



MEMORANDUM

November 25, 2013

MEMO TO: Strib Boynton, City Manager
Members of City Council

FROM: Jeffrey A. Moore, Financial Services Director *JAM*
Joanne Carlyle, City Attorney

SUBJECT: Required City Council actions for Proposed Revenue Bonds

Please include the following actions by City Council for their December 2, 2013 Council meeting.

1. City Council must authorize the staff to apply for the water and sewer revenue bonds capability. The City's bond attorneys have prepared the attached resolution which will establish certain legal findings of facts and authorize the filing of the application with the Local Government Commission. City Council is requested to approve the attached "Resolution Making Certain Findings and Determinations Authorizing the Filing of an Application with the Local Government Commission and Requesting the Local Government Commission to Sell Bonds at a Private Sale in Connection With the Issuance of Revenue Bonds By the City of High Point."

The attached Resolution authorizes the issuance of up to \$43,800,000 in new revenue bonds for the purposes of paying for continuing improvements to Westside WWTP, incinerator replacement and emissions upgrade, water tank and water and sewer line extensions and relocations.

These are necessary legal proceedings for the issuance of these bonds. As always, we will be available if you have any questions.

Accounting
336.883.3240

Internal Audit
336.883.3122

Purchasing
336.883.3219

Treasury Services
336.883.3230

The City Council of the City of High Point, North Carolina held a regular meeting 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 4:45 p.m. on December 2, 2013.

Present: Mayor Bernita Sims, presiding, and Council Members

Absent: Council Members

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and copies 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 AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS BY THE CITY

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

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

(a) 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.

(b) Pursuant to a Trust Agreement, dated as of November 1, 2004 (the “Trust Agreement”), between the City and Wachovia Bank, National Association (succeeded by U.S. Bank National Association), as trustee (the “Trustee”), the City created a combined enterprise

system (the “Combined Enterprise System”), consisting of the City’s water system and sanitary sewer system. The Trust Agreement provides for the issuance of Combined Enterprise System Revenue Bonds thereunder, to be secured by the net receipts of the Combined Enterprise System as set forth therein, to finance improvements to the Combined Enterprise System and to refund all or a portion of any bonds issued the Trust Agreement.

(c) In order to better serve and provide for the future needs of the residents of the City and its environs, the City will acquire, construct and equip certain improvements to the City’s water system and sanitary sewer system, including, without limitation, the construction and installation of upgrades to the Westside Wastewater Treatment Plant, the construction and installation of improvements to the incinerator emissions facilities at the Eastside Wastewater Treatment Plant, the construction, relocation and extension of water and sewer mains and lines, the replacement of an elevated water storage tank, the construction and improvement of sewer lift stations and rehabilitation of the Ward Water Treatment Plant (collectively, the “Series 2014 Project”).

(d) The Series 2014 Project is necessary to secure adequate and reliable water and sewer service and to promote the present and future welfare of the residents of the City and its environs.

(e) The City wishes to commence procedures for the issuance of revenue bonds at this time for the purpose of providing funds, together with any other available funds, to (i) pay the costs of the Series 2014 Project, (ii) pay all or a portion of the interest on such revenue bonds during construction of the Series 2014 Project, (iii) fund any necessary debt service reserve fund for such revenue bond and (iv) pay certain other costs associated with the issuance and sale of such revenue bonds.

(f) The amount of the proposed revenue bonds will be sufficient, but not excessive, for the purpose of paying the costs associated with the Series 2014 Project.

(g) The proposed Series 2014 Project is feasible.

(h) 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.

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

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

Section 2. The City Manager, the Financial Services Director and the City Attorney of the City are 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 \$43,800,000 for the purpose of providing funds, together with any other available funds, to (a) pay the costs of the Series 2014 Project, (b) pay all or a portion of the interest on such revenue bonds during construction of the Series 2014 Project, (c) fund any necessary debt service reserve fund for such revenue bonds and (d) pay certain other costs associated with the issuance and sale of such revenue bonds. Any such action heretofore taken 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 at a private sale without advertisement.

Section 4. The following financing team members are hereby approved by the City in connection with the proposed revenue bond issue:

Bond Counsel:	Womble Carlyle Sandridge & Rice, LLP
Senior Managing Underwriter:	Wells Fargo Bank, National Association
Underwriters' Counsel:	Pillsbury Winthrop Shaw Pittman LLP
Trustee/Bond Registrar	U.S. Bank National Association
Financial Advisor	Davenport & Company LLC
Financial Consultant	Black & Veatch

The City Manager and the Financial Services Director are each also hereby authorized to engage such other co-managing underwriters for the proposed revenue bonds as they may deem necessary and appropriate for the purpose of offering such revenue bonds for sale to the general public.

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

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS BY THE CITY" was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so much of the proceedings of said City Council at a regular meeting held on December 2, 2013, as relates in any way to the adoption of the foregoing resolution and that said proceedings are recorded in the 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 the City this 2nd day of December, 2013.

City Clerk

[SEAL]