

**Resolution Supporting an Application to the Local Government  
Commission for its Approval of Town Revenue Bonds  
-- 2026 Thompson Building Project**

***Introduction --***

The Board of Commissioners of the Town of Hillsborough has previously determined to carry out a project to renovate and expand the Adron F. Thompson building. This project is planned to include a new welding shop, stockroom for inventory, additional office space, storage and restrooms.

The town has also made a preliminary determination to issue utility revenue bonds to pay some or all of these project costs. Revenue bonds are not secured by a pledge of the town's taxing power or by a lien on any town real estate. Instead, the bonds are payable only from the net operating revenues of the town's water and sewer system.

State law requires that the town's issuance of the bonds be approved by the North Carolina Local Government Commission, a division of the North Carolina State Treasurer's office. Under the Local Government Commission's guidelines, this governing body must make certain findings of fact to support the town's application for the commission's approval of the bonds.

**1. The Town of Hillsborough Board of Commissioners RESOLVES, as follows:**

(a) The town makes a preliminary determination to finance approximately \$8,500,000 to pay project costs.

(b) The town has solicited proposals from banks and other financial institutions provide the financing. Town staff recommends, and the board approves, a proposal from Webster Bank to provide 20-year financing for the project. The final

details of the financing, and the financing documents, are subject to this board's approval at a later meeting.

(c) The board will determine the final amount to be financed by a later resolution. The final amount financed may be higher or lower than \$8,500,000. Some of the financing proceeds may represent reimbursement to the town for prior expenditures on project costs, and some proceeds may be used to pay financing expenses or to provide any appropriate reserves.

**2. The board makes the following findings of fact in support of the town's application to the Local Government Commission:**

(a) The project is feasible. The town believes that the customer utility bills that will be necessary to provide for bond payments will be reasonable under the circumstances.

(b) The estimated sums to fall due are adequate and not excessive for the proposed purpose. The town will be able to market the bonds at reasonable rates of interest. The town will closely review proposed bond rates against market rates with guidance from the Local Government Commission and the town's financial adviser. All amounts financed will reflect either approved contracts, professional estimates or previous actual expenditures.

(c) As confirmed by the town's finance officer, (i) the town's debt management procedures and policies are sound and in compliance with law, and (ii) the town is not in default under any of its debt service obligations.

(d) The town attorney is of the opinion that the proposed project is authorized by law and is a purpose for which public funds of the town may be expended pursuant to the Constitution and laws of North Carolina.

**3. Additionally, the board resolves as follows:**

(a) The town intends that the adoption of this resolution will be a declaration of the town's official intent to reimburse project expenditures from financing proceeds. The town intends that funds that have been advanced for project costs, or which may be so advanced, from the town's general fund, or any other town fund, may be reimbursed from the financing proceeds.

(b) The board directs the town manager and the finance officer to take all appropriate steps toward the completion of the financing, including completing an application to the Local Government Commission for its approval of the proposed financing. The board ratifies all prior actions of town representatives in this regard.

(c) 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 the Town of Hillsborough, North Carolina; that this meeting was properly called and held on February 9, 2026; that a quorum was present and acting throughout this meeting; and that this resolution has not been modified or amended, and remains in full effect as of today.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2026.

[SEAL]

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Sarah Kimrey  
Town Clerk  
Town of Hillsborough, North Carolina