

LOCAL GOVERNMENT COMMISSION
JULY 7, 2020

1. PLEDGE OF ALLEGIANCE

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL

June 2, 2020

June 10, 2020

(FINAL)

RELATED INFORMATION
Approximate Per Capita Debt
06/30/20
State: \$ 514
Federal: \$ 79,543

<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>
Eureka, Town of Eureka, Town of Cliffside Sanitary District	Budget Update Update						
Kingstown, Town of (vote needed)	Resolution	Compliance with the Budget & Fiscal Control					
Aberdeen, City of	Financing Agreement	Municipal Building	\$ 5,707,000	Unit Letter	2	12-10 FA \$1.1M	
Ashe, County of	Financing Agreement	Community College, Jail,	\$ 1,314,500	Unit Letter	3	10-10 FA \$2.9M	
Cabarrus, County of	Financing Agreement (LOBs)	Schools, County Buildings	\$ 7,555,000	Unit Letter	4	2-20 FA \$130M	
Cabarrus County of	General Obligation	Refunding, Private Placement	\$ 20,830,000	Unit Letter	5	2-20 FA \$130M	
Franklin, County of	Financing Agreement	County Buildings	\$ 725,230	Unit Letter	5	12-16 FA \$10M	
Gates, County of	Financing Agreement	Miscellaneous - Action -	NA	Unit Letter	6	7-18 FA \$7.8M	
McDowell County	Financing Agreement	EMS Building & Renov.	\$ 7,524,300	Unit Letter	6	4-18 FA \$5.564M	
Red Springs, Town of	Revenue Bond	Water	\$ 2,966,000	Unit Letter	7	1-17 FA \$850K	
Stedman, Town of	Financing Agreement	Municipal Building	\$ 134,000	Unit Letter	7	6-00 GO \$860K	
Vance, County of	Financing Agreement	Various Projects	\$ 7,000,000	Unit Letter	8	6-17 FA \$1.4M	
Dunn, City of	Financing Agreement	Park	\$ 2,120,000		9	10-18 RL \$2.5M	
Matthews, Town of	Financing Agreement	Street Paving and Theater Sound System	\$ 650,000		9	1-16- FA \$800K	
Wake Forest, Town of - Objection Letter Received	Financing Agreement	Telecommunications	\$ 2,500,000		10	12-19 GO \$3.8M	
Gastonia, City of	General Obligation	Refunding, Private Placement	18,500,000	Current	11	4-20 FA \$8.640M	
Pine Level, Town of	Revenue Bond, USDA	Water & Sewer System Improvements	2,020,000		12	1-10 RB \$1.275M	
Winston-Salem Housing Authority	Revenue Bond	Multi-family Housing - Skyline Village Apts.	14,000,000		13	NA	
Rex Hospital, Inc.	N.C. Medical Care Commission	Healthcare Facilities	\$ 77,000,000		14	1-20 NCMCC \$200M	
Hendersonville, City of	Revolving Loan	Water	\$ 812,000		15	2-20 RL \$2.6M	
Manteo, Town of	Revolving Loan	Sewer	1,106,660		15	10-99 FA \$284K	
Lenoir-Rhyne University	NC Capital Facilities Finance Agency	Miscellaneous Action - Bank term amendments			16	12-15 NCCFFA \$17M	
Wake, County of	Industrial Revenue Bond	Miscellaneous Action - Family Violence Center - Bank term amendments			17	10-10 IRB \$4.7M	
Lutheran Services for the Aginin, Inc. and Affiliates	N.C. Medical Care Commission	Miscellaneous - Action - Bank term amendments	NA		18		
Sanford, City of	General Obligation	Miscellaneous - Action - Extension of Authorization	NA	Extension	18	3-19 RB \$44M	

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
TOWN OF ABERDEEN \$5,707,000 G.S.160A-20 Installment Contract Private Placement	Construction of a new 12,874 square foot building to serve as a new police headquarters. Renovation of 5,230 square foot existing police department for non-essential use including locker and shower rooms and a fitness room. A short, enclosed walkway will connect the two buildings. <u>Expected Sources and Uses of Funds:</u> Sources: Bank Loan \$ 5,707,000 Total Sources \$ 5,707,000 Uses: Project Costs: \$ 5,662,000 Costs of Issuance \$ 45,000 Total Uses \$ 5,707,000	Necessary and expedient to continue to provide adequate public safety services to the Town.	Bid is in hand.	The Town received a unit letter due to a late audit, fund balance available in the General Fund that was well below the average for towns of similar size, a net loss in the Water and Sewer fund on both the full and modified accrual bases of accounting, several capital project funds that reported deficit fund balances, and several internal control findings including the Town's failure to complete timely reconciliations of cash, utility receivables, capital assets and accrued liabilities. The Town responded satisfactorily. Many of the operational issues were caused by turnover in the finance officer position; that position is now filled with a permanent employee. Reconciliations are essentially current at this time although the Town continues to work to identify and reduce an unidentified difference that is immaterial. The Town believes their current level of fund balance is reasonable but has revised its policy to set 40% as its goal. They have taken additional steps to build fund balance as well. With regards to the Water and Sewer Fund, the Town has had a rate study performed by NC Rural Water and increased rates in 19-20 and 20-21. Staff visited with the Town via conference call on May 21, 2020 and a copy of the visit summary is included with the unit letters and responses.	No tax increase is necessary. Debt service will be paid from the revenues to the General Fund.	Lender: First Bank Amount not to exceed: \$ 5,707,000 Approval rate: 2.450% Term (Years): 20 Market Rate: 2.15% Payment: Annual Principal and Semi-Annual Interest Current G.O. Ratings: S&P: N/A Moody's: N/A FINANCING TEAM Bond Counsel: Sanford Holshouser Financial Advisor: First Tryon Advisors Lender's Counsel: Nexsen Pruet 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	Before	After		
Municipal Building	7,680	\$ 5,707,000	1/27/2020	\$ -	\$	956,629,200	\$ 2,788,068	\$0.4900	0.29%	0.89%	\$ 363	\$ 1,106	Moore County \$2,267

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
CABARRUS COUNTY \$6,830,000 G.S. 159-72 General Obligation Refunding Bond (Private Placement)	All or portion of bonds to be refunded: Callable maturities of the County's G.O. Refunding Bonds, Series 2013. At this time, the County plans to refund \$6,045,000 G.O. Refunding Bonds, Series 2013, sold May 15, 2013 (2026 and 2027 maturities) which carry an interest rate of 4.00%. This is an advance refunding and the bond will be sold on a taxable basis.	Necessary and expedient to provide savings on the outstanding issue.	Amount is adequate to refund debt.	The County received a Unit Letter requesting an update on a financial loss that occurred due to a fraudulent vendor. The County responded that it was able to respond quickly and able to recover a small portion of the lost funds. Going forward, they are working with a third party verification agent as well as changing practices and better educating staff. The response to the letter is considered satisfactory.	Debt service will be reduced. The County has set a minimum savings threshold of 2.0% NPV.	Structure: Advance refunding: Expected net present value savings of \$249,727 or 4.13% of the refunded bonds. The refunding bond will be structured with no extension of maturities, with the final maturity on 3-1-2027. The County requests that savings be recognized primarily in fiscal year 2021, due to effects of COVID-19. Sale: Bank Placement Sale Date: On or about July 16, 2020 Approvals: Amount: Not to exceed \$6,830,000 Bank Rate: 1.40% Final Maturity: March 1, 2027 Financing Team: Bond Counsel: Nexsen Pruet, PLLC Bank: TD Bank, N.A. Placement Agent: Piper Sandler & Co. Placement Agent Counsel: Pope Flynn LLC Escrow Agent: Regions Bank Verification Agent: Bingham Arbitrage Rebate Services, Inc.	Current G.O. Ratings: Moody's: S&P: Fitch: (The Refunding Bond will not be rated)

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	
								Before	After	Before	After
Refunding	211,342	\$ 6,830,000	N/A	\$ 20,830,000	\$ 23,108,571,747	\$ 340,738,300	0.7400	1.56%	1.57%	\$ 1,711	

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
FRANKLIN COUNTY 60 Month Lease - Total payments of \$725,230 G.S. 159-148 Operating Lease Private Placement	Enter into a lease agreement with JMD Housing LLC for 35,000 square feet of space at 279 South Bickett Boulevard in Louisburg for use by multiple County departments. The lease has two optional 5 year extensions.	Necessary and expedient to meet the County's additional space requirements.	The County has analyzed market rent prices in comparable markets and determined that the asking price on the lease was favorable.	The County received a unit letter because it submitted its 2019 audit late. The County responded that the new Finance Director has put new policies in place and increased staff training such that meeting the deadline this fiscal year will be attainable. The County's response was considered satisfactory.	No tax increase is required. Lease payments will be paid from revenues to the General Fund.	APPROVALS Total Lease Amount: \$ 725,230 Term (Months): (Beginning 08/01/2020) 60 *Two optional 60 month extensions Payment: Flat rate (\$3.75 per square foot) Current G.O. Ratings: S&P: AA- Moody's: Aa2 Fitch: AA+ Installment purchase necessary financial instrument for lease.	

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
County Buildings	68,900	\$ 725,230	N/A	\$ -	\$ 5,877,393,325	\$ 58,690,179	\$0.8050	1.00%	1.01%	\$ 852	\$ 862

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
GATES COUNTY 160A-20 Installment Contract Private Placement	Due to the recent economic downturn related to COVID-19, Gates County requests the Local Government Commission ("LGC") to approve a loan modification for the county building housed by Department of Social Services (DSS) to a lower interest rate of 2.460% and return the final payment date back to the original due date of the loan. In anticipation of revenue shortfalls in FY21, the lower payment would free up \$42,665 annually in the County's budget that would be used towards other operating costs. On June 17, 2020, the Gates County Board of Commissioners passed a resolution approving the lower interest rate and returning the loan back to the original due date of 9/28/2027 with the intent of paying the loan off early in FY23. Currently the County, has three outstanding loans and will retire the first loan in FY22, freeing up funds for FY23 to make a final balloon payment on the DSS loan. This loan was originally financed through the USDA in 2007 with the final payment due in September 2037. In 2012, this loan was refinanced through BB&T at a lower interest rate and shorter maturity date of September 2027. A prepayment of \$200,000 was made towards the principal in 2013 which adjusted the final payment date to 9/28/2025. The maturity date will now return to the original date of 9/28/27.						
	The County received a unit letter for submitting their audit past the October 31st deadline as well as material weaknesses and a number of incomplete reconciliations. The letter also acknowledged improvements over prior audits. The County responded that they had made additional corrections to their recently implemented accounting software which will address the auditors findings. Additionally, the Finance Director has completed additional training to assist in better addressing these issues. The County's response was considered satisfactory.						

MCDOWELL COUNTY \$7,524,300 EMS Building & Renovation G.S. 160A-20 Installment Purchase Contract Private placement	The construction of a 26,216 square feet emergency medical services base and the renovation and addition to an existing 3,380 square feet emergency medical services building.	Necessary and expedient because the Emergency medical services base station is currently located in the city limits of Marion. The project will locate the base station to the southern areas of Marion and a station in the northern area of Marion to improve response time in emergencies.	Bids in hand	The County received a unit letter because fund balance available for appropriation as a percentage of expenditures appeared to be inadequate. Also, the fiscal staff noted a sign of potential weakness in the Water Fund. In addition, an analysis indicated that cash provided by operating activities was less than the total principal payments and interest expense, which is an indication that the County's rate structure or collections did not generate adequate operating cash flow. Lastly, a payment to a construction vendor was erroneously sent to a malicious actor. The County provided a response that was satisfactory to the Fiscal staff.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: Truist Bank Approval Rate: 2.63% Term: 20 Years Market Rate: 2.40% Payment: Annually S&P: A- Moody's: A2	Installment purchase contract is more timely than issue of G.O. Bonds
	Expected Sources and Uses of Funds: <u>Sources:</u> Bank Loan \$ 7,524,300 Total Sources: \$ 7,524,300 <u>Uses:</u> Construction Cost \$ 6,733,295 Engineering or Arch. Fees \$ 449,245 Contingency \$ 321,760 Other Legal/Fiscal Cost \$ 20,000 Total Uses: \$ 7,524,300						
						FINANCING TEAM: Bond Counsel: Pope Flynn, LLC	

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
County Building	46,373	\$ 7,524,300	6/4/2020	\$ -	\$4,053,886,843	27,420,517	\$0.5875	0.68%	0.86%	\$ 591	\$ 754

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
TOWN OF RED SPRINGS Water \$2,966,000 Revenue Bond G.S. 159; Article 5	Construction of a new 1.5 MGD Water Treatment Plant upgrade and water distribution system repairs.	Necessary and expedient to repair a near failing water treatment plant and make improvements to the water distribution system.	Bids in hand.	The Town received a unit letter due to its General Fund balance being substantially lower compared to units of comparable size, transfers out were made that were not authorized by the budget ordinance (in the General Fund), potential signs of weakness in the Electric Fund, and various weaknesses in the Town's internal controls. The Town responded satisfactorily. A virtual unit visit was conducted on June 17, 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. Water: \$29.57 Sewer: \$42.23	Term: RBAN: 24 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due annually RB: Approximately level debt service	USDA commitment to purchase the bonds upon substantial completion of the project.
USDA Loan	\$ 2,966,000					APPROVALS Issue Amount Revenue Bond: \$2,966,000 Issue Amount Revenue BAN: \$2,966,000 Final Maturity: RBAN: No later than 7/20/2022 RB: 2062 or 40 years after the maturity of the RBAN Interest Rate: RBAN: 2.04% RB: \$2,200,000 2.375% RB: \$766,000 1.375% FINANCING TEAM Bond Counsel: Sanford Holshouser, LLP Revenue BAN: Truist Bank Revenue Bond: USDA Rural Development Registrar: Town Manager	
USDA Grant	\$ 6,633,000						
Available Cash	\$ 20,000						
	<u>\$ 9,619,000</u>						

TOWN OF STEDMAN \$134,000 Municipal Building G.S. 160A-20 Installment Contract Private Placement	Purchase and renovation of the old (former) Town of Stedman Volunteer Fire Department Building.	Necessary and expedient to house maintenance equipment and vehicles in a larger building.	Valuation of property is verified by an independent appraisal.	The Town received a unit letter because, in the General and Water & Sewer Funds, expenditures exceeded amounts budgeted indicating that the preaudit process is not working properly. The Town responded satisfactorily.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: LGFCU Financial Partners, LLC Approval Rate: 3.50% Term: 15 years Market Rate: 3.00% Payment: Annually S&P: Not Rated Moody's: Not Rated	Installment purchase contract is more timely than issue of G.O. Bonds.
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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	1,056	\$134,000	3/5/2020	\$ -	\$ 100,463,739	\$ 68,788	\$0.32	0.07%	0.20%	\$ 65	\$ 192	Cumberland Co.	\$226

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
CITY OF DUNN \$2,120,000 Renovation of Tart Park G.S. 160A-20 Installment Purchase Contract Private Placement	This project includes renovations of field and playing surfaces, walking trails, exercise equipment, field lighting, scoreboards, security cameras, fire and emergency access to fields and facilities, and construction of a central control tower used to improve coordination and regulation of events onsite.	Necessary and expedient to meet the needs and expectations of the population of the City of Dunn with regards to access to parks, recreational activities, quality of facilities and safety for the total public.	Bids in hand.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: United Community Bank Approval Rate: 2.75% Term: 15 years Market Rate: 2.10% Payment: Annually S&P: AA- Moody's: A1

Installment purchase contract is more timely than issue of G.O. Bonds

FINANCING TEAM:

Bond Counsel: Parker Poe Adams & Bernstein LLP

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		
Park	9,642	\$ 2,120,000	5/12/2020	\$ -	\$843,734,200	12,438,505	\$0.50	1.47%	1.73%	\$ 1,290	\$ 1,510	Harnett County	\$ 1,578

TOWN OF MATTHEWS \$650,000 Street Paving & Sound System G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the resurfacing of streets around Matthews Station Street and installation of a new sound system in the Fullwood Theater. Expected Sources and Uses of Funds: <u>Sources:</u> Bank Loan \$ 650,000.00 Total Sources: <u>\$ 650,000.00</u> <u>Uses:</u> Construction cost resurfacing \$ 533,168.16 Sound system \$ 49,092.91 Contingency \$ 67,738.93 Total Uses: <u>\$ 650,000.00</u>	Necessary and expedient because the pavements are almost 20 years old and are at the point where they are starting to have structural issues. Similar, the sound system in the Town theater is in need of replacement due to age and deteriorating sound quality.	Bids in hand.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: Truist Bank Approval Rate: 2.07% Term: 59 Month Market Rate: 1.80% Payment: Annually S&P: AA+ Moody's: Aa1
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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		
Equipment Street	32,365	\$ 60,000 \$ 590,000 \$ 650,000	N/A	\$ -	\$4,887,780,358	6,869,703	\$0.28	0.14%	0.15%	\$ 212	\$ 232	Mecklenburg Co.	\$ 2,412

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
TOWN OF WAKE FOREST \$2,500,000 Fiber Network Infrastructure G.S. 160A-20 Installment Contract Private Placement	Construction of approximately 25 miles of underground fiber that will interconnect 14 Town facilities. The network will consist of multiple backbone rings that emanate from Town Hall and extend over physically diverse paths to critical Town facilities. In addition, fiber will be extended to the Town's Operations Facility which will serve as a secondary hub location for the network.	Necessary and expedient to provide for a safe and connected community and economic development. The project has been identified in the Town's Capital Improvements Plan as a high priority.	Bids and cost share agreement (with Ting) are in hand.	No major deficiencies. defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: Truist Approval Rate: 2.17% Term: 7 Years Market Rate: 1.25% Payment: Semi-Annually S&P: AAA Moody's: Aa1

Objection Letter Received

Expected Sources and Uses of Funds:

Sources:

Bank Loan	\$	2,500,000
Ting	\$	817,000
Total Sources:	\$	<u>3,317,000</u>

Uses:

Project Costs	\$	3,317,000
Total Us	\$	<u>3,317,000</u>

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	
Telecommunications	45,348	\$2,500,000	5/19/2020	\$ 4,920,000	\$ 5,309,400,501	\$ 42,904,036	\$0.52	0.90%	0.95%	\$ 1,055	\$ 1,110	Wake County \$3,104

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
GASTONIA, City of \$18,500,000 G.S. 159-72 General Obligation Refunding Bond (Private Placement)	Refund \$17,805,000 City of Gastonia, NC Taxable G. O. Street & Sidewalk Bonds, Series 2010C (Build America Bonds), dated September 9, 2010 and maturing September 1, 2021 to 2030, inclusive. Refunded maturities carry interest rates of 3.861% to 4.961%.	Necessary and expedient to provide debt service savings on the outstanding issue.	Amount is adequate to redeem the debt.	No major deficiencies. No defaults noted.	Debt service will be significantly reduced.	<p><u>Structure:</u> Current refunding: Expected net present value savings of \$1,327,557 or 7.46% of the refunded bonds.</p> <p>The refunding bond will be structured with no extension of maturities, with the final maturity on 9-1-2030. Approximately level annual savings are calculated at \$149,000 annually.</p> <p>Sale: Bank Placement Sale/Issue Date: On or about August 31, 2020</p> <p><u>Approvals:</u> Amount: Not to exceed \$18,500,000; actual issue size will be \$17,872,000. Bank Rate: 1.54% Final Maturity: September 1, 2030</p> <p><u>Financing Team:</u> Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: First Tryon Advisors Bank: TD Bank, N.A. Bank Counsel: Parker Poe Adams & Bernstein LLP</p>	<p>Current G.O. Ratings: Moody's: Aa2 S&P: AA- Fitch: AA</p> <p>(The Refunding Bond will not be rated)</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	After	Per Capita Before	After	Per Capita After		
Refunding	76,298	\$ 18,500,000	N/A	\$ -	\$ 5,827,570,658	\$ 29,545,000	0.5200	0.51%	0.52%	\$ 387	\$ 396	Gaston County		\$ 1,021

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
TOWN OF PINE LEVEL Water and Sewer \$2,020,000 G.S. 159; Article 5 This project consists of the construction and/or erection of approximately 29,000 linear feet of various-sized water main with valves, hydrants, and related appurtenances; the rehabilitation of 234 sanitary sewer manholes; the construction and/or erection of approximately 8,100 linear feet of six-inch pump station force mains; and the replacement of two primary sewer pumping stations. USDA Loan: \$ 2,020,000 USDA Grant: \$ 639,000 Total <u>\$ 2,659,000</u>	Necessary and expedient for the proper functioning of the water and sewer system of the Town.	Bids in hand.	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. Water: \$27.20 Sewer: \$59.72	No defaults noted. No major deficiencies.	USDA commitment to purchase the bonds upon substantial completion of the project.	Term: RBAN: RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service APPROVALS Issue Amount Revenue Bond: \$2,020,000 Issue Amount Revenue BAN: \$2,020,000 Final Maturity: RBAN: No later than RB: 2060 or 40 years after the maturity of the RBAN Interest Rate: RBAN: \$2,020,000 1.92% RB: \$2,020,000 2.75% FINANCING TEAM Bond Counsel: Manning Fulton & Skinner, P.A. Revenue BAN: To be approved by the Secretary of the Commission Revenue Bond: USDA Rural Development Registrar: Deputy Clerk

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION										
<p>CITY OF WINSTON SALEM HOUSING AUTHORITY MULTIFAMILY HOUSING TAX EXEMPT MORTGAGE BACKED BONDS Skyline Village Apartments , M-TEMS Series 2020 G.S. 159-148; 159-153; 157-17.1</p> <p>Not to exceed \$12,000,000 the proceeds of the bonds will be used to provide a loan to Skyline Village Holdings, LLC a North Carolina Limited Liability Company, or an affiliate, for the acquisition, renovation and equipping of approx. 169 apartment units located in the City of Winston Salem on approximately 33.5 acres. The apartments are targeted for low income family tenants. The apartments will be renovated 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>Winston Salem 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 bedroom units, 100% of which will be subject to income and rent restrictions.</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 1.25X to 1.37X.</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 bonds will not conflict with the sale of any other revenue bonds.</p>	<p>Term - Approximately 17 years; 2 yrs. interest only; 35 year amortization Construction period up to 36 months Interest Rate: Tax Exempt estimated 3.45% Structure: Approximately level debt service</p>										
<p>APPROVALS Amount: Not to exceed \$12,000,000 Final Maturity: Not to exceed December 31, 2055 Interest Rate: Tax-exempt not to exceed 12.0%</p>																
<p>FINANCING TEAM Bond Counsel: McGuireWoods LLP Issuer's Counsel: Kevin Cheshire, General Counsel Borrower: Skyline Village Holdings, LLC Borrower's Counsel: Blanco Tackabery & Matamoros, P.A. Mortgage Lender: Bellwether Enterprise Mortgage Investments, LLC Lender's Counsel: Cassin & Cassin LLP Fannie Mae's Counsel: DLA Piper LLP (US) Underwriter: Stifel, Nicolaus & Company, Inc. Underwriter Counsel: Norton Rose Fulbright US LLP LIHTC Equity Investor: Alliant Capital LIHTC Equity Investor Counsel: Nixon Peabody LLP Trustee: Wilmington Trust, National Association Trustee's Counsel: Alston & Bird LLP</p>																
<p><u>Sources of Funds</u></p> <table border="0"> <tr> <td>Permanent Loan</td> <td style="text-align: right;">\$ 12,000,000</td> </tr> <tr> <td>Tax Credit Equity</td> <td style="text-align: right;">\$ 4,973,446</td> </tr> <tr> <td>Deferred Developer Fee</td> <td style="text-align: right;">\$ 786,394</td> </tr> <tr> <td>Total Sources</td> <td style="text-align: right;">\$ 17,759,840</td> </tr> </table>		Permanent Loan	\$ 12,000,000	Tax Credit Equity	\$ 4,973,446	Deferred Developer Fee	\$ 786,394	Total Sources	\$ 17,759,840							
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PROJECT	NECESSARY AND EXPEDIENT ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY	DATE & MANNER OF SALE/ADVERSE EFFECTS	TERMS/OTHER INFORMATION
<p>REX HOSPITAL, INC. North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Rex Healthcare), Series 2020B</p> <p>Amount: Not to exceed \$77,000,000 Locations: Raleigh, Apex, Cary, Knightdale and Garner (Wake County)</p> <p>Licensed beds: 666 beds (439 acute care; 227 skilled nursing)</p> <p>Purpose: The 2020B Bond proceeds will be used for the following purposes: Refund 2010A Bonds, the proceeds of which were originally issued to construct the replacement of a Central Energy Plant on the Hospital main campus; Acquire and install routine capital/ medical equipment for FY 2010 to 2011; Refund the Series 1998 Bonds, the proceeds of which were issued to refund a portion of the Series 1993 Bonds NCMCC bonds.</p>	<p>NCMCC has previously approved the project.</p> <p>The principal reason for the refunding is to generate NPV savings. The refunding is estimated to produce net present savings of approximately \$8,915,653 or 12.64% of the refunded debt amount.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Internal projections for the five years shows estimated debt service coverage of at least 3.9 times through 2025.</p>	<p>Direct Purchase Loan with JPMorgan Chase Bank, National Association currently is anticipated to close on July 22, 2020.</p> <p>Current Ratings: Moody's: A2 S & P: AA- Fitch: A+</p> <p>The proposed bonds will not be rated</p>	<p>Term: Approximately 10 years. No extension in maturity</p> <p>Interest rates: Fixed (serial, term) Indicative rate: 2.00%</p> <p>Structure: approximate level debt savings</p> <p style="text-align: center;">APPROVALS</p> <p>Amount: Not to exceed \$ 77,000,000. Final Maturity: Not to exceed July 1, 2030 Fixed Rate: not to exceed 6%</p> <p style="text-align: center;">FINANCING TEAM</p> <p>Bond Counsel: Womble Bond Dickinson (US) LLP Borrower's Counsel: K&L Gates LLP Bank: JPMorgan Chase Bank, National Association Bank Counsel: Parker Poe Adams & Bernstein LLP Trustee: U.S. Bank National Association Financial Advisor: Ponder & Co.</p>

Preliminary Sources and Uses of Funds

<u>Sources:</u>	
Bond Proceeds	\$ 70,535,000
Equity Contribution for Cost of Issuance	\$ 250,000
Equity Contribution for Accrued Interest on 2010A	\$ 189,017
Total Sources of Funds	<u>\$ 70,974,017</u>
 <u>Uses:</u>	
Refunding Escrow Deposit	\$ 70,535,000
Accrued Interest on 2010A Bonds	\$ 189,017
Cost of Issuance	\$ 250,000
Total uses of funds	<u>\$ 70,974,017</u>

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
CITY OF HENDERSONVILLE Water \$812,000 G.S. 159G-22 Revolving Loan	Installation of approximately 5,000 LF of 6-inch waterline to replace various existing 2-inch, 4-inch and 6-inch waterlines. Replacement of approximately 635 LF of 8-inch waterline and related valves, hydrants, services and appurtenances.	Necessary and expedient because the City's existing water infrastructure is aging and in need of replacement (with existing water infrastructure installed in the 1920's). The City spends significant resources maintaining this aging infrastructure.	Cost estimates provided by City of Hendersonville.	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. Water: \$16.85 Sewer: \$25.46	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	NA
TOWN OF MANTEO Sewer \$1,106,660 G.S. 159G-22 Revolving Loan	The proposed project will include a complete relocation and replacement of all station facilities including but not limited to: New water-tight / flood proof concrete wetwell structure, pumps, valves, piping, bypass piping, controls enclosure with electrical including permanent standby generator and automatic transfer switch.	Necessary and expedient to provide the Town with a permanent solution which will allow them to continue to pursue their goals of being a responsible steward to Shallowbag Bay and the Town of Manteo Historic District.	Cost estimated by Green Engineering PLLC.	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. Sewer: \$18.70	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	N/A

MISCELLANEOUS - ACTION ITEMS:**Lenoir-Rhyne University
Series 2014 & Series 2015**

Lenoir Rhyne University is a private university located in Hickory, with satellite locations in Asheville and Columbia, SC. The University has a current enrollment in FY 2019/20 of 1,853 undergraduate students and 889 graduate students. The NCCFFA has two bond issues outstanding on behalf of Lenoir-Rhyne University (the "University"), namely the North Carolina Capital Facilities Finance Agency Educational Facilities Revenue Bond (Lenoir-Rhyne University), Series 2014 (the "2014 Bond") and the North Carolina Capital Facilities Finance Agency Educational Facilities Revenue Bond (Lenoir-Rhyne University), Series 2015 (the "2015 Bond"). The 2014 Bond is currently outstanding in the principal amount of \$9,213,000 and The 2015 Bond is currently outstanding in the principal amount of \$11,706,750. The 2014 Bond and the 2015 Bond are owned by STI Institutional & Government, Inc. ("STING") under bond purchase and loan agreements. The University and STING have agreed under the bond purchase and loan agreements to convert the interest rates on the bonds from 67% x (1-Month LIBOR + 2.22%); currently 1.62% for the 2014 Bond and 67% x (1-Month LIBOR + 2.48%); currently 1.79% for the 2015 Bond in each case to 79% x (1-Month LIBOR + 1.65%); currently 1.45% both of which have interest rate swaps associated with them on which the University is paying 3.92% and 3.25%, respectively. The University expects to enter into modifications to existing interest rate swaps related to the new underlying interest rate calculation and based on the current 1-Month LIBOR (.19) and the reduction in the spread, the University expects to save approximately \$200K per year in interest expense on these issues over the next 10 years. In addition, the mandatory tender dates under the bond purchase and loan agreements are being extended an additional 5 years from December 1, 2025 to December 1, 2030. These conversions result in a reissuance for tax purposes. There will be no extension of maturity.

MISCELLANEOUS - ACTION ITEMS:

**The Family Violence
Prevention Center, Inc.
d/b/a InterAct
Series 2010**
(Wake County)
G.S. 159C - 9

The Local Government Commission approved The Wake County Industrial Facilities and Pollution Control Financing Authority Special Purpose Project Revenue Bond (InterAct Project), Series 2010 (the "Bond"). The Bond was originally issued to refinance the acquisition, construction and equipping of an approximately 61,451 square foot facility in Raleigh, North Carolina to house the operations and related services of The Family Violence Prevention Center, Inc. d/b/a InterAct (the "Borrower"). InterAct is a non-profit working to end the cycle of domestic and sexual violence in Wake County. Activities include counselling services, court advocacy and providing facilities for Wake County families who have experienced domestic violence and need emergency shelter. The Bond is held by Truist Bank (formerly Branch Banking & Trust Company) (the "Bank"). The Bond currently bears interest at a variable rate equal to 83.36% of 1-Month LIBOR + 1.59%; currently 1.73% and has a put date of October 21, 2020. The Bank has offered to extend the term of the Bond to the final maturity date of October 21, 2030 and to provide the Borrower with a fixed rate of interest for the Bond to the maturity date. The expected fixed rate for the Bond is 2.19%. This is an increase over the current rate applicable to the Bond under the variable rate, but will provide the Borrower with certainty on the rate for the remaining 10-year term of the Bond. The Bond was issued in the amount of \$4,718,000, and the current outstanding amount is \$2,819,660. Based on the current LIBOR rate (.17%) the change to the fixed rate results in a total dis-savings of approximately \$71,500. However, when using a five-year average for LIBOR (1.28%) the change to the fixed rate shows a total savings of approximately \$74,000. There will be no extension of maturity.

MISCELLANEOUS - ACTION ITEMS:**Lutheran Services for the Aging, Inc. and its Affiliates**

The Local Government Commission and the North Carolina Medical Care Commission previously approved the Lutheran Services for the Aging, Inc. and its Affiliates ("LSA") Series 2020A Bonds and Series 2020B Bonds on the March 2020 LGC Agenda. Due to the COVID-19 pandemic, LSA was unable to access the public markets, resulting in a postponement of the financing. LSA's nursing communities received Medicaid rate increases which they have used towards staff screening, training, and PPE. Federal stimulus monies from DHHS has also been granted. The revenues and cash reserves have remained static. At this time, LSA would like to proceed with the financing of the Project as approved by the LGC in March 2020. If there is further delay, LSA risks losing the pricing under GMP for the Trinity Landing Project. The refunding portion of the financing will not be pursued at this time. The Project and terms will still be within the parameters originally approved. In order to move forward with the Project, LSA plans to enter in a loan agreement in the amount of \$130,000,000 with an initial rate of no more than 79% of 1- Month LIBOR + 2.50% with a .75% rate as the LIBOR Floor; currently 3.09%. The bank loan will be made by BB&T Community Holdings Co. as the majority lender as well as a syndicate group. The other syndicate banks will be finalized the week of July 6th and will be limited to the following banks: Pinnacle Financial Partners, Atlantic Union Bank, First Midwest, First Citizens Bank, and Mechanics & Farmers Bank. The loan from this syndicate of banks will reduce the cost of the borrowing to LSA.

City of Sanford
General Obligation Bonds
G.S. 159-64

The City of Sanford requests a three-year extension per G.S. 159-64 of \$4,000,000 Greenway Bonds authorized at referendum on September 10, 2013, of which the entire \$4,000,000 bonds remain unissued. The bonds were authorized to pay the costs of constructing greenway facilities and acquiring rights in land therefor, to extend the Endor Iron Furnace Greenway in order to extend public greenways and enhance recreational opportunities in the City and in Lee County. The extension is necessary as the City Council had planned to increase the tax rate and issue the bonds in 2020. However, due to the COVID-19 virus and general economic conditions, City Council plans not to increase the tax rate for FY 2021 and requests the 3-year extension beyond the September 2020 authorization.

Sanford expects to be able to issue the bonds to construct the greenway projects within the revised timetable. Staff recommends approval of extending the authorization to September 10, 2023.