

LOCAL GOVERNMENT COMMISSION  
APRIL 7, 2020

- 1. PLEDGE OF ALLEGIANCE
- 2. TOAST TO THE FLAG
- 3. CONFLICT OF INTEREST STATEMENT
  
- 4. MINUTES FOR APPROVAL  
March 3, 2020

**(FINAL)**

**RELATED INFORMATION**  
Approximate Per Capita Debt  
03/31/20  
State: \$ 564  
Federal: \$ 71,375

| <u>Unit</u>                                     | <u>Type</u>                | <u>Purpose</u>                                    | <u>Amount</u> | <u>Comments</u> | <u>Page Number</u> | <u>Last request to Borrow</u> | <u>Voted/ Non-Voted</u> |
|---|----------------------------|---|---------------|-----------------|--------------------|-------------------------------|-------------------------|
| Update on Eureka & Cliffside Sanitary District  |                            |   |               |                 |                    |                               |                         |
|   | Update                     |   |               |                 |                    |                               |                         |
| Archer Lodge Water District (Johnston Co.)      | Revolving                  | Water   | \$ 1,701,000  | Unit Letter     | 2                  | FA 8-2018 \$850K              |                         |
| Beaufort, Town of                               | Financing Agreement        | Street improvements                               | \$ 3,675,000  | Unit Letter     | 2                  | FA 12-2015 \$3M               |                         |
| Candor, Town of                                 | Financing Agreement        | Municipal Building                                | \$ 450,000    | Unit Letter     | 2                  | FA 7-208 \$350K               |                         |
| Columbus, County of                             | Financing Agreement        | Communications Equipment                          | \$ 4,519,000  | Unit Letter     | 3                  | FA 10-2019 \$14.6M            |                         |
| Halifax, County of                              | Financing Agreement        | Economic Development                              | \$ 1,000,000  | Unit Letter     | 3                  | GO 10-2017 \$3.25M            |                         |
| Ingrams Township Water Dist. (Johnston Co.)     | Revolving                  | Water   | \$ 2,950,000  | Unit Letter     | 4                  | RL 5-2019 \$3M                |                         |
| McGee's Crossroad Water District (Johnston Co.) | Revolving Loan             | Water   | \$ 5,586,000  | Unit Letter     | 4                  | RL 5-2019 \$3M                |                         |
| Salisbury, City of                              | Annexation                 | South Salisbury Fire District                     | NA            | Unit Letter     | 4                  | RB 3-2020 \$46.5M             |                         |
| Windsor, Town of                                | Revolving Loan             | Sewer   | \$ 1,914,000  | Unit Letter     | 4                  | RL 9-2013 \$159K              |                         |
|   |                            |   |               |                 |                    |                               |                         |
| Cleveland, County of                            | Financing Agreement        | Economic Development - Building                   | \$ 6,000,000  |                 | 5                  | LOBs 9-2020 \$1.7M            |                         |
| Gastonia, City of                               | Financing Agreement        | Refinance Auditorium, Bldgs., Museum, Parks, etc. | \$ 8,640,000  |                 | 5                  | LOBs 9-2020 \$24M             |                         |
| Henderson, County of                            | Financing Agreement (LOBs) | School  | \$ 60,455,000 |                 | 6                  | FA 10-2018 \$2.7M             |                         |
| High Point, City of                             | Financing Agreement        | Municipal Building                                | \$ 18,175,000 |                 | 6                  | GO 3-2020 \$14.1M             |                         |
|   |                            |   |               |                 |                    |                               |                         |
| Haywood, County of                              | General Obligation         | Refunding   | \$ 2,900,000  |                 | 7                  | FA 9-2016 \$3.5M              | Non-Voted               |
|   |                            |   |               |                 |                    |                               |                         |
| Asheville Housing Authority (Arrowhead Apts.)   | Revenue                    | Multifamily Housing Revenue Note & Bond           | \$ 17,850,000 |                 | 8                  | NA                            |                         |
| Charlotte Housing Authority (DBA INLIVIAN)      | Revenue                    | Multifamily Green Tax-Exempt Mortgage Backed      | \$ 13,500,000 |                 | 9                  | RB 9-2019 \$11.5M             |                         |
| Clayton, Town of                                | Revenue Bond               | Sewer   | \$ 15,000,000 |                 | 10                 | GO 9-2019 \$18M               |                         |
| Jones, County of                                | Revenue                    | Water and Sewer                                   | \$ 7,657,000  |                 | 11                 | FA 12-2017 \$11.9 M           |                         |
|   |                            |   |               |                 |                    |                               |                         |
| Charlotte, City of                              | Revolving Loan             | Water   | \$ 5,540,000  |                 | 12                 | GO 2-2020 \$130M              |                         |
| Dunn, City of                                   | Revolving Loan             | Water   | \$ 875,750    |                 | 12                 | RL 10-02018 \$2.5M            |                         |
| Elizabeth City, City of                         | Revolving Loan             | Water   | \$ 268,326    |                 | 12                 | FA 3-2019 \$800K              |                         |
| Mount Holly, Town of                            | Revolving Loan             | Sewer   | \$ 4,710,000  |                 | 12                 | RL 12-2019 \$18.8M            |                         |
| Orange Water & Sewer Authority                  | Revolving Loan             | Water   | \$ 2,963,000  |                 | 13                 | RL 3-2020 \$2.2M              |                         |
| Sampson, County of                              | Revolving Loan             | Water   | \$ 441,500    |                 | 13                 | RL 3-2020 \$906K              |                         |
| Yadkin County Sewer Authority                   | Revolving Loan             | Sewer   | \$ 770,475    |                 | 13                 | FA 6-2019 \$361K              |                         |
|   |                            |   |               |                 |                    |                               |                         |
| Metropolitan Sewerage Dist. Of Buncombe County  | Revenue                    | Misc. Action - Amendment to Swap Agreement        |               |                 | 14                 | RB 7-2017 \$40M               |                         |
| Roanoke Rapids, City of                         | Revenue                    | Misc. Action - Amendment to bond order            |               |                 | 14                 | RB 10-2019 \$3.6M             |                         |
| Wake, County of                                 | General Obligation         | Misc. Action - Negotiated sale or Bank Placement  |               |                 | 15                 | GO 3-2020 \$3M                |                         |
|   |                            |   |               |                 |                    |                               |                         |
| Greenville, City of                             | Annexation                 | Miscellaneous - Action                            | \$ 674        |                 | 15                 | REV 5-2019 \$56M              |                         |
| Greenville, City of                             | Annexation                 | Miscellaneous - Action                            | \$ 1,300      |                 | 16                 | REV 5-2019 \$56M              |                         |
| Winston-Salem, City of                          | Annexation                 | Miscellaneous - Action                            | \$ 147        |                 | 16                 | REV 3-2020 \$231M             |                         |

| UNIT  | PROJECT  | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT  | ADEQUATE NOT EXCESSIVE                                       | DEBT MANAGEMENT   | FEASIBILITY/ TAX INCREASE   | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE   | MARKETABILITY |
|---|--|--|--|---|---|--|---------------|
| <b>ARCHER LODGE WATER DIST. (JOHNSTON COUNTY)</b><br>Water<br>\$1,701,000<br>G.S. 159G-22<br>Revolving Loan | Construction of a new 500,000 gallon elevated storage tank including electrical grounding and SCADA. | Necessary and expedient to help the region meet full day storage requirements due to the growing demand of the District and surrounding areas. | Cost estimates provided by Johnston County Public Utilities. | The County received a unit letter due to internal control deficiencies noted by the auditor in both the management letter and the compliance reports; including delayed bank reconciliations, failure to complete daily deposits, missing balance sheet account reconciliations, and a need to revisit the procurement card policy. The County provided a satisfactory response. A unit visit was conducted on February 18, 2020. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$42.20<br>Sewer: N/A | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |

|   |  |  |               |  |  |   |    |
|---|--|--|---------------|--|--|---|----|
| <b>TOWN OF BEAUFORT</b><br>Streets<br>\$3,675,000<br>G.S. 160A-20<br>Installment Purchase Contract<br>Private Placement | This project consists of the reconstruction and resurfacing of six lane miles of street; rehabilitation of storm water, water and sewer lines on one block; sidewalk construction; rehabilitation one block of sidewalk and retaining walls. | Necessary and expedient for the safety and welfare of residents of, and visitors to, Beaufort. | Bids in hand. | The Town received a unit letter because the Town's audited financial statements for the fiscal year ended June 30, 2019 were not received by us until February 28, 2020, well after the due date of October 31, 2019. According to our records, the financial statements have been received late in the past. The Town provided a satisfactory response to the fiscal staff. | No tax increase is anticipated. General Fund revenues will provide for debt service. | Bank: Truist Bank<br>Approval Rate: 2.44%<br>Term: 15 Years<br>Market Rate: 2.4%<br>Payment: Annually<br>S&P: N/A<br>Moody's: N/A | NA |
| <b>Expected Sources and Uses of Funds:</b>  |  |  |               |  |  |   |    |
| <u>Sources:</u>   |  |  |               |  |  |   |    |
| Bank Loan   | \$ 3,675,000   |  |               |  |  |   |    |
| Total Sources:  | \$ 3,675,000   |  |               |  |  |   |    |
| <u>Uses:</u>  |  |  |               |  |  |   |    |
| Construction Cost   | \$ 3,277,277   |  |               |  |  |   |    |
| Engineer or Arch. Fees  | \$ 15,000  |  |               |  |  |   |    |
| Other Legal/Fiscal Cost   | \$ 80,900  |  |               |  |  |   |    |
| Administrative Cost   | \$ 25,546  |  |               |  |  |   |    |
| Contingency   | \$ 276,277   |  |               |  |  |   |    |
| Total Uses:   | \$ 3,675,000   |  |               |  |  |   |    |

| Purpose | Estimated Census | Amount       | Public Hearing | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |       |            |          |              |        |
|---------|------------------|--------------|----------------|-----------------------------|--------------------|--|----------|--|-------|------------|----------|--------------|--------|
|         |                  |              |                |                             |                    |  |          | To Property Values                     |       | Per Capita |          |              |        |
|         |                  |              |                |                             |                    |  |          | Before                                 | After | Before     | After    |              |        |
| Street  | 4,164            | \$ 3,675,000 | 3/23/2020      | \$ -                        | \$870,759,804      | 29,171,701                               | \$0.46   | 3.35%                                  | 3.77% | \$ 7,006   | \$ 7,888 | Carteret Co. | \$ 472 |

|  |  |   |               |  |   |   |
|--|--|---|---------------|--|---|---|
| <b>TOWN OF CANDOR</b><br>\$450,000<br>Municipal Building<br>G.S. 160A-20<br>Installment Purchase Contract<br>Private Placement | This project consist of the construction of a new fire station for Candor Volunteer Fire Department. | Necessary and expedient because the current building is old and outdated and the Department has outgrown the facility. Also, trucks are larger and won't fit in the current building. | Bids in hand. | The Town received a unit letter because the audited financial statements were not received by us until January 22, 2020; more than two months after the due date of October 31, 2019 and over six months after the fiscal year end. According to our records the town's statements also were received late in the prior year. The Town provided a response to the unit letter which was satisfactory to the fiscal staff. The Fiscal staff also noted that the Town has improved its fund balance available percentage to 65.40% of General Fund expenditures, up from 45.54% in 2018. | Bank: First Bank<br>Approval Rate: 2.40%<br>Term: 20 Years<br>Market Rate: 2.75%<br>Payment: Annually<br>S&P: N/A<br>Moody's: N/A | Installment purchase contract is more timely than issue of G.O. Bonds |
| <b>Expected Sources and Uses of Funds:</b>   |  |   |               |  |   |   |
| <u>Sources:</u>  |  |   |               |  |   |   |
| Bank Loan  | \$ 450,000   |   |               |  |   |   |
| Cash   | \$ 400,000   |   |               |  |   |   |
| Total Sources:   | \$ 850,000   |   |               |  |   |   |
| <u>Uses:</u>   |  |   |               |  |   |   |
| Construction Cost  | \$ 749,150   |   |               |  |   |   |
| Contingency  | \$ 100,850   |   |               |  |   |   |
| Total Uses:  | \$ 850,000   |   |               |  |   |   |

| Purpose            | Estimated Census | Amount     | Public Hearing | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |       |            |        |  |  |
|--------------------|------------------|------------|----------------|-----------------------------|--------------------|--|----------|--|-------|------------|--------|--|--|
|                    |                  |            |                |                             |                    |  |          | To Property Values                     |       | Per Capita |        |  |  |
|                    |                  |            |                |                             |                    |  |          | Before                                 | After | Before     | After  |  |  |
| Municipal Building | 843              | \$ 450,000 | 2/3/2020       | \$ -                        | \$64,256,597       | 309,828                                  | \$0.65   | 0.48%                                  | 1.18% | \$ 368     | \$ 901 |  |  |

| UNIT   | PROJECT   | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT  | ADEQUATE NOT EXCESSIVE                       | DEBT MANAGEMENT  | FEASIBILITY/ TAX INCREASE  | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE   | MARKETABILITY   |
|--|---|--|--|--|--|--|---|
| <b>COLUMBUS COUNTY</b><br>\$4,519,690<br>Radio Equipment<br>G.S. 160A-20<br>Installment Purchase Contract<br>Private Placement | This project consists of the upgrades to the Viper Radio system and paging system.<br><br><u>Expected Sources and Uses of Funds:</u><br><u>Sources:</u><br>Bank Loan \$ 4,519,690<br>Cash \$ 487,431<br>Total Sources: \$ 5,007,121<br><br><u>Uses:</u><br>Construction Cost \$ 4,129,535<br>Engineer Design.Admin. Fee \$ 857,586<br>Contingency \$ 20,000<br>Total Uses: \$ 5,007,121 | Necessary and expedient to be able to communicate with other Emergency Services and Law Enforcement Agencies during a time of disaster and on a daily basis. | Acquisition cost provided by State Contract. | The County received a unit letter because the financial statements were submitted late in each of the past three years. Also, the auditor noted an internal control deficiency that certain account balances were not adequately adjusted and reconciled. Lastly, the Auditor reported that the county revenue bonds require that the system maintain at at least 100% coverage ratio of income available for debt service. The pledge revenue coverage calculation indicated actual coverage of 87.09%. The County provided a satisfactory response. A unit visit was conducted on 2/25/2020. | No tax increase is anticipated. General Fund revenues will provide for debt service. | Bank: Truist Bank<br>Approval Rate: 1.89%<br>Term: 5 Years<br>Market Rate: 1.9%<br>Payment: Annually<br>S&P: N/A<br>Moody's: N/A | Installment purchase contract is more timely than issue of G.O. Bonds |

| Purpose   | Estimated Census | Amount       | Public Hearing | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |            |        |        |
|-----------|------------------|--------------|----------------|-----------------------------|--------------------|--|----------|--|------------|--------|--------|
|           |                  |              |                |                             |                    |  |          | To Property Values                     | Per Capita | Before | After  |
| Equipment | 56,649           | \$ 4,519,690 | 1/21/2020      | \$ -                        | \$3,862,226,708    | 34,391,994                               | \$0.65   | 0.89%                                  | 1.01%      | \$ 607 | \$ 687 |

|  |  |   |                   |  |  |  |   |
|--|--|---|-------------------|--|--|--|---|
| <b>HALIFAX COUNTY</b><br>\$1,000,000<br>Economic Development<br>G.S.160A-20<br>Installment Contract<br>Private Placement | Expansion of a County owned industrial building. The building is 50,000 square feet and currently leased to PCB Piezotronics.<br><br><u>Expected Sources and Uses of Funds:</u><br><u>Sources:</u><br>Bank Loan \$ 1,000,000<br>Grants \$ 500,000<br>Golden Leaf \$ 535,000<br>Total Sources \$ 2,035,000<br><br><u>Uses:</u><br>Project Costs: \$ 1,990,000<br>Costs of Issuance \$ 45,000<br>Total Uses \$ 2,035,000 | Necessary and expedient to advance the economic vitality of one of the County's largest taxpayers which has agreed to a \$4.5m investment and the creation of 120 jobs. | Bids are in hand. | The County received a unit letter due to submission of a late audit for two consecutive fiscal years. The County responded that they have experienced extenuating circumstances outside of County control that should not happen in the current fiscal year. The County has also engaged in conversations with the component unit and their auditors to encourage timely submission. The response was considered satisfactory. | No tax increase is necessary. Debt service will be paid from the revenues to the General Fund. | Lender: Truist Bank<br><br><b>APPROVALS</b><br>Amount not to exceed: \$ 1,000,000<br>Approval rate: 2.710%<br>Term (Years): 10<br>Market Rate: 2.50%<br>Payment: Annual Principal and Interest<br><br>Current G.O. Ratings:<br>S&P: N/A<br>Moody's: N/A<br><br><b>FINANCING TEAM</b><br>Bond Counsel: Parker Poe Adams & Bernstein LLP<br>Financial Advisor: First Tryon Advisors<br>Bank Counsel: Pope Flynn, LLC | Installment financing is more timely than issuing G. O. Bonds |
|--|--|---|-------------------|--|--|--|---|

| Purpose              | Estimated Census | Amount       | Public Hearing | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |            |        |        |
|----------------------|------------------|--------------|----------------|-----------------------------|--------------------|--|----------|--|------------|--------|--------|
|                      |                  |              |                |                             |                    |  |          | To Property Values                     | Per Capita | Before | After  |
| Economic Development | 51,310           | \$ 1,000,000 | 3/9/2020       | \$ -                        | \$ 3,293,624,396   | \$ 27,035,934                            | \$0.7200 | 0.82%                                  | 0.85%      | \$ 527 | \$ 546 |

| UNIT  | PROJECT  | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT   | ADEQUATE NOT EXCESSIVE                                       | DEBT MANAGEMENT   | FEASIBILITY/ TAX INCREASE   | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE   | MARKETABILITY |                           |                           |                |               |                                 |  |      |          |
|---|--|---|--|---|---|--|---------------|---------------------------|---------------------------|----------------|---------------|---------------------------------|--|------|----------|
| <b>INGRAMS TOWNSHIP WATER (JOHNSTON COUNTY)</b><br>Water<br>\$2,950,000<br>G.S. 159G-22<br>Revolving Loan   | The Ingrams Township Water District Hydraulic Improvements Project includes construction and installation of a parallel 16" water main along a 13,700LF section of US 301 and modest improvements at the connection to the Town of Smithfield system.  | Necessary and expedient to allow the existing line on US 301 to be used to supply the West System in Johnston County, enabling the Town of Four Oaks to return to chlorinated water and the South Johnston Tank to "float" as it was designed to do aiding in the supply to the rapid growth West System. | Cost estimates provided by Johnston County Public Utilities. | The County received a unit letter due to internal control deficiencies noted by the auditor in both the management letter and the compliance reports; including delayed bank reconciliations, failure to complete daily deposits, missing balance sheet account reconciliations, and a need to revisit the procurement card policy. The County provided a satisfactory response. A unit visit was conducted on February 18, 2020. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$42.20<br>Sewer: N/A     | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |                           |                           |                |               |                                 |  |      |          |
| <b>MC GEE'S CROSSROADS WATER DISTRICT (JOHNSTON COUNTY)</b><br>Water<br>\$5,586,000<br>G.S. 159G-22<br>Revolving Loan   | This project consists of replacing approximately 14,900 linear feet of failing 12-inch water main along 210 with new 12-inch water main, and the installation of approximately 18,380 linear feet of new 20-inch water main along NC 210, parallel to the existing 12-inch water main.   | Necessary and expedient to replace infrastructure that is not usable due to construction deficiencies or premature material failure.  | Cost estimated provided by Johnston County Public Utilities. | The County received a unit letter due to internal control deficiencies noted by the auditor in both the management letter and the compliance reports; including delayed bank reconciliations, failure to complete daily deposits, missing balance sheet account reconciliations, and a need to revisit the procurement card policy. The County provided a satisfactory response. A unit visit was conducted on February 18, 2020. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$42.20                   | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | N/A           |                           |                           |                |               |                                 |  |      |          |
| <b>CITY OF SALISBURY</b> The City of Salisbury and the following fire department have requested approval of an annexation payment schedule developed in accordance with G.S. 160A-58.2A, whereby the City will make a lump sum payment for the City's proportionate share of outstanding debt as follows:   |  |   |  |   |   |  |               |                           |                           |                |               |                                 |  |      |          |
| <table border="1"> <thead> <tr> <th data-bbox="405 954 628 976">Volunteer Fire Department</th> <th data-bbox="790 954 1005 976">Effective Annexation Date</th> <th data-bbox="1112 954 1247 976">Payment Period</th> <th data-bbox="1284 954 1427 976">Reimbursement</th> </tr> </thead> <tbody> <tr> <td data-bbox="405 976 655 1000">South Salisbury Fire Department</td> <td data-bbox="790 976 1005 1000"></td> <td data-bbox="1112 976 1247 1000">2020</td> <td data-bbox="1284 976 1704 1000">\$489.75</td> </tr> </tbody> </table>   |  |   |  |   |   |  |               | Volunteer Fire Department | Effective Annexation Date | Payment Period | Reimbursement | South Salisbury Fire Department |  | 2020 | \$489.75 |
| Volunteer Fire Department   | Effective Annexation Date  | Payment Period  | Reimbursement  |   |   |  |               |                           |                           |                |               |                                 |  |      |          |
| South Salisbury Fire Department   |  | 2020  | \$489.75   |   |   |  |               |                           |                           |                |               |                                 |  |      |          |
| The City received a unit letter due to the financial position of the Broadband Fund, which has a deficit net position and requires transfers from the General Fund for its operations. The City responded by stating that they had leased the system to Hotwire Communication in 2018 and the lease revenues have been used to lessen the reliance on the General Fund. Additionally, the City renegotiated its existing taxable loan from 3.84% to 2.75% in October 2019 which should result in savings of approximately \$1.3 million over the loan's remaining term. The Broadband Fund is continuing to service its interfund loan from the Water/Sewer Fund. In 2029, the loan financing the acquisition and standing up of the Broadband Fund will be fully paid and the financial position of the fund is anticipated to improve significantly. The City's response was considered satisfactory. |  |   |  |   |   |  |               |                           |                           |                |               |                                 |  |      |          |
| <b>TOWN OF WINDSOR</b><br>Sewer<br>\$1,914,000<br>G.S. 159G-22<br>Revolving Loan  | This project includes the replacement of 80-GPM (gallons per minute) Windsor Village Pump Station; replacement of approximately 3, 100 linear feet of 6-; 8-; 10-; and 12-inch Gravity Sewers; replacement of twenty existing 4-foot manholes; replacement of one existing 5-foot manhole; remove comminutor at the WWTP (wastewater treatment plant); retrofit the manual bar screen for a mechanical bar screen at the WWTP; rehabilitate two Secondary Clarifiers at the WWTP and miscellaneous improvements. | Necessary and expedient to address inflow infiltration (I/I) issues which will also reduce the sources of groundwater and stormwater entering the sewer system, thereby decreasing the risks of hydraulic overloading.  | Cost estimated provided by The Wooten Company.               | The Town received a unit letter because the audited financial statements for the fiscal year ended June 30, 2019 were not received by us until January 31, 2020, well after the due date of October 31, 2019. According to our records, the financial statements have been received late in the past. The Town provided a satisfactory response to the fiscal staff.  | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$25.40<br>Sewer: \$30.25 | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |                           |                           |                |               |                                 |  |      |          |



| UNIT   | PROJECT  | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT   | ADEQUATE NOT EXCESSIVE             | DEBT MANAGEMENT                           | TAX INCREASE  | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE  |
|--|--|---|------------------------------------|---|---|---|
| <b>HENDERSON COUNTY</b><br>\$60,455,000<br>Limited Obligation Bonds Series 2020<br>160A-20<br>Installment Contract<br>Public Offering        | Acquisition, construction, equipping and renovation of Hendersonville High School. | Necessary and expedient to replace an ageing facility originally constructed in 1926. | Bids are in hand for all projects. | No major deficiencies. No defaults noted. | No tax increase is required. Debt service will be paid with revenues to the General Fund. | Structure: Straight line amortization with annual principal and semi-annual interest payments.<br><br>Expected Ratings: S&P: AA, Moody's: Aa3;<br>Expected Rate:<br>Effective Interest Cost: <b>2.880%</b><br>Expected Underwriters Fee/\$1,000: \$ 4.95                            |
| <u>Expected Sources and Uses of Funds:</u>   |  |   |                                    |   |   | <b>APPROVALS</b>  |
| Sources:<br>Limited Obligation Bonds at Par: \$ 50,400,000<br>Net Original Issue Premium \$ 10,055,656<br>Total Sources <u>\$ 60,455,656</u> |  |   |                                    |   |   | Amount Not To Exceed: \$ 60,455,000<br>Approval rate not to exceed: <b>4.250%</b><br>Final Maturity not beyond: 2040  |
| Uses:<br>Project Funds \$ 60,000,000<br>Issuance Costs \$ 254,056<br>Underwriters Discount \$ 201,600<br>Total Uses <u>\$ 60,455,656</u>     |  |   |                                    |   |   | <b>FINANCING TEAM</b><br>Bond Counsel: Parker Poe Adams & Bernstein LLP<br>Underwriter: PNC Capital Markets (Senior); R.W. Baird & Co.(Co.)<br>Underwriter's Counsel: Moore & Van Allen<br>Financial Advisor: Stifel, Nicholas & Co.<br>Trustee: U.S. Bank Corporate Trust Services |
| Limited Obligation Bond structure is more timely and feasible than G.O. Bonds  |  |   |                                    |   |   |   |

| Purpose | Estimated Census | Amount        | Public Hearing | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |       |            |          |
|---------|------------------|---------------|----------------|-----------------------------|--------------------|--|----------|--|-------|------------|----------|
|         |                  |               |                |                             |                    |  |          | To Property Values                     |       | Per Capita |          |
|         |                  |               |                |                             |                    |  |          | Before                                 | After | Before     | After    |
| School  | 106,740          | \$ 60,455,000 | 3/2/2020       | \$ -                        | \$ 14,206,704,269  | \$ 104,359,954                           | \$0.561  | 0.73%                                  | 1.16% | \$ 978     | \$ 1,544 |

|   |   |   |  |                                    |   |  |
|---|---|---|--|------------------------------------|---|--|
| <b>CITY OF HIGH POINT</b><br>\$18,175,000<br>G.S. 160A-20<br>Financing Agreement<br>Private Placement | Renovation and construction of a new Police Department HQ & Communication Center. | Necessary and expedient to replace an ageing facility that no longer meets the needs of the police department. The building will also free up space in City Hall when the communication center moves to the new facility. | The Construction Manager at Risk (CMAR) has provided the Guaranteed Maximum Price (GMP) for the project. | No deficiencies or defaults noted. | No tax increase is required. Debt service will be paid from revenues to the General Fund. | Bank: Pinnacle Bank<br>Amount \$ 18,175,000<br>Approval Rate: 2.150%<br>Term (years): 20<br>Market Rate: 1.90%<br>Payment: Annual principal and semi-annual interest |
| <u>Expected Sources and Uses of Funds:</u>  |   |   |  |                                    |   | Bank placement will not be rated. Current G.O. ratings:  |
| Sources:<br>Bank Loan \$ 18,175,000<br>Total Sources <u>\$ 18,175,000</u>                             |   |   |  |                                    |   | S&P: AAA<br>Moody's: Aa1<br>Fitch: AA+   |
| Uses:<br>Project Fund \$ 18,000,000<br>Cost of Issuance \$ 175,000<br>Total Uses <u>\$ 18,175,000</u> |   |   |  |                                    |   | <b>FINANCING TEAM</b><br>Bond Counsel: Parker Poe Adams & Bernstein LLP<br>Financial Advisor: Davenport & Company<br>Bank Counsel: McGuire Woods LLP                 |
| Installment purchase contract is more timely than issue of G.O. Bonds.                                |   |   |  |                                    |   |  |

| Purpose            | Estimated Census | Amount        | Public Hearing | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |       |              |          |
|--------------------|------------------|---------------|----------------|-----------------------------|--------------------|--|----------|--|-------|--------------|----------|
|                    |                  |               |                |                             |                    |  |          | To Property Values                     |       | Per Capita   |          |
|                    |                  |               |                |                             |                    |  |          | Before                                 | After | Before       | After    |
| Municipal Building | 114,183          | \$ 18,175,000 | 3/2/2020       | \$ 64,100,000               | \$ 9,902,560,403   | \$ 83,999,504                            | \$0.6135 | 1.50%                                  | 1.68% | \$ 1,297     | \$ 1,456 |
|                    |                  |               |                |                             |                    |  |          |  |       | Guilford Co. | \$ 1,313 |

| UNIT   | PROJECT   | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT                            | ADEQUATE NOT EXCESSIVE             | DEBT MANAGEMENT                           | TAX INCREASE                                | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE   | MARKETABILITY   |
|--|---|--|------------------------------------|---|---|--|---|
| <b>HAYWOOD COUNTY</b><br>\$2,900,000<br>G.S. 159-72<br>General Obligation Refunding Bond (Private Placement) | All or portion of bonds to be refunded: \$2,800,000 G. O. School Bonds, Series 2008, sold March 4, 2008 at a true interest cost of 3.8445%. Outstanding maturities carry interest rates of 4.00% to 4.125%, with an average interest rate of 4.0625%. | Necessary and expedient to provide savings on the outstanding issue. | Amount is adequate to redeem debt. | No major deficiencies. No defaults noted. | Debt service will be significantly reduced. | <p><u>Structure:</u><br/>Current refunding: Expected net present value savings of \$235,326 or 8.4% of the refunded bonds.</p> <p>The refunding bond will be structured with no extension of maturities, with the final maturity on 3-1-2027. Level annual savings are calculated at approximately \$33,520.</p> <p>Sale: Bank Placement<br/>Sale Date: On or about April 15, 2020</p> <p><b>Approvals:</b><br/>Amount: Not to exceed \$2,900,000<br/>Bank Rate: 1.52%<br/>Final Maturity: March 1, 2027</p> <p><b>Financing Team:</b><br/>Bond Counsel: Parker Poe Adams &amp; Bernstein LLP<br/>Financial Advisor: First Tryon Advisors<br/>Bank: JPMorgan Chase Bank, N.A.<br/>Bank Counsel: McGuireWoods LLP</p> | <p>Current G.O. Ratings:<br/>Moody's: Aa3<br/>S&amp;P: AA+</p> <p><b>(The Refunding Bond will not be rated)</b></p> |

| Purpose   | Estimated Census | Amount       | Election Date | Bonds Authorized & Unissued | Assessed Valuation | Existing Debt Excluding Enterprise Funds | Tax Rate | Debt Ratios-Excluding Enterprise Funds |       |            |       |            |
|-----------|------------------|--------------|---------------|-----------------------------|--------------------|--|----------|--|-------|------------|-------|------------|
|           |                  |              |               |                             |                    |  |          | To Property Values                     |       | Per Capita |       | Per Capita |
|           |                  |              |               |                             |                    |  |          | Before                                 | After | Before     | After | After      |
| Refunding | 62,839           | \$ 2,900,000 | N/A           | \$ -                        | \$ 7,581,279,500   | \$ 24,129,000                            | 0.5850   | 0.32%                                  | 0.32% | \$ 384     |       | \$ 386     |

| PROJECT   | PROJECT IS NECESSARY & EXPEDIENT | AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE | FEASIBILITY | DEBT MANAGEMENT   | MARKETABILITY | TERMS/ OTHER INFORMATION |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
|---|----------------------------------|---|-------------|-------------------|---------------|--------------------------|----------------------|----|-----------|-----------------------------|----|-----------|--|----|---------|----------------------|-----------|-------------------|-----------------------------|----|------------|---------------------|----|-----------|-------------------|----|-----------|------------------------------|----|---------|-------------------|-----------|-------------------|---|---|--|--|---|--|
| <p><b>CITY OF ASHEVILLE HOUSING AUTHORITY</b><br/> <b>MULTIFAMILY HOUSING REVENUE NOTE</b><br/> <b>MULTIFAMILY HOUSING REVENUE BOND</b><br/>                     (Arrowhead Apartments), Series 2020<br/>                     G.S. 159-148; 159-153; 157-17.1</p> <p>Not to exceed \$17,850,000. The proceeds of the bonds will be used to provide a loan to Arrowhead Renewal, LP a North Carolina limited partnership, or an affiliate, for the acquisition, rehabilitation and equipping of approx. 116 apartment units located in the City of Asheville on 8 acres. The apartments are targeted for senior tenants. The apartments will be built in accordance with the specifications provided in the application for low-income housing tax credits (LIHTC) as approved by the NC Housing Finance Agency (NCHFA).</p> <p>Sources of Funds</p> <table border="0"> <tr> <td>Series A - Citi Tax-Exempt Loan</td> <td>\$</td> <td>15,710,000</td> </tr> <tr> <td>Citi Taxable Loan</td> <td>\$</td> <td>2,650,000</td> </tr> <tr> <td>Federal LIHTC Equity</td> <td>\$</td> <td>8,066,154</td> </tr> <tr> <td>Series B - Seller Financing</td> <td>\$</td> <td>2,140,000</td> </tr> <tr> <td>Deferred Developer Fee &amp; Interim Sources</td> <td>\$</td> <td>561,646</td> </tr> <tr> <td><b>Total Sources</b></td> <td><b>\$</b></td> <td><b>29,127,800</b></td> </tr> </table> <p>Uses of Funds</p> <table border="0"> <tr> <td>Acquisition and Renovations</td> <td>\$</td> <td>26,483,547</td> </tr> <tr> <td>Fees and soft costs</td> <td>\$</td> <td>1,046,992</td> </tr> <tr> <td>Costs of Issuance</td> <td>\$</td> <td>1,017,022</td> </tr> <tr> <td>Interest, Reserves and Other</td> <td>\$</td> <td>580,239</td> </tr> <tr> <td><b>Total Uses</b></td> <td><b>\$</b></td> <td><b>29,127,800</b></td> </tr> </table> | Series A - Citi Tax-Exempt Loan  | \$  | 15,710,000  | Citi Taxable Loan | \$            | 2,650,000                | Federal LIHTC Equity | \$ | 8,066,154 | Series B - Seller Financing | \$ | 2,140,000 | Deferred Developer Fee & Interim Sources | \$ | 561,646 | <b>Total Sources</b> | <b>\$</b> | <b>29,127,800</b> | Acquisition and Renovations | \$ | 26,483,547 | Fees and soft costs | \$ | 1,046,992 | Costs of Issuance | \$ | 1,017,022 | Interest, Reserves and Other | \$ | 580,239 | <b>Total Uses</b> | <b>\$</b> | <b>29,127,800</b> | <p>Asheville Housing Authority has found that the project is necessary to continue to provide an adequate supply of affordable housing for residents of the City.</p> <p>The development will include efficiency and one- bedroom units, 100% of which will be subject to income and rent restrictions.</p> <p>The project is 100% subsidized under the project based Section 8 Housing Assistance Payment (HAP Contract) program of HUD.</p> | <p>The developer has provided a Phase I Environmental Site Analysis, and a Market Study, along with a construction contract for the project which supports the valuations thereof.</p> <p>The issuer has found that the debt to be incurred in connection with the project is adequate but not excessive.</p> <p>In addition, the Rental Investment section of the NCHFA has reviewed this information and has found it to be reasonable.</p> | <p>The developer has provided 20-year cash flow projections that show debt service coverage for the bonds will range from 1.25X to 1.77X.</p> <p>The lenders have performed their own credit review.</p> | <p>No defaults noted. No major deficiencies.</p> | <p>Bank Placement and seller financing<br/>                     Sale of the bonds will not conflict with the sale of any other revenue bonds.</p> | <p>Term - Series A: Approx. 24 months (Construction Phase) + Approx. 14 years (Permanent Phase); 35 year amortization<br/>                     Term - Series B: Approx. 30.5 years</p> <p>Series A: Tax Exempt estimated 3.52%<br/>                     Series B: Tax-Exempt not to exceed 12.0%<br/>                     Structure: Approximately level debt service</p> <p><b>APPROVALS</b><br/>                     Amount: Not to exceed \$17,850,000<br/>                     Final Maturity: Not to exceed December 31, 2057<br/>                     Interest Rate: Tax-exempt not to exceed 12.0%</p> <p><b>FINANCING TEAM</b><br/>                     Bond Counsel: McGuireWoods LLP<br/>                     Issuer's Counsel: Roberts &amp; Stevens, P.A.<br/>                     Borrower: Arrowhead Renewal LP<br/>                     Borrower's Counsel: Blanco, Tackabery &amp; Matamoros, P.A.<br/>                     Developer: Foundation Housing/Standard Communities<br/>                     Series A Funding Lender: Citibank, N.A.<br/>                     Funding Lender's Counsel: Robinson &amp; Cole LLP<br/>                     Series B Bond Purchaser: Arrowhead Owner, LLC<br/>                     Bond Purchaser's Counsel: Rutan &amp; Tucker LLP<br/>                     LIHTC Equity Investor: Alliant Credit Facility II, LLC and Alliant Credit Facility ALP II, LLC<br/>                     LIHTC Equity Investor Counsel: Nixon Peabody, LLP</p> |
| Series A - Citi Tax-Exempt Loan   | \$                               | 15,710,000                                      |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Citi Taxable Loan   | \$                               | 2,650,000                                       |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Federal LIHTC Equity  | \$                               | 8,066,154                                       |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Series B - Seller Financing   | \$                               | 2,140,000                                       |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Deferred Developer Fee & Interim Sources  | \$                               | 561,646   |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| <b>Total Sources</b>  | <b>\$</b>                        | <b>29,127,800</b>                               |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Acquisition and Renovations   | \$                               | 26,483,547                                      |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Fees and soft costs   | \$                               | 1,046,992                                       |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Costs of Issuance   | \$                               | 1,017,022                                       |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| Interest, Reserves and Other  | \$                               | 580,239   |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |
| <b>Total Uses</b>   | <b>\$</b>                        | <b>29,127,800</b>                               |             |                   |               |                          |                      |    |           |                             |    |           |  |    |         |                      |           |                   |                             |    |            |                     |    |           |                   |    |           |                              |    |         |                   |           |                   |   |   |  |  |   |  |

| PROJECT  | PROJECT IS NECESSARY & EXPEDIENT | AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE | FEASIBILITY       | DEBT MANAGEMENT | MARKETABILITY          | TERMS/ OTHER INFORMATION |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
|--|----------------------------------|---|-------------------|-----------------|------------------------|--------------------------|----------------------|----------------------|-----------------------------|---------------|---------------------|--------------|--|------------|------------------------------|------------|-------------------|----------------------|--|---|--|--|--|---|
| <p><b>CITY OF CHARLOTTE HOUSING AUTHORITY</b> (now under the named INLIVIAN) MULTIFAMILY GREEN TAX-EXEMPT MORTGAGE BACKED BONDS (GREEN M-TEBS) (Northcross Townhomes), Series 2020 G.S. 159-148; 159-153; 157-17.1</p> <p>Not to exceed \$13,500,000 the proceeds of the bonds will be used to provide a loan to Northcross Preservation, L.P. a New York limited partnership, or an affiliate, for the acquisition, rehabilitation and equipping of approx. 99 apartment units located in the City of Charlotte on approximately 6.95 acres. The apartments are targeted for low income family tenants. The apartments will be built in accordance with the specifications provided in the application for low-income housing tax credits (LIHTC) as approved by the NC Housing Finance Agency (NCHFA).</p> <p><u>Sources of Funds</u></p> <table border="0"> <tr> <td>First Mortgage</td> <td>\$ 13,500,000</td> </tr> <tr> <td>Tax Credit Equity</td> <td>\$ 6,455,000</td> </tr> <tr> <td>Deferred Developer Fee</td> <td>\$ 111,500</td> </tr> <tr> <td><b>Total Sources</b></td> <td><b>\$ 20,066,500</b></td> </tr> </table> <p><u>Uses of Funds</u></p> <table border="0"> <tr> <td>Acquisition and Renovations</td> <td>\$ 15,318,100</td> </tr> <tr> <td>Fees and soft costs</td> <td>\$ 3,429,200</td> </tr> <tr> <td>Financing, Syndication and Costs of Issuance</td> <td>\$ 851,500</td> </tr> <tr> <td>Interest, Reserves and Other</td> <td>\$ 467,700</td> </tr> <tr> <td><b>Total Uses</b></td> <td><b>\$ 20,066,500</b></td> </tr> </table> | First Mortgage                   | \$ 13,500,000                                   | Tax Credit Equity | \$ 6,455,000    | Deferred Developer Fee | \$ 111,500               | <b>Total Sources</b> | <b>\$ 20,066,500</b> | Acquisition and Renovations | \$ 15,318,100 | Fees and soft costs | \$ 3,429,200 | Financing, Syndication and Costs of Issuance | \$ 851,500 | Interest, Reserves and Other | \$ 467,700 | <b>Total Uses</b> | <b>\$ 20,066,500</b> | <p>Charlotte Housing Authority has found that the project is necessary to continue to provide an adequate supply of affordable housing for residents of the City.</p> <p>The development will include two, three and four bedroom units, 100% of which will be subject to income and rent restrictions.</p> <p>10 units are expected to be reserved for tenants with disabilities/homeless, as applicable under NCHFA requirements</p> | <p>The developer has provided a Phase I Environmental Site Analysis, and a Market Study, along with a construction contract for the project which supports the valuations thereof.</p> <p>The issuer has found that the debt to be incurred in connection with the project is adequate but not excessive.</p> <p>In addition, the Rental Investment section of the NCHFA has reviewed this information and has found it to be reasonable.</p> | <p>The developer has provided 15-year cash flow projections that show debt service coverage for the bonds will range from 1.23X to 1.46X.</p> <p>The lenders have performed their own credit review.</p> | <p>No defaults noted. No major deficiencies.</p> | <p>Public Offering</p> <p>Sale of the bond will not conflict with the sale of any other revenue bonds.</p> | <p>Term - Approximately 17 years; 35 year amortization</p> <p>Interest Rate: Tax Exempt estimated 3.925%<br/>Structure: Approximately level debt service</p> <p><b>APPROVALS</b></p> <p>Amount: Not to exceed \$13,500,000<br/>Final Maturity: Not to exceed December 31, 2057<br/>Interest Rate: Tax-exempt not to exceed 12.0%</p> <p><b>FINANCING TEAM</b></p> <p>Bond Counsel: McGuireWoods LLP<br/>Issuer's Counsel: The Banks Law Firm, P.A.<br/>Borrower: Northcross Preservation, L.P.<br/>Borrower's Counsel: Levitt &amp; Boccio, LLP and Williams Mullen LLP<br/>Developer: Northcross Developer, LLC, an affiliate of The Related Companies, L.P.<br/>Mortgage Lender: Wells Fargo Bank, National Association<br/>Mortgage Lender's Counsel: Blank Rome, LLP<br/>Fannie Mae Counsel: DLA Piper LLP (US)<br/>LIHTC Equity Investor: Wells Fargo Affordable Housing Community Development Corporation<br/>LIHTC Equity Investor Counsel: Sidley Austin LLP<br/>Underwriter: Wells Fargo Securities<br/>Underwriter's Counsel: Tiber Hudson LLC<br/>Trustee: U.S. Bank National Association<br/>Trustee's Counsel: Nexsen Pruet PLLC</p> |
| First Mortgage   | \$ 13,500,000                    |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| Tax Credit Equity  | \$ 6,455,000                     |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| Deferred Developer Fee   | \$ 111,500                       |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| <b>Total Sources</b>   | <b>\$ 20,066,500</b>             |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| Acquisition and Renovations  | \$ 15,318,100                    |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| Fees and soft costs  | \$ 3,429,200                     |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| Financing, Syndication and Costs of Issuance   | \$ 851,500                       |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| Interest, Reserves and Other   | \$ 467,700                       |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |
| <b>Total Uses</b>  | <b>\$ 20,066,500</b>             |   |                   |                 |                        |                          |                      |                      |                             |               |                     |              |  |            |                              |            |                   |                      |  |   |  |  |  |   |

| PROJECT   | PROJECT IS NECESSARY & EXPEDIENT  | AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE   | FEASIBILITY  | DEBT MANAGEMENT                           | MARKETABILITY   | TERMS/ OTHER INFORMATION  |
|---|---|---|--|---|---|---|
| <b>TOWN OF CLAYTON</b><br>Water and Sewer System Revenue Bond<br>Private Placement<br>G.S. 159; Article 5<br>Series 2020<br>Amount not to exceed: \$15,000,000<br><br>Project: To procure nutrient credits to achieve a 5 MGD treatment capacity for discharge into the Neuse River. The Town plans to build a 6 MGD wastewater reclamation facility that is expected to be completed in 2023. One nutrient credit agreement has been executed, and the second is expected to be finalized before closing on the financing. The credits are required for permitting the new facility. | Necessary and expedient to procure nutrient credits and cash flow preliminary costs for ongoing design, engineering, and environmental services which are critical to keeping the project on track. The nutrient credits being acquired are regulated and managed by NCDEQ with no sunset or expiration provisions with respect to the credits. | Nutrient offset credit sales agreements between the sellers and the Town of Clayton are in hand. The town's engineers have prepared estimated costs for the remediation of the future reclamation site. | A rate study by Black & Veatch indicates a Debt Service coverage ratio of 7.74X on Total System debt for fiscal year 2021 which exceeds required coverage in the bond order.<br><br>The projection of net revenues prepared by the unit indicates that future revenues (FY2022) will be adequate to cover the cost of operations and debt service.<br>Water: \$36.94<br>Sewer: \$64.11 | No major deficiencies. No defaults noted. | The transaction will be directly placed with Capital One Public Funding and will not conflict with any other financings. A proposal from the Bank has been received and accepted contingent on Local Government Commission approval of the transaction. There is a limitation on the registration of the transfer of the bond as required by the LGC. | Term: Not to exceed 25 years<br>Interest Rate: Fixed<br>Structure: The debt service related to the new project will be approximate effective interest amortization resulting in level payments.<br><br>Expected Rate:<br>Effective Interest Cost: 2.97%<br><br>APPROVALS<br>Final Maturity: Not beyond 2045<br>Interest Rate not to exceed: 5.25%<br><br>Amount not to exceed: \$15,000,000<br><br>FINANCING TEAM<br>Financial Advisor: Davenport & Company, LLC<br>Lender: Capital One Public Funding, LLC<br>Lender's Counsel: Pope Flynn, LLC<br>Bond Counsel: McGuireWoods, LLP |

Expected Sources and Uses of Funds:

Sources:

|                       |                      |
|-----------------------|----------------------|
| Revenue Bonds at par: | \$ 15,000,000        |
| Total Sources         | <u>\$ 15,000,000</u> |

Uses:

|                                  |                      |
|----------------------------------|----------------------|
| Project Costs:                   |                      |
| First Nutrient Credit Agreement  | \$ 7,158,582         |
| Second Nutrient Credit Agreement | \$ 6,500,000         |
| Design/Engineering Costs:        | <u>\$ 1,341,418</u>  |
| Total Uses                       | <u>\$ 15,000,000</u> |

| PROJECT   | PROJECT IS NECESSARY & EXPEDIENT | AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE | FEASIBILITY | DEBT MANAGEMENT | MARKETABILITY   | TERMS/ OTHER INFORMATION |               |                      |   |                      |   |  |  |  |
|---|----------------------------------|---|-------------|-----------------|-----------------|--------------------------|---------------|----------------------|---|----------------------|---|--|--|--|
| <p><b>JONES COUNTY</b><br/>Water and Sewer<br/>\$7,657,000<br/>G.S. 159; Article 5</p> <p>This project consists of various improvements to the County's water system, including, without limitation, the acquisition and construction of two new wells, an elevated storage facility, a new water treatment facility, mains and lines and new control systems.</p> <table border="0"> <tr> <td>USDA Loan:</td> <td style="text-align: right;">\$ 7,657,000</td> </tr> <tr> <td>USDA Grant:</td> <td style="text-align: right;">\$ 3,435,000</td> </tr> <tr> <td>Available Cash:</td> <td style="text-align: right;">\$ 274,000</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b>\$ 11,366,000</b></td> </tr> </table> | USDA Loan:                       | \$ 7,657,000                                    | USDA Grant: | \$ 3,435,000    | Available Cash: | \$ 274,000               | <b>Total:</b> | <b>\$ 11,366,000</b> | <p>Necessary and expedient to secure adequate and reliable water service and to promote the present and future welfare of the residents of the County and its environs.</p> | <p>Bids in hand.</p> | <p>The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br/>Water: \$37.00</p> | <p>No defaults noted. No major deficiencies.</p> | <p>USDA commitment to purchase the bonds upon substantial completion of the project.</p> | <p>Term: RBAN:<br/>RB: 40 years<br/>Interest Rate: Fixed<br/><b>Structure:</b><br/>RBAN: Interest due at maturity.<br/>RB: Approximately level debt service</p> <p style="text-align: center;">APPROVALS</p> <p>Issue Amount Revenue Bond: \$7,657,000<br/>Issue Amount Revenue BAN: \$7,657,000<br/>Final Maturity:<br/><b>RBAN: No later than 10/20/2021</b><br/>RB: 2060 or 40 years after the maturity of the RBAN</p> <p>Interest Rate:<br/>RBAN: Not to exceed 5%<br/><b>RB: \$7,657,000 1.86%</b></p> <p style="text-align: center;">FINANCING TEAM</p> <p>Bond Counsel: Womble Bond Dickinson LLP<br/>Revenue BAN: To be approved by the Secretary of the Commission<br/>Revenue Bond: USDA Rural Development<br/><b>Registrar: County Manager</b></p> |
| USDA Loan:  | \$ 7,657,000                     |   |             |                 |                 |                          |               |                      |   |                      |   |  |  |  |
| USDA Grant:   | \$ 3,435,000                     |   |             |                 |                 |                          |               |                      |   |                      |   |  |  |  |
| Available Cash:   | \$ 274,000                       |   |             |                 |                 |                          |               |                      |   |                      |   |  |  |  |
| <b>Total:</b>   | <b>\$ 11,366,000</b>             |   |             |                 |                 |                          |               |                      |   |                      |   |  |  |  |

| UNIT  | PROJECT  | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT  | ADEQUATE NOT EXCESSIVE  | DEBT MANAGEMENT                           | FEASIBILITY/ TAX INCREASE   | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE   | MARKETABILITY |
|---|--|--|---|---|---|--|---------------|
| <b>CITY OF CHARLOTTE</b><br>Sewer<br>\$5,540,000<br>G.S. 159G-22<br>Revolving Loan    | This project consists of the installation of a 16" diameter reuse pipeline along the Mallard and Toby Creek greenways.   | Necessary and expedient to supply approximately 1.0 (MGD) million gallons per day of reclaimed water to the UNCC campus while maintaining service to The Tradition Golf Course (2.0 MGD) and the Mallard Creek WRF (water reclamation facility).   | Cost estimated provided by Charlotte Water.                     | No major deficiencies. No defaults noted. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$19.45<br>Sewer: \$49.55 | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |
| <b>CITY OF DUNN</b><br>Water<br>\$875,750<br>G.S. 159G-22<br>Revolving Loan           | Replacement of an aged water distribution infrastructure in the areas of Erwin Road and East Wake Street which includes: 1) Abandon in place (cut, plug and grout) of approximately 3,000 LF of an existing 14" main (presently situated underneath houses/businesses) in the Erwin Road area (to maintain their structural integrity); 2) Tie-in existing or remaining sections of the distribution system in this area with approximately 1150 LF of proposed 6" mains, and; 3) Replace approximately 1,000 LF of 2" main along East Wake Street with proposed 6" mains. | Necessary and expedient to replace lines that are at least 40 years old. The existing 14" line is a hazard to structures overtop the line. If a break in the line occurred, it would be difficult to repair due to the presence of these structures. The lines along East Wake St are also over 40 years old with no record of them being replaced since installation. | Cost estimates provided by Withers Ravenel, Inc.                | No major deficiencies. No defaults noted. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$35.90<br>Sewer: \$46.71 | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |
| <b>CITY OF ELIZABETH CITY</b><br>Water<br>\$268,326<br>G.S. 159G-22<br>Revolving Loan | Rehabilitation of a Raw Water Reservoir which includes: 1) Installation of a floating ball cover and discharge-pipe anti- vortex plate & replacement of the existing liner system; 2) Replacement of two (2) flocculator motors, six (6) paddle wheels, five (5) filter turbidimeters, the combined filter- effluent sample pump, and the filter media; Rehabilitate the filter tubs, and; Upgrade the associated SCADA system.  | Necessary and expedient to rehabilitate the existing 80+ year old raw water reservoir. The project will allow the City to provide quality drinking water to its citizens and manage water resources for emergency response.  | Cost estimates provided by AECOM Technical Services of NC, Inc. | No major deficiencies. No defaults noted. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$35.70<br>Sewer: \$21.36 | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |
| <b>TOWN OF MOUNT HOLLY</b><br>Sewer<br>\$4,710,000<br>G.S. 159G-22<br>Revolving Loan  | Construction of a triplex pump station with a capacity of 1,035 gpm, and approximately 9,200 ft. of 12" DIP force main that will discharge directly in the Mount Holly WWTP.   | Necessary and expedient to remove and/or eliminate existing flow on a sewer collection system installed in the late '80s. Also, the existing pipe sizes were not designed to accommodate all of the flow generated from the South Gateway service area.  | Cost estimates provided by Willis Engineers, Inc.               | No major deficiencies. No defaults noted. | The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br>Water: \$21.90<br>Sewer: \$26.95 | Loan from State of North Carolina<br>Term: 20 years<br>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%. | NA            |

| UNIT   | PROJECT   | PROPOSED ISSUE IS NECESSARY AND EXPEDIENT   | ADEQUATE NOT EXCESSIVE                                     | DEBT MANAGEMENT                                  | FEASIBILITY/ TAX INCREASE  | TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE  | MARKETABILITY |
|--|---|---|--|--|--|---|---------------|
| <p><b>ORANGE WATER &amp; SEWER AUTHORITY (OWASA)</b><br/>Water<br/>\$2,963,000<br/>G.S. 159G-22<br/>Revolving Loan</p> | <p>OWASA's proposed West Cameron Avenue Water Main Replacement project includes: 1) replacement of about 3000 LF of existing 12" asbestos cement (AC) pipe with Ductile Iron (DI) pipe; 2) replacement of about 500 LF of 6" AC pipe along Cameron Court with a 6" DI pipe; 3) reconnection of existing service connections and hydrants to the new pipe; and 4) abandonment of approximately 1100 LF of existing 12" AC pipe along the railroad tracks between Merritt Mill Road and Brewer Lane in Carrboro.</p>  | <p>Necessary and expedient because the existing 12" AC water main was built around 1941 and has experienced several breaks and is at the end of its useful life. OWASA ranks this project as one of its highest priority project needs in its service area.</p> | <p>Cost estimates provided by OWASA Engineering Staff.</p> | <p>No major deficiencies. No defaults noted.</p> | <p>The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br/>Water: \$38.66<br/>Sewer: \$45.22</p> | <p>Loan from State of North Carolina<br/>Term: 20 years<br/>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.</p> | <p>NA</p>     |
| <p><b>SAMPSON COUNTY</b><br/>Water<br/>\$441,500<br/>G.S. 159G-22<br/>Revolving Loan</p>                               | <p>Phase II of this project includes the expansion of the Faison Highway Iron (Fe) &amp; Manganese (Mn) Treatment System and Raw Water Main installation at Old Warsaw Well site to the Faison Highway Well site. The Iron and Manganese Treatment expansion includes: 1) Installation of a third Mn and Fe Treatment vessel; 2) Installation of a second 10,000 gallon HDPE Sludge Storage tank and associated foundation and concrete pad; 3) Miscellaneous electric, SCADA connections, Start-up and Testing to integrate the new treatment vessel and sludge storage tank; and 4) Miscellaneous site work, erosion &amp; sediment control measures, and surface restoration of disturbed areas. The New Water Main project includes: 1) Upsizing the discharge line from the booster pump station at the Old Warsaw Well Site; 2) Approximately 7500 LF of 8" raw water main from Old Warsaw Well site to Faison Hwy Well site; and 3) Miscellaneous site work, erosion and sediment control measures and surface restoration of disturbed areas.</p> | <p>Necessary and expedient to remove Iron &amp; Manganese from groundwater at two well locations so that the public is no longer adversely affected by discoloration caused by iron &amp; manganese oxidation.</p>  | <p>Cost estimates by Dewberry Engineers, Inc.</p>          | <p>No major deficiencies. No defaults noted.</p> | <p>The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br/>Water: \$41.45<br/>Sewer: N/A</p>     | <p>Loan from State of North Carolina<br/>Term: 20 years<br/>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.</p> | <p>NA</p>     |
| <p><b>YADKIN VALLEY SEWER AUTHORITY</b><br/>Sewer<br/>\$770,475<br/>G.S. 159G-22<br/>Revolving Loan</p>                | <p>Construction of approximately 2125 LF of 12" gravity sewer and 10 manholes from the Dutchman Creek Pump Station to the Regional Pump Station. The Dutchman Creek PS 3" force main (FM) discharges into the 18" Regional PS FM and therefore is greatly affected by pressure fluctuations due to the much larger Regional PS pumps.</p>   | <p>Necessary and expedient to address deficiencies of the Dutchman Creek PS which was constructed pre-1968. The pumps have failed several times recently.</p>   | <p>Cost estimates provided by West Consultants, PLLC.</p>  | <p>No major deficiencies. No defaults noted.</p> | <p>The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service.<br/>Water: N/A<br/>Sewer: \$47.66</p>     | <p>Loan from State of North Carolina<br/>Term: 20 years<br/>The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.</p> | <p>NA</p>     |

**MISCELLANEOUS - ACTION ITEMS:**

Metropolitan Sewerage District of Buncombe County, 2008A Sewerage System Refunding Revenue Bonds

The Metropolitan Sewerage District of Buncombe County (the "District's") 2008A Refunding Revenue Bonds (the "Bonds") currently have an outstanding balance of \$27,145,000. The Bonds were issued in a variable rate mode and synthetically converted to a fixed rate of interest of 3.4175% through a swap agreement with the Bank of America (the "Bank"). The current swap agreement incorporates the London Inter-bank Offered Rate ("LIBOR") for the Bank's variable rate payment to the District. The District pays the Bank the fixed rate. The LIBOR rate is scheduled to be discontinued as of 12/31/2021. The District requests to amend its swap agreement to convert from the LIBOR-based variable rate to the Securities Industry and Financial Markets Association (SIFMA) variable rate. Based on market rates as of 3/20/20, the conversion will reduce the fixed swap rate to an indicative rate of 3.52%. The District has set a maximum rate of 3.60% for the conversion. As of 3/20/20, the Bonds were remarketed at a rate of 5.02%.

(Amendment to the swap contract)

District staff along with their financial advisors have determined that conversion of the swap to a SIFMA based rate at this time is the least costly option and the preferred option to mitigate future uncertainty with the elimination of LIBOR. Terminating the swap, as of 3/20/20, would require the District to pay the Bank approximately \$4.1 million. The District via its swap advisor will provide the LGC with a pricing comfort letter at the time of execution of the amendment to insure terms are at market rates. Staff recommends approval of the amendment.

The District requests approval of the following financing team members for the amendment:

- Bond Counsel: McGuireWoods LLP
- Financial Advisor: Davenport & Company LLC
- Swap Advisor: Kensington Capital Advisors Inc.
- Swap Counterparty: Bank of America, N.A.

City of Roanoke Rapids 2017B Taxable Special Revenue Refunding Bond

At its October 2019 meeting, the Local Government Commission (LGC) approved the amendment of the City of Roanoke Rapids' (the "City's") Series 2017B taxable special revenue bond (currently outstanding \$3,642,000) which had entered the three year "term-out" mode on May 1, 2019. The amendment changed the repayment terms from 6 principal payments beginning 11/1/2019 to 5 payments beginning 5/1/2020. This restructuring was to allow additional time for the current theatre operator to obtain the funds needed to purchase the theatre and allow the City to pay off the bond.

(Amendment to the bond order)

The City has determined that completion of the sale of the theatre is unlikely with the current operator. The City requests to restructure the repayment of the Series 2017B bonds to align with the tax-exempt Series 2017A Bond. In May 2017, the Series 2017A Bond refinanced the majority principal loan balance for the theatre to a final maturity date of 5/1/2032. The current balance of the Series 2017A bond is \$9,996,496 and carries an interest rate of 2.54%. Bank of America, the holder of both the 2017A and 2017B Series Bonds, has agreed to extend the 2017B Series final maturity to 5/1/2032 at a taxable interest not-to-exceed 5.00% with a 1 year par call. The 1 year par call will allow the City flexibility to be able to payoff the balance of the Series 2017B bond in the event funds are received from an eventual sale of the theatre, or from any other sources. The interest rate is expected to be set on April 6. Current market conditions indicate a rate of 3.15%. Staff recommends approval of this amendment.

Wake County

The County of Wake requests the Commission to approve a direct bank purchase of the \$77,000,000 G.O. Refunding Bonds, or a negotiated underwriting of the Refunding Bonds, due to present disruptions in the bond market caused by COVID - 19. The Commission approved the issuance of \$77,000,000 G.O. Refunding bonds by Wake County on March 3, 2020 and at that time, a competitive sale was scheduled for April 14, 2020.

Wake County plans to seek proposals from a group of banks to purchase the Bonds through a direct bank purchase or, if market conditions improve within the next few weeks, the County could select an underwriter and sell the Bonds through a negotiated offering.

Final maturities would not change from those approved on March 3, 2020: April 1, 2029 for the Series 2020A Bonds and August 1, 2029 for the Series 2020B Bonds.

The County intends to capture savings achieved from the refunding in its Debt Service Fund ("the Fund"), helping better position fund balance of the Fund for the potential detrimental effect on future local tax revenue caused by COVID - 19.

Bond Counsel: Womble Bond Dickinson (US) LLP (approved)  
 Financial Advisor: Waters and Company, LLC (approved)  
 Escrow Agent: U.S. Bank National Association (Series 2020B Bonds, approved)

**Approvals:**

Series 2020A Bonds:

Underwriter: Wells Fargo Bank, N.A. (Sr. Manager), JPMorgan Securities (Co-Manager)

Underwriter's Counsel: Parker Poe Adams & Bernstein, LLP

Interest rate (TIC) not to exceed: 2.5%

Net Present Value Savings (minimum) of 3.0% of the Refunded Bonds; currently projected at 5.0%.

Series 2020B Bonds:

Underwriter: Wells Fargo Bank, N.A. (Sr. Manager), JPMorgan Securities (Co-Manager)

Underwriter's Counsel: Parker Poe Adams & Bernstein, LLP

Interest rate (TIC) not to exceed: 2.5%

Net Present Value Savings (minimum) of 3.0% of the Refunded Bonds; currently projected at 5.0%.

City of Greenville

The City of Greenville and the following fire departments have requested approval of an annexation payment schedule developed in accordance with G.S. 160A-31.1, whereby the City will make lump sum payments for the City's proportionate share of outstanding debt as follows:

| <b>Volunteer Fire Department</b>    | <b>Effective Annexation Date</b> | <b>Payment Period</b> | <b>Reimbursement</b> |
|-------------------------------------|----------------------------------|-----------------------|----------------------|
| Station House Rural Fire Department | 6/30/2014 & 6/30/2015            | 2020                  | \$86.94              |
| Red Oak Rural Fire Department       | 6/30/2014                        | 2020                  | \$163.91             |
| Red Oak Rural Fire Department       | 6/30/2015                        | 2020                  | \$189.12             |
| Red Oak Rural Fire Department       | 6/30/2016                        | 2020                  | \$138.69             |
| Eastern Pines Rural Fire Department | 6/30/2014                        | 2020                  | \$23.79              |
| Eastern Pines Rural Fire Department | 6/30/2017                        | 2020                  | \$71.37              |

City of Greenville

The City of Greenville and the following fire departments have requested approval of an annexation payment schedule developed in accordance with G.S. 160A-58.2A, whereby the City will make lump sum payments for the City's proportionate share of outstanding debt as follows:

| <b>Volunteer Fire Department</b>    | <b>Effective Annexation Date</b> | <b>Payment Period</b> | <b>Reimbursement</b> |
|-------------------------------------|----------------------------------|-----------------------|----------------------|
| Red Oak Rural Fire Department       | 6/30/2017                        | 2020                  | \$1,260.82           |
| Eastern Pines Rural Fire Department | 4/14/2016 & 6/30/2016            | 2020                  | \$39.65              |

City of Winston-Salem

The City of Winston-Salem and the following fire department have requested approval of an annexation payment schedule developed in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share of outstanding debt as follows:

| <b>Volunteer Fire Department</b>   | <b>Effective Annexation Date</b> | <b>Payment Period</b> | <b>Reimbursement</b> |
|------------------------------------|----------------------------------|-----------------------|----------------------|
| Griffith Volunteer Fire Department | 9/16/2019                        | 2020                  | \$147.91             |