

LOCAL GOVERNMENT COMMISSION
AUGUST 4, 2020

1. PLEDGE OF ALLEGIANCE

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL

July 7, 2020

(FINAL)
RELATED INFORMATION
Approximate Per Capita Debt 07/31/20
State: \$ 514
Federal: \$ 80,277

<u>Unit</u>	<u>Type</u>	<u>Purpose</u>	<u>Amount</u>	<u>Comments</u>	<u>Page Number</u>	<u>Last request to Borrow</u>	<u>Voted/ Non-Voted</u>
Eureka, Town of Cliffside Sanitary District	Resolution Resolution	Appointment of Fin. Officer & Asst. Fin. Officer Appointment of Fin. Officer & Asst. Fin. Officer					
Eureka, Town of Cliffside Sanitary District	Update Update	Non-Action Non-Action					
Kingstown, Town of Robersonville, Town of	Discussion Discussion	Non-Action Non-Action					
Brevard, City of Duplin County Edenton, Town of Holly Springs, Town of Johnston County Vance, County of Wayne, County of	Financing Agreement Financing Agreement Financing Agreement Revenue Revolving Loan Financing Agreement Financing Agreement	Land acquisition Airport Hanger Street Water and Sewer Revenue Refunding Misc. Loan Increase Schools, County Bldgs., Community College, etc. County Bldg., Telecommunication, Equipment	\$ 1,300,000 \$ 500,000 \$ 907,900 \$ 5,600,000 \$ 8,346,000 \$ 7,485,000 \$ 10,000,000	Unit Letter Unit Letter Unit Letter Unit Letter Unit letter Unit Letter Unit Letter		FA 10-2014 \$426K LOBs 4-2016 \$65M RL 10-19 \$1.3M COPs 9-2014 \$19M LOBs 6-2020 \$155M FA 6-2017 \$1.4M LOBs 6-2017 \$46.4M	
Burlington, City of Carteret County -Beaufort Morehead City Airport Auth. Conover, City of	Financing Agreement Financing Agreement Financing Agreement	Recreation, Public Vehicles, Municipal Bldgs., etc. Airport Municipal Buildings	\$ 9,500,000 \$ 600,000 \$ 2,897,132			RB 10-2011 \$20.5M NA FA 12-2017 \$2M	
Town of Columbus Lincoln, County of	USDA Revenue Bond Revenue Bond	Water and Sewer System Improvements Sewer	\$ 2,138,000 \$ 39,000,000			FA 2-17 \$200K COPs 5-20 \$36.5	
Maryfield, Inc., dba Pennybyrn at Maryfield	NCMCC	Retirement Facilities First Mortgage Revenue	\$ 55,000,000			NCMCC 3-2015 \$75M	
City of Hendersonville Hickory, City of Lincoln County	Revolving Loan Revolving Loan Revolving Loan	Water Sewer Sewer	\$ 14,124,000 \$ 5,182,700 \$ 14,000,000			RL 2-2020 \$2.6M GO 10-2014 \$40M COPs 5-2020 \$36.5	
Monroe, City of Valdese, Town of	Annexations Revolving Loan	Miscellaneous Action item Miscellaneous Action - Loan increase	\$ 3,467			FA 6-2020 \$3.14M FA 12-2009 FA \$1.7M	
Huntersville, Town of Kinston, City of	Financing Agreement Financing Agreement	Miscellaneous - Non Action - rate modification Miscellaneous - Non Action - rate modification				FA 12-2011 \$6.5M FA 8-2018 \$2.5M	

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
DUPLIN COUNTY \$500,000 Airport G.S. 160A-20 Installment Purchase Contract Private placement	This project consists of the construction of a T-Hangar at the Duplin County Airport. Expected Sources and Uses of Funds: <u>Sources:</u> Bank Loan: \$500,000 State Aid to Airports: \$998,756 FAA NPE Funds: \$310,057 Cash: \$206,177 Total Sources: <u>\$2,014,990</u> <u>Uses:</u> Construction Cost: \$1,771,415 Engineer or Arch. Fees: \$241,125 Administrative Cost: \$2,450 Total Uses: <u>\$2,014,990</u>	Necessary and expedient because the County's Airport requires additional hangar space for aircrafts.	Bids in hand.	The County received a unit letter because its audited financial statements for the fiscal year ended June 30, 2019 were not received by us until July 6, 2020, well after the due date of October 31, 2019. Also, from the compliance report we noted the County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding number 2019-002 for Eligibility and that this is a repeat finding from the prior year. The County provided a response to the unit letter which was satisfactory to the fiscal staff.	No tax increase is anticipated. Hangar lease revenues and General Fund revenues will provide for debt service.	Bank: Tri-County Electric Membership Corporation Approval Rate: 0.00% Term: 10 years Market Rate: 1.20% Payment: Annually S&P: A+ Moody's: A1	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
Airport	59,039	\$ 500,000	5/7/2018	\$ -	\$4,463,760,409	58,212,529	\$0.715	1.30%	1.32%	\$ 986	\$ 994

TOWN OF EDENTON \$907,900 Streets G.S. 160A-20 Installment Purchase Contract Private placement	This project will fund phase II of major street repairs and resurfacing initiative. Twelve municipally owned streets will be repaired and resurfaced. Expected Sources and Uses of Funds: <u>Sources:</u> Bank Loan: \$907,900 Total Sources: <u>\$907,900</u> <u>Uses:</u> Construction Cost: \$785,610 Engineer or Arch. Fees: \$35,000 Contingency: \$87,290 Total Uses: <u>\$907,900</u>	Necessary and expedient because certain streets need repair and resurfacing due to poor soils used when some of the streets were constructed in the 1950s, and due to numerous pavement patches for utility work over the years.	Bids in hand.	The Town received a unit letter due to the auditor noting that the Town was not in compliance with N.C.G.S. 159-28(a)(1). There were several instances during the year in which a purchase order was not prepared and there was no evidence of a preaudit that included the language required by the statute. There also were several instances in which there was a purchase order that included the pre-audit statement, however the purchase order was dated after the invoice. The Town provided a response to the unit letter which was satisfactory to the fiscal staff.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 2.61% Term: 12 years Market Rate: 2.40% Payment: Annually S&P: N/A Moody's: N/A	Installment purchase contract is more timely than issue of G.O. Bonds
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Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Debt Ratios-Excluding Enterprise Funds			
								To Property Values		Per Capita	
								Before	After	Before	After
Street	4,726	\$ 907,900	5/26/2020	\$ -	\$503,731,944	4,626,355	\$0.400	0.92%	1.10%	\$ 979	\$ 1,171
										Chowan Co.	\$ 553

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 HOLLY SPRINGS	Current refunding of: Water and Sewer Revenue Bond, Series 2010	Necessary and expedient to avail the Town and its Combined Enterprise System of lower financing costs. The proposed refinancing terms indicate a net present value savings (NPV) of approximately \$812,000, or 14.7% of the refunded debt.	The refunding is current and all related costs and funds requirements are known or are reasonably subject to estimation.	The Town received a unit letter due to internal control deficiencies including accounts payable cutoff issues, review of the check register, lack of adequate documentation of Powell Bill expenditures and several other management letter comments. The Town responded that the cutoff issue was an isolated occurrence and that going forward all refunds will be made on a fiscal year basis. It also stated that check register reviews are performed each week and that a signoff procedure will be implemented to document that. Also, the Powell Bill issue was a coding problem that would have been discovered in due course during the performance of internal procedures prior to filing of the Powell Bill report. This process will now be performed prior to the auditor's fieldwork. Finally, additional staff has been added to increase control over internal processes and transactions. The Town's response was considered satisfactory.	Debt service is decreased. The currently outstanding bonds under consideration for refunding, if a 14.7% NPV savings is realized will be refunded at an average annual savings of approximately \$146,700 in fiscal years 2022-2029.	Term: Approximately 8 years Interest Rate: Fixed Structure: Amortization of the refunding principal will be structured to provide even individual realization of cash savings across the term of refunded bonds, which has not been extended. Direct bank placement. The closing should not conflict with any other debt transaction. Registration and transfer of the Bond is restricted. APPROVALS: Final Maturity: Not beyond 2028 Interest Rate not to exceed: 1.58% Issue Amount: Not to exceed \$5,600,000 FINANCING TEAM Bond Purchaser: PNC Bank, National Association Bond Counsel: Sanford Holshouser LLP Financial Advisor: DEC Associates	
Amount not to exceed: \$ 5,600,000	\$10,000,000 - Originally issued \$5,508,166 - Outstanding \$5,508,166 - Amount to be refunded						
Direct Bank Placement G.S. 159, Article 5	<u>Expected Sources and Uses of Funds:</u> Sources: Revenue Bonds at par: \$ 5,241,166 Unspent proceeds from previous 2008 bond issue \$ 267,000 Budgeted interest from Town \$ 17,244 <u>Total Sources \$ 5,525,409</u> Uses: Refunding Escrow Deposits \$ 5,525,409 Issuance Costs (Paid by Town) \$ - <u>Total Uses \$ 5,525,409</u>						

MISCELLANEOUS: (ACTION ITEMS):

JOHNSTON COUNTY

The County is requesting approval for an increase of additional funds on a State Revolving Loan. The Loan includes upgrading existing pumps, approximately 19,720 linear feet of 8-inch PVC (Polyvinyl Chloride) force main, approximately 5,660 linear feet of 16" force main, approximately 8,900 linear feet of 27" gravity sewer and new 100 GPM (Gallons Per Minute) upgradable to 1700 gpm regional wastewater pump station. The original loan amount was approved by the LGC on September 11, 2018 for \$5,633,000. The County is requesting an increase of \$2,713,000 for a total revised amount of \$8,346,000. The increase is due to bids coming in higher than the estimate.

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 and a need to revisit the procurement card policy. The fiscal staff conducted a unit visit on 2/18/20 to address the concerns raised in the unit letter. The County also provided a response to the unit letter which was satisfactory to the fiscal staff.

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 BURLINGTON \$9,500,000 G.S.160A-20 Installment Contract Private Placement	(1) Construction of a new building for the historic Dentzel Carousel and refurbishment of Carousel itself. (2) Purchase of fire engine and various vehicles and equipment. (3) constructing, renovating, and equipping various improvements to existing facilities of the City, including but not limited to City Hall and various fire stations and (4) providing various streetscape and ballfield improvements. <u>Expected Sources and Uses of Funds:</u> Sources: Bank Loan \$ 9,500,000 Total Sources \$ 9,500,000 Uses: Project Costs: \$ 9,400,000 Costs of Issuance \$ 100,000 Total Uses \$ 9,500,000	Necessary and expedient to move the Carousel out of a flood zone and restore one of the City's most treasured, historical pieces, (2) purchase necessary equipment for the City to continue to provide the services it's citizens are accustomed to, (3)(4) and provide repairs and upgrades to capital facilities and infrastructure.	Bids in hand for the Carousel refurbishment, carousel building, and vehicles and equipment.	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: \$ 9,500,000 Approval rate: 1.85% Term (Years): 15 Market Rate: 1.40% Payment: Annual principal and interest Structure: Amortization follows level principal with short term projects amortized over a 3year term and the long term over 15 years. This financing will not be rated. Current G.O. Ratings: S&P: AA Moody's: Aa2 FINANCING TEAM Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Davenport & Company LLC Lender's Counsel: Pope Flynn Group Installment financing is more timely than issuing G. O. Bonds

Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Debt Ratios-Excluding Enterprise Funds			
								To Property Values		Per Capita	
								Before	After	Before	After
Recreation	53,748	\$ 6,725,166	7/21/2020	\$ -	\$ 4,622,543,542	\$ 4,868,795	\$0.5973	0.11%	0.31%	\$ 91	\$ 267
Public Vehicles		\$ 2,108,982								Alamance Co. \$1,411	
Equipment		\$ 665,852									
		\$ 9,500,000									

CARTERET COUNTY - BEAUFORT AIRPORT AUTHORITY \$600,000 G.S.160A-20 Installment Contract Private Placement	Construction of infrastructure for fuel farm which includes installing 2 large tanks (12,000 and 15,000 gallons). The Authority has requested a loan from Carteret County to be paid back interest free over a four year term. <u>Expected Sources and Uses of Funds:</u> Sources: County Loan \$ 600,000 Total Sources \$ 600,000 Uses: Project Costs: \$ 600,000 Total Uses \$ 600,000	Necessary and expedient to allow the Authority to own and control it's own fuel and infrastructure.	Bid is in hand.	No deficiencies or defaults noted.	Debt service will be paid from Federal Airport Improvement Program (AIP) funds.	Lender: Carteret County Amount not to exceed: \$ 600,000 Approval rate: 0.00% Term (Years): 4 Payment: Annual Principal Market Rate: 1.10% Current G.O. Ratings: S&P: N/A Moody's: N/A 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
Airport	N/A	\$ 600,000	7/16/2020	\$ -	N/A	\$ 55,431

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 CONOVER \$2,897,132 Refunding 160A-20 Installment Contract Private Placement	Refunding of USDA installment purchase contracts. The loan terms indicate an aggregate net present value savings (NPV) of approximately \$761,963. <u>Expected Sources and Uses of Funds:</u> Uses: Loan Proceeds \$ 2,897,132 Total Sources \$ 2,897,132 Uses: Refunding \$ 2,897,132 Total Uses \$ 2,897,132	Necessary and expedient to avail the City of lowered financing costs.	The payoff amounts of the installment purchase contracts are current in type and known.	No deficiencies or defaults noted.	No tax increase is necessary. The City has determined that they would like to shorten the terms on three USDA loans and therefore accepted a higher payment to accomplish this. The overall NPV savings arise from shortening the 3 loans by 14, 13 and 10 years which results in an aggregate \$761,963.	Bank: Truist Bank Amount \$ 2,897,132 Approval Rate: 2.240% Term (years): 15 Market Rate: 1.70% Structure: Annual principal and interest payments. The terms of the refunded issues have not been extended and are reduced by 14, 13 and 10 years respectively. Bank placement will not be rated. Current G.O. ratings: S&P A Moody's: A1 Installment purchase structure is more timely and feasible than G.O.

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 Buildings	8,457	\$ 2,897,132	7/13/2020	\$ -	\$ 1,175,341,740	\$ 4,663,548	\$0.500	0.40%	0.40%	\$ 551	\$ 551	Catawba Co.	\$ 946

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION								
<p>TOWN OF COLUMBUS Water and Sewer \$2,138,000 G.S. 159; Article 5</p> <p>This project consists of building a new water tank to replace a 60-70 year old tank. Also, this project consists of replacing water lines from the tank to the overall water system and to remove sewer lines from certain downtown buildings.</p> <table border="0"> <tr> <td>USDA Loan:</td> <td style="text-align: right;">\$ 2,138,000</td> </tr> <tr> <td>USDA Grant:</td> <td style="text-align: right;">\$ 1,785,000</td> </tr> <tr> <td>Town Contribution:</td> <td style="text-align: right;">\$ 72,000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,995,000</td> </tr> </table>	USDA Loan:	\$ 2,138,000	USDA Grant:	\$ 1,785,000	Town Contribution:	\$ 72,000		\$ 3,995,000	<p>Necessary and expedient to secure adequate and reliable water and sewer services and to promote the 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: \$27.64 Sewer: \$35.22</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: 18 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: \$2,138,000 Issue Amount Revenue BAN: \$2,138,000 Final Maturity: RBAN: No later than 2/28/2021 RB: 2060 or 40 years after the maturity of the RBAN</p> <p>Interest Rate: RBAN: Not to exceed 5% RB: \$2,138,000 1.875 %</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 or Finance Officer</p>
USDA Loan:	\$ 2,138,000													
USDA Grant:	\$ 1,785,000													
Town Contribution:	\$ 72,000													
	\$ 3,995,000													

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p>LINCOLN COUNTY Enterprise Systems Revenue Bonds G.S. 159; Article 5 Public Offering Series 2020 Amount not to exceed: \$ 39,000,000</p> <p>Project: A) The Killian Creek Wastewater Treatment Plant Expansion project consists of improvements to the County's existing waste water system, including the upgrading of the County's waste water treatment plant. The upgrade will increase (double) current capacity of 3.3 MGD to a capacity of 6.6 MGD.</p> <p>Note: Concurrently a State Revolving Loan fund is having approval requested to complete the funding requirements of the project.</p> <p>B) Refunding of the County's State of North Carolina 2010 Revolving Loan, Series 2019 Enterprise System Revenue Bond, and 2016 Installment Purchase Contract.</p> <p>Pertaining to the 2010 State of NC Revolving Loan: Originally Issued \$ 17,500,000 Outstanding Currently \$ 9,625,000 Balance to be Refunded \$ 9,625,000</p> <p>Pertaining to the Series 2019 Enterprise System Revenue Bond: Originally Issued \$ 7,940,000 Outstanding Currently \$ 7,697,000 Balance to be Refunded \$ 7,697,000</p> <p>Pertaining to the 2016 Installment Purchase Contract: Originally Issued \$ 3,467,860 Outstanding Currently \$ 2,929,000 Balance to be Refunded \$ 2,929,000</p>	<p>Necessary and expedient due to growth in the eastern part of the County. The plant is nearing its current capacity at times and the County is unable to approve any new construction in that area of the County until the plant is under construction. Current capital market conditions indicated an aggregate net present value savings (NPV) of approximately \$1,355,000 or 6.69% of the refunded bonds.</p>	<p>Bids are in hand and all major permits have been received. The refunding is current and all related costs and funds requirements are known or reasonably estimable.</p>	<p>Feasibility study by the County's feasibility consultants, Raftelis Financial Consultants Inc., demonstrates required coverages of debt service by income available for debt service as defined in the Bond Covenants of at least 1.56X on total system debt and at least 2.95X on Parity Bonds only thru 2025. Average projected residential monthly bills based on approximately 5000 gals. usage: Water & Sewer \$90.37. Rate increases of 5% for water and 15% for sewer were implemented on July 1, 2018. Rate increases of 5% for water and 15% for sewer were implemented on July 1, 2019. Rate increases of 5% for water and 15% for sewer were implemented on July 1, 2020. There are no additional rate increases that are projected over the 2021-2025 Forecast Period.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Public Sale. Sale is scheduled on August 12 so as to not conflict with any other revenue bonds. Bonds are expected to be rated S&P: AA</p>	<p>Term: Not to exceed 21 years Interest Rate: Fixed Structure: Principal portion of the loan financing the Wastewater Treatment Plant expansion will be amortized that when combined with the state revolving loan will result in level payments for financing the debt service for the term of that debt. Total debt service for the refunding portion of the offering has been structured to provide level savings to the extent the requirements of the transaction allow.</p> <p>Expected Rate: Effective Interest Cost: 1.92%</p> <p>Expected Underwriters Discount: \$5.20/\$1,000</p> <p>Final Maturity: Not beyond 2042</p> <p>Interest Rate not to exceed: Effective Interest Cost: 3.0% Amount not to exceed: \$39,000,000</p> <p style="text-align: center;">FINANCING TEAM</p> <p>Bond Counsel: Robinson Bradshaw & Hinson, P.A. Financial Advisor: Davenport & Company, LLC Underwriter: Wells Fargo Bank, National Association Underwriters Counsel: Womble Bond Dickinson (US), LLP Feasibility Consultant: Raftelis Financial Consultants, Inc. Trustee/Registrar: US Bank, N.A. (DTC)</p>

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
LINCOLN COUNTY CONTINUED						
<u>Expected Sources and Uses of Funds:</u>						
	Enterprise System Revenue Bonds Series 2020	Refunding of Series 2019 Revenue Bonds	Refunding of 2010 Revolving Loan	Refunding of 2016 IPC (Water & Sewer Portion)	Total	
Sources:						
Bond Proceeds:						
Par amount	\$ 14,145,000	\$ 6,265,000	\$ 7,295,000	\$ 2,315,000	\$ 30,020,000	
Premium	\$ 3,412,002	\$ 1,621,676	\$ 1,699,496	\$ 656,180	\$ 7,389,354	
State Revolving Fund loan	\$ 14,000,000	\$ -	\$ -	\$ -	\$ 14,000,000	
Other Sources of Funds:						
Equity Contribution			\$ 814,000		\$ 814,000	
Total Sources:	<u>\$ 31,557,002</u>	<u>\$ 7,886,676</u>	<u>\$ 9,808,496</u>	<u>\$ 2,971,180</u>	<u>\$ 52,223,354</u>	
Uses:						
Project Fund expenditures	\$ 31,337,000				\$ 31,337,000	
Refunding Cash Deposits	\$ -	\$ 7,788,135	\$ 9,701,251	\$ 2,936,772	\$ 20,426,158	
Cost of Issuance	\$ 141,356	\$ 62,608	\$ 72,901	\$ 23,135	\$ 300,000	
Underwriter's Discount	\$ 73,491	\$ 32,550	\$ 37,902	\$ 12,028	\$ 155,971	
Additional Proceeds	\$ 5,155	\$ 3,383	\$ (3,559)	\$ (754)	\$ 4,225	
Total Uses:	<u>\$ 31,557,002</u>	<u>\$ 7,886,676</u>	<u>\$ 9,808,496</u>	<u>\$ 2,971,180</u>	<u>\$ 52,223,354</u>	

PROJECT	NECESSARY AND EXPEDIENT ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY	DATE & MANNER OF SALE/ADVERSE EFFECTS	TERMS/OTHER INFORMATION
MARYFIELD, INCORPORATED dba Pennybyrn at Maryfield North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (Pennybyrn at Maryfield Project) Series 2020A, 2020B-1, & 2020B-2 Amount not to exceed \$55,020,000 Location: High Point (Guilford) Pennybyrn at Maryfield Licensed beds: 180 ILUs / 48 ALUs / 125 Skilled Nursing Beds The purpose of this financing is to: (a) Pay or reimburse the costs of certain improvements including (i) A new 42-unit independent living apartment building. (ii) A new transitional rehabilitation facility (iii) Other improvements and renovations to the existing facilities on the campus (collectively, the "Project"). (b) Refinance certain interim indebtedness incurred by the Corporation to pay costs of the Project. (c) Pay capitalized interest on the Bonds during construction of the Project. (d) Fund a debt service reserve fund or funds for the Bonds. (e) Pay the fees and expenses incurred in connection with the sale and issuance of the Bonds.	NCMCC has previously approved the project. All necessary permits and approvals have been received. The project is under a Guaranteed Maximum Price.	No major deficiencies. No defaults noted.	A feasibility study completed by Dixon Hughes Goodman shows estimated annual debt service coverage of at least 1.41 times through 2024.	Public Sale fixed rate offering in \$5,000 denominations. Pricing is currently scheduled for August 20, 2020 and will not conflict with any other revenue bond issue.	Term: Series A: 10/1/2050; Series B-1: 10/01/2021; Series B-2: 10/1/2022 Interest Rate: Fixed True Interest Cost: 5.53% Expected Underwriting Fee: not to exceed \$12.50/1000 Structure: The Series 2020B TEMPS 50 and TEMPS 85 will be redeemed with initial Project entrance fees. The Series 2020A long-term Bond will be wrapped around existing debt with a 30 year final maturity.

APPROVALS

Amount: Not to exceed \$55,020,000
 Final maturity not to exceed October 1, 2050
 Interest Rates not to exceed True Interest Cost: 6.0%

FINANCING TEAM

Bond Counsel: Womble Bond Dickinson (US) LLP
 Underwriters: Sr Manager: B.C. Ziegler and Company
 Co-Manager: Davenport and Company
 Underwriters' Counsel: Parker Poe Adams & Bernstein LLP
 Borrower's Counsel: Keziah Gates LLP
 Trustee: Bank of New York Mellon Trust Company, N.A.
 Auditor/Feasibility Consultant: Dixon Hughes Goodman

Expected Sources and Uses of Funds

Sources:

Bond Proceeds	
Par Amount - Series A	\$ 37,135,000
Par Amount - Series B-1 Temp 85	\$ 4,200,000

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY/ TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
CITY OF HENDERSONVILLE Water \$14,124,000 G.S. 159G-22 Revolving Loan	This project consists of the design, permit, and construction of a new water intake and pump station along the French Broad River. The City also intends to demolish the existing intake structure and construct a new intake structure and associated piping along the Mills River.	Necessary and expedient in order to increase the redundancy, resiliency, and reliability of source water for the WTP during drought conditions and other water supply needs, and eliminate water scarcity concerns currently experienced during drought conditions.	Cost estimated provided by Black & Veatch .	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
CITY OF HICKORY Sewer \$5,182,700 G.S. 159G-22 Revolving Loan	Construction of a 100-gpm sewer pump station with approximately 8,000 LF of 4-inch sewer force main and a 750-gpm sewer pump station with approximately 18,000 LF of 10-inch sewer force main.	Necessary and expedient to address sanitary sewer overflows (SSO's). The improved gravity sewer will allow the flow to arrive without overflow and the large pump station will intercept the sewer before surcharging from the City of Conover collection.	Cost estimates provided by Withers Ravenel, Inc.	No major deficiencies. No defaults noted.	The projection of net revenues prepared by the unit indicates that future revenues will be adequate to cover the cost of operations and debt service. Water: \$23.06 Sewer: \$25.52	Loan from State of North Carolina Term: 20 years The rate, as established under this program for the respective loan, State or federal, is not to exceed 4%.	NA

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
LINCOLN COUNTY Sewer \$14,000,000 G.S. 159G-22 Revolving Loan	A) The Killian Creek Wastewater Treatment Plant Expansion project consists of improvements to the County's existing waste water system, including the upgrading of the County's waste water treatment plant. The upgrade will increase (double) current capacity of 3.3 MGD to a capacity of 6.6. Note: Concurrently publicly sold revenue bonds is seeking approval to complete the funding requirements of the project.	Necessary and expedient due to growth in the eastern part of the County. The plant is nearing its current capacity at times and the County is unable to approve any new construction in that area of the County until the plant is under construction.	Bids are in hand. All major permits have been received.	No major deficiencies No defaults noted.	Feasibility study by the County's feasibility consultants, Raftelis Financial Consultants Inc., demonstrates required coverages of debt service by income available for debt service as defined in the Bond Covenants of at least 1.56X on total system debt and at least 2.95X on Parity Bonds only thru 2025. Average residential monthly bills based on approximately 5000 gals.: Water & Sewer - \$90.37 Rate increases of 5% for water and 15% for sewer rate were implemented on July 1, 2018. Rate increases of 5% for water and 15% for sewer were implemented on July 1, 2019. Rate increase of 5% for water and 15% for sewer were implemented on July 1, 2020. There are no additional rate increases that are projected over the 2021-2025 Forecast Period.	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
<u>Expected Sources and Uses of Funds:</u>							
Enterprise System Revenue Bonds Series 2020							
Sources:							
Bond Proceeds:							
Par amount	\$ 14,145,000						
Premium	\$ 3,412,002						
State Revolving Fund loan	\$ 14,000,000						
Total Sources:	<u>\$ 31,557,002</u>						
Uses:							
Project Fund expenditures	\$ 31,337,000						
Cost of Issuance	\$ 141,356						
Underwriter's Discount	\$ 73,491						
Additional Proceeds	\$ 5,155						
Total Uses:	<u>\$ 31,557,002</u>						

MISCELLANEOUS - ACTION ITEMS:

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

Volunteer Fire Department	Effective Annexation Date	Payment Period	Reimbursement
Mineral Springs VFD	8/20/2019	2020	\$92.52
Unionville VFD	12/4/2018	2020	\$1,033.36
Unionville VFD	5/7/2019 & 8/20/2019	2020	\$1,183.22
Bakers VFD	10/1/2019	2020	\$1,158.34

Town of Valdese The Town is requesting approval for an increase of additional funds on a State Revolving Loan. This loan will eliminate the chlorinator, chlorine dock, chlorine cylinders and existing dated chlorination technology and replace them with bulk storage chlorine bleach tanks, day storage tanks, transfer pumps and chemical feed pumps for dosing chlorine solution to achieve disinfection of the Town's treated drinking water. The original loan was approved by the LGC on June 4, 2019 for \$493,725. The Town is requesting an increase of \$224,673 for a total loan amount of \$718,398. The increase is due to actual construction bids received being higher than expected due to an increasing cost environment.

MISCELLANEOUS - NON- ACTION ITEMS:

Town of Huntersville The Town has negotiated a rate modification with First Community Bank to its existing, privately held tax exempt, installment purchase for its police station. The original issuance was on 12/15/2011 for \$5,800,000.

Outstanding balance as of 8/1/2020	Initial Rate	Modified Rate as of 8/1/2019	Approximate Interest Savings	Maturity Date
\$3,770,000	2.95%	2.75%	\$ 46,191	12/31/2031