

EXTRACTS FROM MINUTES OF CITY COUNCIL

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A regular meeting of the City Council of the City of High Point, North Carolina (the “*City Council*”) was duly held in the Council Chambers of the Municipal Building located at 211 South Hamilton Street in High Point, North Carolina, the regular place of meeting, at 5:30 p.m. on November 15, 2021:

Members Present: Mayor Jay W. Wagner, Mayor Pro Tem Britt W. Moore, Council Member Tyrone E. Johnson, Council Member Cyril Jefferson, Council Member Monica Peters, Council Member Christopher Williams, Council Member Wesley Hudson, Council Member Victor Jones, and Council Member Michael A. Holmes

Members Absent: None

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Mayor Jay W. Wagner introduced the following resolution, a summary of which had been provided to each Councilmember, a copy of which was available with the City Clerk and which was read by title:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BONDS, REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL AND CERTAIN RELATED MATTERS

WHEREAS, the City of High Point, North Carolina (the “*City*”) currently operates a water system and sanitary sewer system, both of which provide service to the residents of the City and its environs;

WHEREAS, the City has previously issued City of High Point, North Carolina Combined Enterprise System Revenue Refunding Bonds Series 2012A (the “*2012A Bonds*”) pursuant to a Trust Agreement dated as of November 1, 2004, as supplemented and amended (the “*Trust Agreement*”), between the City of High Point, North Carolina and Wachovia Bank, National Association, the successor to which is U.S. Bank National Association, as trustee (the “*Trustee*”), and a Fifth Supplemental Trust Agreement dated as of June 1, 2012 between the City and U.S. Bank National Association, as trustee, in order to refinance prior indebtedness used to make various improvements to the City’s water system and sanitary sewer system;

WHEREAS, the City has previously issued City of High Point North Carolina Combined Enterprise System Revenue Bonds Series 2014 (the “*2014 Bonds*”) pursuant to the Trust Agreement and a Sixth Supplemental Trust Agreement dated as of May 1, 2014 between the City and the Trustee, to make various improvements to the City’s existing water and sanitary sewer systems;

WHEREAS, the City Council (the “City Council”) of the City has been advised by the Financial Services Director that the City can achieve debt service savings by refinancing the 2012A Bonds and the 2014 Bonds;

WHEREAS, the City Council is considering the issuance of not to exceed \$21,000,000 City of High Point, North Carolina Taxable Combined Enterprise System Revenue Refunding Bond, Series 2021A (or other appropriate designation) (the “2021A Bond”) to (1) refinance all or a portion of the 2012A Bonds and (2) pay the related costs of issuance;

WHEREAS, the City Council is considering the issuance of not to exceed \$32,000,000 City of High Point, North Carolina Taxable Combined Enterprise System Revenue Refunding Bond, Series 2021B (or other appropriate designation) (the “2021B Bond” and collectively with the 2021A Bond, the “2021 Bonds”) to (1) refinance all or a portion of the 2014 Bonds and (2) pay the related costs of issuance;

WHEREAS, with respect to the proposed financing, the City Council wishes to ratify the retention of (1) Parker Poe Adams & Bernstein LLP, as bond counsel; (2) Davenport & Company LLC, as financial advisor; and (3) U.S. Bank National Association, as trustee (collectively, the “Financing Team”);

WHEREAS, the City, with the assistance of its financial advisor through a request for proposal process, has selected Pinnacle Bank as the purchaser of the 2021A Bond and Truist Bank as the purchaser of the 2021B Bond (collectively, the “Purchasers”);

WHEREAS, on approval by the Local Government Commission of North Carolina (the “Commission”) of the City’s application for the 2021 Bonds, the Commission will sell the 2021A Bond on behalf of the City to Pinnacle Bank and will sell the 2021B Bond on behalf of the City to Truist Bank;

WHEREAS, in addition, the proposals from the Lenders each permit the City to refund the respective 2021 Bonds through the issuance in the future of tax-exempt bonds (the “Tax-Exempt Bonds” and collectively with the 2021 Bonds, the “Bonds”) under certain conditions and to the extent permitted in accordance with IRS tax rules and regulations;

WHEREAS, the City Council wants to approve and ratify the filing by the Financial Services Director of the City with the Local Government Commission of North Carolina (the “Commission”) of an application for its approval of the Bonds on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the Bonds to the Purchasers and (B) the City’s use of the Financing Team and (2) state in such application such facts and to attach thereto such exhibits in regard to the Bonds and to the City and its financial condition as may be required by the Commission, and to take all other action necessary to the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the 2021A Bond is to be issued by the City for the purpose of providing funds, together with other available funds of the City, to (1) refinance all or a portion of the 2012A Bonds and (2) pay the related costs of issuance; that the 2021B Bond is to be issued by the City for the purpose of providing funds, together with other available funds of the City, to (1) refinance all or a portion of the 2014 Bonds and (2) pay the related costs of issuance; and that the Tax-Exempt Bonds may be issued by the City for the purpose of refinancing the 2021 Bonds.

Section 2. That the Financing Team is hereby retained and approved and the Financial Services Director of the City is hereby authorized and directed to retain other professionals that may be necessary to carry out the intentions of the City Council as set forth in this Resolution.

Section 3. That Pinnacle Bank is hereby authorized and selected as the purchaser of the 2021A Bond and Truist Bank is hereby authorized and selected as the purchaser of the 2021B Bond, and each is hereby authorized and selected as the purchaser of the related Tax-Exempt Bonds.

Section 4. That the filing of an application by the Financial Services Director of the City with the Commission for its approval of the issuance of the Bonds is hereby ratified and approved.

Section 5. That the City Council finds and determines, and asks the Commission to find and determine, from the City's application and supporting documentation the following:

- (a) that the issuance of the Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the Bonds will be sufficient but is not excessive to refinance the 2012A Bonds and the 2014 Bonds;
- (c) that the refinancing of the 2012A Bonds and the 2014 Bonds is feasible;
- (d) that the City's debt management procedure and policies are good; and
- (e) that the Bonds can be marketed at a reasonable interest cost to the City.

Section 6. That the City Council requests that the Commission sell the 2021A Bond, and the related Tax-Exempt Bonds, at private sale without advertisement, through negotiation to Pinnacle Bank on such terms as may be agreed on but at an interest rate not exceeding 1.99%.

Section 7. That the City Council requests that the Commission sell the 2021B Bond, and the related Tax-Exempt Bonds, at private sale without advertisement, through negotiation to Truist Bank on such terms as may be agreed on but at an interest rate not exceeding 2.75%.

Section 8. That the Mayor, the City Manager, the Financial Services Director and the City Clerk, and their respective designees, individually or collectively, are each hereby authorized to do any and all other things necessary to consummate the transaction related to the Bonds as set forth in this Resolution.

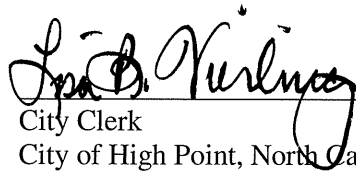
Section 9. This Resolution shall be in full force and effective from and after the date of its adoption.

PASSED, ADOPTED AND APPROVED this 15th day of November, 2021.

STATE OF NORTH CAROLINA)
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CITY OF HIGH POINT) ss:

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of so much of the proceedings of the City Council as it relates to a resolution entitled “**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BONDS, REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL AND CERTAIN RELATED MATTERS**” duly adopted by the City Council of the City of High Point, North Carolina, at a meeting held on the 15th day of November, 2021 and that such proceedings are to be recorded in the minute books of said City Council.

WITNESS my hand and the seal of the City of High Point, North Carolina, this the 15th day of November, 2021.



City Clerk
City of High Point, North Carolina

