

**REQUEST FOR BOARD ACTION**  
**HENDERSON COUNTY**  
**BOARD OF COMMISSIONERS**

**MEETING DATE:** 20 June 2012  
**SUBJECT:** Resolution Approving Interest Rate Reduction  
**PRESENTER:** Carey McLelland/Charles Russell Burrell  
**ATTACHMENT(S):** Resolution

**SUMMARY OF REQUEST:**

Staff has negotiated a reduction in the interest rate of the loan which provided construction funds for the jail facility. The reduction will be from the current 3.64% (April 14, 2009 refinancing) to 2.47% for the remaining seven (7) years of the loan, resulting in a gross interest cost savings the first year of \$37,534, and for the remaining years of \$147,701. The transaction costs should be minimal.

County staff will be present and prepared if requested to give further information on this matter.

**BOARD ACTION REQUESTED:**

Approval of the resolution.

If the Board is so inclined, the following motion is suggested:

***I move the Board approve the Resolution attached to this agenda item.***

## **Resolution Approving Interest Rate Reduction For 2009 Detention Center Financing**

**WHEREAS --**

Henderson County has previously entered into an Installment Financing Contract with Branch Banking and Trust Company that refinanced the County's original detention center financing. BB&T has now agreed to modify the terms of that Contract to reduce the County's interest rate.

This resolution provides the County Board's approval of the proposed modification.

**BE IT THEREFORE RESOLVED by the Board of Commissioners of Henderson County, North Carolina, as follows:**

1. ***Approval for Modification*** - The County determines to modify the terms of its 2009 installment financing contract with BB&T to lower the County's interest rate.
2. ***Authorization to Officers*** -- The Board authorizes the Board's Chairman, the County Manager and the County Finance Officer to execute and deliver, on the County's behalf, all appropriate documents for the proposed modification. All County officers are authorized to take all other proper steps to complete the proposed modification. All prior actions of County officers to this end are ratified.
3. ***Obligations are "Bank-Qualified"*** - The County designates its principal and interest payment obligations as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3), which provides certain tax advantages for financial institutions providing financing to the County.
4. ***Miscellaneous Provisions*** -- Upon the absence, unavailability or refusal to act of the County Manager, the Board's Chairman or the Finance Officer, any other of such officers may assume any responsibility or carry out any function assigned in this resolution. In addition, the Vice Chairman or any Deputy or Assistant Clerk to the Board may in any event assume any responsibility or carry out any function assigned to the Chairman or the Clerk, respectively, in this resolution. All other Board proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

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I certify as follows: that the foregoing resolution was properly adopted at a meeting of the Board of Commissioners of Henderson County, North Carolina; that this meeting was properly called and held on June 20, 2012; that a quorum was present and

acting throughout the meeting; and that this resolution has not been modified or amended, and remains in full effect as of today.

Dated this \_\_\_\_ day of June, 2012.

[SEAL]

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Clerk, Board of Commissioners  
Henderson County, North Carolina