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April 17, 2024

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925

Re: Financing of the Acquisition and Improvement of the Electric Operations
Building for the City of New Bern, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of New Bern, North Carolina (the "City") hereby notifies you of its intent to enter into an installment financing agreement (the "Installment Financing Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina or to issue a revenue bond (the "Revenue Bond") pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended, to finance the acquisition, constructing, renovation and equipping of an existing building for use by the City as the Electric Operations Building to provide administrative, office, operational and warehouse space for the City's Electric Utility (the "Project") and (b) certain other costs associated with such financing. The City has solicited proposals from various financial institutions to provide the financing for the Project and, upon receipt and review of such proposals, will determine if it will proceed with financing the Project (the "Financing") as the Installment Financing Agreement or the Revenue Bond with the selected financial institution (the "Financial Institution"). At present, the City anticipates that it will enter into the Financing in an amount not to exceed \$2,200,000.

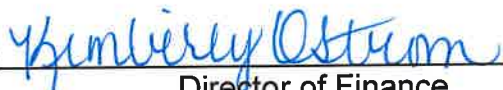
If the City determines to enter into the Installment Financing Agreement with the Financial Institution to provide for the Financing, it will secure its obligations under the Installment Financing Agreement by executing and delivering a deed of trust, for the benefit of the Financial Institution, granting a lien on all or a portion of the Project, together with any improvements and fixtures located or to be located thereon.

If the City determines to issue the Revenue Bond for purchase by the Financial Institution at a private negotiated sale to provide for the Financing, its obligations will be secured by a Trust Agreement, dated as of June 1, 2013 (as supplemented and amended, the "Trust Agreement"), between the City and Branch Banking and Trust Company (succeeded by Truist Bank), as trustee. Obligations issued under the Trust Agreement are special obligations of the City, payable from and secured by a pledge of Net Receipts (as defined under the Trust Agreement) of the combined enterprise system, and under certain circumstances by investment earnings and certain net insurance and other proceeds.

The City anticipates that the North Carolina Local Government Commission will consider approval of the Financing at its meeting scheduled for June 4, 2024. It is expected that the Financing will close on or about June 15, 2024 and have a term of approximately 15 or 20 years. The Financing is expected to be issued through a direct bank loan with a bank or other financial institution, at which time the interest rate and the term shall be determined.

If you have any questions or require any further information, please do not hesitate to contact me.

CITY OF NEW BERN, NORTH CAROLINA

By: 
Director of Finance

cc: Local Government Commission