied to the North Carolina Local Government Commission for its approval of the issuance of District bonds to carry out such a refinancing, and the LGC has accepted the District's application.

The legal process for the districts to issue bonds requires that the County Commissioners, as the governing body for each district, adopt a "bond order" for the refunding bonds. The Bond Order is the basic authorizing document for refunding bonds that North Carolina Statutes require.

The maximum amount of $3,000,000 is estimated to be sufficient to cover both the costs of paying off the old bonds and paying the financing costs.

SPECIFIC ACTION REQUESTED: To adopt the Bond Order authorizing the issuance of General Obligation Refunding Bonds for the Scotts Hill Water & Sewer District in the maximum amount of $3,000,000 to fund existing District bonds.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Scotts Hill Water and Sewer District that:

1) There are hereby ordered to be issued general obligation refunding bonds of the District to provide funds for the refinancing of all or a portion of the District's outstanding general obligation bonds, including for the payment of related financing costs. In particular, the bonds to be refunded may include all or any portion of the District's General Obligation Water Bond, Series 2011 (original principal amount of $2,711,000), which is currently held by the United States of America.

2) The maximum aggregate principal amount of the bonds issued for such purpose will be $3,000,000.

3) Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued, to the extent other funds (such as utility charges) are not otherwise available and appropriated for such purpose.

4) A sworn statement of the District's debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is available for public inspection.

5) This Bond Order takes effect immediately.

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

AMENDMENTS:

MOVED_____ SECONDED_____

APPROVED_____ DENIED_____UNANIMOUS

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

_____ 08/20/12
George R. Brown, Chairman Date

_____ 08/20/12
ATTEST Date

Bond Order Authorizing the Issuance of General Obligation Refunding Bonds for Scotts Hill Water & Sewer District in the Maximum Amount of $3,000,000 To Refund Existing District Bonds

WHEREAS –

The Pender County Board of Commissioners, as the governing body of Scotts Hill Water & Sewer District, has determined that refinancing all or a portion of the District's outstanding general obligation bonds could provide savings to the District. The District has applied to the North Carolina Local Government Commission for its approval of the issuance of District bonds to carry out such a refinancing, and the LGC has accepted the District's application.

BE IT ORDERED by the Board of Commissioners of Pender County, North Carolina, as the governing body of Scotts Hill Water & Sewer District, as follows:

1. There are hereby ordered to be issued general obligation refunding bonds of the District to provide funds for the refinancing of all or a portion of the District's outstanding general obligation bonds, including for the payment of related financing costs. In particular, the bonds to be refunded may include all or any portion of the District's General Obligation Water Bond, Series 2011 (original principal amount of $2,711,000), which is currently held by the United States of America.

2. The maximum aggregate principal amount of the bonds issued for such purpose will be $3,000,000.

3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued, to the extent other funds (such as utility charges) are not otherwise available and appropriated for such purpose.

4. A sworn statement of the District's debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is available for public inspection.

5. This Bond Order takes effect immediately.