**PUBLIC WORKS COMMISSION**

**REGULAR MEETING OF WEDNESDAY, OCTOBER 22, 1997**

Present: Milton R. Wofford, Chairman
Robert W. Saunders, Vice Chairman
Vance B. Neal, Secretary
Robert C. Williams, Treasurer
Steven K. Blanchard

The meeting was called to order by the Chairman.

Commissioner Wofford presented the following resolution:

RESOLUTION OF THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE MAKING CERTAIN FINDINGS AND AUTHORIZING AND DIRECTING THE OFFICERS AND EMPLOYEES OF SAID COMMISSION TO TAKE ACTION IN CONNECTION WITH THE FILING OF AN APPLICATION FOR APPROVAL OF THE ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES 1997 FOR THE PURPOSE OF FINANCING THE CONSTRUCTION AND INSTALLATION OF CAPITAL ADDITIONS TO THE WATER AND SEWER SYSTEM OF THE CITY OF FAYETTEVILLE

WHEREAS, pursuant to a bond order adopted by the City Council of the City of Fayetteville, North Carolina (the "City") on November 5, 1990 (the "Original Bond Order"), the City has heretofore issued its $63,008,898.20 Public Works Commission Revenue Bonds, Series 1990 (the "Series 1990 Bonds") for the purpose of refunding the Series 1987 Bonds (as defined in the Original Bond Order) and financing the construction of the 1990 Project (as defined in the Original Bond Order), and the Original Bond Order permits the issuance of additional bonds for, among other things, the purpose of financing the construction of additional facilities and for refunding outstanding revenue bonds; and

WHEREAS, pursuant to bond orders adopted by the City Council of the City on December 7, 1992, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1992A, in the aggregate principal amount of $12,630,000, and its Public Works Commission Revenue Bonds, Series 1992B, in the aggregate principal amount of $15,560,000, for the purpose of providing funds, together with other available funds, to pay the cost of certain capital improvements to the System (as defined in the Original Bond Order) and related costs; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on October 25, 1993, the City has heretofore issued its Public Works Commission Revenue Refunding Bonds, Series 1993, in the aggregate principal amount of $73,955,000, for the purpose of providing funds, together with other available funds, to refund the Series 1990 Bonds; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on April 24, 1995, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1995A, in the aggregate principal amount of $34,985,000, for the purpose of providing funds, together with other available funds, to pay the cost of (a) constructing and equipping certain buildings for use by the Public Works Commission of the City (the "Commission") and (b) constructing and installing certain capital additions to the Water and Sewer System (as defined in the Original Bond Order); and

WHEREAS, the Commission is desirous of having the City issue its Public Works Commission Revenue Bonds, Series 1997 (the "Series 1997 Bonds"), in an aggregate principal amount not to exceed $45,000,000, for the purpose of providing funds, together with other available funds, to (i) pay the cost of constructing and installing certain capital additions to the Water and Sewer System (collectively, the "Project"), (ii) fund a portion of the interest accruing on the Series 1997 Bonds prior to completion of the Project, (iii) fund a debt service reserve fund for the Series 1997 Bonds by either funding such debt service reserve fund or purchasing a municipal bond debt service reserve fund policy, (iv) pay the premium for the issuance of a municipal bond insurance policy with respect to the Series 1997 Bonds, and (v) pay the expenses of issuing the Series 1997 Bonds; and

WHEREAS, the Commission is desirous of having the City file an application with the Local Government Commission of North Carolina (the "Local Govermment Commission") and wishes to authorize certain action in connection therewith;

NOW, THEREFORE, THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA DOES HEREBY DETERMINE AND RESOLVE, as follows:

1. The Commission hereby finds and determines in connection with the issuance of the Series 1997 Bonds that (i) the issuance of the Series 1997 Bonds is necessary or expedient, (ii) the proposed principal amount of the Series 1997 Bonds is adequate and not excessive for the proposed purpose of such issue, (iii) the proposed Project is feasible, (iv) the Commission's debt management procedures and policies are good and are managed in strict compliance with law and (v) under current economic conditions the

Series 1997 Bonds can be marketed at a reasonable interest cost to the City.

2. The Commission hereby authorizes and directs the officers and employees of the Commission to take such action as they may deem necessary or appropriate to assist the City in filing an application with the Local Government Commission for approval of the issuance of the Series 1997 Bonds pursuant to Section 159-86 of the General Statutes of North Carolina, as amended.

3. This resolution shall take effect immediately upon its passage.

PASSED and ADOPTED this 22nd day of October, 1997.

PUBLIC WORKS COMMISSION OF THE
CITY OF FAYETTEVILLE

_____, Chairman

_____, Vice Chairman

_____, Secretary

_____, Treasurer

Commissioner _____ presented the following resolution:

RESOLUTION APPROVING AND AGREEING TO TERMS OF CITY BOND ORDER AUTHORIZING THE ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES 1997 AND REQUESTING THAT THE CITY COUNCIL ADOPT SUCH BOND ORDER

WHEREAS, pursuant to a bond order adopted by the City Council of the City of Fayetteville, North Carolina (the "City") on November 5, 1990, as amended by bond orders adopted by the City Council on December 7, 1992 and October 25, 1993 (collectively, the "Original Bond Order"), the City has heretofore issued its $63,008,898.20 Public Works Commission Revenue Bonds, Series 1990 (the "Series 1990 Bonds") for the purpose of refunding the Series 1987 Bonds (as defined in the Original Bond Order) and financing the construction of the 1990 Project (as defined in the Original Bond Order), and the Original Bond Order permits the issuance of additional bonds for, among other things, the purpose of financing the construction of additional facilities or for refunding outstanding revenue bonds; and

WHEREAS, pursuant to bond orders adopted by the City Council of the City on December 7, 1992, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1992A, in the aggregate principal amount of $12,630,000, and its Public Works Commission Revenue Bonds, Series 1992B, in the aggregate principal amount of $15,560,000, for the purpose of providing funds, together with other available funds, to pay the cost of certain capital improvements to the System (as defined in the Original Bond Order) and related costs; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on October 25, 1993, the City has heretofore issued its Public Works Commission Revenue Refunding Bonds, Series 1993, in the aggregate principal amount of $73,955,000, for the purpose of providing funds, together with other available funds, to refund the Series 1990 Bonds; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on April 24, 1995, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1995A, in the aggregate principal amount of $34,985,000, for the purpose of providing funds, together with other available funds, to pay the cost of (a) constructing and equipping certain buildings for use by the Public Works Commission of the City (the "Commission") and (b) constructing and installing certain capital additions to the Water and Sewer System (as defined in the Original Bond Order); and

WHEREAS, the Commission is now desirous of having the City issue its Public Works Commission Revenue Bonds, Series 1997 (the "Series 1997 Bonds"), in an aggregate principal amount not exceeding $45,000,000, for the purpose of providing funds, together with other available funds, to (i) pay the cost of constructing and installing certain capital additions to the Water and Sewer System (collectively, the "Project"), (ii) fund a portion of the interest accruing on the Series 1997 Bonds prior to completion of the Project, (iii) fund a debt service reserve fund for the Series 1997 Bonds by either funding such debt service reserve fund or purchasing a municipal bond debt service reserve fund policy, (iv) pay the premium for the issuance of a municipal bond insurance policy with respect to the Series 1997 Bonds, and (v) pay the expenses of issuing the Series 1997 Bonds; and

WHEREAS, the staff of the Commission have presented to the Commission at this meeting a draft of a bond order to be considered by the City Council of the City at its meeting on November 3, 1997 (the "Series 1997 Bond Order"); and

WHEREAS, the Series 1997 Bonds will be issued and secured pursuant to the Original Bond Order and the Series 1997 Bond Order; and

WHEREAS, the City Council of the City is desirous of receiving the Commission's concurrence and agreement with the terms and provisions of the Original Bond Order and the Series 1997 Bond Order; and

WHEREAS, the Commission is in agreement with such terms and provisions;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE:

1. The Series 1997 Bond Order, in substantially the form presented to this meeting (such form identified as the third draft dated October 6, 1997), is hereby approved with such further supplements, modifications, amendments and changes as may be approved by the officers of the Commission, such approval to be evidenced by the execution of a certificate of the Commission in connection with the issuance of the Series 1997 Bonds.

2. The Commission agrees to fulfill all its obligations under the Original Bond Order and, upon its adoption by the City Council of the City, the Series 1997 Bond Order, and the Commission concurs with all the terms and provisions thereof, including, but not limited to:

a. The form of the Series 1997 Bonds;

b. The interest rates borne by the Series 1997 Bonds (provided such rates are within the parameters provided for in Section 204 of the Series 1997 Bond Order);

c. The mechanisms and procedures for securing the Series 1997 Bonds, including the issuance of a municipal bond debt service reserve fund policy and a municipal bond insurance policy with respect to the Series 1997 Bonds;

d. The mechanisms and procedures for the payment of the principal of, premium, if any, and interest on the Series 1997 Bonds;

e. The pledge of the Net Revenues (as defined in the Original Bond Order) granted by the Original Bond Order, as supplemented by the Series 1997 Bond Order;

f. The mechanisms and procedures for disbursement of the proceeds of the Series 1997 Bonds;

g. The procedures for amending or supplementing the Series 1997 Bond Order;

h. The undertaking of all obligations of the City under the Series 1997 Bond Order by the Commission and the compliance with the terms and conditions of the City under the Original Bond Order and the Series 1997 Bond Order by the Commission; and

i. All other matters in the Series 1997 Bond Order with respect to the Series 1997 Bonds.

3. The City Council of the City is hereby requested to adopt the Series 1997 Bond Order, in substantially the form of the draft presented to this Commission.

4. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 22nd day of October, 1997.

CITY OF FAYETTEVILLE PUBLIC WORKS COMMISSION

_____, Chairman

_____, Vice Chairman

_____, Secretary

_____, Treasurer