

LOCAL GOVERNMENT COMMISSION  
MARCH 3, 2020

1. PLEDGE OF ALLEGIANCE  
2. TOAST TO THE FLAG  
3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL  
February 4, 2020

**(PRELIMINARY)**  
**RELATED INFORMATION**  
Approximate Per Capita Debt  
02/28/20  
State: \$ 574  
Federal: \$ 71,047

<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 Town of Eureka	Update						
Update on Cliffside Sanitary District	Update						
Beech Mountain, Town of	Financing Agreement	Municipal Building	\$ 5,200,000	Unit Letter	2	RB 8-2015 \$4.3M	
Johnston, County of	Revolving Loan	Water	\$ 5,586,000	Unit Letter	2	LOBs 6-2017 \$30.5M	
Salisbury, City of	Revenue	Combined Enterprise System	\$ 46,500,000	Unit Letter	3	FA 9-2018 \$1.6M	
Buncombe, County of	Financing Agreement	Multiple Capital Projects	\$ 212,000,000	Unit Visit	4	LOBs 3-2018 \$61M	
Davie, County of	Financing Agreement	County Buildings, Recreation	\$ 9,250,000		5	FA 9-2019 \$7.166M	
Kannapolis, City of	Financing Agreement	Community/Economic Dev., Municipal Buildings	\$ 18,250,000		6	LOBs 10-2018 \$52M	
<b>Lexington, City of (LGC deferred to March mtg.)</b>	Financing Agreement	Economic Development	\$ 2,571,905		6	FA 10-2018 \$1.14M	
Swain County Board of Education	Financing Agreement (GES)	Installation of energy conservation measures	\$ 2,348,196		7	NA	
High Point, City of	General Obligation	Refunding - Private Placement	\$ 14,100,000		8	LOBs 4-2019 \$7M	
Wake, County of	General Obligation	Refunding	\$ 77,000,000		9	LOBs 6-2019 \$240M	
Hertford, County of	Revenue	Water and Sewer	\$ 936,000		10	FA 2-2020 \$5M	
Weaverville, Town of	Revenue	Water and Sewer	\$ 2,500,000		10	GO 2-2016 \$2.550M	
Winston-Salem, City of	Revenue	Refunding	\$ 231,000,000		11-12	LOBs 1-2020 \$87.5M	
Lutheran Services for the Aging, Inc. and its Affiliates	N.C. Medical Care Commission	Mortgage Revenue Bonds	\$ 165,000,000		13	NCMCC 10-2012 \$83M	
N.C. Housing Finance Agency	Revenue	Home Ownership , Series 44	\$ 650,000,000		14	NCHA 12-2019 nte \$300M	
Cleveland County Water	Revolving Loan	Water	\$ 7,560,000		15	FA 3-2015 \$5.580M	
Lenoir, City of	Revolving Loan	Sewer	\$ 2,775,000		15	FA 5-2019 \$4.4M	
Mount Airy, City of	Revolving Loan	Water	\$ 963,100		15	FA 1-2009 \$3.96M	
Orange Water & Sewer Authority	Revolving Loan	Water	\$ 2,170,800		15	RB 11-2019 \$30M	
Sampson, County of	Revolving Loan	Water	\$ 906,160		15	RL 9-2017 \$338K	
Sampson, County of	Revolving Loan	Water	\$ 232,500		16	RL 9-2017 \$338K	
Spruce Pine, Town of	Revolving Loan	Sewer	\$ 665,785		16	RL 1-2012 \$2.43M	
Thomasville, City of	Revolving Loan	Water	\$ 448,032		16	RL 2-2020 \$1.0M	
Thomasville, City of	Revolving Loan	Water	\$ 969,768		16	RL 2-2020 \$1.0M	
Thomasville, City of	Revolving Loan	Water	\$ 390,690		17	RL 2-2020 \$1.0M	
Thomasville, City of	Revolving Loan	Water	\$ 407,985		17	RL 2-2020 \$1.0M	
Troutman, Town of	Revolving Loan	Sewer	\$ 856,000		17	FA 9-2019 \$1.03M	
Tuckasegee Water and Sewer Authority	Revolving Loan	Sewer	\$ 4,595,300		17	RL 9-2019 \$323K	
International Paper Company (Columbus County)	Industrial Revenue	Recovery Zone Facility Revenue Refunding	\$ 20,000,000		18	9-2019 \$27.1M	
Stanly, County of	Miscellaneous - Action Item	USDA loan refinanced with Uwharrie Bank	NA		19	FA 8-2019 \$2.635M	

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>TOWN OF BEECH MOUNTAIN</b> \$5,200,000 Public Works Facility G.S. 160A-20 Installment Contract Private Placement	Construction of a new Public Works Facility.  Note: Governmental (General Fund) Activities will service 65% of loan or \$3,380,000 while Business Activities will service 35% of loan or \$1,820,000.	Necessary and expedient because the current Public Works building has exceeded its useful life and needs to be replaced.	Bids in hand.	The Town received a unit letter because the rate structure and /or collections did not generate adequate operating cash flow and revenues in the Water & Sewer Fund. The Town responded satisfactorily. A unit visit was conducted on February 6, 2020.	No tax increase is anticipated. General Fund revenues will provide for debt service.  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: \$43.50 Sewer: \$43.50 Sanitation: \$19.97	Bank: BB&T Approval Rate: 2.79% Term: 20 Years Market Rate: 2.60% Payment: Annually  S&P: Not Rated Moody's: Not Rated  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	395	\$5,200,000	11/12/2019	\$ -	\$ 545,399,471	\$ 180,870	\$0.732	0.03%	0.65%	\$ 458	\$ 9,015
								Watuaga County			
											\$ 869

<b>JOHNSTON COUNTY</b> Water \$5,586,000 G.S. 159G-22 Revolving Loan	This project consists of replacing approximately 14,900 linear feet of failing 12-inch water main along NC 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 the Auditor noting internal control deficiencies 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. Water: \$42.20	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%.
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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 SALISBURY</b>							
Combined Enterprise System Revenue and Revenue Refunding Bonds, Series 2020		Necessary and expedient to maintain and improve the City's water and sewer capital infrastructure in order to provide for continued growth in the area and to maintain assets in servicable condition. Current capital market conditions indicate a net present value savings (NPV) of approximately \$156,000 or 6.46% of the refunded Series 2009 Bonds and an NPV of \$1,068,000 or 13.25% of the refunded 2010 Bonds.	Bids are in hand for all projects and all material permits have been obtained. The Series 2009 refunding and Series 2010 refundings are current.	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.	A feasibility study has been undertaken by Wildan Financial Services and the substantially complete version of the document demonstrates required coverages of debt service by Income Available for Debt Service as defined in the bond covenants of at least 2.15X on total system debt and at least 2.32X on Parity Bonds only through Fiscal Year 2025. Average residential monthly water and sewer bill is \$70.81 per based on usage of 5,000 gallons with an average combined 2.0% annual rate increase through 2025.	Term: 25 years Interest Rate: Fixed  Structure: Amortization of the new-project financing will produce approximately level debt service to provide stable requirements to support the current rate model. Amortization of the refunding principal will be structured to provide even realization of cash savings across the term of the refunded debt, which has not been extended. Expected Rate: Effective Interest Cost: 2.71%  Expected Underwriters Fee: \$3.70/\$1,000	Public Sale in \$5,000 denominations. Sale is scheduled on March 12, 2020 so as to not conflict with any other revenue bonds. Bonds are expected to be rated Moody's: Aa2, Fitch: A+
Amount not to exceed: \$46,500,000 G.S. 159; Article 5							
A)Projects:							
1)Construction of Phase 1 of the City's Water Treatment Plant improvements including construction of a new metal building, sitework, centrifuge installation, replacement filtration and all required appurtenances.	\$ 7,499,683						
2)Construction of improvements at the Grants Creek Wastewater Treatment Train including a new influent pump station, head works, grit removal system, conversion of existing trickling filters to flow equalization tanks, construction of a RAW/WAS pump station and of a side stream pump station, new flow meter vaults, EQ/RAS junction box and a new electrical building.	\$ 27,874,394						
Total Projects:	\$ 35,374,077						
B)Current refunding of the City's Combined Enterprise System Revenue Bonds, Series 2009	\$ 2,460,000						
C)Current refunding of the City's Combined Enterprise System Revenue Refunding Bonds, Series 2010	\$ 8,170,000						
Pertaining to the Series 2009 refunded bonds:							
Originally issued	\$ 6,000,000						
Outstanding currently	\$ 2,425,000						
Balance to be refunded	\$ 2,425,000						
Pertaining to the Series 2010 refunded bonds:							
Originally issued	\$ 16,065,000						
Outstanding currently	\$ 8,060,000						
Balance to be refunded	\$ 8,060,000						

**APPROVALS**

Amount not to exceed: \$46,500,000

Final maturity: Not beyond 2045

Interest Rate not to exceed:

**FINANCING TEAM:**

Bond Counsel: Parker, Poe, Adams & Bernstein LLP  
Underwriters: J.P. Morgan Securities LLC  
Underwriters Counsel: Parker, Poe, Adams & Bernstein LLP  
Registrar/Trustee: U.S. Bank National Association (DTC)  
Financial Advisor: Hilltop Securities  
Feasibility Consultant: Wildan Financial Services

Expected Sources and Uses of Funds:			
	New Projects	Refundings	Total
<b>Sources:</b>			
Revenue Bonds at par:	\$ 29,365,000	\$ 9,355,000	\$ 38,720,000
Premium	\$ 6,009,078	\$ 1,272,062	\$ 7,281,140
Accrued Interest		\$ 68,541	\$ 68,541
Total Sources	\$ 35,374,078	\$ 10,695,603	\$ 46,069,681
<b>Uses:</b>			
Project Fund	\$ 35,000,378		\$ 35,000,378
Refunding Escrow		\$ 10,576,551	\$ 10,576,551
Issuance Costs	\$ 265,438	\$ 84,562	\$ 350,000
Underwriter's Discount	\$ 108,262	\$ 34,490	\$ 142,752
Total Uses	\$ 35,374,078	\$ 10,695,603	\$ 46,069,681



UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>DAVIE COUNTY</b> \$9,250,000 Multiple Projects G.S.160A-20 Installment Contract Private Placement	(1) Phase I of Davie County Community Park, (2) Improvements to County Administration Building including roof and HVAC system, (3) Improvements to Brock Performing Arts and Recreation Center including lighting and flooring, and (4) Improvements to leased space for a combined Sheriff and Health & Human Services Office	Necessary and expedient to create the first County park and make improvements to other County facilities as determined in a 2018 study.	Bids are in hand.	No major deficiencies. No defaults noted.	No tax increase is necessary. Debt service will be paid from the revenues to the General Fund.	Lender: Truist  APPROVALS Amount not to exceed: \$ 9,250,000 Approval rate: 2.790% Term (Years): 20 Market Rate: 2.50% Payment: Annual principal and semi-annual interest  Current G.O. Ratings: S&P: AA+ Moody's: Aa2  FINANCING TEAM Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Davenport & Company Lender's Counsel: Pope Flynn, LLC  Installment financing is more timely than issuing G. O. Bonds
<u>Expected Sources and Uses of Funds:</u>						
Sources:						
	Bank Loan	\$ 9,250,000				
	Building Owner	\$ 850,000				
	Cash Contribution	\$ 1,926,500				
	Total Sources	<u>\$ 12,026,500</u>				
Uses:						
	Project Costs:	\$ 11,876,500				
	Costs of Issuance:	\$ 150,000				
	Total Uses	<u>\$ 12,026,500</u>				

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 Recreation	41,554	\$ 7,115,385 \$ 2,134,615 <u>\$ 9,250,000</u>	12/2/2019	\$ -	\$ 4,722,867,865	\$ 63,438,600	\$0.7380	1.34%	1.54%	\$ 1,527	\$ 1,749

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>CITY OF KANNAPOLIS</b> \$18,250,000 Refunding 160A-20 Installment Contract Private Placement	Refunding of 2010B Limited Obligation Build America Bonds. Current capital market conditions indicate an aggregate net present value savings (NPV) of approximately \$2,097,896 or 10.864% of the refunded balance.	Necessary and expedient to avail the County of lowered financing costs.	The payoff amount is current in type and known.	No major deficiencies. No defaults noted.	The current debt service has been budgeted. If an NPV savings of 10.864% is generated, it will result in an aggregate average annual savings of approximately \$342,000.	Bank: Bank of America Amount: \$ 18,250,000 Approval Rate (Tax Exempt): 1.840% Approval Rate (Taxable): 1930.000% Term (years): 8 Market Rate: 1.93% Structure: Annual principal and semi-annual interest payments.  Bank placement will not be rated. Current G.O. ratings: S&P AA- Moody's: Aa3
<u>Expected Sources and Uses of Funds:</u>		(TAX-EXEMPT)	(TAXABLE)			
Uses:						
	Loan Proceeds	\$ 17,248,000	\$ 247,000			
	Release of Debt Service Res.	\$ 1,904,000	\$ 27,000			
	FDA Termination Receipt	\$ 160,000				
	Total Sources	<u>\$ 19,312,000</u>	<u>\$ 274,000</u>			
Uses:						
	Refunding Escrow Deposit	\$ 19,082,353	\$ 270,601			
	Costs of Issuance	\$ 222,253	\$ 3,293			
	Bank Fees	\$ 7,394	\$ 106			
	Total Uses	<u>\$ 19,312,000</u>	<u>\$ 274,000</u>			

**FINANCING TEAM**

Bond Counsel: Parker Poe Adams & Bernstein LLP  
Bank Counsel: McGuire Woods  
Financial Advisor: Davenport & Company  
FDA Termination Advisor: Kensington

Installment purchase 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
Community/Economic Development Municipal Buildings	48,806	\$ 9,832,680 \$ 8,417,320 <u>\$ 18,250,000</u>	1/27/2020	\$ -	\$ 4,354,247,160	\$ 135,239,340	\$0.630	3.11%	3.11%	\$ 2,771	\$ 2,771
								Cabarrus County			
										\$	\$ 1,696

<b>CITY OF LEXINGTON</b> \$2,571,905 Economic Development G.S.160A-20 Installment Contract Private Placement  (this item was deferred by the Commission at its February meeting)	Acquisition of approximately 200 acres of real estate that is suitable for commercial and industrial use. The financing of the property will be by Front Street - Lexington, LLC in which the City of Lexington will hold a majority (51%) interest. Team Family Partnership, LLC will hold the remaining 49% equity interest in Front Street - Lexington, LLC. The obligations of Front Street - Lexington, LLC under the agreement will be secured by a deed of trust on the real estate.	Necessary and expedient to stimulate the local economy, increase the tax base, promote the creation of new jobs, and promote the welfare of the citizens.	Value of property is verified by tax cards. Purchase agreement between buyer and sellers is in hand.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Lender: Brown Street Partners, LLC & Golden Crescent Investment Corporation Approval Rate: 0.00% Term: 10 Years Market Rate: 1.60% Payment: Annually  S&P: AA- Moody's: A1
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Expected Sources and Uses of Funds:

Sources:

Bank Loan:	\$ 2,571,905
Cash:	\$ 400,000
	<u>\$ 2,971,905</u>

Uses:

Project Costs:	\$ 2,971,905
Total Uses:	<u>\$ 2,971,875</u>

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
Economic Development	18,149	\$2,571,905	12/9/2019	\$ -	\$ 1,613,632,857	\$ 6,064,358	\$0.65	0.38%	0.54%	\$ 334	\$ 476
								Davidson County			
										\$	\$ 725

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>SWAIN COUNTY BOARD OF EDUCATION</b> \$2,348,196 G.S. 160A-20 Installment Purchase Guaranteed Energy Savings Contract (GESc) Private Placement	Installation of energy conservation measures (ECMs) at school system facilities. ECMs are primarily lighting upgrades, HVAC controls and improvements, water conservation measures and plug load control.  Total est. Cost: \$3,105,923 Total Guaranteed Savings: \$3,130,791 Total est. Savings: \$3,313,663	Necessary and expedient to improve quality of facilities and to reduce operating costs.	Cost estimates and guaranteed savings reviewed by the professional engineering firm of McKim & Creed, Inc.	No major deficiencies. No defaults noted per the most recent annual report.	No tax increase is anticipated. Energy savings will service the debt.	Vendor: Schneider Electric Lender: Bank of America, National Association  Amount: \$2,348,196 (\$2,406,193 with capitalized interest accrued during construction)  Term: 19 Years; Monthly Payments sized to accommodate the savings realization pattern. The term of the GESc is 18 years.  Rate: 2.439%

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>HIGH POINT, City of</b> \$14,100,000 G.S. 159-72 General Obligation Refunding Bond (Private Placement)	All or portion of bonds to be refunded: \$13,040,000 Taxable G. O. Public Improvement Bonds, Series 2010B (BAB's), sold June 30, 2010 at a true interest cost of 3.3905% (after subsidy payments). Outstanding maturities carry an interest rate of 4.549% to 5.675%, with an average interest rate of 5.422%.	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> Current refunding: Expected net present value savings of \$1,150,087 or 8.82% of the refunded bonds.</p> <p>The refunding bond will be structured with no extension of maturities, with the final maturity on 6-1-2030. Level annual savings are calculated at approximately \$125,000 annually.</p> <p>Sale: Bank Placement Sale Date: On or about March 19, 2020</p> <p><u>Approvals:</u> Amount: Not to exceed \$14,100,000 Bank Rate: 1.70% Final Maturity: June 1, 2030</p> <p><u>Financing Team:</u> Bond Counsel: Parker Poe Adams &amp; Bernstein LLP Financial Advisor: Davenport &amp; Company LLC Bank: Pinnacle Financial Partners/Pinnacle Bank Bank Counsel: McGuireWoods LLP Escrow Agent: U.S. Bank National Association</p>	<p>Current G.O. Ratings: Moody's: Aa1 S&amp;P: AAA Fitch: 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	112,997	\$ 14,100,000	N/A	\$ 50,000,000	\$ 9,719,314,166	\$ 109,370,000	0.6475	1.64%	1.65%	\$ 1,410	\$ 1,420	\$ 1,420
							Guilford County			\$ 1,267		

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>WAKE COUNTY</b> \$77,000,000 General Obligation Refunding Bonds G.S. 159-72	All or portion of bonds to be refunded: \$19,905,000 General Obligation Public Improvement Bonds, Series 2010A, sold March 30, 2010 at a TIC of 2.4965% and a present average interest cost of 3.00%; \$39,505,000 Taxable G. O. Public Improvement Bonds, Series 2010B, sold March 30, 2010 at a TIC of 5.1009% and a present average interest cost of 5.09%; and \$17,055,000 Taxable G.O. Public Improvement Bonds, Series 2010F, sold August 5, 2010 at a TIC of 4.5889% and a present average interest cost of 4.75%.  Plans are to issue two series of Refunding Bonds: Series 2020A to refund the Series 2010A and 2010B Bonds, and Series 2020B Bonds to refund the Series 2010F Bonds.	Necessary and expedient to provide savings on the outstanding issues.	Amount is adequate, with other available funds of the County, to redeem debt.	No major deficiencies. No defaults noted.	A tax increase is not anticipated.	<u>Structure:</u> Current Refunding. Net present value savings of \$5,367,347 for the 2010A&B Bonds, or 9.03% of the Refunded Bonds.  Current Refunding. Net present value savings of \$1,392,496 for the 2010F Bonds, or 8.165% of the Refunded Bonds. (Calculations as of 1-29-2020)  The refunding bonds will be structured with no extensions of maturities (final maturity April 1, 2029 for the 2010A&B Bonds and Final maturity of August 1, 2029 for the 2010F Bonds.  <u>Competitive Sale:</u> April 14, 2020 <u>Approvals:</u> Amount not to exceed: \$77,000,000 Final Maturity: 4-1-2029 for the Series 2020A Bonds 8-1-2029 for the Series 2020B Bonds <u>Financing Team Members:</u> Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Waters and Company, LLC Escrow Agent: U.S. Bank National Association	Moody's: Aaa S&P: AAA Fitch: AAA

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 Before	To Property Values After	Per Capita Before	Per Capita After
Refunding	1,052,120	\$ 77,000,000	N/A	\$ 980,140,000	\$ 146,786,585,551	\$ 2,364,727,373	\$ 0.7207	2.28%	2.28%	\$ 3,179	\$ 3,180

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>HERTFORD COUNTY</b> Water and Sewer \$936,000 G.S. 159; Article 5</p> <p>This project consists of furnishing all materials, tools, labor &amp; equipment to construct approximately 16,200 linear feet of 6" PVC (Polyvinyl Chloride) waterline. 6,600 linear feet of 4" PVC waterline, 1,150 linear feet of 2" PVC waterline and 1,260 linear feet of 8" HDPE (High Density Polyethylene) waterline as well as all related appurtenances.</p> <p>USDA Loan: \$ 936,000 USDA Grant: \$ 423,000 District Contribution: \$ 75,000 Sign up Fees: \$ 12,200 <u>Total: \$ 1,446,200</u></p>	Necessary and expedient because the improvements will bring potable water to residents and businesses in areas of the County, which did not previously have access to a municipal water system.	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: \$33.00 Sewer: \$55.00	No major deficiencies. No major deficiencies.	USDA commitment to purchase the bonds upon substantial completion of the project.	<p>Term: RBAN: 6 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service</p> <p>APPROVALS Issue Amount Revenue Bond: \$936,000 Issue Amount Revenue BAN: \$936,000 Final Maturity: RBAN: No later than 8/20/2020 RB: 2060 or 40 years after the maturity of the RBAN</p> <p>Interest Rate: RBAN: Not to exceed 5% RB: \$936,000 2.25%</p> <p>FINANCING TEAM Bond Counsel: McGuire Woods LLP Revenue BAN: To be approved by the Secretary of the Commission Revenue Bond: USDA Rural Development Registrar:</p>
<p><b>TOWN OF WEAVERVILLE</b> Water \$2,500,000 Revenue Bond G.S. 159; Article 5</p> <p>Construction and installation of approximately 17,600 LF of 12" water lines, hydrants, valves and appurtenances.</p> <p>USDA Loan \$ 2,500,000 Cash Contribution \$ 170,600 <u>\$ 2,670,600</u></p>	Necessary and expedient to expand the Town's water distribution system.	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: \$49.02 Sewer: N/A	No major deficiencies. No defaults noted.	USDA commitment to purchase the bonds upon substantial completion of the project.	<p>Term: RBAN: 15 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service</p> <p>APPROVALS Issue Amount Revenue Bond: \$2,500,000 Issue Amount Revenue BAN: \$2,500,000 Final Maturity: RBAN: No later than 6/16/2021 RB: 2061 or 40 years after the maturity of the RBAN</p> <p>Interest Rate: RBAN: 1.89% RB: \$2,500,000 4.0%</p> <p>FINANCING TEAM Bond Counsel: Sanford Holshouser, LLP Revenue BAN: First Citizens Bank Revenue Bond: USDA Rural Development Registrar: Finance Officer</p>

PROJECT		PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<b>CITY OF WINSTON-SALEM</b>							
Water and Sewer System Revenue Refunding Bonds, Series 2020A	\$ 191,000,000	Necessary and expedient to avail the City of lowered financing costs.	The refunding criteria and costs and swap termination penalty are known or subject to estimation with a high degree of certainty.	Debt service is decreased. The currently outstanding bonds under consideration for refunding, if 11.5% savings are realized, will approximately	Debt service is decreased. The currently outstanding bonds under consideration for refunding, if anticipated savings are realized, will result in approximately \$34,000,000 in total nominal savings through fiscal year 2040.	Public Sale in \$5,000 denominations. Sale is scheduled on March 5, 2020 so as not to conflict with any other revenue bonds. Bonds are expected to be rated Moody's: Aa1, S&P: AAA, Fitch: AA+	Term: Series 2020A: Approximately 20 years Series 2020B: Approximately 13 years Interest Rate: Fixed
Taxable Water and Sewer System Revenue and Revenue Refunding Bonds, Series 2020B G.S. 159; Article 5 Amount not to exceed (combined)	\$ 40,000,000 <u>\$ 231,000,000</u>	Current capital market conditions indicate net savings of approximately \$6,670,000 or 15.55% of the refunded 2010B Bonds, approximately \$3,200,000 or 8.65% of the refunded 2010C Bonds, and approximately \$2,000,000 or 9.50% of the refunded 2014A Bonds. The refunding of the 2015ABC Bonds is for non-economical reasons to move from a variable to a fixed rate.	Verification of the adequacy of the Series 2014A refunding balance will be performed by Bingham Arbitrage Rebate Services, Inc.	\$24,000,000 in total NPV savings through fiscal year 2040. The savings on the Series 2015A,B,C refundings are based on reasonable current estimates of future rates.	in approximately \$34,000,000 in total nominal savings through fiscal year 2040. The savings on the Series 2015A,B,C refundings are based on reasonable current estimates of future rates. However, it should be noted that approximately \$10 million of savings will be utilized to pay the swap termination penalty and the City will contribute the balance of funds for the termination penalty from available cash. The realization of the \$10 million of savings will be accelerated by deferral of principal amortization for two years on the refunding debt for the Series 2015A,B,C bonds.	Amortization of the refunding principal of the 2010B, 2010C, and 2014A Bonds is structured to provide approximately even realization of cash savings across the terms of the refunded bonds, which have not been extended. Amortization of the refunding of the Series 2015ABC Bonds, together with the financing of the swap termination payment, will result in approximately level debt service (terms have not been extended).	Structure: Amortization of the refunding principal of the 2010B, 2010C, and 2014A Bonds is structured to provide approximately even realization of cash savings across the terms of the refunded bonds, which have not been extended. Amortization of the refunding of the Series 2015ABC Bonds, together with the financing of the swap termination payment, will result in approximately level debt service (terms have not been extended).
Series 2020A: 1) Current refunding of the City's Taxable Water and Sewer System Revenue Bonds, Series 2010B	\$ 42,895,000 \$ 42,895,000 \$ 42,895,000						Expected Rate: Effective Interest Cost: Series 2020A: 1.87% Series 2020B: 2.26% Expected Underwriters Fee: \$2.39/\$1,000 (including Underwriters' Counsel fee of \$45,000)
2) Current refunding of the City's Taxable Water and Sewer System Revenue Bonds, Series 2010C	\$ 37,000,000 \$ 37,000,000 \$ 37,000,000						
3) Current refunding of the City's Variable Rate Water and Sewer System Revenue Refunding Bonds, Series 2015ABC	\$ 125,850,000 \$ 108,940,000 \$ 108,940,000 <u>\$ 188,835,000</u>						
Series 2020A: Originally issued Outstanding currently Balance to be refunded Total Series 2020A:		NOTE: As part of the refunding of the 2015ABC Bonds, three interest rate swaps will be terminated at a penalty of approximately \$18,000,000 (this amount will be funded by both the City funds and from bond proceeds).					Amount not to exceed: Series 2020A: \$191,000,000 Series 2020B: \$40,000,000 Final maturity: Series 2020A: Not beyond 2040 Series 2020B: Not beyond 2033  Interest Rate not to exceed: Effective Interest Cost: Series 2020A: 2.36% Series 2020B: 2.73%
Series 2020B (TAXABLE): 1) Advance refunding of the City's Water and Sewer System Revenue Bonds, Series 2014A	\$ 33,085,000 \$ 28,850,000 \$ 21,030,000						<b>APPROVALS</b>
2) Financing of penalty to terminate interest rate swaps on Series 2015ABC Water and Sewer Revenue Bonds (See <b>NOTE</b> )	\$ 18,260,960						<b>FINANCING TEAM:</b> Bond Counsel: Parker Poe Adams & Bernstein LLP Underwriters: Robert W. Baird & Co. (Senior Manager), Wells Fargo and Rice Financial Products (Co-Managers) Underwriters' Counsel: Moore & Van Allen LLP Financial Advisor: Wye River Group, Inc. Trustee: Bank of New York Mellon Trust Company, N.A. Verification Agent (2020B only): Bingham Arbitrage Rebate Services, Inc.
Total Series 2020B: Total expected costs financed	\$ 39,290,960 <u>\$ 228,125,960</u>						

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<b>CITY OF WINSTON-SALEM</b>	<b>CONTINUED</b>					

Expected Sources and Uses of Funds:

	<u>Series 2020A</u>	<u>Series 2020B</u>	<u>Total</u>
<u>Sources:</u>			
Par Amount of Bon	\$ 154,265,000	\$ 35,385,000	\$ 189,650,000
Original Issue Prer	\$ 37,191,857		\$ 37,191,857
Cash Contribution I	\$ 1,373,122	\$ 7,462,975	\$ 8,836,097
Total Sources	<u>\$ 192,829,979</u>	<u>\$ 42,847,975</u>	<u>\$ 235,677,953</u>
<u>Uses:</u>			
Refunding Escrow I	\$ 192,207,301	\$ 24,435,471	\$ 216,642,772
Swap Termination Payment		\$ 18,260,960	\$ 18,260,960
Issuance Costs	\$ 253,294	\$ 66,815	\$ 320,110
Underwriter's Disco	\$ 369,383	\$ 84,728	\$ 454,112
Total Uses	<u>\$ 192,829,979</u>	<u>\$ 42,847,975</u>	<u>\$ 235,677,953</u>

PROJECT	NECESSARY AND EXPEDIENT ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY	DATE & MANNER OF SALE/ADVERSE EFFECTS	TERMS/OTHER INFORMATION
<p><b>LUTHERAN SERVICES FOR THE AGING, INC., AND ITS AFFILIATES</b>                      North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Lutheran Services for the Aging) Series 2020A &amp; 2020B                      Amount not to exceed \$165,000,000                      Location: New Hanover County, Stanly County, Rowan County and Forsyth County                      Licensed beds: Independent living units 311 (495 post project)                      Assisted living units 278 (295 post project)                      Skilled nursing beds 732</p> <p>Project:                      a) finance the cost of                      (i) constructing, equipping and furnishing an independent living retirement community consisting of 184 residences in 6 two-story villa buildings (6 units ea.), 3 three-story villa building (6 units ea.), 3 three-story villa buildings (8 units ea.), and one three-story main building with 124 apartments, that will be constructed on 50 acres located in Wilmington (the "Trinity Landing Project");                      (ii) renovating an existing assisted living and skilled nursing facility and constructing, equipping and furnishing a new wing to house 27 assisted living units at Trinity Place (the "Trinity Place Project");                      (iii) renovating an existing assisted living and skilled nursing facility known as Trinity Oaks health and rehab (the "Trinity Oaks Project");                      (b) refund the Commission's outstanding Health Care Facilities First Mortgage Revenue Refunding Bonds (Lutheran Services for the Aging), Series 2017 (the "Series 2017 Bonds");                      (c) refinance an interim taxable loan that financed the acquisition of a 54-unit independent living facility known as Trinity Elms retirement;                      (d) fund a portion of the interest accruing on a portion of the Bonds;                      (e) fund a debt service reserve fund for Series A; and                      (f) finance costs of issuance.</p>	<p>NCMCC has previously approved the project. All necessary permits and approvals have been received. The Trinity Landing project is under a Guaranteed Maximum Price.</p> <p>The purpose for refinancing the 2017 Bonds is to free up bank debt capacity.</p>	<p>No defaults or other deficiencies were noted.</p>	<p>A feasibility study completed by Clifton Larson Allen LLP shows estimated debt service coverage of at least 1.50 times through 2025.</p>	<p>2020A: Public Sale in \$5,000 denominations. Pricing is currently scheduled for March 25, 2020 and will not conflict with any other revenue bond issue.</p> <p>2020B: Direct Purchase Loan with BB&amp;T Community Holdings Co. currently is anticipated to close on April 15, 2020.</p>	<p>Term: Series A: 3/1/2050; Series B: 3/1/2025</p> <p>Interest Rate: Series A - Fixed True Interest Cost: 4.61%                      Expected Underwriting Fee: not to exceed \$13.00/1000                      Series B - Variable 79% (Month LIBOR) +.91%; currently 2.22%</p> <p>Structure: 2020A has approximate level debt service payments. 2020B is an entrance fee loan expected to be repaid with entrance fees by 2024. No extension in maturity</p>

**APPROVALS:**  
 Amount not to exceed \$165,000,000  
 Final maturity not to exceed December 31, 2050  
 Interest Rates not to exceed:  
 2020A: True Interest Cost 6%  
 2020B: Initial rate not to exceed 6%

**FINANCING TEAM**  
 Borrower Counsel: Young, Morphis, Bach & Taylor, LLP  
 Bond Counsel: McGuire Woods LLP  
 Underwriters: BB&T Capital Markets (Senior Manager)  
 Janney Montgomery Scott, LLC (Co Manager)  
 Underwriters Counsel: Robinson, Bradshaw, & Hinson, P.A.  
 Purchaser: BB&T Community Holdings Co.  
 Purchaser Counsel: Moore & Van Allen PLLC  
 Trustee: The Bank of New York Mellon Trust Company, N.A.  
 Auditor: Dixon Hughes Goodman LLP  
 Feasibility Consultant: CLA, LLP

**Expected Sources and Uses of Funds**

Sources:

Par Amount - Series A	\$ 112,680,000
Premium	\$ 6,009,486
Par Amount - Series B	\$ 41,250,000
Total Sources of Funds	<u>\$ 159,939,486</u>

Uses:

Project Fund Deposits Series A	\$ 73,055,900
Project Fund Deposits Series B	\$ 40,113,763
Refunding Escrow Deposit	\$ 29,085,873
Capitalized Interest Fund	\$ 7,655,835
Debt Service Reserve Fund	\$ 7,809,000
Cost of Issuance (Series A&B)	\$ 747,500
Underwriter's Discount (Series A)	\$ 1,471,615
Total Uses of Funds	<u>\$ 159,939,486</u>

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>NORTH CAROLINA HOUSING FINANCE AGENCY</b> - \$650,000,000 G.S. 122A</p> <p>Home Ownership Revenue Bonds, Series 44, initially, with additional series as warranted by housing mortgage demand</p> <p>The Agency will use the proceeds of the Home Ownership Revenue Bonds issued from time to time in an amount not to exceed \$650,000,000 (a) to provide funds for the purchase of mortgage loans and other obligations, including mortgage backed securities, made for the purpose of assisting in providing home ownership for low and moderate income households; (b) make required deposits to the credit of any debt service fund or other required reserve; (c) refund existing bonds of the Agency to achieve debt service savings or to refinance hedged variable rate bond issues with fixed rate bond issues (including paying any required payments to terminate interest rate swap agreements; and (d) pay all of a portion of the issuance costs associated with the bonds. The Bonds are to be issued under the Trust Agreement dated May 1, 1998 entered into by the Agency with the Bank of NY Mellon Trust Co., N.A. as Trustee. Mortgage-backed securities to be purchased will be GNMA, FNMA or FHLMC certificates. Loans that may be purchased with proceeds of the Bonds must be FHA-insured, USDA or VA guaranteed, or insured by a private mortgage insurer acceptable to the rating agencies with ratings in effect on the Agency's bonds. Loans are not required to be insured or credit enhanced if the loan-to-value ratio of the loan to the property securing the loan is 80% or less. Bond proceeds may also be used to fund zero interest forgivable down payment assistance mortgage loans that are not subject to these requirements. Bonds will be sold pursuant to a purchase contract between the Agency, the LGC and the underwriters, such contract to be customary form.</p>	<p>The financing is necessary to increase the State's supply of affordable housing. The Agency plans to issue bonds to continue the home ownership program for the next twelve months, dependent on mortgage demand.</p>	<p>The Agency's loan servicer purchases loans from Mortgage Lenders for sale to the Agency in the form of mortgage-backed securities. The pooled mortgage loans were made to persons and families of low and moderate income.</p> <p>The Agency currently has Volume Cap available at 02/21/2020 in the amount of \$1,567,817,316</p>	<p>The Housing Finance Agency makes a determination of feasibility, proposed mortgage rates, and size of issue. The financial advisor has evaluated economic soundness.</p>	<p>No deficiencies and no defaults noted.</p>	<p>Public sales from time to time scheduled so as not to conflict with other revenue bond sales. If directly placed, limited to financial institutions under contracts approved by the Secretary.</p> <p>Expected ratings AA+ from S&amp;P and Aa1 from Moody's.</p>	<p>Term: Final maturity not to exceed 40 years Interest Rate: Multi-modal (Fixed and/or Variable)</p> <p>Structure: Debt service to match expected revenue</p> <p>Initial issuance is expected to consist of one series of \$300 million, with additional series in late 2020 or early 2021, depending on demand. The Series 44 will be fixed-rate and sold publicly. Underwriting discount is expected not to exceed \$12.50 per bond. Expected All-in TIC is estimated at 2.69%.</p> <p style="text-align: center;"><b>APPROVALS</b></p> <p>Amount: Not to exceed \$650,000,000 Final Maturity: Not to extend beyond 40 years True Interest Cost: Not to exceed 6.0% (Fixed) or 12% (Variable)</p> <p><b>FINANCING TEAM</b></p> <p>Bond Counsel: Womble Bond Dickinson (US) LLP Underwriters: RBC Capital Markets LLC; Co-managers may include: Bank of America Securities, Inc.; Raymond James &amp; Associates Inc.; Wells Fargo Bank, National Association; Citigroup Global Markets, Inc.; or others as approved by the Secretary Underwriters' Counsel: Bode &amp; Harrell, LLP Trustee/Registrar: The Bank of New York Mellon Trust Company, N.A. Trustee's Counsel: Moore &amp; Van Allen PLLC Financial Advisor: Caine Mitter &amp; Associates Inc. Swap/Additional Investment Advisor: Kensington Capital Advisors, LLC</p>

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>CLEVELAND COUNTY WATER</b> Water \$7,560,000 G.S. 159G-22 Revolving Loan	This project consists of the construction of a new 3-MG (million gallon) clearwell, a new high service pump station and approximately 2,300 LF (linear feet) of new 16-inch transmission main.	Necessary and expedient to replace existing, problematic transmission lines and improve the reliability of the system.	Cost estimated by Willis Engineers.	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: \$29.29	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
<b>CITY OF LENOIR Sewer</b> \$2,775,000 G.S. 159G-22 Revolving Loan	This project involves the replacement and upsizing of approximately 3,800 linear feet of existing 12-inch diameter gravity sewer line to 20-inch diameter gravity sewer line on a positive grade. Additionally, the project shall include the replacement of approximately 20 manholes and all sewer lateral services will be reconnected.	Necessary and expedient due to root intrusion and excessive Inflow and infiltration in the sewer basin which contributes to high wet weather flows received at the downstream Lower Creek Wastewater Treatment Plant (WWTP).	Cost estimated provided by McGill Associates, P. A.	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:\$24.45 Sewer:\$26.05	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
<b>CITY OF MOUNT AIRY Water</b> \$963,100 G.S. 159G-22 Revolving Loan	Replacement of a majority of existing water mains that serve the designated project area (Maple Street / Merritt Street). Many of the existing lines are located in paved streets. Construction is proposed to include approximately 6200 LF of 6" water line replacement, water service reconnections, pavement restoration, and related improvements. The proposed project will be replacing 6" diameter water lines with 6" diameter water lines and there will be no increase in capacity.	Necessary and expedient because the existing water mains serving the area are primarily cast iron, in excess of 60 years old, and are problematic for breaks.	Cost estimates provided by WR - Martin, 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. Water: \$23.15 Sewer: \$24.91	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
<b>ORANGE WATER &amp; SEWER AUTHORITY Water</b> \$2,170,800 G.S. 159G-22 Revolving Loan	This project will include the installation of a chemical storage tank approximately 10,000 gallons in capacity; a chemical containment area with approximately 12,000 to 13,000 gallons of storage capacity; a storage and feed building; chemical metering pumps and feed system designed for peak flows of up to 20 MGD (million gallons per day); auxiliary building systems; and associated site, electrical, and piping improvements.	Necessary and expedient to increase treatment chemical contact times, thereby improving treatment plant performance and reducing taste and odor in drinking water.	Cost estimated by Orange Water and Sewer Authority.	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: \$38.66	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
<b>SAMPSON COUNTY Water</b> \$906,160 G.S. 159G-22 Revolving Loan	Installation of a new wellhead, disinfection & iron- and manganese-removal systems, and a stand-by generator to support the operation of a newly-constructed production well.	Necessary and expedient to provide a redundant water source to serve the I-40/Exit 355 interchange area. This will improve filling times for the elevated storage tank that serves the area. The water treatment system will address manganese levels above the EPA secondary water quality standards and improve water quality in the area.	Cost estimates provided by Dewberry 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. Water: \$41.45 Sewer: N/A	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

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>SAMPSON COUNTY</b> Water \$232,500 G.S. 159G-22 Revolving Loan</p>	<p>Construction and installation of approximately 800 LF of new water mains, a skid-mounted, packaged booster pump station, an enclosure structure for the BPS with piping gallery, electrical and system controls, etc., and a flow - control valve and a two-way master meter at the intersection site itself (to be situated approximately at the Johnston - Sampson County line. The project is Phase I of the Sampson County - Johnston County Water Systems' Interconnection Project.</p>	<p>Necessary and expedient to create an interconnection between Sampson County Water District II (Dunn/Clinton) and the Johnston County Water District East (Smithfield) to provide a minimum capacity of 0.1 MGD and an expected average of 0.216 MGD from Sampson County to Johnston County. The interconnection will also serve as an emergency interconnection between the two counties' water systems.</p>	<p>Cost estimates provided 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. Water: \$41.45 Sewer: N/A</p>	<p>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%.</p>	<p>N/A</p>
<p><b>TOWN OF SPRUCE PINE</b> Sewer \$665,785 G.S. 159G-22 Revolving Loan</p>	<p>Installation of 1700 LF of 8" force main and 150 LF of 8" gravity sewer to redirect flow of the HWY19E force main, and rehabilitation of 1100 LF of 8" and 10" gravity.</p>	<p>Necessary and expedient due to currently failing force main which has allowed wastewater to surface into a roadside ditch.</p>	<p>Cost estimates provided by Withers Ravenel.</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. Water: \$19.22 Sewer: \$19.83</p>	<p>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%.</p>	<p>N/A</p>
<p><b>CITY OF THOMASVILLE</b> Water \$448,032 G.S. 159G-22 Revolving Loan</p>	<p>Replacement of existing 2" diameter waterline with approximately 2600 LF of 6" diameter waterline which will be installed along Liberty Drive and Virginia Drive within the City of Thomasville.</p>	<p>Necessary and expedient to provide improved circulation of water, water quality &amp; water pressure as well as improved reliability of the waterline material. Also, due to the age of the pipe, many pipe breaks have occurred over the years and keep occurring.</p>	<p>Cost estimates provided by LaBella Associates, PC</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. Water: \$34.90 Sewer: \$51.31</p>	<p>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%.</p>	<p>N/A</p>
<p><b>CITY OF THOMASVILLE</b> Water \$969,768 G.S. 159G-22 Revolving Loan</p>	<p>Replacement of existing 2" diameter waterline with approximately 6500 LF of 6" diameter waterline which will be installed along Dogwood Street, English Street, Rupp Street, Knollwood Drive, Oaklawn Drive and Runnymede Street within the City of Thomasville.</p>	<p>Necessary and expedient to provide improved circulation of water, water quality &amp; water pressure as well as improved reliability of the waterline material. Also, due to the age of the pipe, many pipe breaks have occurred over the years and keep occurring.</p>	<p>Cost estimates provided by LaBella Associates, PC</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. Water: \$34.90 Sewer: \$51.31</p>	<p>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%.</p>	<p>N/A</p>

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 THOMASVILLE</b> Water \$390,690 G.S. 159G-22 Revolving Loan	Conversion of water services of approximately 250 residents from an existing 2" waterline to an existing 6" waterline with the City of Thomasville.	Necessary and expedient to provide these residents with improved circulation of water, water quality & water pressure. Also, due to the age of the pipe, many pipe breaks have occurred over the years and keep occurring.	Cost estimates provided by LaBella Associates, PC	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: \$34.90 Sewer: \$51.31	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
<b>CITY OF THOMASVILLE</b> Water \$407,985 G.S. 159G-22 Revolving Loan	Replacement of existing 2" diameter waterline with approximately 2250 LF of 6" diameter waterline along Litwin Drive and 2500 LF of 2" diameter waterline along Fleet Darr Road within the City of Thomasville.	Necessary and expedient to provide improved circulation of water, water quality & water pressure as well as improved reliability of the waterline material. Also, due to the age of the pipe, many pipe breaks have occurred over the years and keep occurring.	Cost estimates provided by LaBella Associates, PC	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: \$34.90 Sewer: \$51.31	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
<b>TOWN OF TROUTMAN</b> Sewer \$856,000 G.S. 159G-22 Revolving Loan	Installation of approximately 2300 LF of 8" gravity sewer to the Town of Troutman Technology Drive PS where waste water will be pumped to the nearest downstream outfall. Currently, Technology Drive PS has a capacity of 82 gpm and will need to be upgraded to handle the additional flow. The upgrade will include replacement of pumps and approximately 4500 lf of 6" force main.	Necessary and expedient to help ensure the long-term viability of the CHA Barium Springs campus by providing public sewer service and replace an old private system that was updated with a new tank and beds as far back as 1953	Cost estimates provided by West Consultants, 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. Water: \$30.88 Sewer: \$49.68	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
<b>TUCKASEEGEE WATER AND SEWER AUTHORITY</b> Sewer \$4,595,300 G.S. 159G-22 Revolving Loan	The proposed project is the second phase of a multi-phase upgrade to the existing Waste Water Treatment Plant (WWTP) No. 2. Specifically, the project includes the following components: 1) Construction of a new SBR equipment to replace existing treatment process; 2) Modification of existing influent pump station; 3) Yard piping & electrical modifications as required; 4) Upgrades to the plant's disinfection facilities; 5) Conversion of existing treatment basin to post-equalization tank; 6) Construction of a new sludge holding tank; 7) Installation of a new SCADA system for process control and monitoring; and 8) Demolition of the aging lab building & construction of a new administration building.	Necessary and expedient to replace aging infrastructure with no capacity expansion. The plant was originally constructed in 1965 and has had minimal upgrades. Most of the facility's components are nearing the end of their useful life.	Cost estimates provided by McGill Associates, P.A.	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: \$39.28 Sewer: \$39.28	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

PROJECT	FINANCIAL CAPABILITY AND SECURITY	PROVISION OF PUBLIC FACILITIES / COPE WITH PROJECT	MANNER OF SALE: ADVERSE EFFECTS	TERMS/ OTHER INFORMATION
<p><b>INTERNATIONAL PAPER COMPANY</b>  <b>Columbus County Industrial Facility and Pollution Control Financing Authority</b>                      Recovery Zone Facility Revenue Refunding Bonds                      Amount not to exceed:</p> <p>Special Purpose: Series 2020A    \$            20,000,000</p> <p>Location:                            Riegelwood                      Project:                      Current refunding of 2010 Series A Recovery Zone Facility Bonds (International Paper still owns and operates the project). Refunding for savings. Company expects to save approximately \$822,000 annually as a result of the refinancing. The final maturity (year 2034) is not being extended.</p>	<p>Company is currently rated by Moody's Baa2 and S&amp;P BBB (2018 annual report).</p> <p>Three year review of financial statements demonstrates financial strength of one of the largest paper companies. Company is and will continue to unconditionally guarantee the bonds. The security or financial capability does not rely on the financial strength of the County.</p>	<p>No additional services required as a result of the refunding.</p>	<p>Public offering in \$5,000 denominations. Will be rated by Moody's and S&amp;P Baa2; BBB</p> <p>Will be part of composite sale for several issues involving several states. Underwriter chosen by competitive bid process.</p>	<p>Bond Counsel: McGuireWoods LLP                      Interest Rate: Initially, Fixed Rate Period                      Expected Interest Rates                      Effective Interest Cost: Series 2020A - 3.5%</p> <p style="text-align: center;"><u>APPROVALS</u></p> <p>The bonds will be authorized to be issued in a variety of interest rate periods at fixed or variable rates.                      Interest Rate: Not to exceed 12%</p> <p>Maturities:                      Maturity not beyond: May 1, 2034 (bullet) for Series 2020A</p> <p style="text-align: center;"><u>FINANCING TEAM</u></p> <p>Borrower: International Paper Company                      Bond Counsel: McGuireWoods LLP                      Underwriters: PNC Capital Markets LLC                                        US Bancorp Investments, Inc.                                        Drexel Hamilton, LLC                      Underwriter Counsel: Katten Muchin Rosenman LLP                      Trustee/Registrar: Regions Bank, Cede &amp; Co.</p>

Note: The County received a unit letter because of an internal control deficiency, inadequate coverage ratio for County Revenue Bonds and the timeliness of its audit, all of which are unrelated to bonds issued for the benefit of International Paper Company. The Columbus County Industrial Facility and Pollution Control Financing Authority is the tax-exempt conduit issuer, and the County has no obligations for repayment of the bonds.

**Stanly County**

**MISCELLANEOUS - ACTION ITEMS**

The Town of Richfield and Stanly County have entered into an agreement whereby the Town of Richfield will reassign an Installment Purchase Contract to the County. The County will assume the loan balance of 223,380.42 in exchange for the Town's sewer project. The project was originally funded by USDA as a G.O. Bond for \$530,000 and subsequently changed to an Installment Purchase Contract for \$350,000 at 2.99% through Uwharrie Bank. The project for the Town of Richfield was approved by the LGC on January 6, 2015.