

**COLUMBUS COUNTY BOARD OF COMMISSIONERS
AMORTIZATION SCHEDULE REVIEW WORKSHOP**

Monday, February 28, 2005

5:00 P.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Economic Development Conference Room, Columbus County Administration Building, 111 Washington Street, Whiteville, North Carolina, for the purpose of reviewing the amortization schedule on the proposal for County Jail/ Williams Township School and the renovations to the Columbus County Courthouse.

COMMISSIONERS PRESENT:

Sammie Jacobs, **Chairman**
Kipling Godwin, **Vice Chairman**
Amon E. McKenzie
James E. Prevatte
Lynwood Norris
David L. Dutton, Jr.

APPOINTEES PRESENT:

Billy Joe Farmer, **County Manager**
James E. Hill, Jr., **County Attorney**
Darren L. Currie, **Assistant County Manager**
June B. Hall, **Clerk to Board**
Roxanne Coleman, **Finance Officer**
Gayle Godwin, **Assistant Finance Officer**

COMMISSIONER ABSENT:

Bill Memory

MEETING CALLED TO ORDER:

At 5:00 P.M., Chairman Jacobs called the meeting to order and stated the purpose of this meeting was to review the amortization schedule for the proposals for the County Jail, Williams Township School and the renovations to the Columbus County Courthouse, totaling ten (\$10) million dollars.

AMORTIZATION PRESENTATION:

Billy Joe Farmer, County Manager, stated the following:

1. We requested proposals from five (5) lending institutions as follows:
 - A. BB&T;
 - B. First Citizens Bank;
 - C. North Carolina Rural Development;
 - D. RBC Centura; and
 - E. Waccamaw Bank.
2. We received proposals from three (3) lending institutions and two (2) declined to submit proposals, namely, First Citizens Bank and Waccamaw Bank.
3. I received these proposals and opened them in the presence of Shelia Pridgen, Columbus County Clerk of Court.
4. Roxanne Coleman, Finance Officer, has prepared the following summary of the proposals for your review:

LENGTH OF LOAN	Rate:	RBC CENTURA 3.53%	BB&T 3.59%	RURAL DEVELOPMENT 4.50%
15 Year	Total Payments	\$12,823,998.70	\$13,042,887.85*	\$13,968,000.00
	Difference in amount		\$218,889.15	\$1,144,001.30
20 Year	Total Payments	N/A	N/A	\$15,376,000.00
30 Year	Total Payments	N/A	N/A	\$17,420,000.00
40 Year	Total Payments	N/A	N/A	\$21,740,000.00

*Based on an amortized schedule

****Note:** Rural Development does not amortize. They base their loan on the equal payments process.

5. We have prepared copies of these proposals that were received for your review; **and**
6. The projects to be done with this funding are broken down as follows:
 - A. Columbus County Jail - \$7.2 Million;
 - B. Williams Township School - \$2.4 Million; **and**
 - C. Columbus County Courthouse Renovations - \$400,000.00.

Discussion was conducted relative to the advantages and disadvantages of fifteen (15) year financing through forty (40) year financing.

Commissioner Prevatte asked if we were any closer to being in a revenue neutral position than we were last year.

Commissioner Godwin stated the Local Government Commission recommends that when we are dealing with bank relative to financing large projects, we need to deal with a person that specializes in governmental financing due to their expertise in this area.

After in-depth discussion was conducted relative to the three (3) proposals that were submitted, it was the general consensus of the Board to favor Option #4 - Financing for all three (3) Projects, submitted by RBC Centura as follows:

Amount:	Not to exceed \$9,999,999.00
Purpose:	Long-term financing for the construction of the Columbus County Jail, Williams Township School classrooms, and renovations to the Columbus County Courthouse.
Term:	Fifteen (15) years
Interest Rate:	3.53%
Number of Payments:	Fifteen (15) Annual
Payment Amount:	\$666,666.00 Fixed Principal Plus Interest (in arrears)
Prepayment Penalty for Financing option #1, #2, #3 and #4	Prepayment of the Loan (except for excess construction cost proceeds from Escrow) will be subject to a yield maintenance fee equal to the present value of the daily lost cash flow to RBC Centura based upon the difference between the interest rate under the Installment Finance Agreement and the rate on a new loan of similar amount with the same remaining maturity to a similar borrower. The discount rate for calculating the present value will be the current rate offered by RBC Centura for a new loan of the similar amount with the same remaining maturity to a similar borrower, as determined by RBC Centura in its reasonable discretion, which discretion shall be conclusive absent a showing of bad faith or manifest error. Any prepayment of the Installment Financing Agreement will be subject to a minimum fee of one-half percent (.5%).

OTHER:

1. Participation in Out-of-County Employment Opportunity for Citizens:

Commissioner Norris stated the following:

- A. I have been contacted by a Wilmington group who has many large projects coming up in the near future;
- B. This group needs workers in order to meet their deadlines;
- C. They would like to know if we are interested in providing a shuttle bus from

- Whiteville to Wilmington to provide them with workers from Columbus County;
- D. They are asking that we share with the expense of gasoline; **and**
 - E. This has the potential of employing approximately two hundred (200) of our citizens;
 - F. If we elect to participate in this venture, there is a good likelihood the money earned by these workers will be spent in Columbus County; **and**
 - G. This group would like to know when they bring their presentation to the Board for discussion.

After discussion was conducted regarding this matter, it was the general consensus of the Board for Commissioner Norris to contact this Wilmington group and set a date for the presentation to the Board.

Recognition of Darren L. Currie as Planner of the Year:

Commissioner Godwin announced that Darren L. Currie, Assistant County Manager had been honored at the Cape Fear Council of Governments Annual Banquet on February 24, 2005 as the Planner of the Year for Region O.

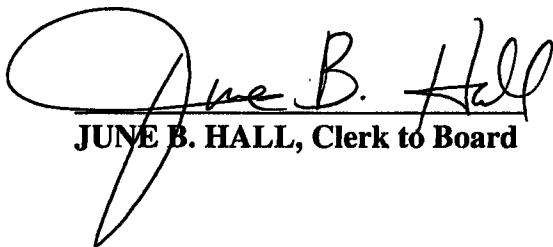
Tentative Budget Workshop Date:

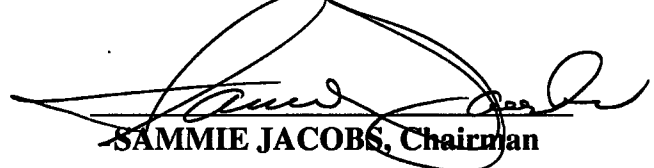
Billy Joe Farmer, County Manager, stated that March 16, 2005 was a tentative Budget Workshop date for everyone to consider.

ADJOURNMENT:

At 5:45 P.M., the Amortization Schedule Review Workshop was adjourned.

APPROVED:


JUNE B. HALL, Clerk to Board


SAMMIE JACOBS, Chairman

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