

The Washington City Council met in a special session on Monday, June 30, 2006 at the Municipal Building at 4:30 p.m. Present were: Ed Gibson, Councilman; Richard Brooks, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; and Rita A. Thompson, City Clerk. Absent were: Mayor Jennette, Mayor Pro tem Woolard and Fred Holscher. Councilman Jennings came in at 5:25 p.m. and is made a part of the minutes.

Also present was Carol Williams, Finance Director.

In the absence of Mayor Jennette and Mayor Pro tem Woolard, on motion of Councilman Gibson, seconded by Councilman Brooks, Council elected Councilman Gahagan to chair the meeting.

Councilman Gahagan called the meeting to order, and Councilman Gibson delivered the invocation.

**ADOPT RESOLUTION APPROVING FINANCING TERMS FOR A 59 MONTH  
INSTALLMENT NOTE AGREEMENT WITH BB&T FOR RENOVATIPNS AND  
CONSTRUCTION TO CITY FACILITIES (\$515,000)**

Mr. Smith stated that at the June 14<sup>th</sup> meeting, Council adopted a Resolution approving financing terms for the renovation and construction to city facilities to Wachovia Bank & Trust Company at 3.93% interest rate. Wachovia Bank has now informed the City that it would have to raise the rate to 4.03% and that they would not lock the rate in because it is anticipated that interest rates will increase.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously rescinded the motion adopted on June 14, 2006 approving the financing terms of a 59 month installment note agreement in the amount of \$515,000 with Wachovia Bank at 3.93% interest rate, because Wachovia would not guarantee the interest rate.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously adopted a Resolution approving the financing terms of a 59 month installment note agreement in the amount of \$515,000 with Branch Banking and Trust Company (BB&T) at 4.06% interest rate and authorized the Finance Director to execute all documents on behalf of the City, contingent upon The Local Government Commission approval of the financing terms and agreements,

**RESOLUTION APPROVING FINANCING TERMS**

**WHEREAS;** The City of Washington (“the City”) has previously determined to undertake a project for renovations to the Public Library Building, Public Works Equipment Shelter, replacement of the HVAC at the Civic Center, and construction of a skateboard park, vehicle and equipment wash bay at the city garage, and a dechlorination system at the water treatment plant; and the Finance Director has now presented a proposal for the financing of such Project (the “Project”).

**BE IT THEREFORE RESOLVED, as follows:**

1. The City hereby determines to finance the Project through Branch Bank and Trust Company (“BB&T”), in accordance with the proposal dated June 8, 2006. The amount financed shall not exceed \$515,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.06% and the financing term shall not exceed fifty-nine months 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. The Finance Director of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as she may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this

resolution. The Financing Document shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Director 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 City 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 Director shall approve, with the Finance Director's release of any Financing Document for delivery constituting evidence of such officer's final approval of the Document's final form.

4. The City 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 City 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 Sections 265(b)(3).

5. All prior actions of City 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.

Adopted this the 30<sup>th</sup> day of June, 2006.

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

Councilman Jennings came in at this point and is made a part of the minutes.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously adjourned the meeting until Thursday, July 6<sup>th</sup>, 2006 at 12:00 noon in the Council Chambers at the Municipal Building.

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**Rita A. Thompson, CMC**  
**City Clerk**