

**AN ORDINANCE AUTHORIZING THE ACQUISITION OF FUNDING FOR THE
SWAIN COUNTY RECYCLING COLLECTION CENTER/MAINTENANCE BUILDING
AND FOR THE AUTOMATION OF COUNTY ADMINISTRATIVE FACILITIES**

WHEREAS, North Carolina General Statute 130A, Article 9, as revised, has provided certain comprehensive requirements to improve the management, statewide, of solid waste disposal and to encourage counties and municipalities to utilize all means reasonably available to promote efficient and proper methods of managing solid waste and to promote the economical recovery of material and energy resources from solid waste, including contracting with persons to provide or to operate resource recovery services or facilities on behalf of the County; and

WHEREAS, in accordance with North Carolina General Statute Chapter 130A, as revised, local government has been tasked with producing a solid waste management and recycling program to provide for a reduction in the amount of solid waste generated within the County with certain specific goals and certain specific timetables; and

WHEREAS, the Board of Commissioners for Swain County have determined that it would be in the best interest of its citizens and residents, and the most necessary, expedient, and efficient use of the County's resources, in order to help accomplish the goal of solid waste management and recycling, to build a Swain County Recycling Collection Center in conjunction with a Swain County Maintenance Building to provide general maintenance facilities for County vehicles, equipment and other personal property and machinery; and

WHEREAS, in addition to the foregoing needs of the County, and in order to more efficiently transact and pursue the administration of County business, the Swain County Board of Commissioners has determined that the County must upgrade its administrative support equipment by purchasing and upgrading additional computer hardware, software, word processing capabilities, and ancillary technical support equipment; and

WHEREAS, after a review of the County's current physical situation and budget, and after a further review of the various alternatives for funding or financing the above-described projects, the Swain County Board of Commissioners has determined that it will be in the best interest of the citizens of the County and the most efficient and prudent fiscal decision to obtain a privately financed loan from an institutional lender, at a competitive interest rate, and that said contract and note should be repaid by the use of solid waste user fees previously established in the county (for the Recycling Collection Center/Maintenance Building) and by the use of ad valorem taxes (for the administrative support equipment and software). The Board of Commissioners has specifically determined that under all the circumstances such financing is preferable to the issuance of general obligation or

revenue bonds and would be more cost-effective and timely than such a bond issue; and

WHEREAS, the County Attorney for the County of Swain has rendered an opinion that the proposed financing and project to be undertaken is authorized by law and is a purpose for which public funds may be expended pursuant to the constitution and laws of North Carolina; and

WHEREAS, in determining this form of financing the Board of Commissioners have considered the financial condition of the County, the current existing bonds which have been issued for public purposes and which are currently being repaid, and the fact that the cost of this proposed undertaking exceeds the amount that can be prudently be raised from currently available appropriations, unappropriated fund balances, and non-voted bonds that could be obtained by the County in the current fiscal year pursuant to Article 5, Section 4 of the North Carolina Constitution; and

WHEREAS, the County Finance Officer has been directed to review and compare the cost of financing this undertaking under the contract method of financing as compared to bond financing, and has determined that the contract method of financing would compare reasonably and favorably to the estimated similar cost for bond financing; that the debt management policies of the County have been carried out in strict compliance with law; and that the current property tax rate will be effected by this proposal, with the estimated increase in the property tax rate being \$.02 (Two Cents) per One Hundred Dollars valuation; and

WHEREAS, the County is not currently in default in meeting its debt service obligations and is in a financial position to engage in this project.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COMMISSIONERS OF SWAIN COUNTY, NORTH CAROLINA, AS FOLLOWS:

1. The Board of Commissioners for Swain County is hereby authorized to seek and obtain institutional financing in the nature of a installment contract and agreement, or note, in the principle amount of \$450,000.00. The County Commissioners specifically find that the principal amount of \$450,00.00, plus interest payments, will not be an excessive amount for the purposes for which the monies will be use. The County Administrator is hereby directed to obtain competitive bids from local financial institutions and to obtain the best interest rate and terms to produce this funding;

2. The foregoing loan proceeds shall be used to provide for capital construction, purchase of buildings, equipment and supplies, and to further pay for the construction of a Swain County Recycling Collection Center and Swain County Maintenance Building, as set forth in the transmittal to the Department of the Treasurer, Local Government Commission, dated July 8, 1991;

3. A portion of the authorized funds shall be used to implement and upgrade the County's automated administrative technical support equipment including computers and ancillary equipment and software;

4. Any real or personal property purchased with the foregoing funds and any contracts or notes entered into with financial institutions to obtain funds, may provide for a security interest to secure the payment of the purchase money and/or repay of the loan principle and interest. However, notwithstanding the foregoing, no deficiency judgment may be rendered against the County in any action for breach of any such contractual obligations authorized by this resolution and the taxing power of the County is specifically not, and will not, be pledged directly, or indirectly, to secure any monies due under financing documents. It is the specific intent of this resolution that the amounts financed shall be repaid by use of the solid waste user fees now in effect in Swain County (for the Recycling Collection Center/Maintenance Building) and the use of ad valorem taxes (for the administrative support equipment and software).

The County Administrator and the Chairman of the Board of Commissioners are hereby authorized to execute any and all documents and security instruments necessary to effectuate the purposes of this resolution.

Adopted this the 15th day of July, 1991.

COUNTY OF SWAIN

By: Donald Bunn
DONALD BUNN, CHAIRMAN
BOARD OF COMMISSIONERS

ATTEST:

By: Linda Cable
COUNTY ADMINISTRATOR

(Seal)