



CITY COUNCIL WORK SESSION

City Council Chambers

Tuesday, August 30, 2022 at 3:00 PM

AGENDA

Call to Order

Department Head Reports

Discussion Items

1. **Emergency Close and Vacate Order- Code Enforcement is requesting City Council to approve a close and vacate order for 501 N. 13th Street.**
2. **Truist Proposal - City of Bessemer City Replacement Hardware**

City Manager's Report

Council General Discussion

3. **Closed Session-** Mayor & City Council will go in to closed session to discuss a personnel matter pursuant to NCGS143-318(a)(6).

Adjourn

Individuals requiring special accommodations at this public meeting should contact ADA Coordinator, Hydeia Hayes, at (704) 729-6509 or Countrywide at (704) 866-3300 or State Relay Service at 1-800-375-8662.

Governmental Finance
2320 Cascade Pointe Blvd. Suite 600
Charlotte, North Carolina 28208
Phone (704) 954-1700
Fax (704) 954-1799

August 8, 2022

Mr. James Inman
City of Bessemer City, NC
125 E Virginia Ave.
Bessemer City, NC 28016

Dear Mr. Inman:

Truist Bank (“Lender”) is pleased to offer this proposal for the financing requested by the City of Bessemer City, NC (“Borrower”).

PROJECT: Replacement hardware

AMOUNT: \$337,603.21

TERM & INTEREST RATE: 2 years; 3.13%
3 years; 3.14%
5 years; 3.09%

TAX STATUS: Tax Exempt – Bank Qualified

PAYMENTS: Interest: Annual
Principal: Annual

INTEREST RATE CALCULATION: 30/360

SECURITY: Security interest in the equipment being financed

PREPAYMENT TERMS: Prepayable in whole at any time without penalty

RATE EXPIRATION: September 30, 2022

DOCUMENTATION/ LEGAL REVIEW FEE: N/A

FUNDING: Proceeds will be deposited into an account held at Lender pending disbursement unless equipment is delivered prior to closing.

DOCUMENTATION: Lender proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should Lender be the successful proposer.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with the Internal Revenue Service Code. All documentation must be deemed appropriate by Lender before closing.

REPORTING

REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to Lender. If your board adopts this resolution, then Lender shall not require any further board action prior to closing the transaction.

Lender shall have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow no more than \$10,000,000 in the current calendar year and that the financing will qualify as qualified tax-exempt financing under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not qualified tax-exempt financing.

We appreciate the opportunity to offer this financing proposal. Please call me at (803) 413-4991 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank



Andrew G. Smith
Senior Vice President

Resolution Approving Financing Terms

WHEREAS: The City of Bessemer City, NC (“Borrower”) has previously determined to undertake a project for the financing of IT equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank (“Lender”) in accordance with the proposal dated August 8, 2022. The amount financed shall not exceed \$337,603.21, the annual interest rate (in the absence of default or change in tax status) shall not exceed _____%, and the financing term shall not exceed _____ years from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 20__

By: _____

By: _____

Title: _____

Title: _____

SEAL

Bessemer City, NC - Replacement IT Hardware (2yr. DRAFT)

Compounding Period: Annual

Nominal Annual Rate: 3.130%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	08/08/2022	337,603.21	1		
2	Payment	08/08/2023	176,767.55	2	Annual	08/08/2024

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	08/08/2022				337,603.21
2023 Totals		0.00	0.00	0.00	
1	08/08/2023	176,767.55	10,566.98	166,200.57	171,402.64
2024 Totals		176,767.55	10,566.98	166,200.57	
2	08/08/2024	176,767.55	5,364.91	171,402.64	0.00
2025 Totals		176,767.55	5,364.91	171,402.64	
Grand Totals		353,535.10	15,931.89	337,603.21	

Bessemer City, NC - Replacement IT Hardware (3yr. DRAFT)

Compounding Period: Annual

Nominal Annual Rate: 3.140%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	08/08/2022	337,603.21	1		
2	Payment	08/08/2023	119,674.38	3	Annual	08/08/2025

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	08/08/2022				337,603.21
2023 Totals		0.00	0.00	0.00	
1	08/08/2023	119,674.38	10,600.74	109,073.64	228,529.57
2024 Totals		119,674.38	10,600.74	109,073.64	
2	08/08/2024	119,674.38	7,175.83	112,498.55	116,031.02
2025 Totals		119,674.38	7,175.83	112,498.55	
3	08/08/2025	119,674.38	3,643.36	116,031.02	0.00
2026 Totals		119,674.38	3,643.36	116,031.02	
Grand Totals		359,023.14	21,419.93	337,603.21	

Bessemer City, NC - Replacement IT Hardware (5yr. DRAFT)

Compounding Period: Annual

Nominal Annual Rate: 3.090%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	08/08/2022	337,603.21	1		
2	Payment	08/08/2023	73,906.74	5	Annual	08/08/2027

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	08/08/2022				337,603.21
2023 Totals		0.00	0.00	0.00	
1	08/08/2023	73,906.74	10,431.94	63,474.80	274,128.41
2024 Totals		73,906.74	10,431.94	63,474.80	
2	08/08/2024	73,906.74	8,470.57	65,436.17	208,692.24
2025 Totals		73,906.74	8,470.57	65,436.17	
3	08/08/2025	73,906.74	6,448.59	67,458.15	141,234.09
2026 Totals		73,906.74	6,448.59	67,458.15	
4	08/08/2026	73,906.74	4,364.13	69,542.61	71,691.48
2027 Totals		73,906.74	4,364.13	69,542.61	
5	08/08/2027	73,906.74	2,215.26	71,691.48	0.00
2028 Totals		73,906.74	2,215.26	71,691.48	
Grand Totals		369,533.70	31,930.49	337,603.21	