



REQUEST FOR BOARD ACTION

ITEM NO. 13.

DATE OF MEETING: August 20, 2012

REQUESTED BY: Michael G. Mack, Director, PCU/Claiburn B. Watson, Finance Officer

SHORT TITLE: Public Hearing Concerning a Proposed Financing Contract Under Which the County Would Borrow Approximately \$25,000,000 to Purchase Refunding Bonds from the County Water and Sewer Districts.

BACKGROUND: At the Board's meeting on August 6, 2012, the Board adopted a resolution stating a preliminary intent to finance up to \$25,000,000 to carry out the refinancing of District water bonds. In that resolution the Board also called for the public hearing on the financing required by law.

This item is for County Commissioners to hold a public hearing. The purpose of the hearing is to take public comment concerning a proposed financing contract, under which the County would borrow approximately \$25,000,000 to purchase refunding bonds from County water districts, and thereby carry out a refinancing of those district bonds to save money for the districts.

No action by the Board is required at this meeting other than to take public comment. We will have a resolution on the agenda for the September 4 meeting at which the Board will consider giving final approval to the financing plan.

In the proposed plan of financing, the County will borrow money under the financing contract, and use the money to buy refunding bonds from the districts. The payments on the new district bonds will be designed to be sufficient to make payments on the County financing. The County's financing would be secured by a lien on those district bonds and the County's promise to repay the financing, but there would be no recourse against the County or its property (other than the pledged bonds) if there were a default on the County financing. The result of the financing plan will be to reduce the long-term debt service payments for which the districts are responsible because of lower rates and, in some cases, shorter financing terms.

SPECIFIC ACTION REQUESTED: To hold a public hearing to take public comment on a proposed financing contract under which the County would borrow approximately \$25,000,000 to purchase Refunding Bonds from the County Water & Sewer Districts. No action by the Board is required otherwise at this meeting.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.



Initial

RESOLUTION

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

the Board held a public meeting to take public comment on a proposed financing contract under which the County would borrow approximately \$25,000,000 to purchase Refunding Bonds from the County Water & Sewer Districts. The Chairman/County Manager is authorized to execute any/all documents necessary to act on this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

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

George R Brown, Chairman 08-20-12
Date

ATTEST 08-20-12
Date