

LOCAL GOVERNMENT COMMISSION
OCTOBER 6, 2020

1. PLEDGE OF ALLEGIANCE

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL
September 1, 2020

(FINAL)
RELATED INFORMATION
Approximate Per Capita Debt

State: \$ 514
Federal: \$ 81,082

Unit	Type	Purpose	Amount	Comments	Page Number	Last request to Borrow	Voted/ Non-Voted
Update Town of Eureka							
Update Cliffside Sanitary District							
Robersonville, Town of	Resolution	Assume control and appoint Finance Officer					
East Laurinburg, Town	Resolution	Notice of Warning					
Askewville, Town of	Resolution	Contract with outside entity					
Anson, County of	Objection Received	Operating Lease	County Building	\$ 3,845,793	Unit Letter	3	9-2015 RL \$4.928M
Burnsville, Town of		Revolving Loan	Miscellaneous - Loan increase	\$ 336,350	Unit Letter	3	2-2020 FA \$1.604M
Greene, County of		Revolving Loan	Water	\$ 186,250	Unit Letter	4	6-2015 RB \$2.787M
Greene, County of		Revolving Loan	Water	\$ 691,500	Unit Letter	4	6-2015 RB \$2.787M
Harnett, County of		Revenue	Enterprise Systems Revenue Refunding	\$ 20,600,000	Unit Letter	5	9-2020 LOBs \$63M
Pender, County of		Financing Agreement (LOBs)	Water	\$ 28,200,000	Unit Letter	6	3-2016 RL \$190K
Pender, County of		General Obligation	Refunding	\$ 16,500,000	Unit Letter	7	3-2016 RL \$190K
Pender County Districts		General Obligation	Taxable Refunding	\$ 21,500,000	Unit Letter	8	9-2012 GO \$26.2M
Saint Pauls, Town of		Revolving Loan	Sewer	\$ 1,603,380	Unit Letter	9	6-1964 GO \$110K
Smithfield, Town of	Objections Received	Revolving Loan	Water	\$ 12,050,000	Unit Letter	9	3-2017 FA \$2.037M
Snow Hill, Town of		Revolving Loan	Water	\$ 752,426	Unit Letter	10	12-2012 RL \$656K
Tabor City, Town of		Revolving Loan	Miscellaneous - Loan increase	\$ 736,820	Unit Letter	10	9-2017 RL \$1.213M
Alexander, County of		Financing Agreement	Jail, Courthouse	\$ 3,396,000		11	7-2018 RL \$5.181M
Buncombe, County of		Financing Agreement (LOBs)	Equipment	\$ 10,409,000		11	3-2020 FA \$212M
Kernersville, Town of		Financing Agreement	Vehicle, Equipment, Properties, Flood & Erosion..	\$ 518,715		12	9-2018 FA \$1.940M
King, City of		Financing Agreement	Streets, Museum/Historic Properties	\$ 216,885		12	4-2019 FA \$1.033M
Reidsville, City of		Financing Agreement	Sewer	\$ 970,000		13	3-2015 FA \$6M
Union, County of		Financing Agreement	County Building	\$ 5,600,000		13	7-2019 GO \$44.3M
Youngsville, Town of		Financing Agreement	Municipal Building	\$ 2,770,696		14	2-2019 FA \$200K
Cape Carteret, Town		General Obligation	Public Improvement - Trail	\$ 1,200,000		15	NA
Charlotte, City of		General Obligation	Streets, Neighborhood Improvements, Housing	197,232,000		16	9-2020 RB \$521M
Guilford, County of		General Obligation	Schools	300,000,000		17	5-2019 GO \$40M
Raleigh, City of		General Obligation	Housing	80,000,000		17	6-2020 LOBs \$110M
Apex, Town of		General Obligation	Refunding	\$ 32,000,000		18	5-2020 GO \$3.2M
Cary, Town of		General Obligation	Refunding	\$ 52,500,000		19	9-2019 GO \$225M
Cary, Town of		Revenue	Refunding	\$ 152,500,000		20-21	9-2019 GO \$225M
Charlotte Housing Authority - North Tryon Homes		Revenue	Mult-family Housing Revenue Bonds	\$ 22,000,000		22	9-2020 RB \$28M
Eastover Sanitary District (Cumberland County)		Revenue (USDA)	Administrative Building	\$ 1,400,000		23	1-2012 FA 2.608M
Kenly, Town of		Revenue (USDA)	Water	\$ 983,000		23	2-2010 FA \$210K

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<u>Unit</u>	<u>Type</u>	<u>Purpose</u>	<u>Amount</u>	<u>Comments</u>	<u>Number</u>	<u>to Borrow</u>	<u>Non-Voted</u>
N.C. Turnpike Authority	Revenue	Triangle Expressway Senior Lien Turnpike RBANs	\$ 499,400,000		24	11-2019 RB \$1.325B	
Hendersonville, City of	Revolving Loan	Sewer	\$ 1,819,000		25	8-2020 RL \$14.124M	
Stanly, County of	Revolving Loan	Miscellaneous Action - Loan increase	\$ 3,968,689		26	8-2019 FA \$2.635M	
Caldwell, County	Miscellaneous - Non Action	Rate Modifications			27	6-2019 FA \$4M	
Chowan, County of	Miscellaneous - Non Action	Rate Modifications	NA		27	8-2019 FA 2.635M	
Johnston, County of	Miscellaneous - Non Action	Water Districts - rate modifications on GO Bonds	NA		28	8-2020 RL \$2.713M	
Johnston, County of	Miscellaneous - Non Action	Water Districts - rate modifications on FA	NA		29	8-2020 RL \$2.713M	

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
ANSON COUNTY 20 Year Lease - Total payments of \$3,845,793 G.S. 159-148 Operating Lease	Leasing a facility from Claude Smith Enterprises, Inc. that fits DSS needs for 32,000 square feet of space at 1134 East Caswell Street in Wadesboro for use of Anson County Department of Social Services. The lease has 5, 5 year options to extend after the 20 year lease ends.	Necessary and expedient allowing the county to maximize reimbursement from the Department of Health and Human Services.	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 for submitting their audit past the October 31st deadline, which has been a recurring issue for at least the past 5 years. The County is currently working with fiscal staff on getting a timeline in place to help get the 2020 audit filed more timely.	No tax increase is required. Approximately 55% of lease payments will be paid from DSS Form 1571 reimbursement and the remainder will be from revenues to the General Fund.	Lessor: Claude Smith Enterprises, Inc. APPROVALS Total Lease Amount: \$ 3,845,793 Term (Years): 20 Average monthly payments over the 20 year period: \$ 45,194.60 The agreement includes an option to extend after the 20 year lease. If such options are exercised the Unit must seek LGC approval. Payments are made monthly with escalations during each 5 year extension. Range approximately (\$16.64-\$17.64 per square foot) Lease will commence after the upfit of the building. Estimated delivery date is October 31, 2021. Operating Lease is preferable to any other type of financial obligation because of the DSS reimbursement and facility needs.	
OBJECTION RECEIVED							

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	25,288	\$ 3,845,793	N/A	\$ -	\$	1,979,064,221	\$	3,675,648	\$0.7770	0.19%	0.38%	\$ 145	\$ 297

MISCELLANEOUS: (ACTION ITEMS):

TOWN OF BURNSVILLE
G.S. 159G-22
Revolving Loan

The Town is requesting approval for an increase of additional funds on a State Revolving Loan. The loan is for the replacement of the existing wet pit/dry pit pump station at the former OMC plant (OMC pump station) with a new submersible pump station. During wet weather peak flows to the OMC pump station, Town staff reports that both the existing pumps are required to operate to pump these peak flows. Therefore, it is proposed that the capacity of the new pump station be increased from its current capacity of 850 gpm to 1225 gpm to pump peak flows with only one pump in operation, with the second pump available as a back-up for reliability purposes. This additional capacity will also allow the OMC pump station to receive alum sludge from the Town's water treatment plant during filter backwashing and sedimentation basin cleaning. The installation of a sewer line to the water plant for this purpose has been proposed as a second project component. The original loan was approved by the LGC on June 5, 2018 for \$806,400. The Town is requesting an increase of \$336,350 for a total loan amount of \$1,142,750. The increase is due to actual construction bids received being higher than expected due to an increasing cost environment.

The Town received a unit letter due to the budgetary report for the Water and Sewer fund of the financial statements showed expenditures that exceeded the amount authorized by the budget by \$111,296. This over-expenditure indicates that the preaudit process required by G.S. 159-28 is not functioning properly. The Town provided a response to the unit letter which was satisfactory to the fiscal staff. Fiscal staff visited with the Town in January, 2020.

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
GREENE COUNTY Water \$186,250 G.S. 159G-22 Revolving Loan	Installation of radio hardware for communication; site-plan upgrade, installation of computer / HMI software; construction stake-out and GIS / as-built preparation; SCADA improvements; Master Control panel relocation and raising antennas with new poles.	Necessary and expedient to improve water system pressure monitoring, minimize system water losses, reduce overall energy usage of supplying and transporting water, and improved customer service support.	Cost estimates provided by McDavid Associates, Inc.	The County received a unit letter due to the timeliness of its audit as well as several material weaknesses in internal controls. The unit responded satisfactorily.	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: \$40.76 Sewer: \$36.11	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
GREENE COUNTY Water \$691,500 G.S. 159G-22 Revolving Loan	Conversion of disinfection agent at seven (7) of the County's existing supply wells from gaseous chlorine to liquid chlorine; Renovation of their corresponding well houses by installing one each liquid-chlorination unit, new chemical-feed piping, perform necessary architectural modifications and renovations.	Necessary and expedient because increased regulation and population density have created concern with long-term dependence on gas chlorine to support disinfection requirements.	Cost estimates provided by McDavid Associates, Inc.	The County received a unit letter due to the timeliness of its audit as well as several material weaknesses in internal controls. The unit responded satisfactorily.	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: \$40.76	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
HARNETT COUNTY							
Enterprise Systems Revenue Refunding Bonds		Necessary and expedient to avail the County of lower financing costs. The proposed refunding terms indicate a net present value (NPV) savings of approximately \$966,000 or 4.89% of the refunded bonds.	The refunding for the Series 2015 Bond and State Revolving Loans are current and all related costs and funds requirements are known or reasonably estimated.	The County received a unit letter due to the audit being received 05/04/2020. The County responded that they were in the process of implementing a new financial software system and there were a number of issues in the conversion process. The County has implemented procedures that address the processing issues identified during the audit. The County's response was considered satisfactory. Fiscal staff conducted a virtual unit visit with the County on 7/20/2020.	Refunding of the Series 2015 Bond, if expectations are realized, will produce net average annual cashflow savings of approximately \$39,000 in years 2021 through 2028	Term: Not to exceed 13 years Interest Rate: Fixed Structure: Amortization of the refunding principal will be structured to provide approximately even realization of cash savings across the remaining term of the refunded bonds, which have not been extended. Expected Rate: Effective Interest Cost: 1.155% Expected Underwriters Discount: \$4.85/\$1,000	Public Sale. Sale is scheduled on October 14 so as to not conflict with any other revenue bonds. Bonds are expected to be rated: S&P: AA Moody's: Aa3 <i>Note: This represents the last ratings of the County Bonds. The County is not currently rated. The County expects to get ratings confidentially and may only obtain one bond rating.</i>
G. S. 159; Article 5 Public Offering Series 2020					Refunding of the East Central Project State Revolving Loan, if expectations are realized, will produce net average annual cashflow savings of approximately \$12,400 in years 2021 through 2032	APPROVALS Final Maturity: Not beyond 2033 Interest Rate not to exceed: Effective Interest Cost: 1.75% Amount not to exceed: \$20,600,000	
Amount not to exceed:	\$ 20,600,000						
Refunding of the County's State of North Carolina East Central Project Revolving Loan, State of North Carolina Erwin Wastewater Project Revolving Loan, State of North Carolina Sanitary Sewer Revolving Loan and Series 2015 Revenue Bond.							
Pertaining to the Series 2015 Revenue Bond:							
Originally Issued	\$ 10,673,000						
Outstanding Currently	\$ 7,855,000						
Balance to be Refunded	\$ 7,855,000						
Pertaining to the East Central Project State of NC Revolving Loan: H-LRX-R-DW-1038							
Originally Issued	\$ 4,366,515						
Outstanding Currently	\$ 2,619,909						
Balance to be Refunded	\$ 2,619,909						
Pertaining to the Erwin Wastewater Project State of NC Revolving Loan: CS370454-05							
Originally Issued	\$ 6,195,019						
Outstanding Currently	\$ 4,026,762						
Balance to be Refunded	\$ 4,026,762						
Pertaining to the Sanitary Sewer State of NC Revolving Loan: CS370454-04							
Originally Issued	\$ 15,000,000						
Outstanding Currently	\$ 5,250,000						
Balance to be Refunded	\$ 5,250,000						
<u>Expected Sources and Uses of Funds:</u>							
	Refunding of Series 2015 Revenue Bond	Refunding of East Central Revolving Loan	Refunding of Erwin Wastewater Rev. Loan	Refunding of Sanitary Sewer Revolving Loan	Total		
Sources:							
Bond Proceeds:							
Par amount	\$ 7,270,000	\$ 2,295,000	\$ 3,500,000	\$ 4,835,000	\$ 17,900,000		
Premium	\$ 998,389	\$ 407,063	\$ 647,317	\$ 577,297	\$ 2,630,066		
Total Sources:	\$ 8,268,389	\$ 2,702,063	\$ 4,147,317	\$ 5,412,297	\$ 20,530,066		
Uses:							
Refunding Cash Deposits	\$ 8,110,362	\$ 2,648,667	\$ 4,075,642	\$ 5,307,238	\$ 20,141,908		
Cost of Issuance	\$ 121,844	\$ 38,464	\$ 58,659	\$ 81,034	\$ 300,000		
Underwriter's Discount	\$ 35,259	\$ 11,131	\$ 16,975	\$ 23,450	\$ 86,815		
Additional Proceeds	\$ 924	\$ 3,802	\$ (3,958)	\$ 576	\$ 1,343		
Total Uses:	\$ 8,268,389	\$ 2,702,063	\$ 4,147,317	\$ 5,412,297	\$ 20,530,066		
						Refunding of the Erwin Wastewater Project State Revolving Loan, if expectations are realized, will produce net average annual cashflow savings of approximately \$30,000 in years 2021 through 2027	
						Refunding of the Sanitary Sewer State Revolving Loan, if expectations are realized, will produce net average annual cashflow savings of approximately \$30,000 in years 2021 through 2027	
						Refunding of the Sanitary Sewer State Revolving Loan, if expectations are realized, will produce net average annual cashflow savings of approximately \$30,000 in years 2021 through 2027	

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PENDER COUNTY \$28,200,000 Limited Obligation Refunding Bonds Series 2020A Tax-Exempt Series 2020B Taxable 160A-20 Installment Contract Public Offering	(1) Refunding of two existing County G.O. Bonds and three County G.O. Water District Bonds. Current market conditions indicate aggregate net present value (NPV) savings of approximately \$5,351,341 or 16.234% of the refunded balance. (2) Design and construction of 2 water supply wells to provide additional drinking water to customers of the Pender County Utilities water system	Necessary and expedient to (1) avail the County of lowered financing costs and (2) provide the water system additional capacity needed to meet demand.	The refunded obligations are current in nature and payoff amounts are known.	The County received a unit letter due to its 2019 audit being late, as were the prior 3 years. In addition, the County received a qualified opinion on its Medicaid Cluster in both the federal and state awards reports due to internal control weaknesses. There also were other reported internal control weaknesses including significant delays in year-end accounting and reporting processes and bank reconciliations not being performed on a monthly basis. The letter recognized that the County has developed a corrective action plan to address these issues. The County responded that upon hiring a new Finance Director in March 2019 they underwent a significant and thorough evaluation of existing procedures and policies and have made a number of changes to correct the issues found. The Finance Department has undergone training and a number of processes have been modernized and streamlined for greater efficiency. A virtual unit visit was conducted 09/23/20 and was able to further confirm the progress that has been made. The County's response was considered satisfactory.	No tax increase is required. The current debt service has been budgeted. If an NPV savings of 16.234% is generated, it will result in an aggregate average annual savings of approximately \$231,000	Structure: Annual principal and semi-annual interest payments. The Refunding Contracts of the County and Districts involved in the current financing will be structured to mirror their pro rata shares of the debt service on the Series 2020A & B limited obligation bonds. The annual payment is expected to yield approximately level annual savings over the life of each existing loan refunded. The terms of the financings have not been extended and a few have been shortened. Expected Ratings: Moody's: Aa3 Expected Rate: Effective Interest Cost (Tax-exempt): 2.478% Effective Interest Cost (Taxable): 2.344% Expected Underwriters Fee/\$1,000: \$ 5.32	
Refunding Candidates: General Obligation Series 2012A PAR Refunded: \$8,684,000	<u>Expected Sources and Uses of Funds:</u>						
		TAX-EXEMPT	TAXABLE			APPROVALS	
General Obligation Series 2012B PAR Refunded: \$6,383,000	Sources: Par Amount of Bonds: Premium Cash Contribution Total Sources	\$ 15,380,000 \$ 1,857,564 \$ 216,797 \$ 17,454,361	\$ 19,340,000 \$ 321,622 \$ 19,661,622			Amount Not To Exceed (Tax-Exempt): \$ 18,000,000 Amount Not To Exceed (Taxable): \$ 20,200,000 Approval rate not to exceed (Tax-Exempt): 3.250% Approval rate not to exceed (Taxable): 3.100% Final Maturity not beyond: 2050	
Maple Hill Water District GO 2012 PAR Refunded: \$110,000	Uses: Project Fund Escrow Deposit Underwriter's Discount Issuance Costs Total Uses	\$ 1,976,275 \$ 15,283,797 \$ 81,914 \$ 112,375 \$ 17,454,361	\$ 19,424,073 \$ 184,919 \$ 246,918 \$ 19,855,910			FINANCING TEAM Bond Counsel: Sanford Holshouser LLP Underwriters: RW Baird & Co. Underwriter's Counsel: Pope Flynn LLC Financial Advisor: Davenport & Company LLC Trustee: US Bank, N.A. Verification Agent: Bingham Arbitrage Rebate Services Incorporated	
Scott's Hill Water District GO 2012 PAR Refunded: \$1,995,000						Limited Obligation Bond structure is more timely and feasible than G.O. Bonds	

Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Debt Ratios-Excluding Enterprise Funds			
								To Property Values		Per Capita	
								Before	After	Before	After
Water	63,153	\$ 28,200,000	9/8/2020	\$ -	\$ 8,082,002,689	\$ 101,160,000	\$0.6250	1.25%	1.31%	\$ 1,602	\$ 1,602

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
PENDER COUNTY \$16,500,000 G.S. 159-72 General Obligation Refunding Bonds	All or portion of bonds to be refunded: \$8,684,000 G.O. Water Bond, Series 2012A, sold on October 15, 2012 at an interest rate of 3.50% and maturing on June 1, 2021 to 2052, inclusive; and \$6,383,000 G.O. Water Bond, Series 2012B, sold on October 15, 2012 at an interest rate of 3.50% and maturing on June 1, 2021 to 2052, inclusive. The Series 2012A and 2012B Bonds are held by USDA.	Necessary and expedient to provide savings on the outstanding issues.	Amount is adequate to redeem debt.	The County received a unit letter due to its 2019 audit being late, as were the prior 3 years. In addition, the County received a qualified opinion on its Medicaid Cluster in both the federal and state awards reports due to internal control weaknesses. There also were other reported internal control weaknesses including significant delays in year-end accounting and reporting processes and bank reconciliations not being performed on a monthly basis. The letter recognized that the County has developed a corrective action plan to address these issues. The County responded that upon hiring a new Finance Director in March 2019 they underwent a significant and thorough evaluation of existing procedures and policies and have made a number of changes to correct the issues found. The Finance Department has undergone training and a number of processes have been modernized and streamlined for greater efficiency. A virtual unit visit was conducted 09/23/20 and was able to further confirm the progress that has been made. The County's response was considered satisfactory.	Debt service will be reduced on both issues refunded.	<p><u>Structure:</u> Current refunding. Estimated Net Present Value savings of \$1,341,741, or 15.45% of the Series 2012A Bond and \$966,087 or 15.14% of the Series 2012B Bond, as of 8-20-2020.</p> <p>The final maturity of the refunding bonds will be on 6-1-2050, which is two years shorter than the present maturity schedules. The bonds will have approximately level annual gross savings of \$111,940.</p> <p>The Refunding Bonds will have a final maturity of June 1, 2050.</p> <p>Sale: Private placement with Pender FinCorp (501c-3) in conjunction with LOB's issued by Pender County.</p> <p>Sale Date: On or about November 4, 2020</p> <p><u>Approvals:</u> Amount not to exceed: \$16,500,000 Interest Rate not to exceed: 3.25%</p> <p><u>Financing Team:</u> Bond Counsel: Sanford Holshouser LLP Financial Advisor: Davenport & Company LLC Purchaser's Counsel: Pender County Attorney</p>	Moody's: Aa2 S&P: AA+ (This 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	63,153	\$ 16,500,000	N/A	\$ -	\$ 8,082,002,689	\$ 101,160,000	\$ 0.625	1.25%		1.25%	\$ 1,602	1602

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Miscellaneous Action Items

PENDER COUNTY DISTRICTS

\$21,500,000
G.S. 159-72
General Obligation Refunding Bonds

Pender County requests the Commission to sell at a private sale, Taxable G.O. Refunding Bonds for the following Districts:

District:	Amount Not to Exceed	Rate Not to Exceed
Maple Hill Water District	\$ 200,000	2.55%
Rocky Point-Topsail Water and Sewer District	\$ 18,500,000	3.40%
Scott's Hill Water and Sewer District	\$ 2,800,000	3.25%

Proceeds of these refunding bonds will be used to refund outstanding G.O. Bonds of each District presently held by Pender County. This financing is in connection with the issuance of Limited Obligation Bonds by Pender County, separately under consideration by the Commission.

The County and Districts also request approval of the following Financing Team Members:

Purchaser: County of Pender
 Bond Counsel: Sanford Holshouser LLP
 Purchaser Counsel: Pender County Attorney
 Financial Advisor: Davenport & Company LLC

UNIT LETTER

Pender County received a unit letter due to a late audit submission this fiscal year and for the previous three fiscal years. There was a qualified finding in the Medicaid Cluster in both the federal and state awards reports due to internal control weaknesses. In addition, there were other reported internal control weaknesses including significant delays in year-end accounting and reporting processes, and bank reconciliations not being performed on a monthly basis. The letter also recognized that the County has developed a corrective action plan to address these issues. The County responded that upon hiring a new Finance Director in March 2019, the County underwent a thorough evaluation of existing procedures and policies and the County has made a number of changes to correct the issues found. The Finance Department staff has undergone training and a number of processes have been modernized and streamlined for greater efficiency. A virtual visit was conducted 9-23-2020 and staff was able to confirm progress. The County response is satisfactory.

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 SAINT PAULS Sewer \$1,603,380 G.S.159G-22 Revolving Loan	The proposed project will replace existing 6" diameter clay sewer with 8" diameter sewer and rehabilitate 8" diameter and 10" diameter clay sewer with cured in place pipe (CIPP).	Necessary and expedient to reduce infiltration and inflow (I/I) in the system.	Cost estimated provided by McGill Associates, PA.	The Town received a unit letter due the audited financial statements not being submitted to us until December 10, 2019, almost 2 months after the due date of October 31, 2019 and six months after the fiscal year end. According to our records, the Town's statements also were received late in the prior two years. In the General Fund, the percentage of fund balance available for appropriation (not including restricted Power bill funds) relative to expenditures has increased but continues to be substantially less than that of comparable units. Also in the General Fund, certain expenditures exceeded the amounts authorized by the budget ordinance, indicating that the Town preaudit function is not working properly. According to our records, similar unauthorized expenditures were made by the Town during the previous fiscal year. Lastly, in the Water and Sewer Fund, we noted signs of financial weakness indicating that the water and sewer system may still not be financially sustainable in its current form if circumstances do not change. Fiscal staff conducted a virtual unit visit on 8/27/20, to discuss the concerns raised in the unit letter. The Town also provided a response to the letter that was satisfactory to the fiscal staff.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. Water:\$26.91 Sewer:\$39.32	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
TOWN OF SMITHFIELD Water \$12,050,000 G.S. 159G-22 Revolving Loan OBJECTIONS RECEIVED	Expand the existing Water Treatment Plant (WTP) by 2.1 MGD to provide a future treatment capacity of 8.3 MGD. This proposed expansion shall include the following new and / or additional facilities: 1) Install new pumps for raw and settled water; 2) Construct a 5-MGD, raw-water reservoir; 3) Replace the existing flash mixer; 4) Construct a 2.1 MGD filter and filter building; 5) Construct a 1 MGD clearwell; 6) Install a second backwash tank; 7) Install a second sludge-dewatering screw; 8) Install a standby generator; 9) Install a powdered activated carbon (PAC) feed system; 10) Install sludge collectors in each of the three (3) existing sedimentation basins; 11) Install a fourth sedimentation basin; 12) Replace the filters' air-scouring system; and 13) Install two (2) 4.6 MGD, finished water pumps to replace the existing finished water pumps.	Necessary and expedient to expand the existing Town WTP to provide additional capacity to meet short term needs of a 2017 Bulk Water Agreement with Johnston County. The County is an existing bulk customer and has significant expected near and long term growth which prompted the agreement. Some equipment over 40 years old would be replaced. The project is also expected to improve water quality.	Cost estimates provided by The Wooten Company.	The Town received a unit letter due to a material weakness in the Town's internal controls. The auditor reported that certain accounts were not being reconciled and adjusted in a timely manner. It was also noted that the cause of the weakness was a software conversion consuming much of the finance staff's time. The unit responded satisfactorily.	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: \$27.89 Sewer: \$50.47	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
TOWN OF SNOW HILL Water \$752,426 G.S. 159G-22 Revolving Loan	This project consists of replacing approximately 1,625 feet of 2-inch through 8-inch waterlines with approximately 320 feet of 2-inch, approximately 740 feet of 6-inch and approximately 465 feet of 8-inch waterlines and related appurtenances; and the installation of a 100-kW stand-by generator at Well No. 4..	Necessary and expedient to replace infrastructure that has exceeded its useful life and to maintain the production of potable water during periods of extended power outages to ensure continued service is provided to the Town's customers.	Cost estimated provided by Green Engineering, P.L.L.C.	The Town received a unit letter due to the financial statements, for the second year in a row, being filed significantly after the due date of October 31. The Town provided a response to the Unit letter that was satisfactory to the fiscal staff.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. Water:\$33.00 Sewer:\$4750	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):					
Town of Tabor City	The Town is requesting approval for an increase of additional funds on a State Revolving Loan. The loan is for the replacement of three (3) influent pumps with Variable Frequency Drives (VFD) and valves, rehabilitation of the existing mechanical bar screen, installation of VFD motor drives, and rehabilitation of upper clarifier. The original loan was approved by the LGC on September 12, 2017 for \$1,213,900. The Town is requesting an additional increase of \$736,820 for a total loan of \$1,950,720. This increase is necessary due to actual construction bids received being higher than expected due to an increasing cost environment.						
	The Town received a unit letter because a budget was not adopted for the Utility Impact Fund. The response was considered satisfactory.						

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
ALEXANDER COUNTY \$3,396,000 Refunding 160A-20 Installment Contract Private Placement	Refunding of a 2011 Installment Financing Contract (IFC). The loan terms indicate aggregate present value (NPV) savings of approximately \$142,877 (or 3.896%) of the refunded balance. <u>Expected Sources and Uses of Funds:</u> Uses: Loan Proceeds \$ 3,396,000 County Contribution \$ 363,225 Total Sources \$ <u>3,759,225</u> Uses: Refunding \$ 3,725,150 Costs of Issuance \$ 34,075 Total Uses \$ <u>3,759,225</u>	Necessary and expedient to avail the County of lowered financing costs.	The payoff amounts of the installment purchase contracts are current in type and known.	No deficiencies or defaults noted.	The current debt service for the refundings has been budgeted. If an NPV savings of 3.896% is generated, it will result in an aggregate average annual savings of approximately \$24,665.	Bank: Truist Bank Amount \$ 3,396,000 Approval Rate: 1.100% Term (years): 6 Market Rate: 1.35% Structure: Semi-annual principal and interest payments. The terms of the refunded contracts has not been extended. Bank placement will not be rated. 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: Pope Flynn Group 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
Jail Courthouse	37,495	\$ 3,396,000	9/14/2020	\$ -	\$ 2,691,078,183	\$ 411,598	\$0.790	0.02%	0.56%	\$ 11	\$ 403

BUNCOMBE COUNTY \$10,409,000 Equipment - Solar Panels Limited Obligation Bond Series 2020C G.S.160A-20 Private Placement	Purchase and installation of solar panel equipment to be installed on existing structures including: 13 County Buildings, 7 AB Tech Campus Buildings, 9 Asheville City Schools and 10 Buncombe County Schools. This project is part of a strategic initiative determined by County Commissioners who adopted a resolution that set a goal reaching 100% renewable energy for County operations by 2030 and the entire community by 2042. <u>Expected Sources and Uses of Funds:</u> Sources: Bank Loan \$ 10,409,000 Total Sources \$ <u>10,409,000</u> Uses: Project Costs: \$ 10,283,136 Costs of Issuance \$ 125,864 Total Uses \$ <u>10,409,000</u>	Necessary and expedient to move the County towards their strategic priority of achieving 100% renewable energy.	Bid is in hand.	No deficiencies or defaults noted.	No tax increase is necessary. Debt service will be paid from the revenues to the General Fund.	Lender: Truist Bank Amount not to exceed: \$ 10,409,000 Approval rate: 1.990% Term (Years): 15 Market Rate: 1.65% Payment: Annual principal and semi-annual interest This financing will not be rated. Current G.O. Ratings: S&P: AAA Moody's: Aaa FINANCING TEAM Bond Counsel: Parker Poe Adams & Bernstein LLP Financial Advisor: Davenport & Company LLC Lender's Counsel: Pope Flynn LLC Installment financing is more timely than issuing 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
Equipment	259,000	\$ 10,409,000	9/1/2020	\$ -	\$ 39,338,386,605	\$ 399,314,816	\$0.5290	1.02%	1.04%	\$ 1,542	\$ 1,582

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 REIDSVILLE \$970,000 Sewer G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of improvements to the sewer system of Lake Reidsville by connecting to the City's Sanitary sewer system.	Necessary and expedient because the current septic system is aged and in need of replacement.	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: 2.92% Term: 20 Years Market Rate: 2.20% Payment: Annually S&P: A+ Moody's: A1																																																
Expected Sources and Uses of Funds:																																																						
<u>Sources:</u>																																																						
Bank Loan: \$ 970,000																																																						
Total Sources: \$ 970,000																																																						
<u>Uses:</u>																																																						
Construction Cost: \$ 798,717																																																						
Engineer or Arch. Fees: \$ 69,500																																																						
Other Legal/Fiscal Cost: \$ 60,600																																																						
Contingency: \$ 41,183																																																						
Total Uses: \$ 970,000																																																						
Installment purchase contract is more timely than issue of G.O. Bonds																																																						
FINANCING TEAM:																																																						
Bond Counsel: Pope Flynn, LLC																																																						
<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">Debt Ratios-Excluding Enterprise Funds</th> </tr> <tr> <th colspan="2"></th> <th colspan="2">To Property Values</th> <th colspan="2">Per Capita</th> </tr> <tr> <th>Purpose</th> <th>Estimated Census</th> <th>Amount</th> <th>Public Hearing</th> <th>Bonds Authorized & Unissued</th> <th>Assessed Valuation</th> <th>Existing Debt Excluding Enterprise Funds</th> <th>Tax Rate</th> <th>Before</th> <th>After</th> <th>Before</th> <th>After</th> </tr> </thead> <tbody> <tr> <td>Sewer</td> <td>14,171</td> <td>\$ 970,000</td> <td>9/8/2020</td> <td>\$ -</td> <td>\$1,197,670,000</td> <td>16,575,706</td> <td>\$0.74</td> <td>1.38%</td> <td>1.46%</td> <td>\$ 1,170</td> <td>\$ 1,238</td> </tr> <tr> <td colspan="10"></td> <td>Rockingham Co.</td> <td>\$ 648</td> </tr> </tbody> </table>									Debt Ratios-Excluding Enterprise Funds						To Property Values		Per Capita		Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Before	After	Before	After	Sewer	14,171	\$ 970,000	9/8/2020	\$ -	\$1,197,670,000	16,575,706	\$0.74	1.38%	1.46%	\$ 1,170	\$ 1,238											Rockingham Co.	\$ 648
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UNION COUNTY \$5,600,000 General Government Building 160A-20 Installment Contract Private Placement	Acquiring and renovating a facility for use as general County government office space and warehouse space for storage needs.	Necessary and expedient to provide the County with needed office and storage space.	Appraisal for the building is in hand and estimates for the renovation work has been provided by County officials. Any additional costs would be covered from the Capital Budget.	No deficiencies or defaults noted.	No tax increase is necessary. Debt service will be paid from the revenues to the General Fund.	Bank: BB&T Community Holdings Co. Amount: \$ 5,600,000 Approval Rate: 1.860% Term (years): 15 Market Rate: 1.40% Structure: Annual principal and semi annual interest payments.																																				
Expected Sources and Uses of Funds:																																										
<u>Uses:</u>																																										
Loan Proceeds \$ 5,600,000																																										
Total Sources \$ 5,600,000																																										
<u>Uses:</u>																																										
Project Cost \$ 5,550,000																																										
Costs of Issuance \$ 50,000																																										
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FINANCING TEAM																																										
Bond Counsel: Parker Poe Adams & Bernstein LLP																																										
Financial Advisor: Stifel, Nicolaus & Company, Inc.																																										
Lender's Counsel: Moore & Van Allen PLLC																																										
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		Debt Ratios-Excluding Enterprise Funds																																								
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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 YOUNGSVILLE \$2,770,696 Public Works & Renov. Town Hall G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the construction of a new Public Works Facility and renovations to Town Hall. Also, refinance the existing Town Hall loan to eliminate 6 year required interest reset.	Necessary and expedient to meet space needs for Town operations.	This Project is a Design-Build with a guaranteed maximum price based contractor bids.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: Union Bank Approval Rate: 2.50% Term: 20 years Market Rate: 2.70% Payment: Annually S&P: N/A Moody's: N/A
Expected Sources and Uses of Funds:						
<u>Sources:</u>						
	Bank Loan:	\$	2,770,696			
	Total Sources:	\$	<u>2,770,696</u>			
<u>Uses:</u>						
	Construction Cost:	\$	1,750,250			
	Engineer or Arch. Fees:	\$	34,650			
	Land and Rt.-of-way:	\$	22,435			
	Other Legal / Fiscal Cost:	\$	15,000			
	Administrative Cost:	\$	230,859			
	Contingency:	\$	32,457			
	Equipment and Landscaping:	\$	419,525			
	Union Bank Loan payoff	\$	265,520			
	Total Uses:	\$	<u>2,770,696</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		
Municipal Building	1,500	\$ 2,770,696	9/10/2020	\$ -	\$242,947,000	3,470,389	\$0.65	1.43%	2.57%	\$ 2,314	\$ 4,161	Franklin County	\$ 865

UNIT	PROJECTS	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS AND OTHER INFORMATION	MARKETABILITY
TOWN OF CAPE CARTERET \$1,200,000 Public Improvement - Trail General Obligation Bonds G.S. 159-52	To provide funds to pay the capital costs of public improvements including constructing an outdoor multi-use trail, commonly referred to as the Cape Carteret Trail and to acquire any interests in real property required therefor. Sections of the trail have already been constructed and bond proceeds will be used largely to complete sections that are currently missing. Most of these sections will be constructed on public rights-of-way. The trail will provide public access along two major roads, NC 24 and NC 58, for pedestrian and bicycle traffic.	The Town Commissioners have determined this project is necessary and expedient to meet the needs of the Town and local community.	Cost estimates provided by a consulting engineer and based on recent construction data.	No major deficiencies. No defaults noted.	Town staff estimates a tax increase of up to 3.0¢ to provide for debt service on the bonds.	Bond Counsel: Robinson Bradshaw & Hinson, P.A.	Moody's: (No S&P: Ratings) Bonds are expected to be privately placed with a bank.

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
Streets and sidewalks	2,207	\$ 1,200,000	11/3/2020	\$ -	\$ 424,466,936	\$ 26,620	\$ 0.2125	0.01%	0.29%	\$ 12	\$ 556
										Carteret County	\$ 315

UNIT	PROJECTS	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS AND OTHER INFORMATION	MARKETABILITY
CITY OF CHARLOTTE \$197,232,000 General Obligation Bonds G.S. 159-52	<p>\$102,732,000 Transportation: To pay the capital costs of constructing, enlarging, extending and improving certain streets, including streets and roads that are part of the State highway system, including the costs of studies, streetscape and pedestrian improvements, relocation of utilities, plans and designs; acquiring, constructing, reconstructing widening, extending, paving, milling, resurfacing roads, streets, parking lots, pedestrian and bicycle paths, constructing or improving sidewalks, curbs, gutters, storm drains, bridges, overpasses, underpasses, etc., landscaping, lighting and traffic controls, signals, markers; and acquisition of land, R-O-W and land therefor;</p> <p>\$50,000,000 Housing: To pay the capital costs of housing projects for the benefit of persons of low income, moderate income or low and moderate incomes, including construction of infrastructure improvements, and the acquisition of land and R-O-W required therefor;</p> <p>\$44,500,000 Neighborhood Improvements: To pay the capital costs of infrastructure improvements for neighborhoods in the City, including sidewalks, curbs, gutters, storm drains, pedestrian and bicycle paths, utility relocation, public open space, improving streets and intersections, landscaping, lighting and traffic controls, signals, markers; and acquisition of land, R-O-W, and to purchase equipment therefor.</p>	Necessary and expedient to provide adequate transportation, housing and neighborhood infrastructure facilities to citizens of the City.	Cost estimates provided by the City Engineering and Planning Dept. staff. The City Council considers the costs as not excessive.	No major deficiencies. No defaults noted.	A tax increase is not anticipated for these bonds. Taxes were previously increased by 3.17 cents in 2014 and these bonds will continue projects similar to those already in process.	<p><u>Approvals:</u> Amount not to exceed \$197,232,000</p> <p><u>Financing Team:</u></p> <p>Bond Counsel: Parker Poe Adams & Bernstein LLP</p>	<p>Moody's: Aaa S&P: AAA Fitch: AAA (Expected Ratings)</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	
								Before	After	Before	After
Transportation	863,985	\$ 102,732,000	11/3/2020	\$ 448,926,457.00	\$ 98,173,253,000	\$ 1,718,198,197	\$ 0.3481	2.21%	2.41%	\$ 2,508	\$ 2,737
Housing		50,000,000									
Neighborhoods		44,500,000									
G.S. 159-52		<u>\$ 197,232,000</u>									\$ 1,363
								Mecklenburg County			

UNIT	PROJECTS	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS AND OTHER INFORMATION	MARKETABILITY
GUILFORD COUNTY \$300,000,000 General Obligation Bonds Schools G.S. 159-52	To provide funds to pay the costs of various capital projects for Guilford County Schools, including the acquisition and construction of new school facilities, the improvement and expansion of existing school facilities, and the acquisition and installation of furnishings and equipment, along with acquisition of interests in real property required therefor. Based on two studies that evaluated each school, the Board of Education has scored and ranked each for structural status, suitability for its purpose and the service area. Projects include new schools for residential growth, full renovation and rebuilding for facilities in the worst condition, priority repairs for schools not being rebuilt or renovated, and investments in technology and infrastructure for safety improvements.	Necessary and expedient to meet County needs for adequate school facilities.	Cost estimates provided by consultants: Cooperative Strategies, LLC	No major deficiencies. No defaults noted.	The County estimates that a tax increase of 1.7 cents per \$100 valuation would be required, which is considered as not excessive. The County is requesting a 1/4 cent sales tax for school capital funding, which will also be voted on November 3, 2020.	<u>Approvals:</u> Amount not to exceed: \$300,000,000 <u>Financing Team:</u> Bond Counsel: Robinson, Bradshaw & Hinson, P.A. Financial Advisor: First Tryon Advisors	Fitch: AAA Moody's: Aaa S&P: AAA (Expected Ratings)

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
Schools	526,096	\$ 300,000,000	11/3/2020	-	\$ 53,149,937,934	\$ 622,100,000	\$ 0.7305	1.16%	1.72%	\$ 1,182	\$ 1,753

CITY OF RALEIGH \$80,000,000 General Obligation Bonds Housing G.S. 159-52	Affordable Housing: To provide funds to pay the capital costs for community development programs to provide and rehabilitate multi-family and single family housing inside the corporate limits of Raleigh, principally for the benefit of persons with low and moderate incomes. Programs will include the construction or rehabilitation of housing or neighborhood revitalization improvements, loans to providers of housing and acquisition of land, R-O-W and equipment.	The City Council has determined these projects to be necessary and expedient to meet needs of the City and local community to provide affordable housing opportunities in the City.	The City's engineering and finance staff provided the necessary cost estimates and projections.	No major deficiencies. No defaults noted.	A tax increase of 0.7847 cents is anticipated in FY 2022 to provide for debt service on the bonds. City Council does not consider this to be excessive.	Approvals: Amount not to exceed: \$80,000,000 <u>Financing Team:</u> Bond Counsel: Womble Bond Dickinson (US) LLP	S&P: AAA Moody's: Aaa Fitch: AAA (Expected Ratings)
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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	
Affordable Housing	471,745	\$ 80,000,000	11/3/2020	\$ 305,475,000	\$ 61,543,000,000	\$ 743,655,856	\$ 0.3552	1.70%	1.83%	\$ 2,224	\$ 2,394	
								Wake County				2176

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
TOWN OF APEX \$32,000,000 G.S. 159-72 General Obligation Refunding Bonds	All or portion of bonds to be refunded: \$27,615,000 G. O. Wastewater System Bonds, Series 2012, sold June 19, 2012 at a TIC of 3.2842% and maturing June 1, 2023 to 2037, inclusive, with current interest rates of 3.00% to to 5.00%.	Necessary and expedient to provide savings on the outstanding issue.	Amount is adequate to defease the debt and will be verified by the verification agent.	No major deficiencies. No defaults noted.	Debt service will be reduced.	<u>Structure:</u> Taxable Advance Refunding. Estimated Net Present Value savings of \$3,592,327, or 13.0% of the refunded bonds, as of 9-1-2020. The refunding bonds will be structured with no extensions of maturities, and with approximately level annual gross savings of \$240,430 as of 9-1-2020. The Refunding Bonds will have a final maturity of June 1, 2037. Sale: Competitive Sale Date: October 27, 2020 <u>Approvals:</u> Amount not to exceed: \$32,000,000 <u>Financing Team:</u> Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Davenport & Company LLC Escrow Agent: Truist Bank Verification Agent: Bingham Arbitrage Rebate Services, Inc.	Moody's: Aaa S&P: AAA (Expected Ratings)

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	66,500	\$ 32,000,000	N/A	\$ 13,100,000	\$ 7,882,315,357	\$ 107,917,621	0.380	1.54%	1.57%	\$ 1,820	\$ 1,858
								Wake County			\$ 2,176

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
TOWN OF CARY \$52,500,000 G.S. 159-72 Taxable General Obligation Refunding Bonds	All or a portion of bonds to be refunded: \$44,790,000 G. O. Public Improvement Bonds, Series 2014, sold March 4, 2014 at a TIC of 3.2582% and maturing March 1, 2025 to 2039, inclusive, with current interest rates of 3.00% to 4.00%.	Necessary and expedient to provide savings on the outstanding issues.	Amount is adequate to defease the debt and will be verified by the verification agent.	No major deficiencies. No defaults noted.	Debt service will be reduced.	<u>Structure:</u> Taxable Advance Refunding. Estimated Net Present Value savings of \$3,194,617, or 7.13% of the refunded bonds, as of 8-17-2020. The refunding bonds will be structured with no extensions of maturities, and with approximately level annual gross savings of \$198,630 as of 8-17-2020. The Refunding Bonds will have a final maturity of March 1, 2039. Sale: Competitive Sale Date: October 20, 2020 <u>Approvals:</u> Amount not to exceed: \$52,500,000 <u>Financing Team:</u> Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Davenport & Company LLC Escrow Agent: U.S. Bank, National Association Verification Agent: Bingham Arbitrage Rebate Services, Inc.	Moody's: Aaa S&P: AAA Fitch: AAA (Expected Ratings)

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	170,322	\$ 52,500,000	N/A	\$ 225,000,000	\$ 33,532,763,780	\$ 170,195,000	0.350	1.18%	1.20%	\$ 2,320		\$ 2,366
									Wake County			\$ 2,176

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
TOWN OF CARY						
Combined Enterprise System Revenue Refunding Bonds, Series 2020B G.S. 159-86	Necessary and expedient to avail the Town of lower financing costs. Current capital market conditions indicate a net present value savings (NPV) of approximately \$1,955,000 or 6.65% of the refunded debt in aggregate for the Series 2020B Bonds and approximately \$4,528,000 or 5.23% of the refunded debt in aggregate for the Series 2020C Bonds. The individual refunded series statistics are shown below.	The Series 2020B refunding is current and all related costs or requirements of funds are known or may be accurately estimated. The Series 2020C refunding is being done in advance of the refunded bonds' call dates. Verification of the adequacy of the escrowed refunding balances will be performed by Bingham Arbitrage Rebate Services, Inc.	The refundings will generate a net positive cash flow, if anticipated savings are realized, in each fiscal year through 2043 on average of approximately \$434,000.	No major deficiencies. No defaults noted.	Public Sale. Sale is scheduled on October 22 so as to not conflict with any other revenue bonds. Bonds will be rated Moody's: Aaa, S&P: AAA Fitch: AAA	Term: Approximately 22.5 years Interest Rate: Fixed Structure: Amortization of the refunding principal will be structured to provide even realization of cash savings after allowing the amortization period of the refunding bonds to reflect that of the refunded bonds. The term of refunding debt has not been extended.
Amount not to exceed: \$ 27,500,000						Expected Rate (Current Financial Markets): Effective Interest Cost 2020B: 1.15% Effective Interest Cost 2020C (TAXABLE): 2.08% Expected Underwriters Fee: \$3.95/\$1,000
Taxable Combined Enterprise System Revenue Refunding Bonds, Series 2020C	The Series 2020C bonds are being issued in advance of the call dates of the debt they are refunding. It should be noted that this creates significant additional related cost in the form of negative arbitrage - the difference between the earnings on the defeasing escrow and the cost of the debt financing that escrow until the call date - and that in a period of foreseeable stable low interest rates deferral of refunding may significantly reduce negative arbitrage and increase net savings.					
Amount not to exceed: \$ 125,000,000						
The Series 2020B Bonds will currently refund the Town's State of North Carolina 2005 Revolving Loan, State of North Carolina 2007 Revolving Loan, State of North Carolina 2011 Revolving Loan and State of North Carolina 2014 State Revolving Loan.						
The Taxable Series 2020C Bonds will advance refund certain maturities of the Town's Combined Enterprise System Revenue and Revenue Refunding Bonds, Series 2013: Combined Enterprise System Revenue and Refunding Bonds, Series 2015; Combined Enterprise System Revenue Bonds, Series 2017 and Combined Enterprise System Revenue Refunding Bonds, Series 2017B.						
						APPROVALS
						Series 2020B: Final maturity: Not beyond 2033 Interest Rate not to exceed: Effective Interest Cost: 2.00% Amount not to exceed: \$27,500,000
						Series 2020C (TAXABLE): Final maturity: Not beyond 2042 Interest Rate not to exceed: Effective Interest Cost: 3.00% Amount not to exceed: \$125,000,000
						FINANCING TEAM: Bond Counsel: Womble Bond Dickinson (US) LLP Underwriters: J.P. Morgan Securities LLC (Sr. Manager); Raymond James & Associates, Inc. (Co-manager); Robert W. Baird & Co. (Co-manager) Underwriters Counsel: Parker Poe Adams & Bernstein LLP Registrar/Trustee/Escrow Agent: The Bank of New York Mellon Trust Company, N.A. (DTC) Financial Advisor: Davenport and Company LLC Verification Agent: Bingham Arbitrage Rebate Services, Inc.

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
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TOWN OF CARY CONTINUED

Series 2020B Bonds:

	2005 State Rev. Loan	2007 State Rev. Loan	2011 State Rev. Loan	2014 State Rev. Loan
Refunding information related to refunded debt by issue:				
Originally issued	\$10,223,222	\$3,958,771	\$1,041,230	\$35,000,000
Outstanding currently	\$3,066,967	\$1,251,139	\$572,677	\$24,500,000
Balance to be refunded	\$3,066,967	\$1,251,139	\$572,677	\$24,500,000
NPV Savings (Dollars)	\$179,420	\$63,892	\$42,122	\$1,669,673
NPV Savings (Percentage of refunded bonds)	5.85%	5.11%	7.36%	6.81%

Series 2020C Bonds:

	CES Series 2013 Bonds	CES Series 2015 Bonds	CES Series 2017 Bonds	CES Series 2017B Bonds
Refunding information related to refunded debt by issue:				
Originally issued	\$98,400,000	\$53,785,000	\$31,955,000	\$92,925,000
Outstanding currently	\$10,890,000	\$47,505,000	\$29,665,000	\$90,490,000
Balance to be refunded (current market conditions)	\$6,995,000	\$24,705,000	\$13,245,000	\$41,620,000
NPV Savings (Dollars)	\$829,718	948,208.92	\$1,358,788	\$1,391,607
NPV Savings (Percentage of refunded bonds)	11.86%	3.84%	10.26%	3.34%
Associated Negative Arbitrage (Increased cost associated with advance refunding)	\$269,496	\$2,150,439	\$1,358,566	\$4,575,547

Expected Sources and Uses of Funds:

	Series 2020B	Series 2020C TAXABLE	Total
Sources:			
Revenue Bonds at Par	\$22,270,000	\$105,815,000	\$128,085,000
Premium	\$5,145,197		\$5,145,197
Equity Cash Contribution	\$2,100,000		\$2,100,000
Contribution of Budgeted Cash	\$20,116	\$1,569,353	\$1,589,469
Total Sources	<u>\$29,535,313</u>	<u>\$107,384,353</u>	<u>\$136,919,666</u>

Uses:			
Refunding Escrow Deposits	\$29,390,782	\$106,668,305	\$136,059,087
Issuance Costs	\$60,854	\$289,146	\$350,000
Underwriters' Discount	\$81,041	\$424,371	\$505,411
Additional Proceeds	\$2,636	\$2,532	\$5,168
Total Uses	<u>\$2,532</u>	<u>\$107,384,353</u>	<u>\$136,919,666</u>

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
CITY OF CHARLOTTE HOUSING AUTHORITY (now under the name INLIVIAN)	Charlotte Housing Authority has found that the project is necessary to continue to provide an adequate supply of affordable housing for residents of the City.	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.	The developer has provided 17-year cash flow projections that show debt service coverage for the bonds will range from 1.18X to 1.40X.	No major deficiencies. No defaults noted.	Private Placement	Term - Approximately 15 years; 35 year amortization Construction period up to 36 months Construction Phase Interest Rate: Currently estimated at 3.00% Permanent Phase Interest Rate: Tax Exempt estimated 4.325% Structure: Approximately level debt service

MULTIFAMILY HOUSING REVENUE BONDS
North Tryon Homes , Series 2020
G.S. 159-148; 159-153; 157-17.1

Not to exceed \$22,000,000 the proceeds of the bonds will be used to provide a loan to North Tryon Homes, LLC a North Carolina limited liability company or an affiliate, for the acquisition, construction and equipping of approx. 180 apartment units located in the City of Charlotte on approximately 6.6 acres. The apartments are targeted for low income family tenants. The apartments will be built in accordance with the specifications provided in the application for low-income housing tax credits (LIHTC) as approved by the NC Housing Finance Agency (NCHFA).

The development will include two, three and four bedroom units, 100% of which will be subject to income and rent restrictions.

The issuer has found that the debt to be incurred in connection with the project is adequate but not excessive.

The lenders have performed their own credit review.

In addition, the Rental Investment section of the NCHFA has reviewed this information and has found it to be reasonable.

APPROVALS
Amount: Not to exceed \$22,000,000
Final Maturity: Not to exceed December 31, 2060
Interest Rate: Tax-exempt not to exceed 12.0%

FINANCING TEAM
Bond Counsel: McGuireWoods LLP
Issuer's Counsel: The Banks Law Firm, P.A.
Borrower: North Tryon Homes LLC
Borrower's Counsel: Nelson Mullins Riley & Scarborough LLP
Developer: The NRP Group and Community Housing Resource Partners, Inc.
Initial Purchaser: Bank of America, N.A.
Credit Provider: Fannie Mae
Servicer: Barings Multifamily Capital LLC
Purchaser's Counsel: Tiber Hudson LLC
Fannie Mae's Counsel: Arent Fox LLP
Servicer's Counsel: Krooth & Altman LLP
LIHTC Equity Investor: Bank of America, N.A.
LIHTC Equity Investor Counsel: Holland & Knight LLP
Trustee: U.S. Bank National Association

Sources of Funds

First Mortgage	\$ 17,698,100
Tax Credit Equity	\$ 11,814,055
Charlotte Housing Trust Fund	\$ 2,000,000
LISC (Local Initiative Support Corporation)	\$ 3,584,200
Cashflow	\$ 200,000
Deferred Developer Fee	\$ 520,965
Total Sources	\$ 35,817,320

Uses of Funds

Acquisition and Construction	\$ 25,513,418
Fees and soft costs	\$ 5,353,228
Financing and Costs of Issuance	\$ 2,158,468
Interest, Reserves and Other	\$ 2,792,206
Total Uses	\$ 35,817,320

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p>EASTOVER SANITARY DISTRICT (CUMBERLAND COUNTY) Administrative Building \$1,400,000 Revenue Bond G.S. 159; Article 5</p> <p>Construction of an Operations Center for the Water & Sewer System</p> <p>USDA Loan \$ 1,400,000 Cash Contribution \$ 189,000 \$ 1,589,000</p> <p>Note: Eastover Sanitary District is a component unit of Cumberland County</p>	<p>Necessary and expedient to properly conduct the administrative business of the District as well as house the space needed by the contractor to conduct the operation of the water and sewer systems. The District is currently housed in a leased space (\$25,200 per year), and has inadequate office space, restrooms and meeting facilities. One of the most pressing needs is for a drive through window so that residents can pay bills without having to enter the office. Many customers are older, handicapped, or do not have access to pay bills online. This will facilitate quicker paying times for customers.</p>	<p>Bids in hand.</p>	<p>The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. Water: \$46.28 Sewer: \$51.00</p>	<p>No major deficiencies. No defaults noted.</p>	<p>USDA commitment to purchase the bonds upon substantial completion of the project.</p>	<p>Term: RBAN: 15 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service</p> <p style="text-align: center;">APPROVALS</p> <p>Issue Amount Revenue Bond: \$1,400,000 Issue Amount Revenue BAN: \$1,400,000 Final Maturity: RBAN: No later than 1/26/2022 RB: 2062 or 40 years after the maturity of the RBAN</p> <p>Interest Rate: RBAN: Not to exceed 5% RB: \$1,400,000 1.875%</p> <p style="text-align: center;">FINANCING TEAM</p> <p>Bond Counsel: Sanford Holshouser, LLP Revenue BAN: To be approved by the Secretary of the Commission Revenue Bond: USDA Rural Development Registrar: Finance Officer</p>
<p>TOWN OF KENLY Water \$983,000 G.S. 159; Article 5</p> <p>This project consists of a new 100,000 gallon pedestal elevated water storage tank, demolition of the old Town Hall, demolition of the existing 100,000-gallon elevated tank, removal of contaminated soils, site restoration, and appurtenances.</p> <p>USDA Loan: \$ 983,000 USDA Grant: \$ 1,128,000 Total: \$ 2,111,000</p>	<p>Necessary and expedient to secure adequate and reliable water service to promote present and future welfare of the residents of the Town and its environs.</p>	<p>Bids in hand.</p>	<p>The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. Water: \$24.60 Sewer: \$38.33</p>	<p>No major deficiencies. No defaults noted.</p>	<p>USDA commitment to purchase the bonds upon substantial completion of the project.</p>	<p>Term: RBAN:15 Months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service</p> <p style="text-align: center;">APPROVALS</p> <p>Issue Amount Revenue Bond: \$983,000 Issue Amount Revenue BAN: \$983,000 Final Maturity: RBAN: No later than February 3, 2022 RB: 2060 or 40 years after the maturity of the RBAN Interest Rate: RBAN: \$983,000 NTE 4.5% RB: \$983,000 2.125 %</p> <p style="text-align: center;">FINANCING TEAM</p> <p>Bond Counsel: Womble Bond Dickinson (US) LLP Revenue BAN: To be approved by the Secretary of the Commission Revenue Bond: USDA Rural Development Registrar: Town Manager</p>

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p>NORTH CAROLINA TURNPIKE AUTHORITY Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes (BANs), Series 2020 G.S. 136-89.189; G.S. 159; Article 5</p> <p>Not to exceed principal amount: (preliminary) \$ 499,460,000</p> <p>Background: Currently, the Triangle Expressway consists of approximately 18.8 miles extending from Interstate 40 (near Durham) to NC 55 Bypass (near Holly Springs). The Complete 540 project Phase 1 will extend the Triangle Expressway from NC55 ByPass to Interstate 40 and US 70. (Clayton Bypass).</p> <p><u>Estimated Sources:</u> Par Amount \$ 499,460,000 Original Issue Premium \$ 21,376,888 Total Sources: \$ 520,836,888</p> <p><u>Use of funds:</u> Complete 540 Project Costs \$ 474,838,487 Capitalized Interest \$ 44,219,681 Cost of Issuance \$ 694,800 Underwriter's Discount \$ 1,083,920 Total Uses: \$ 520,836,888</p>	<p>The Board of the NCTA has determined that the BANs are feasible, the costs to complete the Project are sufficient but not excessive, that construction as a toll road is the most expedient method to fund this Project.</p> <p>The BANs were contemplated as a possible tool when the Complete 540 Bonds and original TIFIA Loan was approved by the LGC in Oct 2019</p>	<p>The BANs will result in interest savings by delaying TIFIA draws by 4 years. The BANs will be repaid by draw down of the TIFIA loan.</p> <p>The Triangle Expressway construction costs for this design-build Project have been determined. The project has 3 contracts R-2721A; R-2721B and R-2828. Totaling \$1,295,436,830</p> <p>NPV Savings currently are \$7.3 million</p> <p>TIFIA Loan Balance is reduced by \$31,991,600</p>	<p>CDM Smith has prepared an update to the 2019 investment grade Traffic and Revenue (T&R) study for both the Triangle Expressway and Complete 540. Historically the road has outperformed original revenue projections.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Series 2020 Bonds will be sold in a negotiated sale scheduled for October 29, 2020.</p> <p>The NCTA will be receiving at least 2 ratings from the following: S&P- Negative outlook Moody's- N/A Fitch- BBB outlook stable</p>	<p>Preliminary Structure (and subject to change): 2020 TIFIA BANs No extension of final maturity on the TIFIA loan: The earlier of (i) July, 1 2058 and (ii) the Semi-Annual Payment Date on or prior to the date that is thirty-five years after the Substantial Completion Date Final maturity of BANs 3 1/2 years</p> <p>Terms: Interest rate: Estimated TIC= 1.47%</p> <p style="text-align: right;"><u>APPROVALS</u></p> <p>Not to exceed: \$499,460,000 TIC not to exceed: 2% Final Maturity not to exceed: February 2024 Minimum NPV savings- greater than zero percent</p> <p style="text-align: right;"><u>FINANCING TEAM</u></p> <p>Bond Counsel: Hunton Andrews Kurth LLP Disclosure Counsel: McGuireWoods, LLP Underwriter Sr. Manager: Wells Fargo Underwriter's Counsel: Womble Bond Dickinson NC Attorney General's office</p>
					<div style="border: 1px solid black; padding: 5px;"> <p>This approval is contingent upon written TIFIA approval being received prior to the BANs closing and there has been no other material change in fact.</p> </div>	

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 Sewer \$1,819,000 G.S. 159G-22 Revolving Loan	This project includes the construction of approximately 6,700 linear feet of 8-inch PVC (Polyvinyl Chloride) sewer main, replacing existing undersized and aging clay sewer mains, and 1,500 linear feet of 15-inch PVC sewer main.	Necessary and expedient to meet minimum pipe size regulatory obligations, reduce operations and maintenance burdens, and reduce infiltration and inflow.	Cost estimated by Henderson Water and Sewer	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%.	N/A

Stanly County

MISCELLANEOUS - ACTION ITEMS

The County is requesting approval for an increase of additional funds on a State Revolving Loan. The loan is for the replacement, repairs and upgrades to the existing Waste Water Treatment Plant processes and facilities. The project also involves upgrades and maintenance to the McCoy's Creek pump station. The original loan was approved by the LGC on October 3, 2017 for \$3,058,300. The County received an additional 10% increase of \$305,830 from DEQ which did not require LGC approval. The County is requesting an additional increase of \$3,968,689 for a total loan of \$7,332,819. This increase is necessary due to actual construction bids received being higher than expected due to an increasing cost environment.

MISCELLANEOUS - NON-ACTION ITEMS

Caldwell County

The County has negotiated a rate modification with Truist Bank (SunTrust) to its existing, privately held, tax exempt, installment purchase contract:

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
10/1/2020 (modification date)						
3/20/2007	\$16,300,000	\$ 5,147,368	2.42%	1.85%	\$ 96,537	9/20/2026

Caldwell County

The County has negotiated a rate modification with Truist Bank (SunTrust) to its existing, privately held, tax exempt, installment purchase contract:

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
10/1/2020 (modification date)						
6/25/2007	\$12,500,000	\$ 4,605,263	2.65%	2.20%	\$ 63,665	1/1/2027

Chowan County

The County has negotiated a rate modification with Truist Bank (BB&T) to its existing, privately held, tax exempt, installment purchase contract:

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
7/15/2020 (modification date)						
1/8/2013	\$ 1,355,000	\$ 844,000	2.20%	1.80%	\$ 8,002	2/1/2024

Chowan County

The County has negotiated a rate modification with Truist Bank (BB&T) to its existing, privately held, tax exempt, installment purchase contract:

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
7/15/2020 (modification date)						
1/8/2013	\$ 985,000	\$ 234,000	1.96%	1.40%	\$ 1,374	2/1/2022

Chowan County

The County has negotiated a rate modification with Truist Bank (BB&T) to its existing, privately held, tax exempt, installment purchase contract:

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
7/15/2020 (modification date)						
9/16/2019	\$ 1,650,000	\$ 1,595,000	2.93%	2.71%	\$ 25,128	9/16/2034

Chowan County

The County has negotiated a rate modification with Truist Bank (BB&T) to its existing, privately held, tax exempt, installment purchase contract:

Date	Original Amount	New Amount	Previous Rate	New Rate	Interest Savings	Maturity Date
7/15/2020 (modification date)						
10/16/2012	\$ 9,695,000	\$ 3,750,000	2.20%	1.72%	\$ 33,342	11/1/2023

Johnston County

The following Districts have favorable rate modifications on G.O. Bonds held by Johnston County, due to the recent issuance of Limited Obligation Refunding Bonds by the County:

	Date	Original	New Amount	Avg. Rate Refunded	New TIC Cost	Net Present Values	Maturity Date
Archer Lodge Water Dist.	7/31/2013	\$ 3,160,000	\$ 2,825,000	4.606%	2.058%	\$ 219,385	4/1/2037
Brogden Water District	7/31/2013	\$ 2,930,000	\$ 2,735,000	4.609%	2.213%	\$ 243,505	4/1/2039
Buffalo Water District	6/27/2014	\$ 2,470,000	\$ 2,610,000	4.217%	2.239%	\$ 86,671	4/1/2039
Clayton Water District	7/31/2013	\$ 2,915,000	\$ 2,570,000	4.609%	1.997%	\$ 187,822	4/1/2036
Cleveland Water District	7/31/2013	\$ 3,025,000	\$ 2,630,000	4.603%	2.004%	\$ 190,306	4/1/2036
Elevation Water District	6/27/2014	\$ 3,505,000	\$ 3,650,000	4.231%	2.234%	\$ 118,691	4/1/2039
Hopewell-Pisgah Water Dist.	7/31/2013	\$ 1,330,000	\$ 1,095,000	4.655%	1.806%	\$ 62,582	4/1/2033
Ingrams Township Water Dist.	6/27/2014	\$ 2,365,000	\$ 2,460,000	4.216%	2.236%	\$ 78,138	4/1/2039
Little Creek Water District	7/31/2013	\$ 3,295,000	\$ 3,000,000	4.607%	2.103%	\$ 244,825	4/1/2038
Little River Water District	6/27/2014	\$ 8,270,000	\$ 8,620,000	4.223%	2.236%	\$ 280,381	4/1/2039
McGee's Crossroads Water Dist.	7/31/2013	\$ 4,955,000	\$ 4,430,000	4.603%	2.060%	\$ 344,179	4/1/2037
Meadow Water District	6/27/2014	\$ 2,735,000	\$ 2,835,000	4.222%	2.237%	\$ 92,402	4/1/2039
O'Neal's Water District	6/27/2014	\$ 7,165,000	\$ 7,220,000	4.229%	2.234%	\$ 232,436	4/1/2039
Princeton-Kenly Water District	7/31/2013	\$ 2,290,000	\$ 2,130,000	4.610%	2.208%	\$ 187,849	4/1/2039
Wilson's Mills Water District	7/31/2013	\$ 900,000	\$ 830,000	4.610%	2.186%	\$ 71,611	4/1/2039

Johnston County

The following Districts have favorable rate modifications on Installment Finance Contracts held by Johnston County, due to the recent issuance of Limited Obligation Refunding Bonds by the County:

	Date	Original	New Amount	Avg. Rate Refunded	New TIC Cost	Net Present Values	Maturity Date
Archer Lodge Water Dist.	6/27/2014	\$ 1,760,000	\$ 1,835,000	4.228%	2.238%	\$ 60,847	4/1/2039
Clayton Water District	6/27/2014	\$ 215,000	\$ 215,000	4.239%	2.230%	\$ 7,022	4/1/2039
Cleveland Water District	6/27/2014	\$ 3,275,000	\$ 3,045,000	4.227%	2.238%	\$ 112,797	4/1/2039
Hopewell-Pisgah Water Dist.	6/27/2014	\$ 760,000	\$ 780,000	4.249%	2.230%	\$ 26,206	4/1/2039
Ingrams Township Water Dist.	6/27/2014	\$ 350,000	\$ 355,000	4.254%	2.233%	\$ 11,384	4/1/2039
Little Creek Water District	6/27/2014	\$ 545,000	\$ 570,000	4.249%	2.229%	\$ 19,083	4/1/2039
McGee's Crossroads Water Dist.	6/27/2014	\$ 1,530,000	\$ 1,595,000	4.227%	2.237%	\$ 53,362	4/1/2039
Wilson's Mills Water District	6/27/2014	\$ 435,000	\$ 450,000	4.235%	2.233%	\$ 14,836	4/1/2039

Complete 540 BANs Update



Complete 540 TIFA Loan Bond Anticipation Note Overview

- NCTA is considering TIFIA BANs to be issued when all 2019 Bond proceeds have been expended, instead of drawing on TIFIA at that time
- TIFIA Bond Anticipation Notes are frequently used for the following reasons:
 - To avoid complications with multiple TIFIA Loan draws – TIFIA draws are limited to 33% of total costs, pro-rata with actual expenditures
 - To realize interest cost savings – The interest rate on short term BANs (estimated 1.25%-1.40%) will be less than the TIFIA Loan rate of 2.27% which was set based on the 30-Year Treasury SLGS

	Benchmark Rate	Credit Spreads	Interest Due
TIFIA BAN	Short-term tax exempt	Yes	Accrue on the entire issuance
TIFIA Loan	Long-term taxable	No	Accrue only on drawn amounts

BAN Financing Benefits: TIFIA

- The maximum balance on the TIFIA Loan is reduced to \$530 million - a reduction of almost \$32 million from the projected maximum balance of \$562 million on the current loan.
- Reduction in TIFIA debt service results in long-term benefits for the General Reserve Balance. While BANs premium vs capitalized interest mismatch reduces the minimum balance by \$4.1 million initially, by FY 2050 the balance increases by \$40.8 million with the issuance of BANs.
- Given projected long term COVID / WFH impacts to toll revenues, the reduced TIFIA debt service and improved General Reserve balances could be important.

	Without BANs	With BANs	Reduction
Maximum TIFIA Balance	\$561,909,682	\$529,918,083	\$31,991,600
Total TIFIA Debt Service	\$835,520,674	\$789,762,698	\$45,757,975



BAN Financing Analysis: 2.75% Coupon

- Based on assumptions as of September 9, 2020, the estimated net present value benefit of a BAN Dated 10/29/2020 is \$7.3 million
- The TIFIA BANs will be limited by the par amount of the TIFA Loan - \$499.4 million - which results in a construction funding shortfall of \$22.9 million, the present value of which is net from interest cost savings.
- NCTA & NCDOT have various sources to cover this amount

	2.75% Coupon
BAN Dated Date	10/29/2020
BAN Maturity Date	2/1/2024
TIFA Draw Date	1/15/2024
Coupon	2.75%
BAN Rate	1.40%
Fund Earnings Rate	0.60%
Capitalize Interest Through	2/1/2024
Final Project Draw Date	4/15/2022
Substantial Completion	7/1/2023

FY	2.75% BAN			2.75% Coupon		
	TIFA DB	TIFA DBSP	PV	TIFA DB	TIFA DBSP	PV
2021						
2022	27,494,232	28,085,799				
2023	3,356,791	2,198,538		20,205,811	25,975,463	
2024						
2025						
2026	6,282,022	48,229	9,236,215	5,875,324	426,262	747,030
2027	7,245,455	748,829	9,468,655	6,627,249	735,247	9,917,259
2028	8,223,645	748,725	8,780,848	6,285,411	735,437	8,262,888
2029	11,261,528	752,352	11,249,494	12,528,225	865,742	12,911,215
2030	13,241,186	546,864	11,747,477	12,514,676	562,344	12,562,485
2031	13,228,838	638,954	13,873,875	12,503,628	804,388	13,371,983
2032	12,218,476	886,268	13,739,412	12,492,268	846,258	12,181,801
2033	13,207,736	748,749	13,921,283	12,480,428	846,825	14,071,321
2034	13,195,788	746,999	13,952,531	12,468,578	756,414	8,783,110
2035	13,184,438	887,224	13,152,408	12,456,229	822,028	6,832,562
2036	13,173,236	943,222	13,234,818	12,444,089	841,883	8,788,777
2037	13,161,571	1,007,388	13,139,291	12,431,952	845,444	6,983,254
2038	13,150,671	1,088,133	9,854,212	12,419,862	1,228,827	8,421,254
2039	13,032,171	1,238,257	9,791,477	12,407,862	1,141,638	6,056,888
2040	13,579,458	1,328,144	9,642,262	12,395,288	1,232,528	6,124,887
2041	20,282,668	1,488,881	21,970,848	20,342,028	1,425,818	22,284,241
2042	23,108,128	237,155	22,981,637	20,348,921	241,074	20,413,754
2043	23,108,128	1,207,595	21,279,268	20,348,921	1,132,525	20,402,198
2044	23,108,128	1,487,242	21,522,818	20,348,921	1,298,962	20,172,224
2045	23,108,128	1,860,648	20,722,528	20,348,921	1,470,814	22,488,251
2046	23,108,128	1,804,037	20,878,285	20,348,921	1,897,282	26,729,665
2047	23,108,128	2,179,448	20,585,564	20,348,921	1,876,962	25,967,718
2048	23,108,128	2,684,428	21,233,033	20,348,921	2,238,821	25,142,773
2049	23,108,128	3,233,329	20,281,160	20,348,921	2,807,918	24,380,915
2050	22,755,657	3,679,242	9,729,232	22,755,657	3,421,946	10,862,482
2051	22,755,657	3,927,521	11,248,216	22,755,657	3,767,521	11,369,519
2052	22,755,657	4,523,486	11,198,128	22,755,657	4,553,890	11,159,128
2053	22,755,657	5,288,825	10,829,457	22,755,657	5,288,825	10,829,457
2054	22,755,657	6,174,073	10,524,471	22,755,657	6,174,073	10,524,471
2055	22,755,657	7,111,122	10,182,219	22,755,657	7,111,122	10,182,219
2056	22,755,657	8,148,143	9,743,437	22,755,657	8,148,143	9,743,437
2057	22,755,657	9,375,379	9,098,483	22,755,657	9,375,379	9,098,483
2058	13,371,856	10,733,882	8,222,212	13,371,856	10,733,882	8,222,212
2059	625,325,919	977,852,122	186,750,588			482,712,568

PV Change of Loan Price	26,489,523
Additional Funding required	(21,172,469)
Net Present Value of BANs	5,317,054



Costs of Issuance

- Below is a table of anticipated costs of issuance for the BANs transaction

Cost of Issuance	Amount (\$)
Bond Counsel	175,000
Disclosure Counsel	65,000
Financial Advisor Fee	163,750
Fitch Ratings	130,000
Ratings	132,050
Trustee/Paying Agent/Registrar	9,000
Trustee Counsel	7,500
Printing/Mailing/Shipping	5,000
LOC Fee	12,500
Miscellaneous	5,000
Total	694,800

Underwriter's Discount	Amount (\$)
Takedown (\$2.00/bond)	998,920
Expenses*	85,000
Total	1,083,920

*Includes Underwriter's Counsel

Tentative Financing Schedule

Date	Action	Complete
7/15	Finance Committee Approval	✓
8/6	NCTA Board Approval	✓
Wk of 9/28	Receive Credit Ratings	
10/6	LGC Approval	
10/6-10/7	Posting of Preliminary Official Statement / Pre-marketing begins	
10/15	Negotiated Bond Sale	
10/29	Bond Closing	