

**Minutes of the 10 August 2009
Public Hearing of the Yancey County Board of Commissioners
Held at 5:00 o'clock p.m. in the Commissioner's Meeting Room
Yancey County Courthouse, Burnsville, North Carolina**

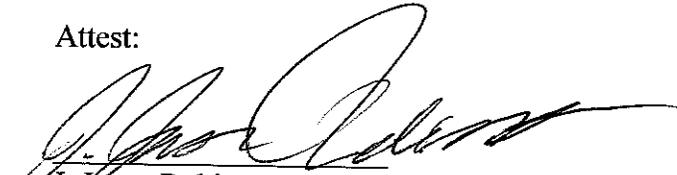
Present at the 10 August 2009 public hearing of the Yancey County Board of County Commissioners were Walter Savage, Chairman, Members Johnny Riddle and Jerri Storie, County Manager Nathan Bennett, Finance Director Lynne Hensley, Finance Officer Brandi Burleson, County Planner Jamie McMahan, Clerk to the Board Jason Robinson, and members of the general public.

Chairman Savage called the meeting to order and asked County Manager Nathan Bennett, Finance Director Lynne Hensley, Finance Officer Brandi Burleson and County Planner Jamie McMahan to go over the proposal by BB&T after having asked for proposal from all local lending institutions except the State Employees' Credit Union. County Manager Nathan Bennett, Finance Director Lynne Hensley, Finance Officer Brandi Burleson, and County Planner Jamie McMahan then told the Board that the loan is actually for two different loans. One loan, which is the adjusted loan from the original loan, is a nontaxable loan with an interest rate of 4.87% while the loan for the overruns of the detention facility is a taxable loan at an interest rate of 7.59%. This is a taxable loan because the bank will incur capital gains taxes on the interest of the loan and they will pass those costs along to the County. Both loans will be for 15 years. Finance Director Hensley stated further that this is the appropriate avenue to take to get the County in better financial shape. Finance Officer Burleson further informed the Board that the County has to submit a plan to the Local Government Commission (LGC) for repayment and that LGC was the one who suggested refinancing. The refinancing would save the county \$90,000 and the income from the detention facility would be greater than the debt service that is owed. She further stated that this should be on the LGC agenda for their September 1st meeting. Chairman Savage wanted to know when the loan was due to close. Ms. Burleson explained that it would be sometime in mid-September when the loan closed. Chairman Savage then asked if the resolutions up for consideration at the meeting to follow the public hearing would allow County Manager Bennett to execute the documents due to the fact that he will out of town through October. County Planner McMahan assured Chairman Savage that the resolutions would allow the documents to be executed by County Manager Bennett. Chairman Savage then opened the floor for public comment about the installment financing agreement. Jenifer Morgan commented that she felt that this was a good idea. No one else in the audience offered any comment.

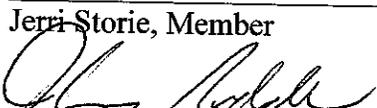
Having no further business Commissioner Storie made a motion to adjourn and it was seconded by Chairman Savage. The vote to adjourn was unanimous.

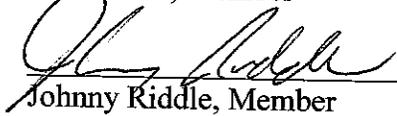
Approved and authenticated on this the 1st day of September 2009.

Attest:


J. Jason Robinson
Clerk to the Board


Walter Savage, Chairman


Jerri Storie, Member


Johnny Riddle, Member





YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714
PHONE: (828) 682-3971 • FAX: (828) 682-4301

Nathan Bennett, *County Manager*

Walter Savage, *Chairman*

Jerri Storie, *Commissioner*

Johnny Riddle, *Commissioner*

AGENDA
YANCEY COUNTY COMMISSIONERS
PUBLIC HEARING-POSSIBLE FINANCING OF YANCEY COUNTY DETENTION
FACILITY
AUGUST 10, 2009

- I. Call to Order---Chairman Savage
- II. Presentation of Proposal from BB&T---County Manager Nathan Bennett, Finance Director
Lynne Hensley, Finance Officer Brandi Burleson
- III. Public Comment about Possible Financing of Yancey County Detention Facility
- IV. Adjourn

5130 Parkway Plaza Boulevard
 Building #9
 Charlotte, North Carolina 28217
 (704) 954-1700
 Fax (704) 954-1799

August 6, 2009

Brandi M. Burluson
 Finance Officer
 Yancey County
 110 Town Square
 County Courthouse, Room 11
 Burnsville, North Carolina 28714

Dear Ms. Burluson:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Yancey County ("County").

- (1) **Project:** A. Jail Facility Refunding – Tax Exempt
 B. Additional Funding - Taxable
- (2) **Amount To Be Financed:** A. \$ 1,540,000.00
 B. \$ 980,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

Term	Rate
A. 15 years	4.87%
B. 15 years	7.59%

Payments shall be annual in arrears, as requested. See the attached amortization schedule(s) for information on payments.

The financing proceeds shall be deposited on behalf of the County in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the County for use on Project costs or interest payments.

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing shall be in person and is contingent upon completing documentation acceptable to BB&T and upon the title and condition of the property acceptable to BB&T. We shall review your most recent financial statements before funding this transaction.

Remuneration for our legal review expenses and underwriting for this financing transaction shall be \$3900.00. All applicable taxes, surveys, zoning, appraisals, permits, costs of environmental studies, title insurance premiums, LGC approval fees, costs of counsel for the County and any other costs shall be the County's responsibility and separately payable by the County. The financing documents shall allow

prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the County expects to borrow less than \$30,000,000 in calendar year 2009 and that the County shall comply with IRS Code Sections 141, 148, 149(e) and Section 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

(4) Security:

This financing shall be secured by a first lien security interest on (a) all personal property acquired with financing proceeds, (b) all improvements to real estate that are constructed or improved with financing proceeds, and all associated real estate, and (c) all real estate acquired with financing proceeds.

(5) Financing Documents:

BB&T and its counsel shall prepare the deed of trust and all documentation for the County. We shall provide a sample of those documents to you should BB&T be the successful proposer.

* * * * *

BB&T appreciates the opportunity to provide this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the County of its election to do so (whether or not this offer has previously been accepted by the County) if at any time prior to the closing there is a material adverse change in the County'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 County or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

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 BB&T. If your board adopts this resolution, then BB&T shall not require any further board action prior to closing the transaction.

Please call me at (704) 954-1700 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY

F. Louis Loyd III
Senior Vice President

Enclosure

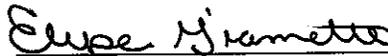
AFFIDAVIT OF PUBLICATION

BUNCOMBE COUNTY

SS.
NORTH CAROLINA

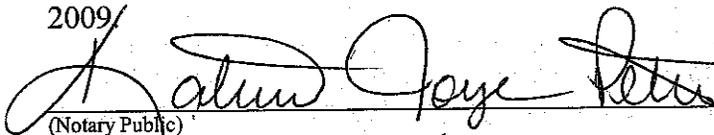
Before the undersigned, a Notary Public of said County and State, duly commissioned, qualified and authorized by law to administer oaths, personally appeared **Elyse Giannetti**, who, being first duly sworn, deposes and says: that she is the **Legal Billing Clerk of The Asheville Citizen-Times**, engaged in publication of a newspaper known as **The Asheville Citizen-Times**, published, issued, and entered as first class mail in the City of Asheville, in said County and State; that she is authorized to make this affidavit and sworn statement; that the notice or other legal advertisement, a true copy of which is attached hereto, was published in **The Asheville Citizen-Times** on the following dates: July 30th, 31st, 2009. And that the said newspaper in which said notice, paper, document or legal advertisement was published was, at the time of each and every publication, a newspaper meeting all of the requirements and qualifications of Section 1-597 of the General Statues of North Carolina and was a qualified newspaper within the meaning of Section 1-597 of the General Statues of North Carolina.

Signed this 31st, day of July, 2009



(Signature of person making affidavit)

Sworn to and subscribed before me the 31st, day of July,
2009



(Notary Public)

My Commission expires the 5th day of October, 2013

(828) 232-5830 | (828) 253-5092 FAX

14 O. HENRY AVE. | P.O. BOX 2090 | ASHEVILLE, NC 28802 | (800) 800-4204

