



Agenda

Greenville City Council

April 21, 2009
5:00 PM
City Council Chambers
200 West Fifth Street

Assistive listening devices are available upon request for meetings held in the Council Chambers. If an interpreter is needed for deaf or hearing impaired citizens, please call 252-329-4422 (voice) or 252-329-4060 (TDD) no later than two business days prior to the meeting.

- I. Call Meeting To Order**
- II. Invocation - Mayor Pro-Tem Council**
- III. Pledge of Allegiance**
- IV. Roll Call**
- V. Approval of Agenda**
- VI. New Business**
 1. Ordinance amending the discount rate for the prepayment of property taxes
 2. Resolution calling for a public hearing to refund bonds (Series 1998 Certificate of Participation Bonds) and the issuance of debt for street improvements
- VII. Adjournment**



City of Greenville, North Carolina

Meeting Date: 4/21/2009
Time: 5:00 PM

Title of Item: Ordinance amending the discount rate for the prepayment of property taxes

Explanation: By contract, Pitt County collects property taxes for the City of Greenville and four other municipalities. Pitt County has indicated an intent to lower the discount for prepayment of real property taxes from 2% to 1% effective for the 2009-2010 fiscal year. Action by the County Commission to make this change is scheduled for April 20, 2009. Pitt County has requested that all five municipalities take action in order to maintain a uniform discount rate (see attached letter).

A representative from Pitt County will attend the City Council meeting to answer any questions about this request.

Fiscal Note: The City granted \$322,995 in discounts for 2008-2009. Assuming similar collections for the next fiscal year, the City would realize an additional \$161,497 in revenues. This additional revenue would be offset by lost interest earnings for the months when revenue would not be available if any taxpayers delayed payment due to the decrease in the discount rate.

Recommendation: Consider the request of Pitt County to adopt the attached ordinance changing the real property tax discount rate.

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Attachments / click to download

 [Letter from Scott Elliott](#)

ORDINANCE # 09 -
AN ORDINANCE AMENDING THE DISCOUNT FOR
THE PREPAYMENT OF TAXES

WHEREAS, North Carolina General Statute 105-360(c) authorizes the governing body of a municipality to establish a schedule of discounts to be applied to taxes paid prior to the due date for payment of taxes levied under Subchapter II of Chapter 105 of the North Carolina General Statutes;

WHEREAS, the City Council of the City of Greenville adopted an ordinance on April 22, 1991, that established the City's current 2% discount for payments received in July and August each tax year;

WHEREAS, Pitt County bills and collects real property taxes for the City of Greenville pursuant to a contract between the City of Greenville and Pitt County;

WHEREAS, Pitt County has requested the City Council of the City of Greenville to amend its discount to conform with the discount provided by Pitt County since the Board of Commissioners amended, at its April 20, 2009, meeting, the discount percentage from 2% to 1% on all taxes levied by the County of Pitt, Greenville, North Carolina, under the provisions of Article 25 of Chapter 105 of the General Statutes of North Carolina which shall be due and payable on the first day of September of the fiscal year for which the taxes are levied as allowed under North Carolina General Statute 105-360(c); and

WHEREAS, the City Council of the City of Greenville hereby acknowledges Pitt County's desire to reduce the current discount rate and supports said action by establishing a discount for the prepayment of taxes in conformance with the discount established by Pitt County;

NOW, THEREFORE, the City Council of the City of Greenville does hereby ordain:

Section 1. Under the provisions of North Carolina General Statute 105-360, discounts for prepayment of taxes shall be granted in the amount of one (1) percent for payments received during the months of July and August preceding the first day of September, the due date for payment of taxes.

Section 2: This ordinance shall be effective upon approval by the North Carolina Department of Revenue and after publication as provided by North Carolina General Statute 105-360(c)(3) and only if Pitt County establishes a discount in the amount of one (1) percent for the prepayment of taxes for payments received in July or August and said discount established by Pitt County becomes effective.

Section 3: Upon the effective date of this ordinance, all ordinances and clauses of

ordinances in conflict with this ordinance are hereby repealed.

This the 21st day of April, 2009.

Patricia C. Dunn, Mayor

ATTEST:

Wanda T. Elks, City Clerk

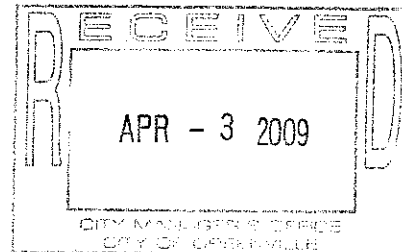


PITT COUNTY
OFFICE OF THE COUNTY MANAGER
1717 W 5TH STREET
GREENVILLE, NORTH CAROLINA 27834-1696
TELEPHONE: (252) 902-2950 FAX: (252) 830-6311

D. Scott Elliott
County Manager

March 31, 2009

Mr. Wayne Bowers, City Manager
City of Greenville
P.O. Box 7207
Greenville, NC 27835



Dear Mr. ~~Bowers~~: *Wayne*

I am writing to advise your municipality of a proposal to change the "discount rate" that is offered to tax payers who choose to pay their taxes early. Your jurisdiction is being contacted because the Pitt County Tax Collector bills and collects taxes on the City's behalf.

It is being proposed to lower the discount rate from 2% to 1%. If approved, this would be effective for the tax bills being mailed out in July. By lowering the discount rate 50%, your jurisdiction will experience a gain in revenues for next year's budget. For the City of Greenville, this amount is estimated to be \$161,673.

At this time, it is not the County's intent to ever completely eliminate the discount rate. As you may be aware, mortgage companies who escrow funds are required to pay the amount due at the lowest cost. Due to this fact, it is in our best interest to maintain a discount rate (i.e. 1%). By receiving property tax payments early, this obviously helps the cash flow position of our organizations.

Attached you will find a proposed resolution that will be discussed by the Pitt County Board of Commissioners at their April 6th meeting. Adoption of the resolution is expected to occur at the Commissioners' April 20th meeting. In conjunction with the County's action on this matter, your jurisdiction will also need to adopt a like resolution. Attached you will find a resolution that has been prepared for this purpose.

Adoption of this resolution is needed by April 30, 2009. The North Carolina Department of Revenue must be notified by May 1, 2009 in order for this change to occur.

Please let me know if you have any questions.

Sincerely,

D. Scott Elliott
County Manager

Cc: Cathy Booker, Tax Administrator
Melonie Bryan, Deputy County Manager/Financial Services

Attachments

Kwh#62065

**PITT COUNTY BOARD OF COMMISSIONERS
GREENVILLE, NORTH CAROLINA**

April 20, 2009

RESOLUTION

Whereas, the General Assembly of North Carolina has by statute authorized the governing body of a County to establish a schedule of discounts to be applied to taxes paid prior to the date for the collection of said taxes; and

Whereas, the Pitt County Board of Commissioners adopted a resolution on April 15, 1991 that created the County's current 2% discount for payments received in July and August each tax year; and

Whereas, the Pitt County Board of Commissioners by adoption of this resolution will continue to exercise the authority granted to offer a discount; and

Whereas, the Board deems it is advisable to amend the discount percentage from 2% to 1% on all taxes levied by the County of Pitt, Greenville, North Carolina, under the provision of Article 25 of Chapter 105 of the General Statutes of North Carolina which shall be due and payable on the first day of September of the fiscal year for which the taxes are levied as allowed under North Carolina General Statute 105-360 Sub-section (C).

Now, Therefore be it resolved, that under General Statutes 105-360, discounts for prepayment of taxes shall be granted in the amount of one (1) percent for payments received during the months of July and August preceding the first day of September, the due date for payment of taxes; and

Adopted this the 20th day of April, 2009.

Melvin C. McLawhorn, Chairman

Attest:

Patricia A. Staton, Clerk to the Board

RESOLUTION

Whereas, the General Assembly of North Carolina has by statute authorized the governing body of a County to establish a schedule of discounts to be applied to taxes paid prior to the date for the collection of said taxes; and

Whereas, the Pitt County Board of Commissioners adopted a resolution on April 15, 1991 that created the County's current 2% discount for payments received in July and August each tax year; and

Whereas, the County bills and collects real property taxes for certain municipalities within the County who adopted similar resolutions in 1991; and

Whereas, the Pitt County Board of Commissioners by adoption of a resolution on April 20, 2009 will continue to exercise the authority granted to offer a discount; and

Whereas, the Board of Commissioners has deemed it advisable to amend the discount percentage from 2% to 1% on all taxes levied by the County of Pitt, Greenville, North Carolina, under the provision of Article 25 of Chapter 105 of the General Statutes of North Carolina which shall be due and payable on the first day of September of the fiscal year for which the taxes are levied as allowed under North Carolina General Statute 105-360 Sub-section (C); and

Whereas, the _____ of the City of _____ hereby acknowledges the County's desire to reduce the current discount rate and supports said action.

Now, Therefore be it resolved, that under General Statutes 105-360, discounts for prepayment of taxes shall be granted in the amount of one (1) percent for payments received during the months of July and August preceding the first day of September, the due date for payment of taxes; and

Adopted this the _____ day of April, 2009.

,Mayor

Attest:

,Clerk



City of Greenville, North Carolina

Meeting Date: 4/21/2009
Time: 5:00 PM

Title of Item: Resolution calling for a public hearing to refund bonds (Series 1998 Certificate of Participation Bonds) and the issuance of debt for street improvements

Explanation: Financial Services staff has been working with First Southwest Company (the City's Financial Advisors) to refinance the Series 1998 Certificates of Participation (COPs) and to finance street improvements approved by the 2004 General Obligation bond referendum. Given the current interest rate environment, staff has reviewed all of the City's outstanding debt in efforts of finding areas of potential interest savings.

In addition to the refunding, staff proposes issuing \$4,800,000 needed for street improvements on the Thomas Langston Road and Statonsburg Road/10th Street Connector projects. These projects were approved in the 2004 general obligation bond referendum, and bonds were to be issued in accordance with authorized general obligation debt schedules. However, because of the current interest rate levels and the savings that could be achieved, staff recommends issuing these funds through an installment financing agreement to minimize issuance costs.

Based on the amount of the combined refunding and new money issues, commercial banks can purchase the bonds. Selling to commercial banks will lower the costs compared to the option of a public offering through investment banks. Bids were sought from commercial banks. The bids were opened on April 1, 2009 from four banks (a bid tabulation is attached.)

Attached also is the resolution that calls for a May 14, 2009, public hearing on the refunding and the financing for street improvements (at the regular City Council meeting). Additionally, the resolution requests that the Director of Financial Services be authorized to file an application with the Local Government Commission (LGC) to enter into this transaction. This resolution authorizes borrowing not to exceed \$12,100,000.

Fiscal Note: The July 9, 2009 sale date will include a refunding amount for the Series 1998

COPs (\$7,140,000) and an amount to finance certain street improvements (\$4,860,000), not to exceed \$12,100,000.

Annual debt service payment amounts are included in the 2009-2010 financial operating plan.

Refunding the Series 1998 COPs debt and issuing new COPS instead of general obligation bonds is estimated to generate approximately \$483,000 in interest expenses savings and issuance costs.

Recommendation: Approve the resolution calling for a public hearing to refund bonds (Series 1998 Certificate of Participation Bonds) and the issuance of debt for street improvements.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [RFP Summary](#)

 [Resolution for 98 COPS and New Funding 823374](#)

A regular meeting of the City Council of the City of Greenville, North Carolina was held in the City Council Chamber at the City Hall in Greenville, North Carolina, the regular place of meeting, on April, 21, 2009 at 5:00 p.m.

Present: Mayor Patricia C. Dunn, presiding, and Council members _____

Absent: _____

* * * * *

Mayor Dunn introduced the following resolution, a copy of which had been provided to each Council member, and which was read by its title:

RESOLUTION NO. 2009 - __

RESOLUTION CALLING A PUBLIC HEARING CONCERNING A PROPOSED INSTALLMENT FINANCING AGREEMENT TO PROVIDE FOR (i) THE REFINANCING OF OF CERTAIN OUTSTANDING CERTIFICATES OF PARTICIPATION SERIES 1998 (CITY OF GREENVILLE PUBLIC FACILITIES AND EQUIPMENT PROJECT) AND (ii) FINANCING CERTAIN STREET IMPROVEMENTS, MAKING CERTAIN FINDINGS RELATING TO THE INSTALLMENT FINANCING AGREEMENT AND AUTHORIZING THE DIRECTOR OF FINANCIAL SERVICES TO FILE APPLICATION FOR APPROVAL THEREOF WITH THE LOCAL GOVERNMENT COMMISSION

WHEREAS, the City of Greenville, North Carolina (the "City") desires to (i) refinance outstanding Certificates of Participation Series 1998 (City of Greenville Public Facilities and Equipment Project) maturing June 1, 2010 – 2013 inclusive, June 1, 2016 and June 1, 2020 (the "Refinancing") and (ii) finance certain street improvements in the City (the "New Project" and together with the refinancing the "Project") by the use of an installment financing agreement authorized under North Carolina General Statute 160A, Article 3, Section 20 (the "Installment Financing Agreement") by and between the City and Branch Banking and Trust Company (the "Bank"); and

WHEREAS, the Installment Financing Agreement, will comply in all respects with Section 160A-20 and Chapter 159, Article 8, of the General Statutes of North Carolina and the

guidelines of the Local Government Commission of North Carolina for all financings undertaken pursuant to said Section and Article; and

WHEREAS, said Section 160A-20 requires that, before entering into an installment financing agreement involving real property, the City shall hold a public hearing on such agreement; and

WHEREAS, findings of fact by the City Council of the City must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE:

Section 1. A public hearing with respect to the Installment Financing Agreement is hereby directed to be held on May 14, 2009 in the City Council Chamber at the City Hall in Greenville, North Carolina at 7:00 p.m.

Section 2. The City Clerk is hereby directed to publish notice of said public hearing once at least ten (10) days prior to the date of the public hearing as required by Section 160A-20(g) of the General Statutes of North Carolina.

Section 3. The City Council of the City of Greenville does hereby find, determine and declare as follows:

(a) The City proposes to finance the costs of the Project pursuant to the Installment Financing Agreement, and the City will make installment payments in amounts sufficient to repay advances to be made by the Bank to finance the Project in an amount not to exceed \$12,100,000.

(b) The Project is necessary or expedient for the City.

(c) The sums to fall due under the Installment Financing Agreement are not excessive for its stated purposes; and the estimated cost of the Project is not excessive.

(d) Counsel to the City has rendered an opinion that the proposed undertakings are authorized by law and are purposes for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(e) Interest to accrue on the advances made under the Installment Financing Agreement shall be at a rate of 3.79% per annum. The Installment Financing Agreement, under the circumstances presently obtaining, is preferable to a general obligation bond issue for this purpose.

(f) The estimated cost of financing the Project pursuant to the Installment Financing Agreement is less than an estimate of similar cost for general obligation bond financing therefor.

(g) The debt management policies of the City have been carried out in strict compliance with law, including the filing of all required audits and reports with the Local Government Commission (the "LGC"), and the City is within its statutory debt limit and is not in default with respect to any of its outstanding indebtedness.

(h) The City estimates that the savings generated by the Refinancing will exceed the estimated debt service to fall due under the Installment Financing Agreement that relates to the Refinancing portion of the Project.

(i) No increase in the property tax rate will be required to raise sums to pay the estimated debt service to fall due under the Installment Financing Agreement for all of its stated purposes.

(j) The City has made timely payment of all sums owed by it with respect to the payment of principal of and interest on all of its outstanding debt obligations and has received no notice from the LGC or any holder concerning the City's failure to make any required payment of debt service.

Section 4. The Director of Financial Services of the City and such other officers of the City as may be appropriate are hereby authorized to act on behalf of the City in filing an application with the LGC for approval of the Installment Financing Agreement and other actions not inconsistent with this resolution. The LGC is hereby requested to approve the proposed Installment Financing Agreement pursuant to the provisions of Article 8 of Chapter 159 of the General Statutes of North Carolina, and the selection of the following professionals who comprise the financing team, and such other professionals as may be required or useful and acceptable to the LGC, to assist the City in connection with such financing:

Special Counsel	Sidley Austin LLP
Financial Advisor	First Southwest Company

Section 5. All actions heretofore taken by the Director of Financial Services of the City and any other officers of the City in connection with the Installment Financing Agreement are hereby ratified and confirmed.

Section 6. This resolution shall take effect immediately upon its passage.

Adopted this the 21st day of April, 2009.

Patricia C. Dunn
Mayor

ATTEST:

Wanda T. Elks
City Clerk

After consideration of the foregoing resolution, Council member _____
moved for the passage thereof, which motion was duly seconded by Council member
_____, and the foregoing resolution was passed by the following vote:

Ayes: _____
_____.

Noes: _____.

* * * * *

I, Wanda T. Elks, City Clerk of the City of Greenville, North Carolina, DO HEREBY
CERTIFY that the foregoing has been carefully copied from the recorded minutes of the City
Council of said City at a meeting held on April 21, 2009, said record having been made in
Minute Book No. ___ of the minutes of said City Council, beginning at page ___ and ending at
page ___, and is a true copy of so much of said proceedings of said City Council as relates in any
way to the passage of the resolution described in said proceedings.





WITNESS my hand and the official seal of said City, this ___ day of April, 2009.

City Clerk

[SEAL]

**Summary of Proposals
Greenville, North Carolina**

April 1, 2009

				
Project Description	New Money & Refunding	Refunding Only	New Money & Refunding	New Money & Refunding
Not to Exceed Amount	\$16,500,000	\$7,190,000	\$16,500,000	approx. \$15,275,000
Term				
7 Years (with ballon payment)	N/A	N/A	N/A	3.86%
11 Years	N/A	3.94%	N/A	N/A
15 Years	3.79%	N/A	4.28%	N/A
20 Years	4.39%	N/A	N/A	N/A
Annual/Semi Annual Payments	Semi Annual	Semi Annual	Semi Annual	Semi Annual
Bank Fees / Counsel Fees	Responsibility of the City and City's Counsel to provide a financing document subject to review and approval of BB&T; Remuneration for legal review expenses and underwriting for this financing transaction shall be \$10,900	Legal Review to be paid by the City; Bank fees will be \$8,000	Legal Review to be paid by the City and opinions must include validity, tax exemption and bank qualification. No bank fees.	Counsel Fees estimated at \$5,500; Financing documents prepared by the bank.
Call Provision	Any principal payment date at 101	After 6 years at 101	Anytime at 102	Any payment date after June 1, 2014 at 101