

RESOLUTION

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the Town of Oakboro, North Carolina desires to finance public sewer collection system improvements via an installment financing arrangement of 3 Million over a period of 10 years at an interest rate of 1.80% to expand the Town's sewer collection system to enable significant new job creation and taxable investment within its corporate limits; and

WHEREAS, the Town of Oakboro desires to refinance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioner, in the Town of Oakboro North Carolina, a during regular meeting on the 18 day of October, 2021, make the following findings of fact:

1. The proposed contract is necessary and expedient given the critical path of a large, private sector facility construction project that will further the economic interests and business prospects of the Town in numerous ways, including the aforementioned construction project which will create construction jobs at the facility and likely result in increased revenue to local businesses, by offering a large number of full time jobs at the facility construction site. Further, the completed facility will have an average wage higher than the average wage in the town, enhance the Town's property tax revenue base and support the diversification of the town's economy.
2. The proposed installment financing contract is preferable to a bond issue due to the timing and urgency of constructing the public sewer collection system to meet the business needs of the private sector facility creating a significant number of new jobs (at least 325) and the need to foster additional business growth.
3. The cost of financing under this proposed arrangement is greater than general obligation bonds. However, the proposed lease purchase financing arrangement enables the Town to expedite the start of the public sewer collection system improvements and pay off the debt with no early termination fees. The cost of the proposed lease purchase agreement contract is only marginally greater than the cost of issuing general obligation bonds.
4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the costs are consistent with projects similar in scope constructed in the Charlotte region.
5. The Town of Oakboro's debt management procedures and policies are good because they are consistent with NC General Statutes and have been vetted by the Town's auditors annually.
6. The increase in taxes necessary to meet the sums to fall due under the proposed financing contract will be 0.0 cents per \$100 valuation due to this being a public utility project aligned to the Town's Enterprise Fund and not the General Fund.

7. The Town of Oakboro is not in default in any of its debt service obligations.
8. The attorney for the Town of Oakboro has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
9. The probable net revenue of the project to be financed will be sufficient to meet the sums to fall due under the proposed installment financing contract.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Mayor is hereby authorized to act on behalf of the Town of Oakboro in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 18 day of October, 2021.

The motion to adopt this resolution was made by Commissioner Bud Smith,
seconded by Robert Watkins and passed by a vote of 5 to 0.

Joyce H Little
Joyce Little, Mayor

ATTEST:
Patti W. Efirid
Patti Efirid, Clerk to the Board



This is to certify that this is a true and accurate copy of the public sewer collection system improvements financing adopted by the Town of Oakboro Board of Commissioners the 18 day of October, 2021.

Patti W. Efirid
Patti Efirid, Clerk to the Board

10/18/2021
Date