

MINUTES OF METROPOLITAN SEWERAGE DISTRICT BOARD

COMMUNICATIONS:

WALKER, WOODY & HEIMERDINGER, BOND BROKERS  
STONEY KNOB DEVELOPMENT CORPORATION

ACTION ON RESOLUTION, INTRODUCED BY ATTORNEY, DEFERRED TO NEXT MEETING  
CONFERENCE WITH MR. BOYLE, MR. EASTERLING ET AL TO BE HELD WITHIN TWO  
WEEKS IF POSSIBLE

The meeting of the Metropolitan Sewerage District Board was held in the Board Room 501, City Building, Asheville, North Carolina, at 2:00 p. m. on Tuesday, August 20, 1963.

The meeting was called to order by Chairman Peterson and the roll called by Mrs. Swicegood, Secretary, with the following members being present: Mr. Peterson, Mr. Garrison, Mrs. Swicegood, Mr. Adams, Mr. Dawson, Mr. Finch, Mr. Reagan, Mr. Robinson, and Mr. Tandy.

Upon motion of Mr. Finch, reading of the minutes was dispensed with and they were approved as recorded, by unanimous vote.

A letter from Walker, Woody & Heimerdinger, expressing interest in buying bonds and asking to appear before the Board, was read by Mr. Johnson. Mr. Johnson stated that he had checked with Mr. Easterling and established that they were legitimate bond brokers, but that such a request was premature. The Board authorized Mr. Johnson to so inform them.

A communication from Stoney Knob Development Corporation requesting inclusion in the Metropolitan Sewerage District was presented by Mr. Johnson, and the matter was referred to Mr. Redmond, Attorney, for study.

Mr. Redmond, Attorney, reported that he had furnished Bond Attorneys with all required data. He then read a proposed resolution with reference to financing and procedure.

Mr. Peterson stated that it was the opinion of Mr. Easterling that revenue bonds were not practical. Mr. Redmond further stated that general obligation bonds, additionally secured by revenue, were readily marketable, and that the increase of interest rates for revenue bonds, would constitute a sizeable amount, one which was worthy of consideration. Mr. Redmond informed the Board that Mr. Boyle approved presentation of such a resolution of intent at this time, and had further assured him that a properly drawn resolution, addressed to the County Commissioners, requesting an election, would be prepared within two weeks setting forth details of procedure and time schedule.

Mr. Adams raised the question that prior to this revenue bonds had been the objective of the Board and questioned Mr. Easterling's authority to determine the method of financing by an autonomous body such as the Metropolitan Sewerage District. He further stated that it was his understanding that revenue bonds had proved solid and feasible in other areas and he was distressed and concerned over the prospects of the use of general obligation bonds rather than revenue bonds.

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Mr. Hendon stated that he had been approached by a bond broker who was interested in revenue bonds and mentioned a possible rate of 3 3/4 per cent.

After lengthy discussion in which it was brought out that according to the Enabling Act bonds must be approved and marketed by the Local Government Commission, that the resolution which had been introduced was not binding but would notify the public of the possibility of an election establishing full faith and credit to secure revenue bonds which it is believed would be self-retiring, and that such election be held in the calendar year of 1963. Mr. Adams moved that action on the resolution be deferred until the next meeting and that Mr. Boyle and a bond consultant be requested to appear at a special meeting to be held prior to the next regular session. Mr. Finch suggested that the bond broker, mentioned by Mr. Hendon, Mr. Boyle, and Mr. Easterling be invited to attend such special meeting. Mrs. Swicegood asked to amend this to two weeks, however, it was decided that the date would have to be determined by the availability for the parties involved, but to be set, hopefully, in a shorter time.

A roll-call vote on the amended motion was as follows: Mr. Peterson "No"; Mr. Garrison "Yes"; Mrs. Swicegood "Yes"; Mr. Adams "Yes"; Mr. Dawson "Yes"; Mr. Finch "Yes"; Mr. Reagan "Yes"; Mr. Robinson "Yes"; and Mr. Tandy "Yes."

There being no further business, the meeting adjourned at 3:45 p. m.

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Secretary