

PUBLIC HEARINGS SET

Area Towns Proceed With Bond Purchase Agreements

Governing boards of four areas towns took steps this week to repurchase their Farmers Home Administration bonds prematurely and collectively save hundreds of thousands of dollars.

Boards at Shallotte, Holden Beach, Ocean Isle Beach and Sunset Beach all adopted refunding bond orders and scheduled public hearings for either May 23 or 24 at their respective town halls.

They are among an estimated 150 local governments across North Carolina taking advantage of an FmHA refinancing package. The plan offers towns and counties significant discounts for paying of their loans immediately or in less time than originally agreed.

These four Brunswick County are taking advantage of FmHA discounts of 35 to 40 percent to those who pay off their full loans immediately.

The towns will borrow money from private banks at higher interest rates to pay off their FmHA bonds. Despite higher interest rates (from 6.5 percent to 10.5 percent statewide) the borrowers save money because of the discounts.

In all cases except one, the bonds were sold to fund water systems. Shallotte sold its bond issue to FmHA to finance the town's wastewater treatment plant.

The discount program stems from efforts to cut the federal budget deficit. The Omnibus Budget Reconciliation Act of 1986 and the Continuing Appropriations Act of 1987 require FmHA to sell enough community program loans to realize net proceeds of \$588 million by the end of September.

Holden Beach

Holden Beach has the most to gain of any South Brunswick Islands community from the FmHA discount program, with the possibility of saving \$2 million or more in principal and interest.

The town has outstanding water system bonds of \$1,006,000 from 1979 and \$338,000 in water tank bonds from 1981, with a combined outstanding principal of \$1,344,000. The bonds mature in 32 years and under the current financing plan would cost the town \$3,209,419 in that time.

The town plans to buy back the bonds at prices discounted up to 40 percent, then reissue them to a private bank on 10- to 15-year repayment terms. Commissioners are looking at various ways to reduce the principal and shorten the repayment period for even greater savings, if at slightly higher annual payments.

Monday night the board adopted a refunding bond order and set a public hearing for May 24 at 7 p.m. However, Town Administrator Tommy Birmingham said commissioners decided to wait until after the public hearing to determine the exact down payment and prepayment to make and which financial institution with which to do business.

The town has received firm offers from four banks on financing \$450,000 to \$680,000. First Citizens offered prime rate plus one-half percent with a 10.5 percent cap provided the town investment a minimum of \$100,000 for the life of the loan. First Union offered 10.25 percent fixed for 10 years; United Carolina Bank, 10.2 percent fixed for 10 years; and Wachovia, 10.10 percent fixed for 10 years, with the condition the town make no

prepayments on the interest for the first five years.

Shallotte

During a special meeting Monday, Shallotte Aldermen adopted their refunding bond order and set a public hearing for May 23 at 7:30 p.m.

Under the existing FmHA sewer bond agreement, Shallotte still owes \$200,000 and faces annual payments of \$13,000 for the next 23 years.

To repurchase the bond, the town will borrow about \$137,000, which can be paid off in ten years at annual installments of about \$23,000.

According to Town Clerk Cynthia Long, the town has been guaranteed a 10 percent fixed interest rate on a 10-year loan from Security Savings and Loan and will save about \$83,000 in principle and interest.

During last Wednesday's regular town meeting, aldermen discussed the bond repurchase matter for about an hour before authorizing the town clerk to ask for a time extension in making a decision.

The Local Government Commission had requested notice from all towns interested in participating in the discount purchase program no later than May 4, but gave the Town of Shallotte until the morning of May 5 to make its decision since the board met the evening of May 4.

While board members agreed last week that the town should try to save any money it can, they were unsure whether to pursue the bond purchase based on the extra \$10,000 in annual payments. Board members were also unsure whether the town could apply the five percent deposit which was required to be paid no later than May 6 toward this year's bond payment if they eventually decided against the bond purchase.

Clerk Long said last Thursday that the town contacted the Local Government Commission that morning and said it would pursue the repurchase of its FmHA bond. This was after aldermen learned that the town would not lose its \$10,000 deposit under any circumstances.

On Friday, the town clerk delivered the deposit to the Farmers Home Administration office in Wilmington.

Sunset Beach

Also Monday, Sunset Beach Town Council adopted its refunding bond order and set a public hearing for May 23 at 7:30 p.m.

According to Town Administrator Linda Fluegel, the town will receive a \$193,000 principal discount from Farmers Home on the \$449,000 it still owes by repurchasing its water bond early.

Sunset Beach nows pays \$30,000 per year on the FmHA bond which was sold in 1979. It will not mature until the year 2017.

Although the town had not received any definite loan offers from local banks, Mrs. Fluegel said the town

will face payments of about \$39,000 for the next 10 years with an 11 percent bank loan and would save some \$400,000 in principal and interest in the process.

The town's five percent deposit of \$22,475 was delivered to the FmHA office last Thursday.

Ocean Isle Beach

Ocean Isle Beach Commissioners set its public hearing for May 24 at 9 a.m.

The town plans to borrow money from a local bank to repurchase its bond for \$152,000, instead of the \$230,000 which is still owed on the loan, and save about \$140,000.

Ocean Isle hopes to save between \$80,000 and \$90,000 in principal and another \$52,000 in interest payments through the discount program. The

bank loan can be paid off in 10 years, while the town would have faced bond payments through fiscal year 2010.

During the regular monthly meeting Tuesday, Mayor Betty Williamson said the town received a letter of commitment from United Carolina Bank concerning the loan. She said it was offered at a fixed interest rate of 10.15 percent over a 10-year period and that it was the best offer received.

The town will have to pay about \$24,000 per year for the bank loan, while it now makes annual payments of \$20,000 on the Farmers Home loan. The mayor had previously stated, however, that the increase in annual payments would not present a problem.



STAFF PHOTO BY SUSAN USHER

Preparing For The Games

Lucille Johnson (above) eyes the progress of her shuffleboard disk last Wednesday at Shallotte Township Park as Cora Lee Turner looks on. Competitors Everlena Jones and Laddie Pelham (not pictured) claimed the wind was to their opponents' advantage. The four Leland seniors were among about 50 practicing for the first Brunswick County Senior Games to be held June 2-4, with competition in 15 areas from billiards to tennis. County winners will automatically qualify for the state's Senior Games, according to Tina Pritchard of the Brunswick County Parks and Recreation Department.

Policy On Animal Control Calls Changed By Board

In response to recent action by county commissioners, the Brunswick County Health Board this week decided that animal control officers will answer only emergency animal bite calls after regular office hours.

On a motion by Pearly Vereen, health board members Monday night voted unanimously to change the animal control policy as of Tuesday (May 10), according to Administrative Assistant Kay Moore. The animal shelter is open weekdays from 8 a.m. to 4:30 p.m.

The policy also was changed to authorize animal control officers to be paid for at least two hours of work when they are "on call," Ms. Moore said.

At their May 2 meeting, county commissioners denied a request from the health department to allow animal control officers to drive coun-

ty vehicles home from the animal shelter. A county policy adopted earlier this year requires that all county vehicles—except sheriff's department and emergency management vehicles—must be parked at work stations after working hours.

Health Director Michael Barrett-Rhodes last week requested that commissioners allow the policy variance due to the considerable number of after-hours calls being received by animal control officers. The animal shelter is located off N.C. 211 near Supply.

Commissioners last week denied the request on the grounds that they needed to either stand firm on their policy or allow all county vehicles to be driven home. The policy was adopted this year as a cost-saving measure suggested by County Manager John T. Smith.

RDC Awards Contract

BY RAHN ADAMS

Copies of a popular tourism brochure promoting Brunswick County's "liveability" will be back in circulation soon.

According to Executive Director Michael de Sherbinin, the Brunswick County Resources Development Commission Monday night awarded a printing contract for the brochure to low-bidder Wilmington Printing Company for \$5,095.

De Sherbinin said 10,000 copies of the 16-page, full-color brochure will be printed. It is distributed free to non-profit organizations and at a minimal charge to other groups.

The RDC also discussed plans to update another brochure which features tourist attractions in Brunswick County.

As of Tuesday's deadline, the board had received about 70 questionnaires from 106 groups from whom information about local attractions is being sought, the director said. The RDC staff is contacting the remaining organizations by telephone this week, he added.

De Sherbinin noted that the brochure features information on marinas, golf courses, festivals and other attractions in Brunswick County. After information and photographs are compiled, the board will seek bids on reprinting the pamphlet.

In other business, the RDC tabled action for later consideration on a funding request from the N.C. Marine Research and Development Crescent, de Sherbinin said.

The one-year-old Wilmington-based organization serves Brunswick, Carteret, New Hanover, Onslow and Pender counties. The organization has asked each county for funding on a per capita basis, he said. Brunswick's share is \$4,350.

De Sherbinin said the RDC tabled the matter until it receives word on its own funding allocation in the county budget, since the organization's request was submitted after the RDC submitted its proposed budget to the county finance department.

Also at Monday's meeting, the RDC was brought up to date on several matters involving Leland Industrial Park.

De Sherbinin said the board is considering a joint venture with KBK Enterprises to construct a four-sided cement sign at the entrance of the park on Mt. Misery Road.

Also, engineering bid specifications and a scope of work were completed Friday for construction of a 2,660-foot gravity sewer line in the industrial park. De Sherbinin said the project is being advertised this week, with bids to be opened May 31.

The director also informed board members that an auditor from the N.C. Department of Natural Resources and Community Development recently conducted a monitoring visit to review the RDC's involvement in the Lifescapes project in Leland Industrial Park. The auditor found "everything in order," de Sherbinin reported.

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