

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: JANUARY 12, 2015 AGENDA ITEM NUMBER: 9

SUBJECT: RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE PROPOSED REFINANCING OF CERTAIN OUTSTANDING INSTALLMENT FINANCING OBLIGATIONS OF THE COUNTY, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT, ACCEPTING THE PROPOSAL OF WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC TO PROVIDE SUCH FINANCING AND CALLING A PUBLIC HEARING THEREON

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS: Recommend Approval

SUMMARY OF INFORMATION:

See attached

ATTACHMENTS: YES NO

SIGNATURE: *J. Dudley White, Jr.* COUNTY MANAGER DATE: January 7, 2015

The Board of Commissioners for the County of Forsyth, North Carolina met in regular session in the County Commissioners' Meeting Room on the fifth floor of the Forsyth County Government Center located at 201 North Chestnut Street in Winston-Salem, North Carolina, the regular place of meeting, at 6:00 p.m. on Monday, January 12, 2015.

Present: Chairman David R. Plyler, presiding, and Commissioners

Absent: Commissioners

Also present: _____

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RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE PROPOSED REFINANCING OF CERTAIN OUTSTANDING INSTALLMENT FINANCING OBLIGATIONS OF THE COUNTY, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT, ACCEPTING THE PROPOSAL OF WELLS FARGO MUNICIPAL CAPITAL STRATEGIES, LLC TO PROVIDE SUCH FINANCING AND CALLING A PUBLIC HEARING THEREON

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Forsyth, North Carolina (the "County") as follows:

Section 1. The Board does hereby find and determine as follows:

(a) The County has determined to refinance certain installment financing obligations of the County evidenced by an Installment Financing Agreement, dated as of April 1, 2000, as supplemented, between the County and Forsyth Facility & Equipment Financing Corporation, relating to Certificates of Participation (Forsyth County Public Facilities and Equipment Project), Series 2005, dated May 5, 2005 (the "2005 Certificates"), for the purpose of achieving debt service savings.

(b) The County has received a proposal from Wells Fargo Municipal Capital Strategies, LLC (the "Lender") to provide funding to the County for the purpose of refunding all of the outstanding 2005 Certificates, and upon careful review and consideration of the proposal, the County desires to accept such proposal of the Lender.

(c) In order to effectuate the refunding of the 2005 Certificates, the County has determined to enter into an installment financing agreement (the "Agreement") in an aggregate principal amount not to exceed \$30,000,000 for the purpose of providing funds, together with

other available funds, to (i) refund all of the outstanding 2005 Certificates and (ii) pay the financing costs associated therewith.

(d) The County will repay the amounts advanced to the County under the Agreement in installments with interest thereon (the "Installment Payments").

(e) In order to secure its obligations under the Agreement, including repayment of the Installment Payments, the County will execute and deliver a deed of trust (the "Deed of Trust"), granting a lien on all or a portion of the sites of the buildings and facilities refinanced with the proceeds of the 2005 Certificates, together with any existing and all future improvements and fixtures located or to be located thereon.

(f) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in the refunding of the 2005 Certificates in an efficient and cost effective manner and achieve significant debt service savings for the County.

(g) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have sufficient constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds to refund the 2005 Certificates without an election; (ii) the nature of the financing does not allow for the issuance of revenue bonds to refund the 2005 Certificates; (iii) the cost of the refunding the 2005 Certificates exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to refund the 2005 Certificates as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of the refunding of the 2005 Certificates by several months; and (v) there can be no assurances that the issuance of general obligation bonds to refund the 2005 Certificates would be approved by the voters, and the current interest rate environment dictates that the refunding of the 2005 Certificates be accomplished in a timely and expedient manner.

(h) Based upon information provided to the Board, the costs of the refunding the 2005 Certificates as described above is reasonably comparable to the costs associated with other alternative means of financing and is acceptable to the Board.

(i) Counsel to the County will render an opinion to the effect that the proposed undertaking as described above is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(j) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(k) No tax rate increase is expected to be necessary to pay the Installment Payments to come due under the Agreement.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve the Agreement and the proposed refunding of the outstanding 2005 Certificates in connection therewith.

Section 3. The proposal of the Lender to provide funding pursuant to the Agreement in a principal amount not to exceed \$30,000,000 for the purpose of providing funds, together with any other available funds, to refund all of the outstanding 2005 Certificates and to pay the related financing costs is hereby accepted, subject to further approval of the particular documentation related thereto by the Board. The County Manager and the Chief Financial Officer of the County are each hereby authorized and directed to execute and deliver such documentation as may be necessary to accept the proposal of the Lender.

Section 4. The Board hereby fixes 6:00 p.m. on January 26, 2015 in the County Commissioners' Meeting Room on the fifth floor of the Forsyth County Government Center located at 201 North Chestnut Street in Winston-Salem, North Carolina, as the hour, day and place for the public hearing on the proposed Agreement. The Board hereby directs the Clerk to the Board to cause a notice of such public hearing to be published once in the Winston-Salem Journal not later than the 10th day before said date.

Section 5. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Carla D. Holt, Clerk to the Board of Commissioners for the County of Forsyth, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on January 12, 2015, as it relates in any way to adoption of the foregoing resolution regarding a proposed installment financing agreement to refinance certain installment financing obligations of said County and that said proceedings are recorded in the minutes of said Board.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said County this 12th day of January, 2015.

Clerk to the Board of Commissioners

[SEAL]

To be published in the Winston-Salem Journal on Thursday, January 15, 2015:

NOTICE OF PUBLIC HEARING

The Board of Commissioners for the County of Forsyth, North Carolina (the "County") has determined to consider whether to enter into an installment financing agreement (the "Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina for the purpose of refinancing all of the County's outstanding installment financing obligations with respect to the Certificates of Participation (Forsyth County Public Facilities and Equipment Project), Series 2005, dated May 5, 2005 (the "2005 Certificates"), the proceeds of which were used to (a) refinance certain prior installment financing obligations of the County and (b) pay the costs incurred in connection with the sale and delivery of the 2005 Certificates. The County would be obligated to pay installment payments under the Agreement in an aggregate principal amount not to exceed \$30,000,000, together with interest thereon. If the County enters into the Agreement, it will secure its obligations thereunder by executing and delivering a deed of trust granting a lien on all or a portion of the sites of the certain County administrative facilities refinanced with the proceeds of the 2005 Certificates, together with any improvements or fixtures located or to be located thereon.

Section 160A-20(g) of the General Statutes of North Carolina requires that the County hold a public hearing prior to entering into the Agreement. If the Board of Commissioners for the County so determines, an application will be submitted to the Local Government Commission of North Carolina for approval of the Agreement.

Please take notice that the Board of Commissioners for the County will conduct a public hearing in the Commissioners' Meeting Room on the fifth floor of the Forsyth County Government Center located at 201 North Chestnut Street in Winston-Salem, North Carolina, at 6:00 p.m. on January 26, 2015, at which time any person may be heard regarding the proposed Agreement described above.

Any person wishing to comment in writing on the proposed Agreement should do so prior to January 26, 2015 to the County of Forsyth, North Carolina, 201 North Chestnut Street, Winston-Salem, North Carolina 27101 Attention: Carla D. Holt, Clerk to the Board of Commissioners.

Carla D. Holt
Clerk to the Board of Commissioners
County of Forsyth, North Carolina