

BOARD OF ALDERMEN
OF THE
TOWN OF ELON, NORTH CAROLINA

Excerpt of Minutes
of Meeting of
July 13, 2021

Present: Mayor _____ presiding, and

Aldermen: _____

Absent: _____

* * * * *

Alderman _____ introduced the following resolution, the title of which was read:

**RESOLUTION PROVIDING FOR APPLICATION TO THE
LOCAL GOVERNMENT COMMISSION FOR APPROVAL
OF ENTERPRISE SYSTEMS REVENUE BONDS;
REQUESTING LOCAL GOVERNMENT COMMISSION
APPROVAL OF SUCH ENTERPRISE SYSTEMS REVENUE
BONDS; APPROVAL OF FINANCING PROPOSAL AND
CERTAIN RELATED MATTERS AND FINDINGS**

WHEREAS, the Town of Elon, North Carolina (the “Town”) acting by and through its Board of Aldermen (the “Board”), is authorized by The State and Local Government Revenue Act of North Carolina, N.C.G.S. § 159-80 to issue revenue bonds to provide moneys for the acquisition, construction, reconstruction, extension, improvement or payment of the cost of one or more revenue bond projects, including water and sewer systems or facilities; and

WHEREAS the Board has determined that it is necessary to make certain improvements to its existing Water and Sewer System, including in particular the acquisition of the Travis Creek Pump Station from the Town of Gibsonville, North Carolina (the “Project”); and

WHEREAS, the Board is considering the issuance of Enterprise Systems Revenue Bonds (the “Bonds”) in an amount not to exceed the aggregate principal amount of \$2,000,000 (the “Bonds”) to finance a portion of the cost of the Project, which will be payable from the revenues of the Town’s Water and Sewer System; and

WHEREAS, it is anticipated that the Bonds will be issued pursuant to a Bond Order, General Trust Indenture and Series Indenture; and

WHEREAS, it is anticipated that the Bonds will be sold to a financial institution following a request for proposals at a private sale; and

WHEREAS, on July 2, 2021, Davenport & Company, the Town's Financial Advisor ("Davenport") circulated a request for proposal to a number of banks, soliciting proposals to purchase the Bonds (the "RFP"), and received responses thereto from Sterling National Bank, Capital One, Pinnacle Financial Partners and Truist Bank; and

WHEREAS, the Finance Director has reviewed the bank responses with Davenport, and has made a presentation to the Board regarding the responses to the RFP and its recommendation as to the most advantageous financing for the Town; and

WHEREAS, the Board intends to file with the Local Government Commission of North Carolina (the "LGC") an application for its approval of the Bonds, on a form provided by the LGC, to request that the LGC approve the negotiation of the sale of the Bond, and to make certain findings therefor;

NOW, THEREFORE, the Board of Aldermen for the Town of Elon, in a regularly scheduled meeting on August 10, 2021, does hereby resolve:

1. The Bonds are to be issued by the Town for the purpose of providing funds to finance the costs of the Project and to pay the costs of issuing the Bonds as set out in the Town's application to the LGC. The use of the proceeds of the Bonds to acquire the Project is necessary in order to meet the needs of the users of the Water and Sewer System (the "System"). The Bonds shall be a special obligation of the Town, the principal of, premium, if any, and interest on which shall not be payable from the general funds of the Town, nor shall they constitute a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues except the funds of the System which will be pledged under the Bond Order;

2. The Town Manager and the Town Finance Director, with the advice of bond counsel and the financial advisor, are each hereby authorized, directed and designated to file an application with the North Carolina Local Government Commission for its approval of the issuance of the Bonds, and appoints Misty Hagood as its representative in connection with such application;

3. The Board hereby selects Sterling National Bank as the purchaser of the Bonds on the terms set forth in the term sheet dated July 27, 2021 provided in response to the RFP.

4. In connection with the application to the LGC, the Board of Aldermen hereby makes the following findings:

- a. The issuance of the Bonds is necessary and expedient to finance the cost of the Project.
- b. The Project is feasible.
- c. The amount of debt to be incurred in connection with the Project and the fees to be paid in connection therewith are sufficient but not excessive for the purpose of acquiring the Project.

- d. The Town has included an average rate increase of 10% in its Fiscal Year 2021-22 budget. The increase in rates necessary to pay debt service on the Bonds is not excessive.
- e. The Town has not defaulted on any debt obligation.
- f. The Town follows the debt management guidelines of the North Carolina Local Government Commission.
- g. The Bonds can be marketed at a reasonable interest cost to the Town.

5. The Town hereby requests the LGC to sell the Bonds at private sale and without advertisement pursuant to § 159-123 of the North Carolina General Statutes.

6. The Town hereby approves McGuireWoods as bond counsel and the selection of the following entities as part of the financing teams for the issuance of the Bonds: Davenport & Co. as financial advisor, U.S. Bank as bond trustee and Sterling National Bank as the purchaser of the Bonds.

7. All actions of the officers of the Town in furtherance of this resolution are hereby ratified and confirmed. This resolution shall take effect immediately.

Alderman _____ moved the passage of the foregoing resolution and Alderman _____ seconded the motion and the resolution was passed by the following vote:

Ayes: Aldermen _____
 Nays: Aldermen _____
 Not voting: Aldermen _____

* * * * *

I, DiAnne Enoch, Clerk for the Town of Elon, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Board of Aldermen for the Town at a regular meeting duly called and held on August 10, 2021, and that the proceedings of such meeting are recorded in the Minutes of said Board. Pursuant to G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board of Aldermen of the Town is on file in my office.

WITNESS my hand and the official seal of the Town this ____ day of August, 2021.

 Clerk
 Town of Elon, North Carolina

(SEAL)