

Attachment A:
Consent Agenda



LGC Staff Analysis For:	CAROLINA BEACH, TOWN OF
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PAR Amount Not To Exceed	\$ 35,000,000		
Financing Type	Revenue Bonds		
Purpose and Type	Water/Sewer	Water	
Purpose and Type	Water/Sewer	Sewer	
Purpose and Type	Water/Sewer	Stormwater	
Purpose and Type			
Purpose and Type			
Project Description	The proceeds of this revenue bond will (1) finance the costs of improving and expanding the Town's water, sewer, and stormwater facilities (collectively, the "2026 Projects"), including, but not limited to, (a) replacement of the Town's Automated Meter Integration (AMI) System, (b) addition of a water supply well and expansion of water treatment along Alabama Avenue, (c) installation of a new stormwater force main and associated stormwater infrastructure, (d) replacement and rehabilitation of aging water and sewer lines, (e) acquisition of a street sweeper, (f) planning, design, and construction of upgraded headworks facilities at the Town's wastewater treatment plant, and (g) planning, design, and construction of a new water tank; and (2) refund in advance of their maturities all or a portion of the Town's Enterprise Systems Revenue Bonds, Series 2016 (the "Refunded 2016 Bonds")		
Statutory Reference	G.S. 159 Article 5 Last Request to Borrow 12/2024; IP; \$1,998,147		
FPICs	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Not Material <input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	Necessary to (a) pay the cost of improvements to the Town's water system, wastewater system and stormwater system; (b) refund all or a portion of the Town's outstanding Enterprise Systems Revenue Bonds, Series 2016; and (c) pay the costs incurred in connection with the sale and issuance of the 2026 Bonds.	Proposed Amount is Adequate and Not Excessive	Multiple projects make up this financing. Eighty-two percent (82%) of total project values have been bid. Outstanding project bids are expected to be received in the first half of FY26. In addition, the Town will refund Enterprise Systems Revenue Bonds, Series 2016.
Feasibility	The Town has projections prepared by Willdan Financial Services for the period 2026-2030. Current projections demonstrate total debt service coverages of 1.55X in FY2026 and of at least 1.45X through 2030. The Town forecasts both water and sewer rate increases of 9% annually in FY 2027-FY2030.		
Tax Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	Additional Information (as applicable): Stormwater fees will increase by \$0.87 in FY27, \$1.00 in FY28, \$1.00 in FY29, and \$1.00 in FY30 per month per Equivalent Residential Unit (ERU).	
Rate Increase Anticipated	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A		
Public Hearing	<input checked="" type="checkbox"/> N/A OR Date	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	CAROLINA BEACH, TOWN OF
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Terms	Lender/Purchaser/Bank		Marketability	Moody's expected rating due on or before January 23, 2026.
	Interest Rate	Not to exceed 5.00%		
	Term			
	Payment	Semi-annual interest payments / annual principal		
	Structure and Term	See below		
	Final Maturity	June 1, 2051		
Other:	Structure - level debt service for new money; level savings for refunded bonds A public sale is scheduled for February 11, 2026.			

Financing Team			
Municipal Advisor	First Tryon Advisors, LLC	Feasibility Consultant	Willdan Financial Services
Underwriter/Senior	Truist Securities		
Lender/Purchaser/Bank			
Underwriter's Counsel	Womble Bond Dickinson (US) LLP		
Bond Counsel	Parker Poe Adams & Bernstein, LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A		
Trustee's Counsel			

Amount Not to Exceed: \$ 35,000,000	
Sources:	Amount:
1 Par Amount	\$ 29,995,000
2 Estimated Net Premium	\$ 3,041,714
3 Town Equity Contribution	\$ 173,000
4	
Total	\$ 33,209,714
Uses:	Amount:
1 Project Fund	\$ 16,248,365
2 Series 2016 Escrow Deposit	\$ 16,456,686
3 Cost of Issuance and Underwriter's Discount	\$ 501,062
4 Additional Proceeds	\$ 3,601
Total	\$ 33,209,714

General Fund Debt and Debt Ratios			
Amount	\$ 35,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued		Before	
Existing Debt Excluding Enterprise Funds		After	
Estimated Census		Debt Ratio: Debt to Assessed Valuation	
Tax Rate		Before	
Assessed Valuation		After	



LGC Staff Analysis For:		NCHFA: WESTGREEN PRESERVATION, LP	
Amount Not To Exceed	\$ 25,000,000	Financing Type Conduit Revenue Bonds	
Purpose and Type	Housing		
Project Description	<p>Multifamily Housing Revenue Bonds (Westgreen Apartments Project), Series 2026</p> <p>The proceeds of the bonds will be used to provide funds to (a) finance the acquisition, renovation, rehabilitation, improvement, equipping and furnishing of an existing multifamily residential housing development with a total of 100 units located at 620 Atlantic Court in Kannapolis, North Carolina known as Westgreen Apartments and (b) paying certain fees and expenses incurred in connection with the issuance and sale of the Bonds. Westgreen Preservation, LP (the "Borrower"), is a North Carolina limited partnership.</p> <p>The bonds will be issued as special limited obligation of the Agency payable solely out of the revenues, receipts and other moneys pledged under the agreement. The Agency will use the proceeds of the Bonds for the Westgreen Apartments Project, and the Borrower will agree to make payments pursuant to a Loan Agreement between the Agency and the Borrower dated as of February 1, 2026.</p> <p>The Project is subject to a Land Use Restriction Agreement (LURA) and is eligible for low-income housing tax credits (LIHTC).</p>		
Statutory Reference	G.S. 122A-8	Last Request to Borrow	11/2025; REV; \$55,000,000
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward.		
Proposed Bond Issue or Contract is Necessary or Expedient	The NCHFA has found that the project is necessary to provide safe, sanitary, affordable housing opportunities for low- to moderate-income residents. The project is subject to tax requirements with LIHTC 15-year use restrictions of 60% of the area median income.		
Proposed Amount is Adequate and Not Excessive	The developer has provided appraisals, construction rehabilitation cost estimates, Phase I environmental studies, and market studies for the project which support the valuations thereof. The NCHFA Rental Investment Section has reviewed the above and the adequacy and cost of the proposed renovations and found it to be reasonable.		
Feasibility	The developer has provided 20 year cash-flow pro forma projections that show debt service coverage to begin at 1.18X and end at 1.52X.		
TEFRA Hearing Date	12/17/2025		
Terms	Lender/Purchaser/Bank		
	Interest Rate	Fixed Rate, Not to exceed 6%	
	Term	Approximately 16 years	
	Payment	Monthly level payments of principal and interest	
	Structure and Term	Total 192 month maturity maximum	
	Final Maturity	Not to extend beyond 12/1/2042	
Other:	The Bonds when issued will be sold to Lument Real Estate Capital, LLC, a Delaware limited liability company. Following closing, the Bonds will be sold to Federal Home Loan Mortgage Corporation (Freddie Mac), who will be the permanent lender. The Bond documents are structured to meet the requirements of Freddie Mac.		



LGC Staff Analysis For:	NCHFA: WESTGREEN PRESERVATION, LP
Marketability Moody's N/A S&P N/A Fitch N/A	Private Placement

Financing Team			
Municipal Advisor	Caine Mitter & Associates Inc.		
Underwriter/Senior			
Underwriter's Counsel			
Bond Counsel	Womble Bond Dickinson (US) LLP		
Lender/Purchaser/Bank	Lument Real Estate Capital, LLC		
Trustee	Bank of New York Mellon Trust Company,		
Trustee's Counsel	Chapman & Cutler LLP		
Developer/Borrower	LEDG Capital, LLC		
Developer's Counsel	Nelson Mullins Riley & Scarborough LLP		

Amount Not to Exceed: \$ 25,000,000		
Sources:	Amount:	
1 Bond Proceeds		\$ 22,443,000
2 Tax Credit Equity		\$ 9,884,700
3 GP Equity		\$ 100
4 Deferred Developer Fee		\$ 53,676
5		
6		
7		
8		
9		
10		
	Total	\$ 32,381,476
Uses:	Amount:	
1 Acquisition Cost		\$ 16,100,000
2 Construction Cost		\$ 6,848,088
3 Construction Contingency		\$ 684,809
4 Soft Cost		\$ 1,068,183
5 Financing Costs		\$ 2,393,130
6 Syndication Costs		\$ 90,000
7 Capitalized Interest		\$ 2,498,536
8 Reserves		\$ 1,028,465
9 Developer Fee		\$ 1,670,265
10		
	Total	\$ 32,381,476



LGC Staff Analysis For:	RALEIGH, CITY OF
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PAR Amount Not To Exceed	\$ 101,000,000		
Financing Type	Limited Obligation Bonds		
Purpose and Type	General Government	Building	
Purpose and Type			
Purpose and Type			
Purpose and Type			
Project Description	The proceeds of the 2026A Bonds will be used to refinance the City's obligations pursuant to an Installment Financing Agreement dated as of May 23, 2024 between the City and PNC Bank, N.A. The proceeds of the 2026A Bonds were used to pay the costs of acquiring, constructing and equipping the initial phase of the East Civic Tower and various fire, public safety and other administrative building improvements for the City.		
Statutory Reference	G.S. 160A-20	Last Request to Borrow 12/2025; REV, \$265,000,000	
FPICs	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes - Not Material	<input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	The take out is necessary or expedient to replace the existing variable rate with a fixed rate to make this a permanent debt.	Proposed Amount is Adequate and Not Excessive	The final draw for the 2024 Bond Anticipation Note is documented and the final cost is known.
Feasibility	Debt service will be paid from the general fund.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable):	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 1/20/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	RALEIGH, CITY OF
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Terms	Lender/Purchaser/Bank		Marketability Expected ratings to be received on 2/9/2026.
	Interest Rate	Estimated All In TIC NTE 4.5%	
	Term	20 years	
	Payment	Semi-annual interest; Annual Principal	
	Structure and Term	Level Principal	
	Final Maturity	NTE 6/30/2046	
Other:	A Public Sale is scheduled for February 26, 2026.		
		Moody's Aa1	
		S&P AA+	
		Fitch AA+	

Financing Team			
Municipal Advisor	DEC Associates Inc		
Underwriter/Senior	PNC Capital Markets	Co-Manager	B of A Securities, Inc.
Lender/Purchaser/Bank		Co-Manager	Truist Securities
Underwriter's Counsel	Parker Poe Adams & Bernstein, LLP		
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A		
Trustee's Counsel			

Amount Not to Exceed: \$ 101,000,000	
Sources:	Amount:
1 Estimated Bond Proceeds	\$ 90,775,000
2 Estimated Bond Premium	\$ 9,971,717
3	
4	
Total	\$ 100,746,717
Uses:	Amount:
1 Project Fund	\$ 100,000,000
2 Cost of Issuance	\$ 380,732
3 Underwriter's Discount	\$ 363,100
4 Additional Proceeds	\$ 2,885
Total	\$ 100,746,717

General Fund Debt and Debt Ratios			
Amount	\$ 101,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 463,345,814	Before	\$ 2,712
Existing Debt Excluding Enterprise Funds	\$ 862,233,649	After	\$ 3,202
Estimated Census	488,854	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.3550	Before	1.12%
Assessed Valuation	\$ 117,958,342,902	After	1.33%



LGC Staff Analysis For:	RALEIGH, CITY OF
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PAR Amount Not To Exceed	\$ 120,000,000		
Financing Type	Limited Obligation Bonds - Bond Anticipation Notes		
Purpose and Type	General Government	Multiple Municipal Buildings	
Purpose and Type			
Project Description	The proceeds of the Limited Obligation Bond Anticipation Note will be used to finance the costs of acquiring, constructing and equipping the East Civic Tower and various fire, public safety and other administrative building improvements for the City (Phase 2) as well as certain other costs associated with such financing.		
Statutory Reference	G.S. 160A-20	Last Request to Borrow 12/2025; REV; \$265,000,000	
FPICs	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes - Not Material	<input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	The replacement and relocation of Fire Station 3 will benefit taxpayers in Eastern and downtown Raleigh. The East Civic Tower/City Hall will consolidate all downtown staff into one building, benefiting all taxpayers.	Proposed Amount is Adequate and Not Excessive	Bids were previously opened and currently awarded for this Phase 2 of the current projects.
Feasibility	Debt service will be paid from the general fund.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable):	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 1/20/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	RALEIGH, CITY OF
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Terms	Lender/Purchaser/Bank	PNC Bank, NA	Marketability Expected ratings to be received 2/9/2026.
	Interest Rate	variable	
	Term	3 years *	
	Payment	Interest only during 3 year period	
	Structure and Term	Interest only payments	
	Final Maturity	NTE 3/31/2029 *	
Moody's	Aa1		
S&P	AA+		
Fitch	AA+		
Other:	* Term and Final Maturity: This BAN agreement carries a possible, additional 3 year term out.		

Financing Team			
Municipal Advisor	DEC Associates Inc		
Underwriter/Senior			
Lender/Purchaser/Bank	PNC Bank, N.A.		
Underwriter's Counsel	Parker Poe Adams & Bernstein, LLP		
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A		
Trustee's Counsel			

Amount Not to Exceed: \$ 120,000,000			
Sources:		Amount:	
1 Loan			\$ 120,000,000
2			
3			
4			
	Total		\$ 120,000,000
Uses:		Amount:	
1 Construction Cost			\$ 120,000,000
2			
3			
4			
	Total		\$ 120,000,000

General Fund Debt and Debt Ratios			
Amount	\$ 120,000,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 463,345,814	Before	\$ 2,712
Existing Debt Excluding Enterprise Funds	\$ 862,233,649	After	\$ 3,202
Estimated Census	488,854	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.3550	Before	1.12%
Assessed Valuation	\$ 117,958,342,902	After	1.33%



LGC Staff Analysis For:	RALEIGH, CITY OF
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PAR Amount Not To Exceed	\$ 18,500,000		
Financing Type	Limited Obligation Bonds - Refunding		
Purpose and Type	General Government		
Purpose and Type			
Project Description	The proceeds of the 2026A Bonds will be used to refund all or a portion of the City's outstanding Limited Obligation Bonds, Series 2016. The proceeds were used to refinance certain prior installment financing obligations of the City; financing a fire station and financing improvements for the performing arts center.		
Statutory Reference	G.S. 160A-20 Last Request to Borrow 12/2025; REV, \$265,000,000		
FPICs	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Not Material <input type="checkbox"/> Yes – See Attachment <input type="checkbox"/> N/A		
UAL Contract	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
Debt Management	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
Proposed Contract or Bond Issue is necessary or expedient.	This refunding is necessary to achieve savings and more favorable financing terms.	Proposed Amount is Adequate and Not Excessive	The amount is known and defined with an estimated net present savings of \$603,278.39 and estimated percentage saving of 3.3769%
Feasibility	Debt service will be paid from the general fund.		
Tax Increase Anticipated	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A	Additional Information (as applicable):	
Rate Increase Anticipated	<input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A		
Public Hearing	<input type="checkbox"/> N/A OR Date 1/20/2026	TEFRA Hearing	<input checked="" type="checkbox"/> N/A OR Date
Interest Rate Assumptions (GO Bonds Only)	<input type="checkbox"/> The assumptions used by the finance officer in preparing the statement of estimated interest are reasonable (applicable only to General Obligation bonds pursuant to modifications to G.S. 159-52(b) (SL 2022-53)).		



LGC Staff Analysis For:	RALEIGH, CITY OF
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Terms	Lender/Purchaser/Bank		Marketability Expected ratings to be received on 2/9/2026. Moody's Aa1 S&P AA+ Fitch AA+
	Interest Rate	Estimated All in TIC NTE 3.75%	
	Term	Ten years	
	Payment	Semi-annual interest; annual principal	
	Structure and Term	Level principal	
	Final Maturity	NTE 6/30/2036	
Other:	The public sale, on February 26, 2026, will combine this refunding with the 2024 Bond Take Out which makes up the Series 2026A Bonds. The Bond sale will be for 20 years; however, this refunding will be paid out over the first ten years of this bond.		

Financing Team			
Municipal Advisor	DEC Associates Inc		
Underwriter/Senior	PNC Capital Markets	Co-Manager	B of A Securities, Inc.
Lender/Purchaser/Bank		Co-Manager	Truist Securities
Underwriter's Counsel	Parker Poe Adams & Bernstein, LLP		
Bond Counsel	Womble Bond Dickinson (US) LLP		
Purchaser's Counsel			
Trustee	U.S. Bank Trust Company, N.A		
Trustee's Counsel			

Amount Not to Exceed: \$ 18,500,000	
Sources:	Amount:
1 Estimated Bond Refunding Proceeds	\$ 16,515,000
2 Estimated Premium	\$ 1,568,406
3	
4	
Total	\$ 18,083,406
Uses:	Amount:
1 Refunding Escrow - Cash Deposit	\$ 17,950,485
2 Cost of Issuance	\$ 69,268
3 Underwriter's Discount	\$ 66,060
4 Less additional proceeds	-\$ 2,407
Total	\$ 18,083,406

General Fund Debt and Debt Ratios			
Amount	\$ 18,500,000	Debt Ratio: Debt Per Capita	
Bonds Authorized and Unissued	\$ 463,345,814	Before	\$ 2,712
Existing Debt Excluding Enterprise Funds	\$ 862,233,649	After	\$ 3,202
Estimated Census	488,854	Debt Ratio: Debt to Assessed Valuation	
Tax Rate	0.3550	Before	1.12%
Assessed Valuation	\$ 117,958,342,902	After	1.33%



Miscellaneous Action Item

Town of Fuquay-Varina

Extended DWSRF Loan Term - Two Loans (WIF-2032 & SRF-D-2060)

The Town of Fuquay-Varina was approved by the Division of Water Infrastructure for SRF funding in the amount of \$59,532,889 as a repayable loan for the referenced project. This total is composed of 2 repayable loans: \$5,532,889 from SRF-D-2060 and \$54,000,000 from WIF-2032. Original LGC approval for loan WIF-2032 occurred in July 2024 and SRF-D-2060 in March 2025.

On November 10, 2025, Fuquay-Varina requested a 30-year amortization on the SRF repayable loan to maintain affordable drinking water treatment for residents. In the Engineering Report/Environmental Information Document (ER/EID), Section 6 and Appendix L contains an analysis of user rates as a percentage of median household income (MHI). This analysis indicates that the debt service on a 20-year loan term would result in a new water bill (at 5,000 gallons usage) greater than 2% of MHI, which is the US Environmental Protection Agency's (EPA) affordability threshold. If the loan term is extended to a 30-year term, the new water bill (at 5,000 gallons usage) would remain less than the 2% MHI affordability threshold and would support affordable rates for Fuquay-Varina's customers. Further, Fuquay-Varina and their design engineer, Hazen & Sawyer, performed a cost-weighted average design life analysis for the proposed treatment units and equipment. This analysis was verified by the Division of Water Infrastructure. The results of this analysis indicate that the cost-weighted average design life of the assets funded through SRF loans is expected to be greater than 30 years. Therefore, the Division recommends a 30-year term for this project.



Unit	Miscellaneous Action Item
GASTONIA, CITY OF	The City of Gastonia and the Union Road Volunteer Fire Department are requesting approval of an annexation payment according to G.S. 160A-31.1, whereby the City will make a lump sum payment of \$191.13 for the debt related to facilities and equipment. The annexation was completed on December 21, 2022.



Unit	Miscellaneous Action Item
STONEVILLE, TOWN OF	<p>The Town of Stoneville requests approval for an increase in the loan funding amount related to the purchase of two Dodge Durango police vehicles. On November 4, 2025, the Local Government Commission approved an installment purchase contract in an amount not to exceed \$136,599. The Town executed the loan with Fidelity Bank in the amount of \$150,829. The loan closed on December 4, 2025 with an interest rate of 3.470% for a five-year term. All other terms of the loan remain unchanged.</p> <p>The increase of \$14,230 above the LGC approved amount is necessary to cover the up-fitting of both vehicles from their base models to include essential law enforcement equipment such as radios, vehicle graphics, and wiring. Additionally, one of the vehicles requires specialized K9 unit modifications, including a K9 cage, cooling system, and block-out kit. These items were not included in the original financing request but are essential for Stoneville's Police Department operational readiness.</p>



Unit	Miscellaneous Action Item
WAKE FOREST BAPTIST OBLIGATED GROUP	<p>The Local Government Commission is requested to approve the replacement of the existing Master Trust Indenture dated as of March 1, 2010 (the "WFB Master Indenture") for the Wake Forest Baptist Health system (now Atrium Health Wake Forest Baptist) with the Advocate Aurora Health, Inc. ("AAH") Master Trust Indenture dated as of August 1, 2018. This action is permitted under Section 503 of the WFB Master Indenture, which allows replacement without refinancing existing indebtedness, subject to approval of the North Carolina Medical Care Commission ("NCMCC") and the Local Government Commission. The NCMCC approved on January 9, 2026.</p> <p>The Obligated Group created under the WFB Master Indenture is comprised of Wake Forest University Baptist Medical Center ("WFBMC"), North Carolina Baptist Hospital ("NCBH"), and Wake Forest University Health Sciences ("WFUHS"). Bonds issued by the NCMCC on behalf of this group are secured by obligations issued in the WFB Master Indenture (please see the designation and principal amounts outstanding on the next page for your review). In 2020, WFB became part of the Atrium Health Enterprise, and in 2022 Atrium Health and Advocate Aurora Health formed Advocate Health, Inc. Advocate Health intends to consolidate its nonprofit obligated groups into a single obligated group governed by the AAH Master Indenture.</p>

<u>Designation</u>	<u>Principal Amount Outstanding as of December 31, 2025</u>
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2012A	\$118,405,000
North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Wake Forest Baptist Obligated Group), Series 2012B	\$55,685,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2012D	\$80,000,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2019A	\$24,150,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2019B	\$105,905,000
North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2019C	\$60,605,000



Unit	Miscellaneous Non-Action Item
DUPLIN COUNTY	<p>Duplin County executed a refunding of a portion of the currently callable Series 2016 Bonds. The proceeds of the Series 2016 Bonds were used to finance capital costs of the design, construction, renovation and equipping of improvements to B.F Grady Elementary School, Kenansville Elementary School, Rose Hill-Magnolia Elementary School, Wallace Elementary School, Warsaw Elementary School and North Duplin Elementary School.</p> <p>The County issued a Limited Obligation Bond designated as the Series 2026 Bond through a private placement with JPMorgan Chase Bank, January 15, 2026; principal amount not to exceed \$22,000,000. Proceeds from the Series 2026 Bond were used to prepay and refund the outstanding Series 2016 Bonds maturing on April 1 for years 2027 through 2034 (excluding year 2033), as well as to cover certain costs associated with the issuance. The Series 2016 Bonds maturing on April 1 for years 2033, 2035, and 2036 will remain outstanding as their refunding would not result in a net present value savings.</p> <p>The net present value savings are \$1,120,997.53 with a refunded percentage savings of 5.28%.</p>

Attachment B:
Resolution Designating Distressed Units
Pursuant To
North Carolina General Statute 159G-45 /
November 2025 LGC Meeting VUR Briefing



**RESOLUTION DESIGNATING DISTRESSED UNITS PURSUANT TO
NORTH CAROLINA GENERAL STATUTE 159G-45**

WHEREAS, the North Carolina General Assembly enacted Session Law 2020-79, entitled in part “AN ACT TO IMPROVE THE VIABILITY OF THE WATER AND WASTEWATER SYSTEMS OF CERTAIN UNITS OF LOCAL GOVERNMENT . . . ; TO CREATE AND PROVIDE FUNDING FOR THE VIABLE UTILITY RESERVE TO PROVIDE GRANT MONEY FOR LOCAL GOVERNMENT UNITS, . . .” (the “Act”); and

WHEREAS, Section 1.(k) of the Act amended Article 2 of Chapter 159G of the General Statutes (“G.S.”) by adding a new Section 159G-45 requiring that the State Water Infrastructure Authority (the “Authority”) and the Local Government Commission (the “Commission”):

- (a) develop criteria to assess and review local government units and
- (b) utilize the assessment and review process to identify distressed units; and

WHEREAS, the Authority and the Commission have adopted criteria for assessing units, last updated in March 2025 (the “Assessment Criteria”); and

WHEREAS, the Authority and the Commission have adopted criteria for identifying distressed units, last updated in March 2025 (the “Identification Criteria”) as follows:

1. A unit whose fiscal affairs are under the control of the Commission pursuant to its authority granted by G.S. 159-181 (“under Commission fiscal control”); or
2. A unit that has not submitted its annual audits for the last two (2) fiscal years to the Commission as required by G.S. 159-34; or
3. A unit with a total Assessment Criteria score that equals or exceeds 9 for units providing drinking water services, or wastewater services, or both; or
4. A unit for which other information is available to or known by the Authority or Commission that reflects and is consistent with, but does not expressly appear in, the Assessment Criteria to account for situations in which the Assessment Criteria score does not wholly or accurately reflect a system’s level of risk due to the limitations of available data; and

WHEREAS, the process and frequency for the cycle of assessment of units (the “Process”) was adopted by the Authority and Commission pursuant to G.S. 159G-45(d), last updated in March 2025; and

WHEREAS, the staff of the Authority completed an assessment of local government units in the summer of 2025 pursuant to the terms of the Process; and

WHEREAS, the Process stipulated that local government units which meet or exceed the Assessment Criteria score for the first time may request designation as distressed by the Authority and the Commission under Identification Criterion 3; and

WHEREAS, the following local government units have met or exceeded the Assessment Criteria score threshold for the first time, have requested designation as distressed, the staffs of the Authority and Commission proposed that the following units be identified as distressed pursuant to Identification Criterion 3, and the Authority voted to designate these units as distressed at its December 10, 2025 meeting:

<u>Unit</u>	<u>Type of System</u>	<u>2025 Score</u>
Anson County	Both drinking water and wastewater	11
Town of Bridgeton	Wastewater	11
Town of Red Springs	Both drinking water and wastewater	9
Town of Stedman	Both drinking water and wastewater	9
Town of Walnut Cove	Both drinking water and wastewater	10

NOW THEREFORE, BE IT RESOLVED by the Commission, pursuant to its authority recited herein, that:

The Commission identifies and designates Anson County and the Towns of Bridgeton, Red Springs, Stedman, and Walnut Cove as Distressed Units under Identification Criterion 3; and given the Authority’s vote to designate this local government unit as distressed at its December 10, 2025 meeting, upon adoption of this resolution by the Commission, these local government units are hereby designated as distressed under G.S. 159G-45(b).

I, Denise Canada, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the *Resolution Designating Distressed Units Pursuant To North Carolina General Statute 159G-45* adopted by the North Carolina Local Government Commission at its meeting held on February __, 2026.

WITNESS my hand this ___ day of February 2026.

Denise Canada, Secretary
North Carolina Local Government Commission



**Viable Utility Reserve – Identifying Distressed Units
Local Government Commission Briefing
November 4, 2025**

Legislation Requirements

On July 1, 2020, [Session Law 2020-79](#) (amended in [S.L. 2021-180, s. 12.12\(c\)](#)) was enacted and provides a framework for improving the viability of water and wastewater systems, with an overall goal of identifying long-term financial and infrastructure solutions for struggling systems in the State. The legislation includes a process for identifying distressed units of local government. A distressed unit is defined as:

“A public water system or wastewater system operated by a local government unit exhibiting signs of failure to identify or address those financial or operating needs necessary to enable that system to become or to remain a local government unit generating sufficient revenues to adequately fund management and operations, personnel, appropriate levels of maintenance, and reinvestment that facilitate the provision of reliable water or wastewater services.” [G.S. 159G-20\(4a\)](#)

As required by the legislation, the Local Government Commission (LGC) and State Water Infrastructure Authority (SWIA), with the assistance of their respective staff, adopted two sets of criteria:

- “assessment criteria” to score all operating water/wastewater systems in the state ([G.S. 159G-45\(a\)](#)), and
- “identification criteria” to identify those units which could be defined as distressed ([G.S. 159G-45\(b\)](#)).

Once a unit is designated by SWIA and the LGC as distressed, the unit must take a number of actions defined in [G.S. 159G-45\(b\)\(1\) through \(3\)](#):

- conduct an asset assessment and rate study,
- participate in a training and educational program, and
- develop short-term and long-term action plans.

Assessment Criteria

The Assessment Criteria include data points in the following categories:

- **Criteria required by statute** (size of population served, transfers of funds in or out of the utility fund, debt service coverage ratio, and status of a repair and maintenance program)
- **Infrastructure and Organizational** (e.g. system violations or imposed moratorium, revenue outlook, population density, rates, affordability)
- **Financial** (e.g. depreciation/remaining life of system, operating surplus or deficit, operating margin, receivables ratio, missing audit reports)

Department of Environmental Quality (DEQ) staff serve as staff to SWIA. DEQ staff compile the data from different sources (DEQ, LGC, UNC School of Government Environmental Finance Center) and assign numerical scores for each data point.

DEQ staff conduct annual re-assessments of all local government water and wastewater systems. There are currently 151 local government units designated as distressed out of roughly 500 local government units with water and/or wastewater systems statewide.

Identification Criteria

A unit may be identified as distressed in any one of four different categories:

- D1. A unit whose fiscal affairs are under the control of the LGC under [G.S. 159-181](#); or
- D2. A unit that has not submitted its annual audits for the last two (2) fiscal years to the LGC as required by [G.S. 159-34](#); or
- D3. A unit with a total Assessment Criteria score that equals or exceeds 9 for units providing drinking water services, or wastewater services, or both; or
- D4. A unit for which other information is available to or known by SWIA or the LGC that reflects and is consistent with, but does not expressly appear in, the Assessment Criteria to account for situations in which the Assessment Criteria score does not wholly or accurately reflect a system's level of risk due to the limitations of available data.

Process of Identifying Distressed Units

DEQ and LGC staff review the annual assessments and confer to determine which units qualify for identification as distressed and make recommendations to their respective boards, SWIA and LGC.

The LGC may designate distressed units under Identification Criteria D1 and D2 without further approval by SWIA.

Both SWIA and LGC must vote to designate distressed units under Identification Criteria D3 and D4.

Viable Utility Reserve – Grant funding

The General Assembly has appropriated funds into an established Viable Utility Reserve account managed within DEQ. Grant funds are available to local government units for several purposes, including:

- Projects that would provide infrastructure for regional service of public water or wastewater
- Rehabilitation of existing public water or wastewater infrastructure
- Decentralizing an existing public water system or wastewater system into smaller viable parts
- Funding a study of any one or more of the following:
 - Rates
 - Asset inventory and assessment
 - Merger and regionalization options

The LGC is not considering any VUR grants today. As proposed grants come before the LGC, more background and details about the VUR grant funding requirements and process will be provided.

Action Item - LGC Resolution designating 4 units as distressed – vote required