VILLAGE OF MARVIN

10004 New Town Road | Marvin, NC | 28173 | Tel: (704) 843-1680 | Fax: (704) 843-1660 | www.marvinnc.org

Village Council Meeting Minutes

Wednesday, March 10, 2021 – 6:30pm
Village Hall, 10004 New Town Road
Special Meeting (Virtual Meeting)

Special Meeting Agenda

Mayor Pollino has called for a special meeting of the Village Council to be held on Wednesday, March 10, 2021 at 6:30pm at the Village Hall (10004 New Town Road). The purpose is to hold a public hearing on the installment financing contract for the construction of Marvin Village Hall to be built at 10006 Marvin School Road; to discuss and consider adoption of a preliminary resolution to authorize the negotiation of said contract; and to recess into closed session to approve closed session minutes and discuss terms regarding acquisition of real property.

Agenda Item

1. **Call to Order & Determination of Quorum**
   Mayor Pollino called the meeting to order at 6:30pm and determined that a quorum was present.
   Present: Mayor Pollino, Mayor Pro Tem Vandenberg, Councilman Wortman
   Present Virtually: Councilman Marcolese
   Absent: Councilman Lein
   Staff Present: Jamie Privuznak, Austin W. Yow
   Staff Present Virtually: Christina Amos

2. **Consider Allowing Councilmembers to Participate Remotely**
   MOTION: Councilman Wortman moved to allow Councilmember Marcolese to participate remotely.
   VOTE: The motion passed unanimously.

3. **Adoption of the Agenda**
   MOTION: Mayor Pro Tem Vandenberg moved to adopt the agenda as stated.
   VOTE: The motion passed unanimously.

4. **Open the Public Hearing for Installment Financing Contract for the Construction of Marvin Village Hall to be Built at 10006 Marvin School Road**
   MOTION: Councilman Wortman moved to open the public comments.
   VOTE: The motion passed unanimously.

   Jamie Privuznak, Finance Officer, introduced David Cheatwood of DFI, and Scott Leo of Parker Poe who are working with the Village on the installment financing of Village Hall.

   No additional comments were given.

   MOTION: Councilman Wortman moved to close the public comments.
   VOTE: The motion passed unanimously.

5. **Discussion and Consider Adoption of Preliminary Resolution of the Village Council of the Village of Marvin, North Carolina Authorizing the Negotiation of an Installment Financing Contract and Providing for Certain Other Related Matters Thereto**
   Mrs. Privuznak, Mr. Cheatwood, and Mr. Leo briefly explained the legal process required and the approximate timeline for the installment financing and bank RFP. Council asked questions of Village Manager Christina Amos, Mr. Cheatwood and Mr. Leo regarding the bank RFP process, and interest rates.

RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF MARVIN, NORTH CAROLINA AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the Village of Marvin, North Carolina (the *"Village"*) is a municipal corporation duly created and validly existing under the Constitution, statutes and laws of the State (the *"State"*);

WHEREAS, the Village has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Village Council of the Village (the *"Village Council"*) hereby determines that it is in the best interest of the Village to (1) enter into an installment financing contract (the *"Contract"*) with a financial institution to be determined (the *"Bank"*) in order to pay a portion of the costs of constructing a new Village Hall administrative facility (the *"Project"*) and (2) in order to provide security for the Village's obligations under the Contract, grant to the Bank a security interest under a deed of trust, security agreement and fixture filing (the "*Deed of Trust*") on the site of the Project;

WHEREAS, the Village staff has retained (1) Parker Poe Adams & Bernstein LLP, as special counsel (*"Special Counsel"*) and (2) First Tryon Advisors, as financial advisor, in connection with the proposed installment financing;

WHEREAS, the Village Council hereby determines that the Project is essential to the Village's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the Project will provide an essential use and will permit the Village to carry out public functions that it is authorized by law to perform; and that entering into the Contract and Deed of Trust is necessary and expedient for the Village by virtue of the findings presented herein;

WHEREAS, the Village Council hereby determines that such cost of the Project exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the Village in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the Project pursuant to the Contract and the Deed of Trust is expected to exceed the cost of financing the Project pursuant to a bond financing for the same undertaking, the Village hereby determines that the cost of financing the Project pursuant to the Contract and Deed of Trust and the obligations of the Village thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of the Project; and (3) no revenues are produced by the Project so as to permit a revenue bond financing;

WHEREAS, the Village Council hereby determines that the estimated cost of financing the Project pursuant to the Contract and the Deed of Trust allows the Village to finance the Project at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the Village and reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, an increase in taxes to make the installment payments falling due under the Contract is not anticipated, but the increase in taxes, if any, necessary to service the installment payments falling due under the Contract will not be excessive;

WHEREAS, Special Counsel will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

WHEREAS, no deficiency judgment may be rendered against the Village in any action for its breach of the Contract, and the taxing power of the Village is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the Village is not in default under any of its debt service obligations;

WHEREAS, the Village's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the Village has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget Ordinance;

WHEREAS, past audit reports of the Village indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the Village has not been censured by the Local Government Commission of North Carolina (the *"LGC"*), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Contract, after publication of a notice with respect to such public hearing, was held on March 10, 2021 and approval of the LGC with respect to entering the Contract must be received; and

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF MARVIN, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Authorization to Negotiate the Contract and the Deed of Trust.*** That the Village Manager and the Finance Officer, with advice from Special Counsel and the Village's financial advisor, are hereby authorized and directed to negotiate on behalf of the Village (1) the financing of the Project for a principal amount of not to exceed $1,800,000 under the Contract to be entered into with the Bank in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and (2) the provision of a security interest under the Deed of Trust in the Village's fee simple interest in the site of the Project, together with all improvements and fixtures located thereon, as may be required by the Bank providing the funds to the Village under the Contract to secure the Village's obligations thereunder.

Section 2. ***Application to LGC.*** The Village Manager and the Finance Officer or their designee are hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the Village and its financial condition as may be required by the LGC.

Section 3. ***Approval of the Financing Team.*** Parker Poe Adams & Bernstein LLP has been retained by the Village to serve as special counsel and First Tryon Advisors been retained to serve as financial advisor. The Village Manager and the Finance Director are hereby authorized to retain the assistance of other professionals as they deem necessary and desirable to carry out the intention of this Resolution.

Section 4. ***Ratification.*** All actions of the Village and its officials, whether previously or hereafter taken in effectuating the proposed financing as described herein, are hereby ratified, authorized and approved.

Section 5. ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 6. ***Effective Date.*** This Resolution is effective on the date of its adoption.

Read, approved and adopted this 10th day of March, 2021.

ATTEST:

____
Joseph E. Pollino, Jr., Mayor

____
Austin W. Yow
Village Clerk

STATE OF NORTH CAROLINA)
) SS:
VILLAGE OF MARVIN)

I, Austin W. Yow, Village Clerk of the Village of Marvin, North Carolina, *DO HEREBY CERTIFY* that the foregoing is a true and exact copy of a resolution titled **"RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF MARVIN, NORTH CAROLINA AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO"** adopted by the Village Council of the Village of Marvin, North Carolina in regular session duly convened on the 10th day of March, 2021, as recorded in the minutes of the Village Council of the Village of Marvin, North Carolina.

WITNESS, my hand and the seal of the Village of Marvin, North Carolina, this the ___ day of ____________, 2021.

(SEAL)

____
Austin W. Yow, Village Clerk
Village of Marvin, North Carolina

MOTION: Mayor Pro Tem Vandenberg moved to approve the resolution of the Village Council of the Village of Marvin, North Carolina authorizing the negotiation of an installment financing contract and providing for certain other related matters thereto conditioned upon no receipt of comments contrary to the Council decision from the public hearing within twenty-four hours.
VOTE: The motion passed unanimously.

6. Recess into Closed Session Pursuant of NCGS §143-318.11(a)(1)(5) for Review and Approval of Closed Session Minutes from the 9/8/20, 10/29/20, 11/10/20, 11/23/20, and 1/12/21 Meetings; and To Discuss Terms of Potential Acquisition of Real Property

MOTION: Mayor Pro Tem Vandenberg moved to recess into Closed Session Pursuant of NCGS §143-318.11(a)(1)(5) for Review and Approval of Closed Session Minutes from the 9/8/20, 10/29/20, 11/10/20, 11/23/20, and 1/12/21 Meetings; and To Discuss Terms of Potential Acquisition of Real Property.
VOTE: The motion passed unanimously.

[Recording omits Closed Session]

MOTION: Mayor Pro Tem Vandenberg moved to move out of closed session.
VOTE: The motion passed unanimously.

MOTION: Mayor Pro Tem Vandenberg moved to adopt the closed session minutes from the 9/8/20, 10/29/20, 11/10/20, 11/23/20, and 1/12/21 meetings.
VOTE: The motion passed unanimously.

ADJOURNMENT

MOTION: Mayor Pro Tem Vandenberg moved to adjourn the meeting at 7:36pm.
VOTE: The motion passed unanimously.

Adopted: 4-13-21

Joseph E. Pollino, Jr., Mayor
Village of Marvin

Austin W. Yow
Village Clerk & Assistant to the Manager
Village of Marvin

VILLAGE OF MARVIN
SEAL
N.C.