

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



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LOCAL GOVERNMENT COMMISSION
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The following disclosures present background on COVID-19 and outline steps taken at the State level up to June 30, 2020 to mitigate the effects of the pandemic. These disclosures are presented as a resource for local governments in North Carolina that are issuers of municipal securities to aid in the formulation of Disclosure Statements.

Actions at the State Level due to COVID-19

Potential Impact of COVID-19. On March 11, 2020, the World Health Organization declared a global pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which is currently negatively impacting most, if not all, areas of the world, including the United States, the State and the County. The COVID-19 outbreak is altering the behavior of businesses and people in a manner that is having negative effects on global and local economies, including the County. While the potential impact of COVID-19 on the County cannot be predicted at this time, its impact on the economy of the County and that of the state, nation and world could be considerable.

Within the United States, the Federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of different efforts aimed at preventing the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. Many states, including North Carolina, have declared a state of emergency and issued "shelter-in-place" orders designed to reduce physical human interactions to slow the spread of the virus.

The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors (including an ongoing oil production dispute), have also resulted in significant volatility in the stock markets and a general consensus that the global and national economies are distressed. Continued declines or volatility in the financial markets may constrain market access and credit availability to borrowers, including governmental entities.

On March 10, 2020, Governor Roy Cooper issued an executive order declaring a state of emergency in the State in order to coordinate emergency response and to implement protective actions to prevent the spread of COVID-19. Governor Cooper issued an additional executive order on March 23, 2020 to close K-12 public schools statewide through May 15, 2020, banned mass gathering of over 50 people and closed specific types of businesses like gyms, movie



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theaters, hair and nail salons, tattoo parlors and live performance venues. On March 27, 2020, Governor Cooper issued another executive order to direct people to stay at home except to visit essential businesses, exercise outdoors, or help a family member, and specifically banned gatherings of more than 10 people and directed everyone to physically stay at least six feet apart from others. And on April 9, 2020, Governor Cooper issued still another executive order confirming the prior orders and providing new required and recommended policies for retail establishments, addressing COVID-19 mitigation measures for long-term care facilities, and expediting the processing of unemployment insurance claims. Effective May 8, 2020, certain businesses were allowed to reopen under Phase 1 of the Governor's plan to relax the stay at home measures. On May 22, 2020, additional businesses were allowed to reopen under Phase 2 of the plan.