

The City Council of the City of Fayetteville, North Carolina met in a regular meeting in the City Council Chambers of the City Hall located at 433 Hay Street in Fayetteville, North Carolina, the regular place of meeting, at 7:00 p.m. on October 8, 2018.

Present: Mayor Mitch Colvin, presiding, and Council Members Culliton, Waddell, Haire, Dawkins, Wright, Mohn, and Arp

Absent: Council Members Jensen and Crisp

Also Present: Douglas Hewett, City Manager, Karen McDonald, City Attorney, and Pamela Megill, City Clerk

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Mayor Colvin introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A COMPETITIVE SALE AND APPROVING THE FINANCING TEAM ALL IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA

BE IT RESOLVED by the City Council (the “City Council”) of the City of Fayetteville, North Carolina (the “City”):

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

(a) The City, acting by and through the City Council, is authorized by The State and Local Government Revenue Bond Act of North Carolina, Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (the “Act”), to issue revenue bonds for the purpose of financing the costs associated with the acquisition, construction, reconstruction, enlargement, equipping, extension, betterment or improvement of water systems and facilities, sewage disposal systems and facilities and electric systems and facilities and to refund revenue bonds issued for such purposes.

(b) The Fayetteville Public Works Commission (the “PWC”), created pursuant to Chapter VIA of the City Charter of the City as a public authority for the purpose of managing, controlling and operating the electric, water and sanitary sewer systems of the City, currently operates such electric, water and sanitary sewer systems.

(c) Pursuant to a bond order adopted by the City Council of the City on November 5, 1990, as supplemented and amended (the “Original Bond Order”), the City and the PWC created a combined enterprise system comprised of the electric system, water system and sanitary sewer system (collectively, the “System”). The Bond Order provides for the issuance of revenue bonds thereunder, to be secured by the Net Revenues (as defined in the Bond Order) of the System as set forth therein, to finance improvements to the System and to refund bonds issued the Bond Order.

(d) In order to better serve and provide for the future needs of the residents of the City and its environs, the PWC will acquire (in the name of the City), construct and equip various improvements to its water and sanitary sewer systems, including, without limitation, (i) extension of water and sanitary sewer mains and lines to various annexed areas of the City, (ii) extension, rehabilitation and replacement of water and sanitary sewer mains and lines, (iii) improvements and upgrades to sanitary sewer collection and treatment facilities and (iv) improvements and upgrades to the water distribution and treatment facilities (collectively, the “Series 2018 Project”).

(e) The Series 2018 Project is necessary to secure adequate and reliable water and sanitary sewer service and to promote the present and future welfare of the residents of the City and its environs.

(f) The City has previously issued its Public Works Commission Revenue Refunding Bonds, Series 2009A (the “Prior Bonds”).

(g) After consideration, the City has determined that the PWC and the City may be able to realize significant debt service savings through the refunding of all or a portion of the Prior Bonds.

(h) The City desires to commence procedures at this time to issue revenue bonds for the purpose of providing funds, together with any other available funds, to (i) pay the costs of the Series 2018 Project, including capitalized interest with respect thereto, (ii) refund all or a portion of the Prior Bonds, (iii) fund any necessary debt service reserve fund for such revenue bonds and (iv) pay certain fees and expenses incurred in connection with the sale and issuance of such revenue bonds.

(i) The City desires to file an application with the Local Government Commission for approval of the issuance of such revenue bonds and to authorize certain actions in connection therewith.

(j) The amount of the proposed revenue bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (h) above.

(k) The proposed Series 2018 Project and the proposed refunding of all or a portion of the Prior Bonds are feasible.

(l) The annual audits of the City show the City to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the City are in compliance with law.

(m) The proposed revenue bonds can be marketed at a reasonable interest cost to the City.

(n) Any projected rate increases for water and sanitary sewer service in connection with the issuance of the proposed revenue bonds will be reasonable.

(o) The PWC's audited financial statements for the fiscal year ended June 30, 2018 will be completed and included in the offering document for the proposed revenue bonds. The City acknowledges and understands that the proposed revenue bonds will be offered for sale prior to the time that the City has issued its audited financial statements for the fiscal year ended June 30, 2018. Since the proposed revenue bonds will be sold and issued based on the revenues and credit of the electric, water and sanitary sewer systems operated by PWC as reflected in PWC's audited financial statements to be included in the offering document for the proposed revenue bonds, the City understands and acknowledges that the offering and sale of the proposed revenue bonds prior to the availability of the City's audited financial statements for the fiscal year ended June 30, 2018 is an exception to the policies and procedures of the Local Government Commission and that the same is acceptable to the City.

Section 2. The City Manager and the Acting Chief Financial Officer of the City, and any of their authorized designees or representatives, are each hereby authorized and directed to file an application with the Local Government Commission for approval of the issuance of revenue bonds in an aggregate principal amount not to exceed \$95,000,000 for the purpose of providing funds, together with any other available funds, for the purposes described in Section 1(h) above. Any such action heretofore taken by such persons in connection with the filing of such application is hereby ratified and approved.

Section 3. The Local Government Commission is hereby requested to sell the proposed revenue bonds by competitive sale in accordance with the provisions of Article 7 of Chapter 159 of the North Carolina General Statutes.

Section 4. The following financing team members are hereby recommended for approval by the City in connection with the proposed revenue bond issue, and the City requests that the Local Government Commission approve the same:

Co-Bond Counsel: Womble Bond Dickinson (US) LLP
 The Charleston Group

Financial Advisor: First Tryon Advisors

Trustee/Bond Registrar: The Bank of New York Mellon Trust Company, N.A.

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

Upon motion of Council Member Dawkins, seconded by Council Member Arp, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A COMPETITIVE SALE AND APPROVING THE FINANCING TEAM ALL IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA," was adopted by the following vote:

Ayes: Colvin, Culliton, Waddell, Haire, Dawkins, Wright, Mohn, and Arp_____.

Noes: N/A_____.

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I, Pamela Megill, City Clerk of the City of Fayetteville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so much of the proceedings of the City Council of said City at a regular meeting held on October 8, 2018, as relates in any way to the adoption of the foregoing resolution and that said proceedings are to be recorded in minute books of said City Council.

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 City this 8th day of October, 2018.

City Clerk

[SEAL]