



*Dale R. Folwell, CPA*

**North Carolina Local Government Commission Agenda**  
**January 10, 2023**  
**PRELIMINARY AGENDA**

1. Pledge of Allegiance / Salute to the North Carolina Flag
2. Conflict of Interest Statement
3. December 6, 2022 Minutes for Approval
4. OPEB Report (Attachment A)
5. Debt Approval Requests and Related Actions: Consent Agenda (Attachment B)
  - a. Asheville
  - b. Chapel Hill
  - c. Cornelius
  - d. Cary
  - e. Hope Mills
6. Updates on Units Under LGC Financial Control (Attachment C)
  - a. Eureka
  - b. Cliffside Sanitary District
  - c. Robersonville
  - d. Kingstown
  - e. Spring Lake
7. Report on Units with Late Audits (Attachment D)

Approximate Per Capita Debt

State: \$544.24

Federal: \$94,001.99

## Agenda Notes

1. LGC Staff recommends approval of all items on this agenda.
2. LGC approval of items on this agenda also includes as applicable:
  - a. A finding that the assumptions used by the unit's finance officer in preparing the statement of estimated interest pursuant to G.S. 159-55.1(a) are reasonable (**applicable only to general obligation bonds** pursuant to N.C.G.S 159-52(b) (Session Law 2022-53)).
  - b. Approval of the identified financing team (**applicable only to general obligation bonds sold by private sale** pursuant to N.C.G.S. 159-123(e) **and revenue bonds** pursuant to N.C.G.S. 159-83(a)(14)).

### 3. Glossary of Debt Types

- 159-153 Approval of other financing arrangements
- BAN Bond Anticipation Notes
- CON REV Conduit Revenue Bonds
- GAN Grant Anticipation Notes
- GO General Obligation Bonds
- GO BAN General Obligation Bonds – Bond Anticipation Notes
- GO REFUNDING General Obligation Bonds – Refunding
- IP Installment Purchase
- USDA IP USDA Installment Purchase
- IRB Industrial Revenue Bonds
- LOB Limited Obligation Bonds
- LOB BAN Limited Obligation Bonds – Bond Anticipation Notes
- LOB REFUNDING Limited Obligation Bonds – Refunding
- REV Revenue Bonds
- REV BAN Revenue Bonds – Bond Anticipation Notes
- REV REFUNDING Revenue Bonds – Refunding
- USDA Rev Bonds USDA Revenue Bonds
- SOB Special Obligation Bonds
- SRF State Revolving Fund Loan
- FRL Federal Revolving Loan

### Consent Agenda

Unit Name	Debt Type	Project Title	Amount	Page #
Asheville	GO REFUNDING	Negotiated Sale	\$26,000,000	B1
Chapel Hill	GO	Two-Thirds Bonds	\$1,980,000	B3
Cornelius	IP	Vehicles and Ballpark Lighting	\$2,021,476	B5
<b>Miscellaneous Action Items</b>				
Cary	IP	North Chatham Volunteer Fire Department	\$826	B7
Hope Mills	USDA IP	USDA Term Extension	n/a	B8
<b>End Consent Agenda</b>				

### Unit Updates

Unit Name	Vote Needed
Eureka	No
Cliffside Sanitary District	Resolution to Amend Rates
Robersonville	Budget Resolutions (3) Resolution to Approve Compensation
Kingstown	No
Spring Lake	No

### Other Items

Unit Name	Vote Needed
Report on Units with Late Audits	No

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



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<b>LGC Staff Analysis For:</b>	<b>Asheville, City of</b>		
<b>Amount Not To Exceed</b>	\$ 26,000,000		
<b>Financing Type</b>	General Obligation Bonds - Refunding		
<b>Purpose and Type</b>	General Government	Parks & Recreation	
<b>Purpose and Type</b>	General Government	Transportation	
<b>Purpose and Type</b>			
<b>Purpose and Type</b>			
<b>Purpose and Type</b>			
<b>Project Description</b>	The City plans a negotiated sale of G.O. Refunding Bonds, scheduled for January 19, 2023, for the purpose of refunding and redeeming outstanding short-term bonds issued under the City's Draw-Bond Program. The Draw Program was approved by the Commission in June 2020. The outstanding balance of the Draw-Bond Program at the time of the sale is estimated at \$25,000,000.		
<b>Statutory Reference</b>	G.S. 159-72	<b>Last Request to Borrow</b>	6-7-2022: \$42,000,000 LOB's Draw Program
<b>FPICs</b>	<input type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input checked="" type="checkbox"/> Yes - See attachment for summary and unit response		
<b>UAL Contract</b>	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
<b>Debt Management</b>	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
<b>Proposed Amount is Necessary or Expedient</b>	The Refunding is necessary as the City is reaching its limit on borrowing under the Draw Program, which has a full-funding date of June 1, 2023.	<b>Is Adequate and Not Excessive</b>	The City can issue General Obligation Bonds to redeem the short-term bond at a True Interest Cost of approximately 4.0% to 4.5% in the current market. Interest was calculated at a rate of 6.06% (Bond Buyer 20, plus 200 basis points) and is estimated at \$16,674,824.
<b>Feasibility</b>			
<b>Tax Increase Anticipated</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes    Additional information (as applicable):		
<b>Public Hearing</b>	<input type="checkbox"/> N/A    OR    Date 12/12/2022	<b>TEFRA Hearing</b>	<input checked="" type="checkbox"/> N/A    OR    Date
<b>Interest Rate Assumptions (GO Bonds Only)</b>	<input checked="" 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 N.C.G.S 159-52(b) (SL 2022-53)).		



**Asheville, City of**

<b>Terms</b>	<b>Lender/Purchaser/Bank</b>		<b>Marketability</b>  Moody's Aaa S&P AAA Fitch N/A	
	<b>Interest Rate</b>			
	<b>Term</b>			
	<b>Payment</b>			
	<b>Structure and Term</b>			
	<b>Final Maturity</b>			
<b>Other:</b>	NOTE - Expected Ratings.			

**Financing Team**

<b>Financial Advisor</b>	DEC Associates Inc		
<b>Underwriter</b>	B of A Securities, Inc.		
<b>Lender/Purchaser/Bank</b>			
<b>Underwriter's Counsel</b>	Womble Bond Dickinson (US) LLP		
<b>Bond Counsel</b>	Parker Poe Adams & Bernstein, LLP		
<b>Purchaser's Counsel</b>			
<b>Trustee</b>			
<b>Trustee's Counsel</b>			

**Amount Not to Exceed:** \$ 26,000,000

<b>Sources:</b>	<b>Amount:</b>
1 Bond Proceeds and Premium	\$ 25,414,493
2	
3	
4	
<b>Total</b>	\$ 25,414,493
<b>Uses:</b>	<b>Amount:</b>
1 Redemption of Short-Term Draw Bond	\$ 25,000,000
2 Costs of Issuance	\$ 414,493
3	
4	
<b>Total</b>	\$ 25,414,493

**Debt and Debt Ratios**

<b>Amount</b>	\$ 26,000,000	<b>Debt Ratio: Debt Per Capita</b>	
<b>Bonds Authorized and Unissued</b>	\$ 26,000,000	<b>Before</b>	\$ 2,147
<b>Existing Debt Excluding Enterprise Funds</b>	\$ 204,040,612	<b>After</b>	\$ 2,420
<b>Estimated Census</b>	95,052	<b>Debt Ratio: Debt to Assessed Valuation</b>	
<b>Tax Rate</b>	0.403	<b>Before</b>	1.03%
<b>Assessed Valuation</b>	\$ 19,857,066,000	<b>After</b>	1.16%

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<b>LGC Staff Analysis For:</b>	<b>Chapel Hill, Town of</b>		
<b>Amount Not To Exceed</b>	\$ 1,980,000		
<b>Financing Type</b>	General Obligation Bonds		
<b>Purpose and Type</b>	General Government	Law Enforcement/Public Safety	
<b>Purpose and Type</b>			
<b>Project Description</b>	Two -Thirds Net Debt Reduction G.O. Bonds, to acquire public safety radios and related equipment in order to be in compliance with changing requirements for the State VIPER system, at a cost of approximately \$2,495,550. The balance of the cost will be paid from available revenues and/or fund balance.		
<b>Statutory Reference</b>	G.S. 159-49	<b>Last Request to Borrow</b>	7-12-2022; Extension of G O Bond Authorization
<b>FPICs</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
<b>UAL Contract</b>	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
<b>Debt Management</b>	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
<b>Proposed Amount is Necessary or Expedient</b>	Project is necessary to provide adequate equipment for public safety personnel, primarily for radios, antennas, base stations, cables, software, etc. to meet changing regulations (VIPER, P25, Phase 2 compliant).	<b>Is Adequate and Not Excessive</b>	Cost estimate calculations are provided by the preferred provider. Delivery will take about 18 months once the order is finalized. Interest was calculated at a rate of 5.0% and is estimated at \$1,038,100 over 20 years.
<b>Feasibility</b>			
<b>Tax Increase Anticipated</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes            Additional information (as applicable):		
<b>Public Hearing</b>	<input type="checkbox"/> N/A OR Date 1/11/2023	<b>TEFRA Hearing</b>	<input checked="" type="checkbox"/> N/A OR Date
<b>Interest Rate Assumptions (GO Bonds Only)</b>	<input checked="" 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 N.C.G.S 159-52(b) (SL 2022-53)).		



**Chapel Hill, Town of**

<b>Terms</b>	<b>Lender/Purchaser/Bank</b>		<b>Marketability</b>	
	<b>Interest Rate</b>			
	<b>Term</b>			Moody's Aaa
	<b>Payment</b>			S&P AAA
	<b>Structure and Term</b>			Fitch N/A
	<b>Final Maturity</b>			
<b>Other:</b>	Competitive sale scheduled for February 14, 2023, along with approximately \$12,945,000 voter-authorized bonds. (Expected Ratings)			

**Financing Team**

<b>Financial Advisor</b>	Davenport & Company LLC		
<b>Underwriter</b>			
<b>Lender/Purchaser/Bank</b>			
<b>Underwriter's Counsel</b>			
<b>Bond Counsel</b>	Sanford Holshouser LLP		
<b>Purchaser's Counsel</b>			
<b>Trustee</b>			
<b>Trustee's Counsel</b>			

**Amount Not to Exceed:** \$ 1,980,000

<b>Sources:</b>	<b>Amount:</b>
1 Bond Proceeds	\$ 1,980,000
2 Budgeted Revenues and/or Fund Balance	\$ 515,552
3	
4	
<b>Total</b>	<b>\$ 2,495,552</b>
<b>Uses:</b>	<b>Amount:</b>
1 Police radios and related equipment	\$ 1,959,848
2 Fire Department radios and related equipment	\$ 535,704
3	
4	
<b>Total</b>	<b>\$ 2,495,552</b>

**Debt and Debt Ratios**

<b>Amount</b>	\$ 1,980,000	<b>Debt Ratio: Debt Per Capita</b>	
<b>Bonds Authorized and Unissued</b>	\$ 24,045,000	<b>Before</b>	\$ 1,413
<b>Existing Debt Excluding Enterprise Funds</b>	\$ 87,466,000	<b>After</b>	\$ 1,445
<b>Estimated Census</b>	61,912	<b>Debt Ratio: Debt to Assessed Valuation</b>	
<b>Tax Rate</b>	0.522	<b>Before</b>	1.25%
<b>Assessed Valuation</b>	\$ 8,938,767,922	<b>After</b>	1.27%

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<b>LGC Staff Analysis For:</b>	<b>Cornelius, Town of</b>		
<b>Amount Not To Exceed</b>	\$ 2,021,479		
<b>Financing Type</b>	Installment Purchase		
<b>Purpose and Type</b>	Public Improvement	Public Facilities	
<b>Purpose and Type</b>			
<b>Project Description</b>	Ball field lighting at Bailey Road Park (\$725,555), Seagrave Fire Truck (\$795,924), Police Vehicles (\$500,000)		
<b>Statutory Reference</b>	G.S. 160A-20	<b>Last Request to Borrow</b>	08/25/2022 \$7.6M
<b>FPICs</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - Immaterial <input type="checkbox"/> Yes - See attachment for summary and unit response		
<b>UAL Contract</b>	<input type="checkbox"/> Application is for a contract subject to approval under modifications to N.C.G.S. 159-148 (SL 2022-53)		
<b>Debt Management</b>	<input checked="" type="checkbox"/> Good - no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward		
<b>Proposed Amount is Necessary or Expedient</b>	This project is necessary to provide recreation through lighted fields and public safety response.	<b>Is Adequate and Not Excessive</b>	Construction bids have been received and costs defined. The amount of the proposed debt is adequate and not excessive based on the defined costs of the proposed project.
<b>Feasibility</b>	No tax increase is anticipated. The debt service will be paid from the General Fund.		
<b>Tax Increase Anticipated</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes            Additional information (as applicable):		
<b>Public Hearing</b>	<input type="checkbox"/> N/A    OR    Date 12/19/2022	<b>TEFRA Hearing</b>	<input checked="" type="checkbox"/> N/A    OR    Date
<b>Interest Rate Assumptions (GO Bonds Only)</b>	<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 N.C.G.S 159-52(b) (SL 2022-53)).		



**Town of Cornelius**

<b>Terms</b>	<b>Lender/Purchaser/Bank</b>	Truist	<b>Marketability</b>  Moody's N/A  S&P N/A  Fitch N/A	
	<b>Interest Rate</b>	3.84%		
	<b>Term</b>	5 Years		
	<b>Payment</b>	Semi Annually		
	<b>Structure and Term</b>	Principal & Interest		
	<b>Final Maturity</b>	November 21, 2027		
<b>Other:</b>				

**Financing Team**

<b>Financial Advisor</b>			
<b>Underwriter</b>			
<b>Lender/Purchaser/Bank</b>	Truist Bank		
<b>Underwriter's Counsel</b>			
<b>Bond Counsel</b>			
<b>Purchaser's Counsel</b>			
<b>Trustee</b>			
<b>Trustee's Counsel</b>			

**Amount Not to Exceed:** \$ 2,021,479

<b>Sources:</b>	<b>Amount:</b>
1 Loan	\$ 2,021,479
2	
3	
4	
<b>Total</b>	<b>\$ 2,021,479</b>
<b>Uses:</b>	<b>Amount:</b>
1 Ballpark Lighting	\$ 725,555
2 Seagrave Fire Truck	\$ 795,924
3 Police Vehicles	\$ 500,000
4	
<b>Total</b>	<b>\$ 2,021,479</b>

**Debt and Debt Ratios**

<b>Amount</b>	\$ 2,021,479	<b>Debt Ratio: Debt Per Capita</b>	
<b>Bonds Authorized and Unissued</b>	\$ 0	<b>Before</b>	\$ 670
<b>Existing Debt Excluding Enterprise Funds</b>	\$ 21,021,321	<b>After</b>	\$ 734
<b>Estimated Census</b>	31,393	<b>Debt Ratio: Debt to Assessed Valuation</b>	
<b>Tax Rate</b>	0.8389	<b>Before</b>	0.28%
<b>Assessed Valuation</b>	\$ 7,557,775,677	<b>After</b>	.030%

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Unit	Miscellaneous Item Description
<p><b>Town of Cary</b></p>	<p>The Town of Cary and the following fire department have requested approval of annexation payment with G.S. 160A-31.1, whereby the Town will make lump sum payments for the Town's proportionate share of outstanding debt as follows:</p> <p>Volunteer Fire Dept.: North Chatham Volunteer Fire Department            Effective Annexation Date: 11/30/2022            Payment Period: 2022            Reimbursement: \$825.97</p>
<p><b>Town of Hope Mills</b></p>	<p>The Town of Hope Mills entered into a 24 month interim financing agreement with Truist Bank in June 2021 for the construction of a new public safety center. At the end of the 24 month term maturing January 7, 2023, the loan was to be taken out by long term USDA financing. Due to the project timeline extending past what was originally anticipated, the Town will not be ready by the original deadline. Truist has agreed to extend the term for an additional 5 months up to May 19, 2023 and the interest rate unchanged at 1.46%. This will give the Town additional time to close on the interim loan.</p>