Regular Meeting
City Council
August 9, 1993

The regular meeting was called to order by Mayor Charles B. Black, Jr. at 7:30 P. M. Those present were Councilwomen Lib Nichols and Phyllis Harris, Mayor Pro-Tem Archie Small, Councilmen Bob Jessen, and Jim Hope, as well as Director of Public Works Eddie Nichols, Zoning Administrator Gary Roberts, City Manager Phil Ponder, and City Attorney Kemp Michael.

The invocation was led by Rev. Mitchell Murrow.

Councilman Small **MOVED** to approve the minutes of July 12, 1993, with the following amendment: last page, bottom, add "Tuesday evening." Motion seconded by Councilwoman Nichols and carried by five ayes and zero nays.

The meeting was recessed and a public hearing called to order for consideration of a petition by Roger Webb under Section 70.2 to change one non-conforming use to another with regard to 100 East Henry Street. He stated that the rear 15,700 square foot metal portion at the back would be used for a cordage manufacturing company, Royal Cordage. It has 15 to 20 employees and has been operating in Stanley since 1976; all operation would be inside, with no outside storage. He has gone to their place of business in Stanley and found it not to create outside noise which would disturb neighbors. The prior occupant was Heat-Cool Specialties. He agreed to put up a buffer strip as required by the Planning Commission. There were no further comments either for or against. The public hearing was adjourned and the regular meeting resumed. Councilman Jessen **MOVED** that the Council find as a fact that the proposed substituted non-conforming use would have no greater harmful effect upon surrounding properties than the existing non-conforming use and that the change would be in harmony with the general purpose of intent of the Zoning Ordinance and not injurious to the neighborhood or detrimental to the public welfare, and to approve the request by Roger Webb to use the rear 100' x 157' metal building at 100 E. Henry Street for the light industrial use of cordage manufacturing; provided that the Planning Commission's recommendation become a part of the permit as follows: 1. buffer strip as defined in Section 41.6 is installed along the 184 foot rear property line, 2. a five-foot screening fence be installed along the 131 foot side property line, 3. no outside storage be allowed, and 4. the use for the remaining 10,000 square feet in the building has to be approved by the same process under Section 70.2 of the Zoning Ordinance. This motion was seconded by Councilman Small and carried with five ayes.

Helen Miyasaki, Plant Manager for Hoechst Celanese, requested the Council waive the penalty the City assessed against the company for allegedly failing to meet the schedule set out in a December 26, 1991 Consent Order for beginning construction of an upgraded pretreatment facility. She stated that the pretreatment facility was in operation prior to the April 1, 1993 deadline, although they had failed to keep the City fully informed as to their progress. She further stated that they have worked in good faith to achieve the last item on the Consent Order, compliance with the final limits of BOD, TSS, and Zinc, which was achieved by the July 1, 1993 deadline. Ms. Miyasaki continued that the Plant expended some $130,000 extra for overtime to be sure they complied despite many bad weather days including the blizzard and rain days, and that they have also demonstrated compliance with oil and grease and phenol parameters. Lastly, she cited the company's voluntary treatment of sanitary waste in the pretreatment facility beginning in June, and its agreement to remove the City's lift station at the company's expense. She asked that an open dialogue be established. Mayor Black appointed a committee of Public Works Director Eddie Nichols and City Manager Ponder with Councilmen Hope and Jessen to review the documents involved and bring a recommendation to the Council in this matter. He stated he would like to see the City help any businesses as much as it can and yet protect the City and enforce compliance. Ms. Miyasaki emphasized that the company is in compliance and looks forward to a good relationship with Mount Holly.

Mr. David Shook asked that the Council lower the speed limit in Deerfield Subdivision as he has received several requests from residents. Councilman Small **MOVED** that the speed limit in Deerfield Subdivision be lowered from 35 to 25 m.p.h., seconded by Councilman Jessen, and carried with five ayes.

Mr. Herschel Ellis, American & Efird Mills, Inc., requested the City approve its request to modify the entrance to the American Street plant (Plant #15, Dyeing & Finishing). They want to widen and pave the red shaded area as shown on a map presented, at the intersection of Back Street and American Street, and asked that a stop sign be put up on Back Street to give right-of-way to traffic exiting the plant. They plan as well to plant natural landscaped areas within the plant property outside the right-of-way. The other items they had previously requested were withdrawn. Councilman Hope **MOVED** that the City accept the easement from American & Efird for the widening at the intersection of Back and American Streets as shown on survey by Tanner & McConnaughey, R. S., dated January 11, 1993, provided it is first paved to N. C. DOT specifications; motion seconded by Councilwoman Harris and carried with five ayes. Councilman Hope **MOVED** that a stop sign be erected on Back Street adjacent to Plant #15 to give the right-of-way to traffic exiting the said mill; seconded by Councilman Small and carried with five ayes.

Councilwoman Nichols asked if Mr. Ellis would speak with Mrs. Virginia Young; Mrs. Young would like A & E to provide a truck that Mount Holly citizens can fill with provisions for the flood disaster area along the Mississippi River and have it transported out there. She said Mount Holly got a lot of assistance when Hugo came through and this is an opportunity to repay that kindness.

It would be things like dry goods, diapers, canned goods and water. Mr. Ellis said he did not have the authority to answer that quesion that evening, but would take the request to the Manager. The Council concurred that it would be a good idea. Rev. Murrow said it would be a nice thing, but he also cautioned them to contact someone out there to first determine which things are really needed.

Councilman Small reported that Mr. Ponder and the committee negotiating the water interconnect with Stanley met with their representatives. The committee recommends the City charge 150% of the inside rate for the first 100,000 gallons per day, and 125% of the inside rate for over that amount, with a maximum water sales of 1.5 million gallons per day, and a minimum 100,000 gallons per day, when interconnected. The Council concurred with this recommendation. It is being considered by the Stanley Council and they will report back.

City Manager Ponder had previously given the Council copies of the proposed resolution authorizing the sale of $3.4 million water and sewer bonds, Series 1993, which had been drafted by the bond counsel in New York. It enumerates the procedures, authorizes the City Manager to sell the bonds through The Depository Trust Company, and has a sample bond form attached. He anticipates 6{% interest but is not sure what they will sell for yet; our bond rating is "A". Mayor Black asked how our citizens can buy these tax-exempt bonds. Mr. Ponder said they would be bought through any stock broker.

Councilman Jessen introduced the following resolution, a copy of which had been provided to each Councilmember and which was read by its number and title:

No. 8-9-93(a)

RESOLUTION PROVIDING FOR THE ISSUANCE OF
$3,400,000 WATER AND SEWER BONDS, SERIES 1993

BE IT RESOLVED by the City Council of the City of Mount Holly:

Section 1. The City Council has determined and does hereby find, declare and represent:

(a) That an order authorizing not exceeding $1,400,000 Sanitary Sewer Bonds was adopted by the City Council of the City of Mount Holly on August 26, 1992, which order was approved by the vote of a majority of the qualified voters of said City who voted thereon at a referendum duly called and held on November 3, 1992.

(b) That none of said bonds has been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and that it is necessary to issue all of said bonds at this time.

(c) That an order authorizing $2,000,000 Water Bonds was adopted by said City Council on August 26, 1992, which order was approved by the vote of a majority of the qualified votes of said City who voted thereon at a referendum duly called and held on November 3, 1992.

(d) That none of said Water Bonds has been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of said Water bonds and that it is necessary to issue all of said Water Bonds at this time.

(e) That it is convenient to consolidate for the purpose of their issuance said $1,400,000 Sanitary Sewer Bonds and said $2,000,000 Water Bonds into a single issue of $3,400,000 Water and Sewer Bonds, Series 1993, as provided in Section 2 of this resolution.

(f) That the maximum period of usefulness of the enlargements, extensions and improvements to the sanitary sewer system of said City to be made from the proceeds of said Sanitary Sewer Bonds to be issued is estimated as a period of 40 years; that the maximum period of usefulness of the enlargements, extensions and improvements to the water system of said City to be made from the proceeds of said Water Bonds to be issued is estimated as a period of 40 years; and that the average of said two periods computed from September 1, 1993, the date of said Water and Sewer Bonds, Series 1993 to be issued as provided in Section 2 of this resolution, is period expiring on September 1, 2033.

(g) That (i) said City is a governmental unit with general taxing powers, (ii) no bond which is part of the issue of Bonds (as hereinafter defined) is a private-activity bond, as defined in the Internal Revenue Code of 1986, as amended (the "Code"), (iii) 95 percent or more of the net proceeds of the Bonds are to be used for local government activities of said City, (iv) the aggregate face amount of all tax-exempt obligations (other than private-activity bonds) issued by said City and all subordinate entities thereof during calendar year 1993 is not reasonably expected to exceed $5,000,000 and (v) to the best of said City's knowledge, there are no subordinate entities of said City.

Section 2. Pursuant to said order, there shall be issued bonds of the City of Mount Holly, North Carolina (the "Issuer") in the aggregate principal amount of $3,400,000, designated "Water and Sewer Bonds, Series 1993" and dated September 1, 1993 (the "Bonds"). The Bonds shall be stated to mature annually, March 1, $150,000 1995 to 2008, inclusive, $375,000 2009 and 2010, $400,000 2011 and $150,000 2012, and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on March 1, 1994 and semiannually thereafter on March 1 and September 1 of each year until payment of such principal sum.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One fully-registered Bond certificate for each stated maturity of the Bonds, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in the principal amount of $5,000 or any multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the Issuer may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by the Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the City Manager of the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified securities depository to replace DTC, the Issuer will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will deliver replacement Bonds in the form of fully-registered certificates in the denomination of $5,000 or any multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the Issuer may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor and the City Clerk of the Issuer and the corporate seal or a facsimile of the corporate seal of the Issuer shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following forms:

No. R- ...... $.........

United States of America
State of North Carolina
County of Gaston

CITY OF MOUNT HOLLY

WATER AND SEWER BONDS, SERIES 1993

Maturity Date	Interest Rate	CUSIP
....	....	....

The City of Mount Holly, North Carolina, a municipal corporation in Gaston County, North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the City Manager of said City (the "Bond Registrar"), the principal sum of

.... DOLLARS

and to pay interest on such principal sum from the date hereof or from the March 1 or September 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a March 1 or on September 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on September 1, 1993 and semiannually thereafter on March 1 and September 1 in each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of said City. Both the principal of and the interest on this Bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said City of Mount Holly are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "Water and Sewer Bonds, Series 1993" (the "Bonds") and issued by said City for the purpose of providing funds, with any other available funds, for enlarging, extending and improving the water and sanitary sewer systems of said City and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, two orders adopted by the City Council of said City, each of which was approved by the vote of a majority of the qualified voters of said City who voted thereon at a referendum duly called and held, and a resolution duly passed by said City Council (the "Resolution").

The Bonds maturing prior to March 1, 2004 are not subject to redemption prior to maturity. The Bonds maturing on March 1, 2004 and thereafter may be redeemed, at the option of said City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than March 1, 2003, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each Bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such Bond, such premium not to exceed 2% of such principal amount.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as said City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000 and, further, that so long as a book-entry system with The Depository Trust Company, New York, New York ("DTC") is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in the inverse order of their maturities.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, said City shall cause a notice of such redemption to be filed with the Bond Registrar and given by certified or registered mail to Cede & Co., the nominee of DTC, at its address appearing upon the registration books of said City. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date plus accrued interest to such date and, if moneys for payment of such redemption price and the accrued interest have been deposited by said City as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of $5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said City will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of $5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its office the books of said City for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as other- wise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within said City sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said City, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, said City of Mount Holly, by resolution duly passed by its City Council, has caused this bond to be manually signed by its Mayor and its City Clerk and its corporate seal to be impressed hereon, all as of the 1st day of September 1993.

Charles B. Black Jr.
Mayor

City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

City Manager of the City of
Mount Holly, North Carolina
as Bond Registrar

By ______________________________
Authorized Signatory

Date of authentication:__________________

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto

____

____

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints

____

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:____________ ______________________________

Signature Guaranteed:

____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing prior to March 1, 2004 will not be subject to redemption prior to maturity. The Bonds maturing on March 1, 2004 and thereafter will be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than March 1, 2003, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each Bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such Bond, such premium not to exceed 2% of such principal amount.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000 and, further, that so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in the inverse order of their maturities.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the Issuer, provided that such notice to Cede & Co. shall be given by certified or registered mail. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the Issuer to be held in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Issuer or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The City Manager of the Issuer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The Issuer covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Code except to the extent that the Issuer obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the owners of the Bonds for purposes of federal income taxation.

Section 7. The Issuer hereby represents that it reasonably expects that it and all subordinate entities thereof will not issue more than $10,000,000 of tax-exempt obligations (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 1993. In addition, the Issuer hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes of the Code.

Section 8. The actions of the Mayor and the City Manager of the Issuer in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds and the action of the Local Government Commission of North Carolina in asking for sealed bids for the Bonds by publishing notices and printing and distributing an Official Statement and a Supplement to such Official Statement relating to the sale of the Bonds are hereby ratified and approved. Such Official Statement, dated August 6, 1993 and substantially in the form presented at this meeting, is hereby approved, and the Mayor and the City Manager of the Issuer are each hereby authorized to approve changes in such Official Statement, to approve such Supplement, and to execute such Official Statement and such Supplement for and on behalf of the Issuer.

Section 9. The Letter of Representations, as requested by DTC in connection with the issuance of the Bonds and in substantially the form presented at this meeting, is hereby approved, and the City Manager of the Issuer is hereby authorized to complete and execute such Letter of Representations and to deliver the same to DTC for and on behalf of the Issuer.

Section 10. This resolution shall take effect upon its passage.

Upon motion of Council member Jessen, seconded by Council member Hope, the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF $3,400,000 WATER AND SEWER BONDS, SERIES 1993" was passed by the following vote:

Ayes: Council members all five present
______________________________.

Noes: zero.

*   *   *   *   *   *

Tax releases were approved for 1990 taxes in the amount of $12,086.42 and 1990 penalties in the amount of $5,741.40, totaling $17,827.82, upon **MOTION** by Councilman Jessen, seconded by Councilman Small, carried with five ayes. This release is related to a discovery by the County on a tax bill for American & Efird Mills, Inc. in 1990, after which it had paid the City $66,698.90. However, they appealed, and as a result, a correction has been made to the discovery which causes this refund. The City still netted $48,871.82 from the discovery. Councilan Jessen asked what account this would be paid from; it will be refunded from the tax revenue account.

The floor was opened to Complaints and Petitions not on the agenda. Mr. Merlin Brown was recognized. He asked if City staff had gone out to check on the complaint about water pressure on Ridge Drive; they had. He said he has complained for years about his water pressure and no one has come to check on his. He continued that nine months ago the Council voted to get the water tanks and they have not begun and it is taking too long. He said under N. C. law he is entitled to the same water service as any other citizen. Mayor Black said the bids have been let and construction will begin soon, and the City is doing all it can to get the water tanks built. Mr. Brown began making a political speech and was asked to sit down as the Mayor stated the Council meeting is not allowed to be used for that purpose.

Mayor Black stated that Mr. Ferrell, owner of Granny's Kitchen, has asked if the Council would speak to the matter of the buffer requirements Mr. Roberts has required, because he did not think he would have to do any of that. The minutes for that meeting included the requirement for a buffer on one side. Councilman Hope recalled that the Council agreed there was enough natural buffer on that side, and on the other side the lady did not want a fence put up. Councilman Jessen agreed and he recalled that being discussed; so did Councilwoman Harris. The Council asked the City Attorney to advise them as to what to do. He asked for time to read over the minutes.

Councilman Small stated that a dead end street sign has been put up at Houston Street, but people still go through the apartments' parking lot, and so he asked that the Council have the gate closed and give the fire department a key if it needs to go through. The Council concurred, due to the fact that this was not to be a through street.

Councilman Small said the City has still not given Boyce Sherrill his aerial photos which he had paid for. Mr. Roberts said he has given Mr. Sherrill the mylar and several copies, and he has given him copies of the aerial photos; it was his position that Mr. Sherrill "piggy-backed" on the work the City paid for and the City is entitled to the photos. Councilman Jessen agreed because the City paid for the plane flyover when the photos were taken and all they had to do was pull the negative when he ordered that map. The Council took no action.

The Council took a five minute recess.

City Attorney Michael, after reading the minutes of May 26th, said that five conditions were made on Ferrell's permit including a buffer strip on the Edwards' boundary, although there was discussion by the Council about existing natural buffer. He stated that if the Council finds this to be a clerical error and not reflecting accurately its decision, they are allowed to correct the minutes. Councilman Jessen **MOVED** that the minutes of May 26, 1993, last page, be amended to delete the item regarding a buffer strip requirement, seconded by Councilman Hope, carried by five ayes.

The Council went into executive session for attorney-client purpose upon **MOTION** by Councilman Hope, seconded by Councilwoman Harris, carried by five ayes. The Council returned to open session upon **MOTION** by Councilman Small, seconded by Councilman Jessen, carried by five ayes.

Councilman Hope asked about a variance request made by John Dunn to the Board of Adjustments regarding the height of a fence, which they want to send to the Council. He felt they should either grant the variance or enforce the ordinance and not delay, but they gave no ruling. The City Attorney agreed that they have only two choices, either to grant the variance or not, and also said there has been a N. C. court case which held that when a property owner is in violation and the City does not move to have the violation corrected within a certain time period, its rights to require correction are waived.

The meeting was then adjourned at 9:35 P. M. upon **MOTION BY** Councilman Small, seconded by Councilman Hope, and carried by five ayes.

Phillip S. Pardy Jr.
City Clerk

Charles B. Black Jr.
Mayor

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