



RESOLUTION 2018-15

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF DAVIDSON, NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE

WHEREAS, the Board of Commissioners (the “*Board of Commissioners*”) of the Town of Davidson, North Carolina (the “*Town*”) is considering the issuance of bonds of the Town which will be for the following purposes and in the following maximum amount:

\$_____ of bonds to provide funds to pay the capital costs of acquiring, constructing, expanding, renovating, equipping and furnishing public facilities to be used for municipal services, including town hall, police, firefighting and other administrative services, and the acquisition of land, rights-of-way and easements therefor.

WHEREAS, certain findings of fact by the Board of Commissioners must be presented to enable the Local Government Commission of the State of North Carolina to make certain determinations as set forth in Section 159-52 the North Carolina General Statutes, as amended.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners, meeting in open session on the 12th day of June, 2018, has made the following factual findings in regard to this matter:

A. ***Facts Regarding Necessity of Proposed Financing.*** The proposed bonds are necessary and expedient to pay the capital costs of acquiring, constructing, expanding, renovating, equipping and furnishing public facilities to be used for municipal services, including town hall, police, firefighting and other administrative services, and the acquisition of land, rights-of-way and easements therefor.

B. ***Facts Supporting the Amount of Bonds Proposed.*** The sums estimated for these bonds are adequate and not excessive for the proposed purposes. Estimates for the proposed construction and improvements have been carefully analyzed and determined by persons knowledgeable about the construction and improvements.

C. ***Past Debt Management Procedures and Policies.*** The Town’s debt management procedures and policies are good and have been carried out in compliance with law. The Town employs a Finance Director to oversee compliance with applicable laws relating to debt management. The Board of Commissioners requires annual audits of Town finances. In connection with these audits, compliance with laws is reviewed. The Town is not in default in any of its debt service obligations. The Town Attorney reviews all debt-related documents for compliance with laws.

D. ***Past Budgetary and Fiscal Management Policies.*** The Town’s budgetary and fiscal management policies have been carried out in compliance with laws. Annual budgets are closely reviewed

by the Board of Commissioners before final approval of budget ordinances. Budget amendments changing a function total or between functions are presented to the Board of Commissioners at regular Board of Commissioners meetings. The Finance Director presents financial information to the Board of Commissioners which shows budget to actual comparisons annually and otherwise as the Town Manager deems necessary or as a member of the Board of Commissioners may request.

E. ***Increase in Taxes; Retirement of Debt.*** The increase in taxes, if any, necessary to service the proposed debt will not be excessive. The schedule for issuance anticipates issuing all of the bonds in one or more series during the seven years following the adoption of the bond order.

F. ***Marketing of Bonds.*** The proposed bonds can be marketed at reasonable rates of interest.

G. ***Effective Date.*** This Resolution is effective immediately on its adoption.

Read, approved and adopted this 12th day of June, 2018.

Rusty Knox, Mayor

Attest:

Elizabeth K. Shores, Town Clerk