

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
LOCAL GOVERNMENT COMMISSION**

MINUTES

February 4, 2026

The meeting was called to order by Chairman Bradford B. Briner at 2:36 p.m. on the above date. The meeting was conducted in person and by use of simultaneous communication by GoToWebinar™. Members present in person: State Treasurer Briner, Secretary of State Elaine Marshall, Secretary of Revenue McKinley Wooten, Tracey Johnson, and Thomas Stith. Members present virtually: State Auditor Dave Boliek, Michael Brown, Nancy Hoffmann, and Scott Hughes. Auditor Boliek joined the meeting in person during the course of the meeting.

Members absent: None.

A quorum was present for the entire meeting.

DST participants present in person: Denise Canada, Kendra Boyle, Jennifer Wimmer, and Cindy Aiken.

Others attending in person: DST staff: Linde Skinner, MJ Vieweg, and Eric Naisbitt.

Chair Briner turned the meeting over to Commission Secretary Canada who asked those members present if they had any actual or potential conflict of interest regarding the matters on the agenda. No conflicts were reported.

Mr. Stith made a motion to approve the minutes of the January 6, 2026 meeting. Ms. Hoffmann seconded the motion, and the minutes were approved by unanimous vote of 9 – 0.

BEGIN CONSENT AGENDA

TOWN OF CAROLINA BEACH

Ms. Johnson made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE
TOWN OF CAROLINA BEACH, NORTH CAROLINA ENTERPRISE
SYSTEMS REVENUE AND REVENUE REFUNDING BONDS, SERIES
2026**

WHEREAS, the Town of Carolina Beach, North Carolina (the “*Town*”) has requested that the Local Government Commission of North Carolina (the “*Commission*”) approve its selection of the following financing team members for the upcoming Enterprise Systems Revenue and Revenue Refunding Bonds issue:

Underwriter: Truist Securities, Inc.
Bond Counsel: Parker Poe Adams & Bernstein LLP
Underwriter’s Counsel: Womble Bond Dickinson (US) LLP

Financial Advisor: First Tryon Advisors, LLC
Feasibility Consultant: Willdan Financial Services
Trustee: U.S. Bank Trust Company, National Association

WHEREAS, based upon the information and evidence received by the Commission, it is the opinion of the Commission that the Town’s request should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the above-referenced financing team is approved for the Town’s upcoming Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2026.”

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

Ms. Johnson made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA FOR THE ISSUANCE OF NOT TO EXCEED \$35,000,000 ENTERPRISE SYSTEMS REVENUE AND REVENUE REFUNDING BONDS

WHEREAS, the Town of Carolina Beach, North Carolina (the “*Town*”) has applied to the Local Government Commission of North Carolina (the “*Commission*”), pursuant to the State and Local Government Revenue Bond Act, as amended, for approval of the issuance of not to exceed \$35,000,000 aggregate principal amount of Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2026 (the “*Bonds*”) of the Town of Carolina Beach, North Carolina to (1) finance the costs of improving and expanding the Town’s water, sewer, and stormwater facilities (collectively, the “*Projects*”), including, but not limited to, (a) replacement of the Town’s Automated Meter Integration (AMI) System, (b) addition of a water supply well and expansion of water treatment along Alabama Avenue, (c) installation of a new stormwater force main and associated stormwater infrastructure, (d) replacement and rehabilitation of aging water and sewer lines, (e) acquisition of a street sweeper, (f) planning, design, and construction of upgraded headworks facilities at the Town’s wastewater treatment plant, and (g) planning, design, and construction of a new water tank, (2) refund in advance of their maturities all or a portion of the Town’s Enterprise System Revenue Bonds, Series 2016 (the “*Refunded 2016 Bonds*”), and (3) pay the costs of issuing the Bonds;

WHEREAS, the Town has furnished to the Commission the forms of the following:

- (1) a General Trust Indenture dated as of June 1, 2016 (the “*General Indenture*”) between the Town and U.S. Bank National Association, the successor to which is U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”);
- (2) a Series Indenture, Number 2 to be dated as of March 1, 2026 (the “*Series Indenture*”), between the Town and the Trustee;
- (3) a Preliminary Official Statement with respect to the Bonds; and

(4) a Bond Purchase Agreement (the “*Purchase Agreement*”) to be dated as of the date of delivery thereof among the Commission, the Town and Truist Securities, Inc., as underwriter (the “*Underwriter*”), pursuant to which the Commission will sell the Bonds on behalf of the Town to the Underwriter in accordance with the terms and conditions set forth therein.

WHEREAS, based upon the information and evidence received in connection with such application, the Commission determines and finds as follows:

- (i) the proposed revenue bond issue is necessary or expedient for the Town;
- (ii) the amount proposed is adequate and not excessive for the proposed purpose of the issue;
- (iii) the proposed Projects and refunding of the 2016 Bonds are feasible;
- (iv) the Town’s debt management procedures and policies are good; and
- (v) the proposed revenue bonds can be marketed at reasonable interest cost to the Town.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the Town for approval of the proposed Bonds in an amount not to exceed \$35,000,000 for the purposes set forth is approved pursuant to the State and Local Government Revenue Bond Act, as amended.”

Mr. Stith_ seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

Ms. Johnson made a motion to adopt the following resolution:

“RESOLUTION CONCERNING THE PRIVATE SALE OF THE TOWN OF CAROLINA BEACH, NORTH CAROLINA ENTERPRISE SYSTEMS REVENUE AND REVENUE REFUNDING BONDS

WHEREAS, Article 7 of Chapter 159 of the General Statutes of North Carolina, as amended, authorizes the Local Government Commission of North Carolina (the “*Commission*”) to sell revenue bonds at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit;

WHEREAS, the Town of Carolina Beach, North Carolina (the “*Town*”) has applied to the Commission, pursuant to the State and Local Government Revenue Bond Act, as amended, for approval of the issuance of not to exceed \$35,000,000 aggregate principal amount of Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2026 (the “*Bonds*”) to (1) finance the costs of improving and expanding the Town’s water, sewer,

and stormwater facilities (collectively, the “*Projects*”), including, but not limited to, (a) replacement of the Town’s Automated Meter Integration (AMI) System, (b) addition of a water supply well and expansion of water treatment along Alabama Avenue, (c) installation of a new stormwater force main and associated stormwater infrastructure, (d) replacement and rehabilitation of aging water and sewer lines, (e) acquisition of a street sweeper, (f) planning, design, and construction of upgraded headworks facilities at the Town’s wastewater treatment plant, and (g) planning, design, and construction of a new water tank, (2) refund in advance of their maturities all or a portion of the Town’s Enterprise System Revenue Bonds, Series 2016 (the “*Refunded 2016 Bonds*”), and (3) pay the costs of issuing the Bonds;

WHEREAS, Truist Securities, Inc., as underwriter (the “*Underwriter*”), has offered to purchase the Bonds from the Commission on the terms and conditions set forth below and in the form of the Bond Purchase Agreement (the “*Purchase Agreement*”) among the Commission, the Town and the Underwriter;

WHEREAS, the Commission has received a copy of a Preliminary Official Statement with respect to the Bonds (the “*Official Statement*”);

WHEREAS, the Town has requested that the Commission sell the Bonds at private sale without advertisement in accordance with Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina;

WHEREAS, the Commission desires to approve the request of the Town that it sell the Bonds at private sale without advertisement; and

WHEREAS, the Commission desires to accept the offer of the Underwriter to purchase the Bonds substantially in the form of the Purchase Agreement and upon the terms and conditions set forth below;

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The sale of the Bonds to the Underwriter at private sale without advertisement pursuant to the executed Purchase Agreement, a General Trust Indenture dated as of June 1, 2016 (the “*General Indenture*”) between the Town and U.S. Bank National Association, the successor to which is U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), and Series Indenture, Number 2 to be dated as of March 1, 2026 (the “*Series Indenture*”), between the Town and the Trustee, is approved, such sale being subject to the approval of the Designated Assistant (as defined below) and satisfaction of the conditions set forth below.

Section 2. The aggregate principal amount of the Bonds will not exceed \$35,000,000. The purchase price for the Bonds will be approved by the Designated Assistant on the date of the sale of the Bonds and set forth in the Purchase Agreement.

Section 3. The Bonds will bear interest at an all-in true interest cost not to exceed 5.00%, as determined by the Commission.

Section 4. No maturity of the Bonds will exceed June 1, 2051.

Section 5. The Commission determines that the sale of the Bonds in the manner and for the price as provided in this resolution is in the best interest of the Town, provided that such sale is approved by the Town.

Section 6. The Secretary of the Commission, or any Deputy Secretary is appointed the “*Designated Assistant*” for the purpose of this resolution, and the Designated Assistant is authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Purchase Agreement, including details of the Bonds, as shall be satisfactory to him or her, to approve the forms of other documents relating to the Bonds, to execute and deliver the Purchase Agreement and such other documents on behalf of the Commission and to provide for the execution and delivery of the Bonds in accordance with the General Indenture, the Series Indenture, and the Purchase Agreement.

Section 7. The Official Statement relating to the Bonds, substantially in the form furnished to the Commission, with such insertions and changes therein as may be approved by the Designated Assistant, and the use thereof in connection with the public offering and sale of the Bonds, is approved and authorized. The Designated Assistant is authorized and directed to deliver on behalf of the Commission the final Official Statement in such form.

Section 8. This Resolution is effective immediately on its passage.”

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

NORTH CAROLINA HOUSING FINANCE AGENCY – WESTGREEN APARTMENTS

Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION CONCERNING THE SALE OF MULTIFAMILY HOUSING REVENUE NOTE OF THE NORTH CAROLINA HOUSING FINANCE AGENCY IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$25,000,000

BE IT RESOLVED by the Local Government Commission of North Carolina (the “Commission”):

Section 1. The Commission does hereby find and determine that the North Carolina Housing Finance Agency (the “Agency”) has advised the Commission that it has been requested to participate in the financing of the acquisition by LIH Westgreen Preservation, LP, a North Carolina limited partnership (the “Borrower”) of an existing multifamily residential rental facility in the City of Kannapolis, North Carolina known as Westgreen Apartments and the rehabilitation, improvement and equipping thereof (the “Project”).

Under the plan of finance proposed (a) the Agency will enter into a Funding Loan Agreement (the “Funding Loan Agreement”) among the Agency, The Bank of New York Mellon Trust Company, National Association, as fiscal agent (the “Fiscal Agent”) and Lument

Real Estate Capital, LLC, a Delaware limited liability company (the “Initial Funding Lender”) to provide funds to the Agency (the “Funding Loan”) to fund the hereinafter Project Loan, and in evidence of the Agency’s obligation to repay the Funding Loan will issue its note under the Act designated “Multifamily Revenue Note (Westgreen Apartments), Series 2026” in an aggregate principal amount not to exceed \$25,000,000 (the “Agency Note”); (b) pursuant to a Project Loan Agreement (the “Project Loan Agreement”) among the Agency, the Borrower and the Fiscal Agent, the Agency will loan the proceeds of the Agency Note to the Borrower (the “Project Loan”) to finance the acquisition, rehabilitation and equipping of the Project in the manner hereinafter provided and the Borrower will agree, among other things, to repay the Project Loan and pay all required fees associated with the Agency Note and the Project Loan; (c) in evidence of its obligation to repay the Project Loan, the Borrower will issue to the Agency its promissory Note (the “Project Note”), the payments on which will be applied to make the payments on the Funding Loan (and, therefore, on the Agency Note); (d) to secure the Borrower’s obligations under the Project Note, the Borrower will execute and deliver to the Agency a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Security Instrument”); and (e) as security for the payment of the Funding Loan (and therefore the Agency Note), the Agency will assign to the Fiscal Agent, pursuant to an Assignment of Security Instrument (the “Assignment”) the Agency’s right to receive payments on the Project Loan, all right, title and interest of the Agency in and to the Project Loan Agreement, the Project Note, the Security Instrument and the other Project Loan Documents, other than Unassigned Rights (as such terms are defined in the Funding Loan Agreement) and certain funds, money and securities held under the Funding Loan Agreement.

Federal Home Loan Mortgage Corporation (“Freddie Mac”) will agree to purchase the Funding Loan from the Initial Funding Lender on the date of satisfaction of its conditions, at which time the Initial Funding Lender will assign all of its rights and interest in the Agency Note, the Funding Loan Agreement and the other financing documents to Freddie Mac, resulting in Freddie Mac being the permanent holder of the Agency Note (subject to Freddie Mac’s rights to transfer its rights in the Agency Note and other financing document as provided in the Funding Loan Agreement.

Section 2. In connection with the authorization and issuance of the Agency Note as hereinafter provided, the Agency has furnished to the Commission on the date hereof the following documents.

- (1) Funding Loan Agreement, including the form of the Agency Note attached thereto;
- (2) Project Loan Agreement;
- (3) Project Note;
- (4) Security Instrument; and
- (5) Assignment.

Section 3. The Agency has requested approval of its selection of the following financing team members for the upcoming issuance of the Agency Note:

Bond Counsel:	Womble Bond Dickinson (US) LLP
Fiscal Agent:	The Bank of New York Mellon Trust Company, N.A.
Initial Funding Lender:	Lument Real Estate Capital, LLC
Municipal Advisor:	Caine Mitter & Associates, Inc.
Borrower's Counsel:	Nelson Mullins Riley & Scarborough LLP
Fiscal Agent's Counsel:	Chapman & Cutler LLP

Section 4. The sale of the Agency Note in an aggregate principal amount not to exceed \$25,000,000 at a private sale to the Initial Funding Lender pursuant to the Funding Loan Agreement, and thereafter to Freddie Mac in accordance with the commitment Freddie Mac has made to purchase the Agency Note, is hereby approved.

Section 5. The purchase price for the Agency Note shall not be less than 98% of the aggregate principal amount of the Agency Note, plus accrued interest, if any, to the date of delivery of the Agency Note, or such greater price as may be set forth in the Funding Loan Agreement.

Section 6. The Agency Note shall not mature later than December 1, 2042, and shall be in the principal amounts and bear interest at the rate or rates from the date thereof, all as may be set forth in the Funding Loan Agreement, provided that the Agency Note shall initially bear interest at a fixed rate, such fixed rate not to exceed 6% per annum.

Section 7. The Commission does hereby determine that the sale of the Agency Note in the manner and for the prices as provided in this resolution is in the best interest of the Agency and best effectuates the purposes of Chapter 122A of the General Statutes of North Carolina, as amended.

Section 8. The Secretary of the Commission shall have the power to appoint such Designated Assistants for the purposes of this resolution as the Secretary shall deem necessary in order to carry out the purposes of this resolution.

Section 9. The issuance of the Agency Note is hereby approved subject to the terms and conditions set forth in this resolution.

Section 10. This resolution shall be effective immediately upon its adoption.

Mr. Stith seconded the motion and the foregoing resolution was adopted by a unanimous vote of 9 – 0.

CITY OF RALEIGH - \$101,000,000 LIMITED OBLIGATION BONDS

Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF RALEIGH, NORTH CAROLINA LIMITED OBLIGATION BONDS, SERIES 2026A

WHEREAS, the City of Raleigh, North Carolina (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members in relation to the City of Raleigh, North Carolina Limited Obligation Bonds, Series 2026A (the “Bonds”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriters:	PNC Capital Markets LLC (Senior Manager) BofA Securities, Inc. (Co-Manager) Truist Securities (Co-Manager)
Underwriters’ Counsel:	Parker Poe Adams & Bernstein LLP
Trustee:	U.S. Bank Trust Company, National Association
Municipal Advisor:	DEC Associates, Inc.

WHEREAS, based upon the information and evidence received by the Commission, the Commission is of the opinion that the request by the City should be approved.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

Thereupon, Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE CITY OF RALEIGH, NORTH CAROLINA FOR THE REFINANCING OF CERTAIN IMPROVEMENTS PURSUANT TO AN INSTALLMENT CONTRACT FINANCING BY SAID CITY THROUGH THE ISSUANCE OF LIMITED OBLIGATION BONDS AND THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT IN CONNECTION THEREWITH

WHEREAS, the City of Raleigh, North Carolina (the “City”) has previously undertaken a plan of finance under which the City entered into a Trust Agreement, dated as of July 1, 2024 (the “Trust Agreement”) with U.S. Bank Trust Company, National Association (the “Trustee”) providing for the issuance thereunder of multiple Series of new limited obligation bonds of the City to (a) refinance certain installment financing contract obligations and Limited Obligation Bonds previously incurred for the construction and acquisition of the Raleigh Convention Center and certain other City improvements, (b) provide for the financing of the acquisition, installation and improvements of the expansion of the Convention Center, (c) provide for the financing by the City of certain improvements to be located in a new hotel to be constructed adjacent to the Convention Center, which is being constructed by a private party in support of the Convention Center, (d) provide for the financing of the cost of construction of a new amphitheater to replace the amphitheater in the vicinity of the existing Convention Center, (e) provide for the financing of the cost of construction and equipping of East Civic Tower, including the cost of demolition of the existing structures located on the site where the East Civic Tower will be located, and (f) provide for the financing of other City improvements;

WHEREAS, the City has heretofore entered into the First Supplemental Trust Agreement thereunder with the Trustee to issue Limited Obligation Bonds for the purposes described in (a) above and the Second Supplemental Trust Agreement thereunder with the Trustee to issue Limited Obligation Bonds for the purpose described in (c) above;

WHEREAS, in connection with the execution and delivery of the Trust Agreement, the City delivered a Deed of Trust (the “Deed of Trust”) to the deed of trust trustee named therein for the benefit of the Trustee, granting a lien of record on the site of the existing Convention Center. As additional security for the City’s obligations under the Trust Agreement, in connection with the delivery of the Series 2026A Bonds (defined below), the City will amend the Deed of Trust (the “First Supplement to Deed of Trust”) to grant a lien of record on certain fire station, public safety and operational facilities of the City financed or refinanced under the Trust Agreement, as supplemented

WHEREAS, the City Council has determined to proceed with the plan of finance by arranging for the issuance of additional Limited Obligation Bonds (the “Series 2026A Bonds”) under the Trust Agreement and a Third Supplemental Trust Agreement to be entered between the City and Trustee (to be herein called the “Third Supplemental Trust Agreement”) to provide for the financing of not to exceed \$101,000,000 to (a) refinance the City’s obligations pursuant to an Installment Financing Agreement, dated as of May 23, 2024 (the “2024 Draw-Down Installment Financing Agreement”), between the City and PNC Bank, National Association, the proceeds of which were use to pay the costs of acquiring, constructing and equipping the initial phase of East Civic Tower-City Hall and various fire, public safety and other administrative building improvements for the City and (b) pay all or a portion of the financing costs relating thereto;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, as amended, the City has made proper application to the North Carolina Local Government Commission (the “Commission”) for approval of the proposed Series 2026A Bonds for the purposes herein;

WHEREAS, the City has filed with the application to the Commission drafts, or executed copies (as applicable), of the following documents relating to the proposed financing:

(a) Trust Agreement;

(b) Third Supplemental Trust Agreement, including the form of the Series 2026A Bonds set forth as Exhibit A thereto;

(c) Deed of Trust;

(d) First Supplement to Deed of Trust;

(e) Bond Purchase Agreement, to be dated the date of delivery thereof (the “Bond Purchase Agreement), between the City and PNC Capital Markets LLC, on behalf of itself and the underwriters named therein (collectively, the “Underwriters”); and

(f) Preliminary Official Statement, to be dated the date of delivery thereof (the “Preliminary Official Statement”), relating to the offering and sale of the Series 2026A Bonds;

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended (the “Act”), the City intends to (a) refinance the 2024 Draw-Down Installment Financing Agreement and (b) pay all or a portion of the financing costs relating thereto by entering into the Third Supplemental Trust Agreement, whereby the City will issue its Series 2026A Bonds, each Series 2026A Bond constituting a contract between the City and the owner thereof for the purpose of refinancing the 2024 Draw-Down Installment Financing Agreement described above;

WHEREAS, the City proposes to sell the Series 2026A Bonds to the Underwriters pursuant to the Bond Purchase Agreement for a public offering pursuant to the Preliminary Official Statement and an Official Statement;

WHEREAS, the principal amount of the Series 2026A Bonds shall not exceed \$101,000,000;

WHEREAS, the Series 2026A Bonds shall have a final maturity not to exceed June 30, 2046;

WHEREAS, the all-in true interest cost of the Series 2026A Bonds shall not exceed 4.50% per annum; and

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby found and determined by the Commission that:

(a) the proposed Series 2026A Bonds are necessary or expedient for the City;

(b) the refinancing of the 2024 Draw-Down Installment Financing Agreement through the issuance of the Series 2026A Bonds, under the circumstances, is preferable to a general obligation bond issue for the same purpose;

(c) the sums to fall due with respect to the Series 2026A Bonds are adequate and not excessive for the proposed purposes thereof;

(d) the City’s debt management procedures and policies are good;

(e) the increases in taxes, if any, necessary to meet the sums to fall due with respect to the Series 2026A Bonds will not be excessive; and

(f) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the Third Supplemental Trust Agreement and the proposed issuance of the Series 2026A Bonds pursuant thereto for the purpose of refinancing the 2024 Draw-Down Installment Financing Agreement is hereby approved under the provisions of the Act subject to the conditions set forth in this resolution. The Series 2026A Bonds may be sold to the

Underwriters pursuant to the Bond Purchase Agreement subject to the conditions set forth in this resolution.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

CITY OF RALEIGH - \$18,500,000 LIMITED OBLIGATION BONDS

Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF RALEIGH, NORTH CAROLINA LIMITED OBLIGATION BONDS, SERIES 2026A

WHEREAS, the City of Raleigh, North Carolina (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members in relation to the City of Raleigh, North Carolina Limited Obligation Bonds, Series 2026A (the “Bonds”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriters:	PNC Capital Markets LLC (Senior Manager) BofA Securities, Inc. (Co-Manager) Truist Securities (Co-Manager)
Underwriters’ Counsel:	Parker Poe Adams & Bernstein LLP
Trustee:	U.S. Bank Trust Company, National Association
Municipal Advisor:	DEC Associates, Inc.

WHEREAS, based upon the information and evidence received by the Commission, the Commission is of the opinion that the request by the City should be approved.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

Thereupon, Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE CITY OF RALEIGH, NORTH CAROLINA FOR THE REFINANCING OF CERTAIN IMPROVEMENTS PURSUANT TO AN INSTALLMENT CONTRACT FINANCING BY SAID CITY THROUGH THE ISSUANCE OF LIMITED OBLIGATION BONDS AND THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT IN CONNECTION THEREWITH

WHEREAS, the City of Raleigh, North Carolina (the “City”) has previously undertaken a plan of finance under which the City entered into a Trust Agreement, dated as of July 1, 2024 (the “Trust Agreement”) with U.S. Bank Trust Company, National Association (the “Trustee”) providing for the issuance thereunder of multiple Series of new limited obligation bonds of the City to (a) refinance certain installment financing contract obligations and Limited Obligation Bonds previously incurred for the construction and acquisition of the Raleigh Convention Center and certain other City improvements, (b) provide for the financing of the acquisition, installation and improvements of the expansion of the Convention Center, (c) provide for the financing by the City of certain improvements to be located in a new hotel to be constructed adjacent to the Convention Center, which is being constructed by a private party in support of the Convention Center, (d) provide for the financing of the cost of construction of a new amphitheater to replace the amphitheater in the vicinity of the existing Convention Center, (e) provide for the financing of the cost of construction and equipping of East Civic Tower, including the cost of demolition of the existing structures located on the site where the East Civic Tower will be located, and (f) provide for the financing of other City improvements;

WHEREAS, the City has heretofore entered into the First Supplemental Trust Agreement thereunder with the Trustee to issue Limited Obligation Bonds for the purposes described in (a) above and the Second Supplemental Trust Agreement thereunder with the Trustee to issue Limited Obligation Bonds for the purpose described in (c) above;

WHEREAS, in connection with the execution and delivery of the Trust Agreement, the City delivered a Deed of Trust (the “Deed of Trust”) to the deed of trust trustee named therein for the benefit of the Trustee, granting a lien of record on the site of the existing Convention Center. As additional security for the City’s obligations under the Trust Agreement, in connection with the delivery of the Series 2026A Bonds (defined below), the City will amend the Deed of Trust (the “First Supplement to Deed of Trust”) to grant a lien of record on certain fire station, public safety and operational facilities of the City financed or refinanced under the Trust Agreement, as supplemented;

WHEREAS, the City Council has determined to proceed with the plan of finance by arranging for the issuance of additional Limited Obligation Bonds (the “Series 2026A Bonds”) under the Trust Agreement and a Third Supplemental Trust Agreement to be entered between the City and Trustee (to be herein called the “Third Supplemental Trust Agreement”) to provide for the financing of not to exceed \$18,500,000 to (a) refund all or a portion of the City’s outstanding Limited Obligation Bonds, Series 2016 (the “Series 2016 Bonds”), the proceeds of which were used to refinance certain prior installment financing obligations of the City and to finance fire station and performing arts center improvements for the City, and (b) pay all or a portion of the financing costs relating thereto;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, as amended, the City has made proper application to the North Carolina Local Government Commission (the “Commission”) for approval of the proposed Series 2026A Bonds for the purposes herein;

WHEREAS, the City has filed with the application to the Commission drafts, or executed copies (as applicable), of the following documents relating to the proposed financing:

- (a) Trust Agreement;
- (b) Third Supplemental Trust Agreement, including the form of the Series 2026A Bonds set forth as Exhibit A thereto;
- (c) Deed of Trust;
- (d) First Supplement to Deed of Trust;
- (e) Bond Purchase Agreement, to be dated the date of delivery thereof (the “Bond Purchase Agreement”), between the City and PNC Capital Markets LLC, on behalf of itself and the other underwriters named therein (collectively, the “Underwriters”); and
- (f) Preliminary Official Statement, to be dated the date of delivery thereof (the “Preliminary Official Statement”), relating to the offering and sale of the Series 2026A Bonds;

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended (the “Act”), the City intends to (a) refund the Series 2016 Bonds and (b) pay all or a portion of the financing costs relating thereto by entering into the Third Supplemental Trust Agreement, whereby the City will issue its Series 2026A Bonds, each Series 2026A Bond constituting a contract between the City and the owner thereof for the purpose of refunding the Series 2016 Bonds described above;

WHEREAS, the City proposes to sell the Series 2026A Bonds to the Underwriters pursuant to the Bond Purchase Agreement for a public offering pursuant to the Preliminary Official Statement and an Official Statement;

WHEREAS, the principal amount of the Series 2026A Bonds shall not exceed \$18,500,000;

WHEREAS, the Series 2026A Bonds shall have a final maturity not to exceed June 30, 2036;

WHEREAS, the all-in true interest cost of the Series 2026A Bonds shall not exceed 3.75% per annum; and

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby found and determined by the Commission that:

- (a) the proposed Series 2026A Bonds are necessary or expedient for the City;
- (b) the refunding of the Series 2016 Bonds through the issuance of the Series 2026A Bonds, under the circumstances, is preferable to a general obligation bond issue for the same purpose;
- (c) the sums to fall due with respect to the Series 2026A Bonds are adequate and not excessive for the proposed purposes thereof;

(d) the City’s debt management procedures and policies are good;

(e) the increases in taxes, if any, necessary to meet the sums to fall due with respect to the Series 2026A Bonds will not be excessive; and

(f) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the Third Supplemental Trust Agreement and the proposed issuance of the Series 2026A Bonds pursuant thereto for the purpose of refunding the Series 2016 Bonds is hereby approved under the provisions of the Act subject to the conditions set forth in this resolution. The Series 2026A Bonds may be sold to the Underwriters pursuant to the Bond Purchase Agreement subject to the conditions set forth in this resolution.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

CITY OF RALEIGH - \$120,000,000 LIMITED OBLIGATION BOND

Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION APPROVING THE FINANCING TEAM FOR THE CITY OF RALEIGH, NORTH CAROLINA LIMITED OBLIGATION BOND, SERIES 2026B

WHEREAS, the City of Raleigh, North Carolina (the “City”) has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members in relation to the City of Raleigh, North Carolina Limited Obligation Bond, Series 2026B (the “Bond”):

Bond Counsel:	Womble Bond Dickinson (US) LLP
Purchaser:	PNC Bank, National Association
Purchaser’s Counsel:	Parker Poe Adams & Bernstein LLP
Trustee:	U.S. Bank Trust Company, National Association
Municipal Advisor:	DEC Associates, Inc.

WHEREAS, based upon the information and evidence received by the Commission, the Commission is of the opinion that the request by the City should be approved.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Thereupon, Ms. Johnson made a motion to adopt the following resolution:

RESOLUTION APPROVING THE APPLICATION OF THE CITY OF RALEIGH, NORTH CAROLINA FOR THE FINANCING OF VARIOUS CAPITAL IMPROVEMENTS PURSUANT TO AN INSTALLMENT CONTRACT FINANCING BY SAID CITY THROUGH THE ISSUANCE OF A LIMITED OBLIGATION BOND AND THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT IN CONNECTION THEREWITH

WHEREAS, the City of Raleigh, North Carolina (the “City”) has previously undertaken a plan of finance under which the City entered into a Trust Agreement, dated as of July 1, 2024 (the “Trust Agreement”) with U.S. Bank Trust Company, National Association (the “Trustee”) providing for the issuance thereunder of multiple Series of new limited obligation bonds of the City to (a) refinance certain installment financing contract obligations and Limited Obligation Bonds previously incurred for the construction and acquisition of the Raleigh Convention Center and certain other City improvements, (b) provide for the financing of the acquisition, installation and improvements of the expansion of the Convention Center, (c) provide for the financing by the City of certain improvements to be located in a new hotel to be constructed adjacent to the Convention Center, which is being constructed by a private party in support of the Convention Center, (d) provide for the financing of the cost of construction of a new amphitheater to replace the amphitheater in the vicinity of the existing Convention Center, (e) provide for the financing of the cost of construction and equipping of East Civic Tower, including the cost of demolition of the existing structures located on the site where the East Civic Tower will be located, and (f) provide for the financing of other City improvements;

WHEREAS, the City has heretofore entered into the First Supplemental Trust Agreement thereunder with the Trustee to issue Limited Obligation Bonds for the purposes described in (a) above and the Second Supplemental Trust Agreement thereunder with the Trustee to issue Limited Obligation Bonds for the purpose described in (c) above;

WHEREAS, in connection with the execution and delivery of the Trust Agreement, the City delivered a Deed of Trust (the “Deed of Trust”) to the deed of trust trustee named therein for the benefit of the Trustee, granting a lien of record on the site of the existing Convention Center;

WHEREAS, the City Council has determined to proceed with the plan of finance by arranging for the issuance of an additional Limited Obligation Bond (the “Series 2026B Bond”) under the Trust Agreement and a Fourth Supplemental Trust Agreement to be entered between the City and Trustee (to be herein called the “Fourth Supplemental Trust Agreement”) to provide for the financing of not to exceed \$120,000,000 to (a) finance the costs of acquiring, constructing and equipping the next phase of East Civic Tower-City Hall and various fire, public safety and other administrative building improvements for the City (collectively, the “2026 Project”) and (b) pay all or a portion of the financing costs relating thereto;

WHEREAS, on or about the date of issuance of the Series 2026B Bond, the City plans to issue another series of Limited Obligation Bonds (the “Series 2026A Bonds”) under the Trust Agreement to refinance certain prior indebtedness of the City, including indebtedness to finance the initial costs of East Civic Tower-City Hall and various fire and public safety

improvements. As additional security for the City's obligations under the Trust Agreement, in connection with the delivery of the Series 2026A Bonds, the City will amend the Deed of Trust to grant a lien of record on certain fire station, public safety and operational facilities of the City financed or refinanced under the Trust Agreement, as supplemented;

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, as amended, the City has made proper application to the North Carolina Local Government Commission (the "Commission") for approval of the proposed Series 2026B Bond for the purposes herein;

WHEREAS, the City has filed with the application to the Commission drafts, or executed copies (as applicable), of the following documents relating to the proposed financing:

(a) Trust Agreement;

(b) Fourth Supplemental Trust Agreement, including the form of the Series 2026B Bond set forth as Exhibit A thereto;

(c) Deed of Trust; and

(d) Bond Purchase Agreement, to be dated the date of delivery thereof (the "Bond Purchase Agreement), between the City and PNC Bank, National Association (the "Purchaser");

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended (the "Act"), the City intends to (a) pay or reimburse the costs of the 2026 Project and (b) pay all or a portion of the financing costs relating thereto by entering into the Fourth Supplemental Trust Agreement, whereby the City will issue its Series 2026B Bond, such Series 2026B Bond constituting a contract between the City and the owner thereof for the purpose of financing the costs of the 2026 Project described above;

WHEREAS, the City proposes to sell the Series 2026B Bond to the Purchaser pursuant to the Bond Purchase Agreement;

WHEREAS, the principal amount of the Series 2026B Bond shall not exceed \$120,000,000;

WHEREAS, the Series 2026B Bond shall have a final maturity not to exceed March 31, 2029 (with the option to extend the maturity to March 31, 2032 pursuant to the terms of the Fourth Supplemental Trust Agreement);

WHEREAS, the 2026B Bond shall bear interest at a variable rate based on a percentage of a variable rate index plus a credit spread with a maximum interest rate as set forth in the Fourth Supplemental Trust Agreement; and

WHEREAS, based upon the information and evidence received in connection with such application, it is hereby found and determined by the Commission that:

(a) the proposed Series 2026B Bond is necessary or expedient for the City;

(b) the financing of the 2026 Project through the issuance of the Series 2026B Bond, under the circumstances, is preferable to a general obligation bond issue for the same purpose;

(c) the sums to fall due with respect to the Series 2026B Bond are adequate and not excessive for the proposed purposes thereof;

(d) the City's debt management procedures and policies are good;

(e) the increases in taxes, if any, necessary to meet the sums to fall due with respect to the Series 2026B Bond will not be excessive; and

(f) the City is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application of the City for approval of the Fourth Supplemental Trust Agreement and the proposed issuance of the Series 2026B Bond pursuant thereto is hereby approved under the provisions of the Act subject to the conditions set forth in this resolution. The Series 2026B Bond may be sold to the Purchaser pursuant to the Bond Purchase Agreement subject to the conditions set forth in this resolution.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 - 0.

MISCELLANEOUS ACTION ITEMS

TOWN OF FUQUAY-VARINA

Ms. Johnson made a motion to approve the following requested loan term extension for the Town of Fuquay-Varina:

The Town of Fuquay-Varina was approved by the Department of Environmental Quality Division of Water Infrastructure (DWI) for State Revolving Fund (SRF) funding in the amount of \$59,532,889 as a repayable loan for the referenced project. This total is composed of 2 repayable loans with 20-year terms: \$5,532,889 from SRF-D-2060 and \$54,000,000 from WIF-2032. The Local Government Commission approved loan WIF-2032 in July 2024 and approved loan SRF-D-2060 in March 2025.

On November 10, 2025, Fuquay-Varina requested a 30-year amortization on the SRF repayable loans to maintain affordable drinking water treatment for residents, based on the following information. In the Engineering Report/Environmental Information Document (ER/EID), Section 6 and Appendix L contain an analysis of user rates as a percentage of median household income (MHI). This analysis indicates that the debt service on a 20-year loan term would result in a new water bill (at 5,000 gallons usage) greater than 2% of MHI, which is the US Environmental Protection Agency's (EPA) affordability threshold. If the loan term is extended to a 30-year term, the new water bill (at 5,000 gallons usage) would remain less than the 2% MHI affordability threshold and would support affordable rates for Fuquay-Varina's customers. Further, Fuquay-Varina and their design engineer, Hazen & Sawyer, performed a cost-weighted average design life analysis for the proposed treatment units and

equipment. This analysis was verified by the Division of Water Infrastructure. The results of this analysis indicate that the cost-weighted average design life of the assets funded through SRF loans is expected to be greater than 30 years. Therefore, the Division of Water Infrastructure recommends a 30-year term for this project.

Mr. Stith seconded the motion and the foregoing request to extend the loan term to 30 years was approved by unanimous vote of 9 – 0.

CITY OF GASTONIA

Ms. Johnson made a motion to approve the following request for the City of Gastonia:

The City of Gastonia and the Union Road Volunteer Fire Department are requesting approval of an annexation payment according to G.S. 160A-31.1, whereby the City will make a lump sum payment of \$191.13 for the debt related to facilities and equipment for the annexation of 1.43 acres between Union and Robinson Roads. The annexation was completed on December 21, 2022.

Mr. Stith seconded the motion and the foregoing request was approved by unanimous vote of 9 – 0.

TOWN OF STONEVILLE

Ms. Johnson made a motion to approve the following requested loan increase for the Town of Stoneville:

The Town of Stoneville requests approval for an increase in the loan funding amount related to the purchase of two Dodge Durango police vehicles. On November 4, 2025, the Local Government Commission approved an installment purchase contract in an amount not to exceed \$136,599. The Town executed the loan with Fidelity Bank in the amount of \$150,829. The loan closed on December 4, 2025 with an interest rate of 3.470% for a five-year term. All other terms of the loan remain unchanged.

The increase of \$14,230 above the LGC approved amount is necessary to cover the up-fitting of both vehicles from their base models to include essential law enforcement equipment such as radios, vehicle graphics, and wiring. Additionally, one of the vehicles requires specialized K9 unit modifications, including a K9 cage, cooling system, and block-out kit. These items were not included in the original financing request but are essential for Stoneville's Police Department operational readiness.

Mr. Stith seconded the motion and the foregoing request to increase the loan amount to \$150,829 was approved by unanimous vote of 9 – 0.

WAKE FOREST BAPTIST OBLIGATED GROUP

Ms. Johnson made a motion to adopt the following resolution:

**RESOLUTION APPROVING A REPLACEMENT MASTER TRUST
INDENTURE FOR THE WAKE FOREST BAPTIST HEALTH SYSTEM**

WHEREAS, the Wake Forest Baptist Health system (now known as Atrium Health Wake Forest Baptist) is an integrated clinical, research and academic enterprise located in the Winston-Salem, North Carolina region operated by Wake Forest University Baptist Medical Center, a North Carolina nonprofit corporation (“WFBMC”), which is a joint operating company that was established by Wake Forest University, a North Carolina nonprofit corporation, and North Carolina Baptist Hospital, a North Carolina nonprofit corporation (“NCBH”);

WHEREAS, Wake Forest University Health Sciences, a North Carolina nonprofit corporation (“WFUHS”), is a wholly-owned affiliate of Wake Forest University that owns all of the assets of and operates Wake Forest University School of Medicine and is part of Atrium Health Wake Forest Baptist;

WHEREAS, NCBH, WFBMC and WFUHS are the members of the obligated group (the “WFB Obligated Group”) under the Master Trust Indenture, dated as of March 1, 2010 (as supplemented, the “WFB Master Indenture”), between NCBH and The Bank of New York Mellon Trust Company, N.A., as master trustee;

WHEREAS, the North Carolina Medical Care Commission (the “NCMCC”) has heretofore issued its bonds as more particularly described in Appendix A (the “NCMCC WFB Bonds”) for and on behalf of the WFB Obligated Group;

WHEREAS, the NCMCC WFB Bonds are secured by master indenture obligations issued under and pursuant to the WFB Master Indenture;

WHEREAS, effective October 9, 2020, The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health, a North Carolina hospital authority (“CMHA”), and the Wake Forest Baptist Health system, including the Wake Forest School of Medicine, became part of a single enterprise (the “Atrium Health Enterprise”);

WHEREAS, subject to the exercise of certain reserved powers and carrying out of certain responsibilities by the CMHA board of commissioners and the WFBMC board of directors, the Atrium Health Enterprise is governed by a board of directors of a North Carolina nonprofit corporation named Atrium Health, Inc. (“AHI”);

WHEREAS, effective December 2, 2022, AHI and Advocate Aurora Health, Inc., a Delaware nonprofit nonstock corporation (“AAH”), entered into a Joint Operating Agreement (the “Advocate Health JOA”) pursuant to which they created Advocate Health, Inc., a Delaware nonprofit nonstock corporation, to manage and oversee an integrated health care delivery and academic system (“Advocate Health”);

WHEREAS, the Advocate Health JOA provides that Advocate Health will establish two obligated groups when feasible: (1) a governmental obligated group that includes CMHA and certain of its affiliates and (2) a nonprofit obligated group that includes the rest of Advocate Health (including the WFB Obligated Group) (the “Advocate Health Nonprofit Obligated Group”);

WHEREAS, AAH and a number of its controlled subsidiaries have entered into a Second Amended and Restated Master Trust Indenture dated as of August 1, 2018 (as supplemented, the “AAH Master Indenture”), between AAH, the other members of the obligated group named therein (collectively with AAH, the “AAH Obligated Group”) and U.S. Bank National Association, succeeded by U.S. Bank Trust Company, National Association, as master trustee;

WHEREAS, Section 503 of the WFB Master Indenture permits, subject to satisfaction of certain conditions described therein, an existing or new indenture (a “Replacement Master Indenture”) to replace the WFB Master Indenture without the need to refinance any of the outstanding indebtedness under the WFB Master Indenture;

WHEREAS, the WFB Obligated Group and Advocate Health desire to replace the WFB Master Indenture with the AAH Master Indenture in order to unify the Wake Forest Baptist and AAH obligated groups, which is the initial step in creating the Advocate Health Nonprofit Obligated Group;

WHEREAS, the governing bodies of WFBMC, NCBH and WFUHS have determined that creation of the Advocate Health Nonprofit Obligated Group will provide substantial value to Advocate Health as a whole and the members of the WFB Obligated Group in particular;

WHEREAS, Section 503(a)(ii) of the WFB Master Indenture requires the NCMCC and the North Carolina Local Government Commission (the “Commission”) to approve the AAH Master Indenture as a Replacement Master Indenture;

WHEREAS, the NCMCC has approved the AAH Master Indenture as a Replacement Master Indenture;

WHEREAS, a copy of the AAH Master Indenture has been presented to the staff of the Commission; and

WHEREAS, the WFB Obligated Group has requested the Commission approve the AAH Master Indenture as a Replacement Master Indenture;

NOW THEREFORE, BE IT RESOLVED by the Commission as follows:

Section 1. The replacement of the WFB Master Indenture with the AAH Master Indenture is hereby approved. The Secretary or any Deputy Secretary of the Commission is hereby authorized and directed to execute and deliver such documents as are necessary or appropriate to evidence the approval by the Commission of the AAH Master Indenture as a Replacement Master Indenture, and such execution and delivery shall be conclusive evidence of the approval thereof by the Commission.

Section 2. This resolution shall take effect immediately upon its adoption.

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

WAKE FOREST BAPTIST OBLIGATED GROUP

Appendix A

<u>Designation</u>	<u>Principal Amount Outstanding as of December 31, 2025</u>
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2012A	\$118,405,000
North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Wake Forest Baptist Obligated Group), Series 2012B	\$55,685,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2012D	\$80,000,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2019A	\$24,150,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2019B	\$105,905,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2019C	\$60,605,000

END OF CONSENT AGENDA

VIALE UTILITY RESERVE – DESIGNATING DISTRESSED UNITS

Secretary Wooten made a motion to adopt the following resolution:

See EXHIBIT 1: *Resolution Designating Distressed Units Pursuant to North Carolina General Statute 159G-45.*

Mr. Stith seconded the motion and the foregoing resolution was adopted by unanimous vote of 9 – 0.

Auditor Boliek made a motion to adjourn. Mr. Stith seconded the motion which passed by unanimous consent. The meeting adjourned at 2:53 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on March 3, 2026.

I, Jennifer Wimmer, Deputy Secretary of the North Carolina Local Government Commission, CERTIFY that the foregoing is a true and correct account of actions taken at a meeting of the North Carolina Local Government Commission duly called and held on February 4, 2026.

WITNESS my hand at Raleigh, NC, this 4th day of February 2026.



Jennifer Wimmer, Deputy Secretary of the
Local Government Commission of North Carolina



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

DENISE CANADA
DIVISION DIRECTOR

**RESOLUTION DESIGNATING DISTRESSED UNITS PURSUANT TO
NORTH CAROLINA GENERAL STATUTE 159G-45**

WHEREAS, the North Carolina General Assembly enacted Session Law 2020-79, entitled in part “AN ACT TO IMPROVE THE VIABILITY OF THE WATER AND WASTEWATER SYSTEMS OF CERTAIN UNITS OF LOCAL GOVERNMENT . . . ; TO CREATE AND PROVIDE FUNDING FOR THE VIABLE UTILITY RESERVE TO PROVIDE GRANT MONEY FOR LOCAL GOVERNMENT UNITS, . . .” (the “Act”); and

WHEREAS, Section 1.(k) of the Act amended Article 2 of Chapter 159G of the General Statutes (“G.S.”) by adding a new Section 159G-45 requiring that the State Water Infrastructure Authority (the “Authority”) and the Local Government Commission (the “Commission”):

- (a) develop criteria to assess and review local government units and
- (b) utilize the assessment and review process to identify distressed units; and

WHEREAS, the Authority and the Commission have adopted criteria for assessing units, last updated in March 2025 (the “Assessment Criteria”); and

WHEREAS, the Authority and the Commission have adopted criteria for identifying distressed units, last updated in March 2025 (the “Identification Criteria”) as follows:

1. A unit whose fiscal affairs are under the control of the Commission pursuant to its authority granted by G.S. 159-181 (“under Commission fiscal control”); or
2. A unit that has not submitted its annual audits for the last two (2) fiscal years to the Commission as required by G.S. 159-34; or
3. A unit with a total Assessment Criteria score that equals or exceeds 9 for units providing drinking water services, or wastewater services, or both; or
4. A unit for which other information is available to or known by the Authority or Commission that reflects and is consistent with, but does not expressly appear in, the Assessment Criteria to account for situations in which the Assessment Criteria score does not wholly or accurately reflect a system’s level of risk due to the limitations of available data; and

WHEREAS, the process and frequency for the cycle of assessment of units (the “Process”) was adopted by the Authority and Commission pursuant to G.S. 159G-45(d), last updated in March 2025; and

WHEREAS, the staff of the Authority completed an assessment of local government units in the summer of 2025 pursuant to the terms of the Process; and

WHEREAS, the Process stipulated that local government units which meet or exceed the Assessment Criteria score for the first time may request designation as distressed by the Authority and the Commission under Identification Criterion 3; and

WHEREAS, the following local government units have met or exceeded the Assessment Criteria score threshold for the first time, have requested designation as distressed, the staffs of the Authority and Commission proposed that the following units be identified as distressed pursuant to Identification Criterion 3, and the Authority voted to designate these units as distressed at its December 10, 2025 meeting:

<u>Unit</u>	<u>Type of System</u>	<u>2025 Score</u>
Anson County	Both drinking water and wastewater	11
Town of Bridgeton	Wastewater	11
Town of Red Springs	Both drinking water and wastewater	9
Town of Stedman	Both drinking water and wastewater	9
Town of Walnut Cove	Both drinking water and wastewater	10

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, that:

The Commission identifies and designates Anson County and the Towns of Bridgeton, Red Springs, Stedman, and Walnut Cove as Distressed Units under Identification Criterion 3; and given the Authority’s vote to designate this local government unit as distressed at its December 10, 2025 meeting, upon adoption of this resolution by the Commission, these local government units are hereby designated as distressed under G.S. 159G-45(b).

I, Denise Canada, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the *Resolution Designating Distressed Units Pursuant To North Carolina General Statute 159G-45* adopted by the North Carolina Local Government Commission at its meeting held on February 4th, 2026.

WITNESS my hand this 4th day of February 2026.



Denise Canada, Secretary
North Carolina Local Government Commission