

LOCAL GOVERNMENT COMMISSION
OCTOBER 1, 2019

1. PLEDGE OF ALLEGIANCE

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL

September 10, 2019

(FINAL)

RELATED INFORMATION
Approximate Per Capita Debt
09/30/19
State: \$ 526
Federal: \$68,563

Unit	Type	Purpose	Amount	Comments	Page Number	Last request to Borrow	Voted/ Non-Voted
Cliffside Sanitary District	Update						
Eureka, Town of	Update						
Eureka, Town of	Resolution						
NC Turnpike Authority - Complete 540 Overview							
	Slide Presentation						
Edenton, Town of	Revolving Loan	Water	\$ 1,336,000	Unit Letter	3	RB 1-2018 \$2.64M	
Elizabeth City, City of	Financing Agreement	Water and Sewer	\$ 800,000	Unit Letter	4	FA 6-2019 \$1.5M	
Hookerton, Town of	Revolving Loan	Water	\$ 56,243	Unit Letter	4	FA 12-2005 \$150K	
Oxford, City of	Revenue	Water and Sewer	\$ 5,000,000	Unit Letter	4	RL 7-2019 \$3.4M	
Roanoke Rapids, City of	Revenue	Misc. Action - Amend Terms of Bond Order	NA	Unit Letter	5	Non action 6-2019	
Stanley, Town of	Financing Agreement	Town Hall & Economic Development	\$ 700,000	Unit Letter	5	FA 1-2016 \$400K	
Valdese, Town of	Revolving Loan	Water	\$ 1,782,950	Unit Letter	5	RL 6-2019 \$632K	
Columbus, County of	Financing Agreement	School	\$ 14,609,000		6	FA 8-2015 \$19.5M	
Concord, City of	Financing Agreement	Airport	\$ 935,000		6	FA 10-2017 \$7.0M	
Cumberland, County of	Financing Agreement	Draw Loan Take Out	\$ 33,850,000		7	FA 9-2017 \$11.2M	
Fletcher, Town of	Financing Agreement	Land Acquisition	\$ 1,800,000		8	FA 5-2012 \$9.2M	
Forsyth, County of	Financing Agreement	Courthouse	\$ 70,000,000		9	GO 2-2019 \$23.3M	
Greensboro, City of	Financing Agreement (LOBs)	Parking	\$ 31,000,000		10	LOBs 10-2018 \$34M	
Marion, Town of	Financing Agreement	Stormwater	\$ 586,000		11	FA 6-2016 \$500K	
Newton, City of	Financing Agreement	Redevelopment and Water	\$ 1,295,760		11	RL 6-2019 \$558K	
Onslow, County of	Financing Agreement (LOBs)	School and County Building	\$ 36,500,000		12	FA 9-2016 \$50.9M	
Orange, County of	Financing Agreement (LOBs)	Multiple Projects	\$ 35,000,000		13	FA 5-2019 \$16.5M	
Randolph, County of	Financing Agreement (LOBs)	Jail	\$ 30,100,000		14	LOBS 7-2019 \$37.3M	
Davidson, Town of	General Obligation	Public Facilities (Building Renovations)	\$ 14,000,000		15	FA 12-2018 \$2.55M	
High Point, City of	General Obligation	Streets & Sidewalks, Parks & Recreation, Housing	\$ 50,000,000		16	RB 5-2019 \$85M	
Indian Trail, Town of	General Obligation	Parks and Recreation	\$ 2,500,000		17	GO 6-2018 \$2.5M	
Chapel Hill, Town of	General Obligation	Refunding	\$ 12,250,000		18	GO 6-2018 \$10M	
Brunswick, County of	Revenue	Enterprise System and Refunding	\$ 110,500,000		19-20	GO 9-2016 \$152M	
Cape Fear Public Utility Authority	Revenue	Enterprise System and Water and Sewer System	\$ 127,000,000		21-22	RB 12-2017 \$34.2M	
Lewiston-Woodville, Town of	Revenue Bond	Sewer	\$ 862,000		22	N/A	
Lincoln, County of	Revenue	Enterprise System	\$ 8,000,000		23	GO 5-2019 \$12.6M	
Wilmington, City of Housing Authority	Revenue Bond	Multi-family Mortgage (Market North Apts.)	\$ 43,000,000		24	FA 4-2006 \$1.7M	

University Health Systems of Eastern Carolina, Inc.
(d/b/a Vidant Health) and Pitt County Memorial

LOCAL GOVERNMENT COMMISSION
OCTOBER 1, 2019

<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>
Hospital, Inc. (d/b/a Vidant Medical Center)	NC Medical Care Commission	Revenue Refunding	\$ 155,000,000		25	NCMCC 3-2015 \$301M	
Murphy, Town of	Revolving Loan	Sewer	\$ 794,250		26	RL 1-2010 \$185K	
Winterville, Town of	Revolving Loan	Sewer	\$ 3,032,200		26	RL 10-2017 \$2.39M	
Charlotte, City of	General Obligation	Misc. Action - Transportation & Neighborhood Impr.	150,000,000		27	RB 8-2019 \$75M	
SEI Evaluation - Designee	Graham Kent McLamb	Misc. - Non-Action			28		

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 EDENTON Water \$1,336,000 G.S. 159G-22 Revolving Loan	This project consists of the rehabilitation of four existing supply wells, installation of a new 0.5 million gallon (MG) finished water ground storage, and the construction of a new 720 gallons per minute (GPM) high-service pump station.	Necessary and expedient to regain yield that has been reduced over the years, help safeguard the wells and the water treatment plants from over working due to demands of peak periods of the year, and improve the Town's response time in the event of an emergency.	Cost estimate provided by Stroud Engineering , P. A.	Edenton received a unit letter regarding several issues, the first of which was a significant drop in fund balance available in the General Fund, from 36.04% in 2017 to 15.47% in 2018, or \$972,301. A portion of this drop was attributable to the use of Powell Bill funds and reserves to fund a much-needed roadwork project. It also was noted that there are large inter-fund receivables and payables between the General Fund, the Airport, and the Water and Sewer Fund. Finally, several internal control concerns were noted, including issues surrounding pre-audit and delays in several key reconciliation processes. The Town responded satisfactorily, providing acceptable explanations for the drop in the fund balance available. Reimbursements and a tax increase will help increase fund balance available at June 30, 2019. The Town has multiple business expansions underway, which also will help increase inflows in the General Fund. The Town is aware of financial concerns with the Airport, and is working with them to identify solutions. Regarding the internal control concerns, the Finance Officer has brought the reconciliations current and has made changes to their business processes to ensure that they stay current. Changes also have been implemented in the pre-audit function. Please also see the unit visit summary for more information about Edenton, as well as an updated unit letter response.	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: \$31.63	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
CITY OF ELIZABETH CITY \$800,000 Water and Sewer Lines G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the replacement of approximately 1,538 linear feet of sewer line and approximately 2,222 linear feet of water line.	Necessary and expedient because the water lines are 60-75 years old and are failing.	Cost estimates based on unit prices provided by City's engineer.	The City received a unit letter due to the budgetary reports for numerous funds showing expenditures that exceeded the amounts authorized by the budget. This is an indication that the preaudit process required by G.S. 159-28 is not functioning properly. The City responded satisfactorily to the unit letter. A unit visit was conducted on 4/18/2019.	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: \$22.44 Sewer: \$13.88	Bank: BCI Capital Approval Rate: 2.15% Term: 5 years% Market Rate: 2.00% Payment: Monthly S&P: A Moody's: A3 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
Water	17,826	\$ 300,000	9/9/2019	\$ 250,000	\$1,128,779,375	11,092,342	\$0.655	1.00%	1.08%	\$ 636	\$ 681
Sewer		\$ 500,000								Pasquotank Co. \$ 655	
		\$ 800,000									

TOWN OF HOOKERTON Water \$56,243 G.S. 159G-22 Revolving Loan	Installation of a 150-kW diesel fueled generator and automatic transfer switch to serve as a back-up power source for the well pump etc. at the site of the Town's Well No. 2.	Necessary and expedient because all operational functions (i.e. pumping, distribution & treatment) of Well No. 2 are terminated with loss of primary power.	Cost estimates provided by Mack Gay Associates, PA.	The Town received a unit letter because, in the General Fund, the percentage of fund balance available for appropriation relative to expenditures appears to be inadequate to support current operations; in the General Fund, certain expenditures and transfers out exceeded the amounts authorized by the budget ordinance; in the Water and Sewer Fund there are various signs of financial weakness including net losses on both full accrual and budgetary basis; and a weakness in the Town's internal controls regarding the disposal of real property by private negotiation and sale and that the procedures required by G.S. 160A-266 and 160A-274 were not followed. The Town responded satisfactorily to the unit letter. A unit visit will be conducted on 9-25-19.	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: \$28.21 Sewer: \$29.29	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
---	--	---	---	---	---	--	----

CITY OF OXFORD Water and Sewer \$5,000,000 G.S. 159; Article 5	This project consists of the construction of approximately 30,000 linear feet of water main and 2,100 linear feet of sanitary sewer.	Necessary and expedient due to the aging utility infrastructure.	Bids in hand.	The City received a unit letter due to the Water and Sewer Fund receiving interfund loans from the General Fund totaling in the amount of \$1,255,050 over the past several years. The Town provided a response and it 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: \$33.40 Sewer: \$54.08	Term: RBAN: 15 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity RB: Approximately level debt service	USDA commitment to purchase the bonds upon substantial completion of the project.
	USDA Loan:	\$ 5,000,000					
	USDA Grant:	\$ 1,600,000					
	City Contribution:	\$ 656,000					
		\$ 7,256,000					
						APPROVALS	
						Issue Amount Revenue Bond: \$5,000,000	
						Issue Amount Revenue BAN: \$5,000,000	
						Final Maturity:	
						RBAN: No later than 1/22/2021	
						RB: 2060 or 40 years after the maturity of the RBAN	

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
ROANOKE RAPIDS, CITY OF 2017B Taxable Special Revenue Refunding Bond (Amendment to the bond order)	MISCELLANEOUS - ACTION ITEM: At its June 2019 meeting, the Local Government Commission (LGC) was informed that the City of Roanoke Rapids' (the "City's") Series 2017B taxable special revenue bond (currently outstanding \$3,232,000) had entered the three year term-out mode on May 1, 2019 requiring six equal semi-annual principal payments beginning November 1, 2019 with a final maturity date of May 1, 2022. The sole bondholder, Bank of America (the "Bank") agreed to lower the term-out rate from the Bank's prime rate to the lesser of the Bank's prime rate or LIBOR daily rate plus 0.80%. As of 9/19/19, the Bank's prime rate was 5.25% and the LIBOR daily rate was 2.33%, making the current term-out rate 3.13%. The 2017B bond re-financed part of the original debt of the Roanoke Rapids Theatre. The City conveyed the theatre to third party purchasers in 2018 who were to pay the balance of the purchase price in July 2019. The purchasers have requested additional time to secure the remaining funds to finalize the purchase. Based on discussions with the purchasers, the City remains hopeful that the purchasers will deliver the balance of the purchase price in January 2020. Failure to deliver the balance will result in the conveyance of the theatre back to the City. The City requests approval from the LGC to amend the terms of the bond order and the 2017B Bond to provide that the principal of the Series 2017B Bond shall be payable in five equal payments commencing May 1, 2020. The Bank has agreed to the amended terms. Staff recommends approval of the amendment. The City received a unit letter due to low fund balance in the General Fund and estimated revenues exceeding actual revenues by material amounts, also in the General Fund. The City responded satisfactorily.						

TOWN OF STANLEY Municipal Building & Downtown Improvements / Enhancements \$700,000 G.S.160A-20 Installment Contract Private Placement	Expansion of the Town Hall building to provide for additional office space, conference room space, council chambers & other Town functions. Improvements to downtown and other areas which including installation of fencing, lighting enhancement, and other fixtures and signage.	Necessary and expedient because the current building does not have adequate space for operations. Improvements to the downtown area are desired to attract future investment and improve appearance.	Price quotes in hand.	The Town received a unit letter because of the timeliness of its audit. The Town responded satisfactorily. Fiscal staff visited with the Town on 9/19/19.	No tax increase is anticipated. General Fund revenues will provide for debt service	Bank: PNC Approval Rate: 2.36% Term: 10 years Market Rate: 2.10% Payment: Annual principal; semi-annual interest payments S&P: N/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	
Municipal Building	3,893	\$ 420,000.00	9/9/2019	\$ -	\$	275,876,849	\$ 857,925	\$0.54	0.31%	0.56%	\$ 220	\$ 400
Economic Development		\$ 280,000.00										
		<u>\$ 700,000.00</u>										\$1,952

TOWN OF VALDESE Water \$1,782,950 G.S. 159G-22 Revolving Loan	Replacement of approximately 6800 LF of 6" and 8" cast water line with new Class 350 6" and 8" Ductile Iron water line. All work will replace existing pipe with the same size pipe (like-for-like replacements). No additional capacity will be created by this project unless required by North Carolina statute. No additional length of water line or extension of service area will be created.	Necessary and expedient because the water lines are aged dating back from the 1930's to the 1970's. With the average age of the lines being 60 years old, the system frequently breaks which causes water loss and increased costs for emergency repairs.	Cost estimates provided by McGill Associates, PA.	The Town received a unit letter due to the fund balance available for appropriations relative to expenditures in the General Fund being substantially less than comparable units, and the budgetary reports for several of the Utility Fund capital projects shown in the financial statements show expenditures that exceeded the amounts authorized by the project ordinance. This is an indication that the preaudit process required by G.S. 159-28 is not functioning properly. Fiscal Staff visited the unit on April 25, 2019. The unit provided a satisfactory response to the issues addressed in the unit letter.	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: \$39.10 Sewer: \$10.10	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	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
COLUMBUS COUNTY \$14,609,000 Whiteville City Schools G.S. 160A-20 Installment Purchase Contract Private Placement	This project includes the new construction of a 58,000 square foot building with classrooms, computer labs, administration, guidance, kitchen, dining, band, chorus, drama, dance, media center, and supportspaces. Expected Sources and Uses of Funds: <u>Sources:</u> Bank Loan: \$ 14,609,000 Needs based School Lottery Grant \$ 4,327,500 Cash: \$ 2,813,179 Total Sources: <u>\$ 21,749,679</u> <u>Uses:</u> Construction Cost \$ 15,784,348 Engineer/Arch. Fees \$ 1,234,679 Special Counsel Fees \$ 30,000 Administrative Cost: \$ 125,000 Contingency \$ 1,096,947 Site work & Demo Equipment \$ 3,478,705 Total Uses: <u>\$ 21,749,679</u>	Necessary and expedient because the existing building no longer comfortably accommodates the current 713 high school students per the 2018 North Carolina Department of Public Instruction School Design Guidelines. Bank construction loan will be replaced with a 40 year USDA installment loan.	Bids in hand.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: First Bank Approval Rate: 1.99% Term: Max term 2 years Market Rate: 1.90% Payment: Semiannually S&P: A Moody's: A1

FINANCING TEAM

Bond Counsel: Robinson Bradshaw & Hinson
Financial Advisor: First Tryon Advisors, P.A.

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
School	58,098	\$ 14,609,000	6/17/2019	\$ -	\$3,237,882,062	40,545,047	\$0.805	1.25%	1.70%	\$ 698	\$ 949

CITY OF CONCORD \$935,000 Airport hangar G.S.160A-20 Installment Contract Private Placement	Acquisition of a community hangar and associated facilities at the City's airport.	Necessary and expedient because there is currently a waiting list at the airport for hangar space. The hangar will increase available lease space at the airport.	Value of property is verified by an independent appraisal.	No major deficiencies. No defaults noted.	Increases in lease rates and parking rates have been adopted as well as increases in various miscellaneous fees to help provide for the debt service.	Bank: BB&T Approval Rate: 2.63% Term: 10 years Market Rate: 2.80% Payment: Annual principal, semi-annual interest payments S&P: AA Moody's: Aa1
---	--	---	--	---	---	---

(TAXABLE)

Installment purchase contract is more timely than issue of G.O. Bonds

Financing Team

Bond Counsel: Parker Poe Adams & Bernstein LLP
Financial Advisor: First Tryon Advisors

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	94,130	\$935,000	9/12/2019	\$ -	\$ 11,207,421,745	\$ 25,122,075	\$0.48	0.22%	0.23%	\$ 267	\$ 277

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 FLETCHER \$1,800,000 Land Purchase for Economic Devel. TAXABLE 160A-20 Installment Contract Private Placement	Acquisition of multiple parcels of land along the Highway 25 corridor to be used for future mixed use development purposes. The acquisitions are in line with a Town developed master plan and will connect to land already owned by the Town which would open future development opportunities. <u>Expected Sources and Uses of Funds:</u> Sources: Installment Purchase Contract \$ 1,800,000 Cash Contribution \$ 759,065 Total Sources \$ <u>2,559,065</u> Uses: Project Costs Land Purchase \$ 2,357,000 Lot Considerations \$ 50,000 Broker Fees \$ 106,065 Costs of Issuance \$ 46,000 Total Uses \$ <u>2,559,065</u>	Necessary and expedient to further define and develop a downtown area in accordance to a long standing strategic plan.	The Town has determined that purchase prices are in line with market values through a combination of methods including an appraisal, analyzing comparables and tax values.	No major deficiencies. No defaults noted.	No tax increase is necessary. Debt service will be paid from revenues to the General Fund.	Bank: Capital Bank Amount \$ 1,800,000 Approval Rate (TAXABLE): 3.050% Term (years): 15 Market Rate: 3.30% Structure: Annual principal and semi-annual interest payments. Level Principal Payments over the life of the loan. 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 Installment purchase structure is more timely and feasible than G.O. Bonds							
						<u>Debt Ratios-Excluding Enterprise Funds</u>							
						To Property Values Per Capita							
						Before After Before After							
Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate						
Land Acquisition	8,135	\$ 1,800,000	8/12/2019	\$ -	\$ 1,237,611,530	\$ 6,833,244	\$0.340	0.55%	0.70%	\$ 840	\$ 1,061		
										Henderson Co.	\$ 937		

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
FORSYTH COUNTY \$70,000,000 New Courthouse G.S.160A-20 Installment Contract Private Placement (Draw Down)	Construction of a new approximately 250,000 square foot Courthouse with 16 courtrooms. The Courthouse will be connected to the detention center via tunnel and to the County Administrative building via a bridge. <u>Expected Sources and Uses of Funds:</u> Sources: Loan Amount \$ 70,000,000 Total Sources \$ 70,000,000 Uses: Project Funds: \$ 70,000,000 Total Uses \$ 70,000,000	Necessary and expedient to replace an out of date and inadequately spaced facility.	The initial approval amount represents a portion of the approximate \$116 million total project cost and is sufficient to cover the initial 24 months of the project. The Guaranteed Maximum Price will be presented at a future date and the balance of the draw facility and all remaining costs can be paid through a traditional public debt issuance.	No major deficiencies. No defaults noted.	The County has increased the tax rate by 2 cents and determined by means of resolution that this amount is not excessive. Debt service will be paid with revenues from the General Fund.	Structure: Non-revolving, draw down, interest only variable rate bridge loan installment financing. Principal payable at maturity or prior to redemption. County expects to convert to conventional permanent financing in FY 2021. If the County is not able to obtain financing at the end of the three year term, the Draw Facility will convert to a five year loan with 60 equal monthly principal payments plus interest. APPROVALS Amount Not To Exceed: \$ 70,000,000 Approval rate not to exceed : 0.79 of 1M LIBOR + 0.27 Initial Term (Years): 3 Final Maturity not beyond: 2027 Maximum Rate: 12.00% Maximum Default Rate: 20.00% FINANCING TEAM Lender: PNC Bank, National Association Bond Counsel: Womble Bond Dickinson (US) LLP Lender's Counsel: Moore & Van Allen PLLC Financial Advisor: DEC Associates, Inc.

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
Courthouse	381,379	\$ 70,000,000	9/12/2019	\$ 256,655,000	\$ 37,282,527,700	\$ 575,615,000	\$0.7535	2.23%	2.42%	\$ 2,182	\$ 2,366

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 GREENSBORO \$31,000,000 Parking Deck Taxable Limited Obligation Bonds, Series 2019 G.S.160A-20 Limited Obligation Bonds Publicly Offered	Acquisition of land, design and construction of a 850 space parking garage downtown on Eugene Street. <u>Expected Sources and Uses of Funds:</u> Sources: Par Amount \$ 29,795,000 Equity Contribution \$ 2,300,000 Total Sources \$ <u>32,095,000</u> Uses: Eugene St. Deck \$ 30,115,000 CAPI Deposit \$ 1,454,800 Costs of Issuance \$ 374,040 Underwriter's Discount \$ 151,160 Total Uses \$ <u>32,095,000</u>	Necessary and expedient to provide off street parking in downtown Greensboro to alleviate traffic congestion and to assist with the revitalization effort in the City's Business District.	Gaurenteed Maximum Price (GMP) is in hand.	No major deficiencies. No defaults noted.	No tax increase is necessary. Debt service will be paid from revenues to the Parking Fund as well as revenues to the General Fund and sales taxes.	Structure: Annual principal and semi-annual interest payments. Level debt service through the term of the loan. Expected Ratings: S&P: AA+; Moody's: AA2; Fitch AA+ Expected Rate: Effective Interest Cost (TAXABLE): 3.560% Expected Underwriters Fee/\$1,000: \$ 5 APPROVALS Amount Not To Exceed: (EIC) \$ 31,000,000 Approval rate not to exceed (TAXABLE): 4.000% Final Maturity not beyond: 2044 FINANCING TEAM Bond Counsel: Womble Bond Dickinson (US) LLP Co-Bond Counsel: McKenzie & Associates Financial Advisor: First Tryon Advisors, P.A. Underwriter: Wells Fargo Bank, N.A. (Senior Mgr); Loop Capital Markets (Co-Mgr) Underwriter's Counsel: Robinson Bradshaw & Hinson, P.A. Trustee: U.S. Bank N.A. Installment financing agreement is the necessary vehicle for this financing.

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 Before	After	Per Capita Before	After
Parking	290,201	\$ 31,000,000	8/20/2019	\$ 102,574,302	\$ 28,362,405,094	\$ 372,601,034	\$0.6156	1.68%	1.78%	\$ 1,637	\$ 1,744
										Guilford Co.	\$ 1,556

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 MARION \$586,000 Stormwater G.S.160A-20 Installment Contract Private Placement	Rehabilitation and replacement of existing stormwater pipe that runs from under City Hall, HWY 70 BUS, sidewalk and historic retaining wall, and a park playground. Note: Interim financing initially and then USDA permanent loan take-out after closing on the interim loan. USDA permanent loan is 40 years at 2.50% interest rate. Expected Sources and Uses of Funds: <u>Sources:</u> Bank Loan \$ 586,000.00 Cash \$ 42,129.00 Total Sources \$ 628,129.00 <u>Uses:</u> Project Costs \$ 628,129.00 Total Uses \$ 628,129.00	Necessary and expedient because the pipe is old and degraded. Heavy ground water infiltration has caused soil to pass into the pipe, and has resulted in sink holes in the park.	Bids in hand.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: United Financial (A Division of Home Trust Bank) Approval Rate: 2.44% Term: 12 months Market Rate: 2.50% Payment: Semi-Annually S&P: N/A Moody's: N/A 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					
Community Development	8,532	\$586,000	9/3/2019	\$ -	\$ 475,760,221	\$ 1,298,797	\$0.51	To Property Values Before	After	Per Capita Before	After	McDowell County	
								0.27%	0.40%	\$ 152	\$ 221	\$353	

CITY OF NEWTON \$1,295,760 Streetscape, Water Infrastructure G.S.160A-20 Installment Contract Private Placement	Phase II of Downtown Newton Streetscape Infrastructure project and Valley Drive Water Infrastructure extension. <u>Expected Sources and Uses of Funds:</u> <u>Sources:</u> Bank Loan \$ 1,295,760 SRF Loans - Water & Sewer \$ 148,292 Available Cash \$ 998,541 Total Sources \$ 2,442,593 <u>Uses:</u> Project Costs: Streetscape \$ 1,904,133 Water/Sewer \$ 538,460 Total Uses \$ 2,442,593	Necessary and expedient to advance the economic vitality of downtown Newton and to provide water to unserved areas.	Bids are in hand.	No major deficiencies. No defaults noted.	Debt service will be paid from the revenues to the General Fund, the Water and Wastewater Fund and Electric Fund and will not require a tax or rate increase. Average Residential Rates: Water: \$31.24 Sewer: \$39.49 Electric: \$144.08	Lender: Branch Banking & Trust Company APPROVALS Amount not to exceed: \$ 1,295,760 Approval rate: 2.620% Term (Years): 15 Market Rate: 2.10% Payment: Annual principal and interest Current G.O. Ratings: S&P: A+ Moody's: Aa3 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					
Redevelopment Water	13,027	\$ 757,300 \$ 538,460 \$ 1,295,760	9/3/2019	\$ -	\$ 1,057,523,080	\$ 8,615,802	\$0.5400	To Property Values Before	After	Per Capita Before	After	Catawba Co. \$ 661 \$ 761 \$ 895	
								0.81%	0.94%	\$	\$		

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
RANDOLPH COUNTY \$30,100,000 Limited Obligation Bonds, Series 2019B - Jail Expansion G.S.160A-20 Limited Obligation Bonds Publicly Offered	(1) Construction of an approximately 39,000 square foot of new housing wing addition to the Randolph County Detention Center which will add 202 new beds to the existing 211. (2) Upgrade to security system.	Necessary and expedient to address overcrowding issues and the expense of housing inmates in other county detention facilities as well as improving security for inmates and staff.	Guarenteed Maximum Price (GMP) has been provided by the Construction Manager at Risk (CMAR)	No major deficiencies. No defaults noted.	No tax increase is required. Debt service will be paid from revenues from Article 46 sales tax and funds from the Capital Reserve Fund.	Structure: Annual principal and semi-annual interest payments. Debt service follows straight line amortization. Expected Ratings: Moody's: Aa3 Expected Rate: Effective Interest Cost: 2.434% Expected Underwriters Fee/\$1,000: \$ 5.27
Expected Sources and Uses of Funds:						
Sources:						
Par Amount	\$ 24,920,000					
Premium	\$ 5,241,970					
Total Sources	<u>\$ 30,161,970</u>					
Uses:						
Project Costs	\$ 29,900,000					
Costs of Issuance	\$ 130,585					
Underwriter's Discount	\$ 131,385					
Total Uses	<u>\$ 30,161,970</u>					
<p style="text-align: right;">APPROVALS</p> <p>Amount Not To Exceed: \$ 30,100,000 Approval rate not to exceed: 3.200% Final Maturity not beyond: 2039</p> <p style="text-align: right;">FINANCING TEAM</p> <p>Bond Counsel: Robinson Bradshaw & Hinson, P.A. Underwriter: Robert W. Baird & Co. Underwriter's Counsel: Parker Poe Adams & Bernstein LLP Trustee: US Bank N.A.</p> <p>Installment financing agreement is the necessary vehicle for this financing.</p>						

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	144,387	\$ 30,100,000	6/3/2019	\$ -	\$ 11,637,000,000	\$ 69,837,826	\$0.6327	0.60%	0.86%	\$ 484	\$ 692

UNIT	PROJECTS	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS AND OTHER INFORMATION	MARKETABILITY
TOWN OF DAVIDSON \$14,000,000 General Obligation Bonds	<p>To provide funds to pay capital costs of acquiring, constructing, expanding, renovating, equipping and furnishing public facilities to be used for municipal services, including a town hall that incorporates community meeting space; police; firefighting; and other administrative services; and the acquisition of land, rights-of-way and easements therefor; including the following projects:</p> <p>251 South Street Building: Renovation of a former school building (circa 1948) to provide administrative office space for the Town, along with an auditorium and public meeting space. The historic building was designed by a noted local architect.</p> <p>Town Hall Renovations: Renovations to and reconfiguration of the present Town Hall to provide adequate space for Public Safety staff (police and fire) on the entire main level of the building. This project will provide adequate space for current staff, with room for growth in both departments. The project will create secure storage for forensic evidence and outdoor storage for other items (bikes, etc.) with controlled access.</p> <p>Fire Station 1: Modify and improve the kitchen and restroom areas, and construct additional living quarters.</p>	<p>The growing Town in Mecklenburg County has considered plans for additional administrative space for some time. Davidson was able to negotiate favorable terms with the local school system for this landmark building. Preservation and reuse of the former school is important to the Town and provides space for Town functions and for public activities, including growth for about 20 years. Davidson has already purchased the building.</p>	<p>The Town's professional staff prepared the necessary cost estimates, based on preliminary architectural and engineering plans: Creech and Associates, architects and Edifice Engineering.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>A tax increase of 2.0¢ in 2023 and 1.5¢ in 2024 is projected to be adequate to service the debt. Town Commissioners do not consider this to be excessive. However, with the impending sale of the Continuum local cable system, the Town would have a potential \$1.0 million in annually budgeted funds that could be used for debt service, without increasing the tax rate.</p>	<p>Bond Counsel: Parker Poe Adams and Bernstein LLP</p>	<p>Moody's: N/A S&P: N/A</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		
Public Facilities	13,228	\$ 14,000,000	11/5/2019	\$ 15,000,000.00	\$ 2,615,109,480	\$ 6,610,525	\$ 0.29	0.83%	1.36%	\$ 1,634	\$ 2,692	Mecklenburg County	\$ 1,497

UNIT	PROJECTS	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS AND OTHER INFORMATION	MARKETABILITY
CITY OF HIGH POINT \$50,000,000 General Obligation Bonds	To provide funds to pay capital costs of providing streets and sidewalks, including without limitation bridges, viaducts, causeways, overpasses, underpasses, alleys and bicycle lanes, paving, grading, resurfacing and widening streets; sidewalks, curbs and gutters, culverts and drains; traffic controls, signals and markers, lighting; grade crossings and the elimination thereof, and grade separations; streetscaping, landscaping and pedestrian improvements; and the acquisition of land therefor; For the acquisition, construction, renovation, improvement, expansion, furnishing and equipping of parks and recreation facilities, including without limitation senior centers, athletic fields, playgrounds, recreation centers, shelters, pool facilities and the land therefor; and to pay the capital costs of providing housing projects for the benefit of persons of low income, moderate income, or low and moderate income, including without limitation projects owned by a city or housing authority, and loans, grants, interest supplements or other programs of financial assistance, and the acquisition of land therefor.	Necessary and expedient to meet City needs and serve a growing population.	Cost estimates for street and sidewalk projects are based on recent projects and adjusted for inflation. Cost estimates for Park & Recreation projects are from a Master Plan (2018) from the McAdams Company. Cost estimates for the Housing projects are from Laurel Street Residential.	No major deficiencies. No defaults noted.	A tax increase is not anticipated for these bonds, based on an independent analysis that includes incremental tax growth and declining debt service over the next few years.	<u>Approvals:</u> Amount not to exceed: \$50,000,000 <u>Bond Counsel:</u> Parker Poe Adams & Bernstein, LLP	S&P: AAA Moody's: Aa1 Fitch: AA+
\$22,000,000	Street & Sidewalk: Widen a portion (0.54 mile) of Burton Ave. and Triangle Lake Road (1.23 miles), and relocate a section (0.37 mile) of Washington Street away from the railroad grade cut. NC Railroad has committed \$3,000,000 separately to stabilize the rail bed, ditches and R-O-W.						
\$21,500,000	Parks and Recreation: Construction of a new replacement Senior Center to adequately serve the growing senior population (the current center is beyond repair); replace the City Lake pool with a more dynamic facility (splash pad, water slides, etc.); renovate the gymnasium to include event space, and construct a bridge over City Lake to connect the park to a major greenway.						
\$6,500,000	Housing: Redevelopment and replacement of the Daniel Brooks Homes by the H.P. Housing Authority to include affordable housing for low and moderate income residents (100 units); Leverage tax credits and subsidized loans from NCHFA to achieve an approx. 7:1 funding ratio to increase affordable housing.						

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		
Street & Sidewalk, Parks and Recreation, Housing	114,183	\$ 50,000,000	11/5/2019	-	\$ 9,753,508,621	\$ 113,808,722	\$ 0.6475	1.17%	1.68%	\$ 997	\$ 1,435	Guilford County	\$ 1,312

UNIT	PROJECTS	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS AND OTHER INFORMATION	MARKETABILITY
INDIAN TRAIL, TOWN OF \$2,500,000 General Obligation Parks & Recreation Bond (Private Placement) G.S. 159-123	Proceeds of the bond will be used to acquire, construct, renovate, improve and equip parks and recreation facilities in the Town. Specific improvements under this bond include construction of a synthetic turf field at Chestnut Square Park and for expansion of and improvements to Crooked Creek Park. The turf field is \$750,000 and the Town has been approved for a \$250,000 NFL grant. The Town estimates \$2.0 million for Crooked Creek park improvements.	Necessary and expedient to meet the Town needs, with approval by Town voters on November 6, 2012.	The turf field project has been bid and expansion and improvements to Crooked Creek Park are based on Town professional staff estimates.	No major deficiencies. No defaults noted.	No tax increase is anticipated for debt service as growth in the tax base will provide the additional revenue.	<u>Approvals:</u> Amount not to exceed: \$2,500,000 Rate: 2.12% (fixed) Term: Not to exceed fifteen years Sale: Bank Placement Sale Date: On or about October 16, 2019 Bond Counsel: Parker Poe Adams & Bernstein LLP Purchaser: ZMFU II (ZionsBancorporation) Financial Advisor: Davenport & Company LLC	Moody's: Aa1 S&P: AA+ Fitch: N/A (The bond wil 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		
Parks & Recreation	38,795	\$ 2,500,000	11/6/2012	\$ 5,000,000	\$ 4,018,278,626	\$ 12,561,333	\$ 0.1850	0.31%	0.37%	\$ 324	\$ 388	Union County	\$ 1,826

*Excludes \$9,500,000 Thoroughfare Bonds that will expire on Nov. 8, 2021 that the Town has no plans to issue.

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	MARKETABILITY
CHAPEL HILL, TOWN OF \$12,250,000 General Obligation Refunding Bonds G.S. 159-72	All or portion of bonds to be refunded: \$11,230,000 General Obligation Public Improvement Bonds, Series 2010B (BAB), sold October 12, 2010 at a TIC of 3.8043% and a present average interest cost of 4.508%.	Necessary and expedient to provide savings on the bonds to be refunded.	Amount is adequate, with other available funds of the Town, to defease the bonds.	No major deficiencies. No defaults noted.	A tax increase is not anticipated.	<u>Structure:</u> Advance Refunding. Net present value savings of \$689,030 for the 2010B Bonds. Net present value savings at 6.135% of the refunded bonds. The refunding bonds will be structured with no extensions of maturities (final maturity April 1, 2031) and with approximately level annual gross savings of \$57,419. Competitive Sale: November 19, 2019 <u>Approvals:</u> Amount not to exceed: \$12,250,000 Bond Counsel: Sanford Holshouser LLP Financial Advisor: Davenport & Company, LLC	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 Before	After	Per Capita Before	Per Capita After
Refunding	59,903	\$12,250,000	N/A	\$ 10,000,000	\$ 8,240,275,736	\$ 60,513,000	\$ 0.5440	0.86%	0.87%	\$ 1,177	\$ 1,194
								Orange County			\$ 1,734

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
BRUNSWICK COUNTY						
Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2019A	\$ 96,500,000					
Enterprise Systems Revenue and Revenue Refunding Bonds, Series 2019B (TAXABLE)	\$ 14,000,000					
G.S. 159; Article 5						
Amount not to exceed (combined): Series 2019A:	\$ 110,500,000					
A)Financing of several of the County's water and wastewater projects. Projects to be funded:						
1)The County's proportionate rights in a 54" water transmission line. The other participants are Lower Cape Fear Water and Sewer Authority ("LCFWSA")and Cape Fear Water and Sewer Authority ("CFPUA"). The line will be part of LCFWSA's Kings Bluff Water Supply System.	\$ 28,904,230					
2)Expansion of the Northeast Brunswick Regional Wastewater Treatment Plant from a capacity of 2.475 MGD to one of 4.975 MGD.	\$ 45,689,959					
3)Construction of two force mains in conjunction with the wastewater treatment plant expansion to increase transmission capacity to the plant: West Force Main - 14,890 lineal feet of 16" pipe.	\$ 2,891,693					
East Force Main - 11,550 lineal feet of 18" pipe.	\$ 3,619,953					
Total Projects:	\$ 81,105,835					

Term: 30 years
Interest Rate: Fixed
Structure: Amortization of the new-project financing will produce approximately level debt service to provide stable requirements to support the current rate model. Amortization of the refunding principal will be structured to provide even realization of cash savings across the term of the refunded debt, which has not been extended.
Expected Rate:
Effective Interest Cost:
Series 2019A-2.80%
Series 2019B-2.38%
Expected Underwriters Fee: \$4.47/\$1,000

APPROVALS

Amount not to exceed:
Series 2019A \$96,500,000
Series 2019B \$14,000,000
Final maturity:
Series 2019A-Not beyond 2050
Series 2019B-Not beyond 2029
Interest Rate not to exceed:
Effective Interest Cost:
Series 2019A-3.55%
Series 2019B-3.35%

FINANCING TEAM:

Bond Counsel: Parker, Poe, Adams & Bernstein LLP
Underwriters: Robert W. Baird & Co. (Sr. Manager); George K. Baum & Company (Co-manager)
Underwriters Counsel: McGuire Woods LLP
Registrar/Trustee: U.S. Bank National Association (DTC)
Feasibility Consultant: Raftelis Financial Consultants, Inc.
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
BRUNSWICK COUNTY	CONTINUED					
B)Current refunding of the County's Enterprise Systems Revenue Bonds, Series 2004B	\$ 2,607,523					
C)Potential current refunding of three of the County's State Revolving Fund ("SRF") Loans	\$ 12,712,817	<u>Expected Sources and Uses of Funds:</u>				
Total Series 2019A:	<u>\$ 96,426,175</u>	<u>Series 2019A</u>	<u>Series 2019B</u>	<u>Total</u>		
Series 2019B:		Sources:				
D)Advance refunding of the County's Enterprise Systems Revenue Refunding Bonds, Series 2012A	\$ 13,620,000	Revenue Bonds at par:	\$79,945,000	\$13,685,000	\$93,630,000	
Total Series 2019B:	<u>\$ 13,620,000</u>	Premium	\$16,456,856		\$16,456,856	
Total expected costs financed:	<u>\$ 110,046,175</u>	Brunswick Co. Contributions	\$26,616,373		\$26,616,373	
Pertaining to the Series 2004B refunded bonds:		Total Sources	<u>\$123,018,229</u>	<u>\$13,685,000</u>	<u>\$136,703,229</u>	
Originally issued	\$ 8,125,000	Uses:				
Outstanding currently	\$ 2,593,412	Project Fund	\$105,128,497		\$105,128,497	
Balance to be refunded	\$ 2,593,412	Refunding Escrow	\$15,219,054	\$13,585,534	\$28,804,588	
Pertaining to the Series 2012A refunded bonds:		Capitalized Interest	\$2,095,605		\$2,095,605	
Originally issued	\$ 23,145,000	Issuance Costs	\$217,541	\$38,264	\$255,805	
Outstanding currently	\$ 16,805,000	Underwriter's Discount	\$357,532	\$61,202	\$418,734	
Balance to be refunded	\$ 12,520,000	Total Uses	<u>\$123,018,229</u>	<u>\$13,685,000</u>	<u>\$136,703,229</u>	
Pertaining to the SRF Loans:						
Originally issued	\$ 35,777,944					
Outstanding currently	\$ 12,605,150					
Balance to be potentially refunded	\$ 12,605,150					

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
CAPE FEAR PUBLIC UTILITY AUTHORITY						
Water and Sewer System Revenue and Refunding Revenue Bonds, Series	Necessary and expedient to provide financing of the Authority's water capital improvements in order to provide for continued growth in the area and to maintain assets in servicable condition and to provide additional treatment for removal of known contaminants in the water supply. Current capital market conditions indicate a net present value savings (NPV) of approximately \$1,894,000 or 5.83% of the refunded Series 2017 Bond and an NPV of \$737,000 or 5.63% of the refunded 2014A Bonds. The savings on the potentially refundable 2014A Bonds are not currently high enough for them to be valid candidates for refunding in the current interest rate environment but, because of current rate volatility and the 2014A Bonds' savings proximity to the conventional 3% savings threshold, the Authority requests the Commission's approval to refund the 2014A maturity loans individually if the 3% savings threshold is met for each maturity loan refunded and this is reasonable. The Authority will refund no financing that does not result in an NPV savings of 3% of the amount refunded.	Bids are in hand for all projects and all material permits have been obtained. The Series 2017 refunding is current. Verification of the adequacy of the advance Series 2014A refunding balances will be performed by American Municipal Tax-Exempt Compliance Corp.	A feasibility study has been undertaken by Willdan Financial Services and the substantially complete version of the document demonstrates required coverages of debt service by income available for debt service as defined in the bond covenants of at least 1.58X on total system debt and at least 1.50X on Parity Bonds only through Fiscal Year 2024. Average residential monthly water and sewer bill is \$71.58 based on usage of 5,000 gallons with rate increases of 22% and 2.5% for water in 2021 and 2024, respectively and an increase of 2.5% for sewer in 2024.	No major deficiencies. No defaults noted.	Public Sale in \$5,000 denominations. Sale is scheduled on October 17, 2019 so as to not conflict with any other revenue bonds. Bonds are expected to be rated Moody's: Aa1, S&P: AA+	Term: 25 years Interest Rate: Fixed Structure: Amortization of the new-project financing will produce approximately level debt service to provide stable requirements to support the current rate model. Amortization of the refunding principal will be structured to provide even realization of cash savings to the extent the requirements of the transaction allow across the term of the refunded debt, which has not been extended. Expected Rate: Effective Interest Cost: Series 2019A-2.81% Series 2019B-3.11% Expected Underwriters Fee: \$2.51/\$1,000
Bonds, Series 2019A	\$ 92,000,000					
Taxable Water and Sewer System Refunding Revenue Bonds, Series 2019B	\$ 35,000,000					
G.S. 159; Article 5						
Amount not to exceed (combined): Series 2019A:	\$ 127,000,000					
A)Financing of several of the Authority's water projects. Projects to be funded:						
1)The Authority's proportionate rights in a 54" water transmission line. The other participants are Lower Cape Fear Water and Sewer Authority ("LCFWSA")and Brunswick County ("the County"). The line will be part of LCFWSA's Kings Bluff Water Supply System.	\$ 15,373,131					
2)Enhancements and improvements at the Sweeny Water Treatment Plant that will reduce contaminants during the water treatment process and will increase plant capacity by 9 MGD.	\$ 42,952,056					
Total Projects:	\$ 58,325,187					
B)Current refunding of the Authority's Water and Sewer System Revenue Refunding Bond, Series 2017	\$ 32,606,304					
Total Series 2019A:	\$ 90,931,491					
Series 2019B:						
C)Advance refunding of the Authority's Water and Sewer System Revenue and Refunding Revenue Bonds, Series 2014A Bonds	\$ 34,515,000					
Total Series 2019B:	\$ 34,515,000					
Total expected costs financed:	\$ 125,446,491					
						APPROVALS
						Amount not to exceed: Series 2019A \$92,000,000 Series 2019B \$35,000,000 Final maturity: Series 2019A-Not beyond 2045 Series 2019B-Not beyond 2040 Interest Rate not to exceed: Effective Interest Cost: Series 2019A-3.90% Series 2019B-3.45%
						FINANCING TEAM: Bond Counsel: Parker, Poe, Adams & Bernstein LLP Underwriters: J.P. Morgan Securities LLC (Sr. Mgr.); Robert W. Baird & Company (Co-Mgr.); Well Fargo Bank, National Association (Co-Mgr.) Underwriters Counsel: Womble Bond Dickenson (US), LLP Registrar/Trustee: U.S. Bank National Association (DTC) Financial Advisor: Davenport & Company LLC Verification Agent: American Municipal Tax-Exempt Compliance Corporation

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION																																																																																					
CAPE FEAR PUBLIC UTILITY AUTHORITY																																																																																											
CONTINUED																																																																																											
Pertaining to the Series 2017 refunded bonds: Originally issued \$ 32,890,000 Outstanding currently \$ 32,486,000 Balance to be refunded \$ 32,486,000		<u>Expected Sources and Uses of Funds:</u> <table border="1"> <thead> <tr> <th colspan="2"></th> <th>Taxable</th> <th colspan="2">Total</th> </tr> <tr> <th colspan="2"></th> <th>Series 2019B</th> <th>Series 2019B</th> <th>Total</th> </tr> <tr> <th colspan="2"></th> <th>Series 2019A</th> <th>Series 2019B</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Sources:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Revenue Bonds at par:</td> <td>Sources:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Premium</td> <td>Revenue Bonds at par:</td> <td>\$75,705,000</td> <td>\$15,140,000</td> <td>\$90,845,000</td> </tr> <tr> <td>Budgeted Debt Service</td> <td>Premium</td> <td>\$15,655,782</td> <td></td> <td>\$15,655,782</td> </tr> <tr> <td>Total Sources</td> <td>Budgeted Debt Service</td> <td>\$333,954</td> <td>\$283,616</td> <td>\$617,570</td> </tr> <tr> <td></td> <td>Brunswick Co. Contribution</td> <td>\$26,616,373</td> <td></td> <td>\$26,616,373</td> </tr> <tr> <td>Uses:</td> <td>Total Sources</td> <td><u>\$118,311,109</u></td> <td><u>\$15,423,616</u></td> <td><u>\$133,734,725</u></td> </tr> <tr> <td>Project Fund</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Refunding Escrow</td> <td>Uses:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Issuance Costs</td> <td>Project Fund</td> <td>\$85,016,373</td> <td></td> <td>\$85,016,373</td> </tr> <tr> <td>Underwriter's Discount</td> <td>Refunding Escrow</td> <td>\$32,748,488</td> <td>\$15,312,317</td> <td>\$48,060,805</td> </tr> <tr> <td>Total Uses</td> <td>Issuance Costs</td> <td>\$355,875</td> <td>\$73,227</td> <td>\$429,102</td> </tr> <tr> <td></td> <td>Underwriter's Discount</td> <td>\$190,373</td> <td>\$38,072</td> <td>\$228,445</td> </tr> <tr> <td></td> <td>Total Uses</td> <td><u>\$118,311,109</u></td> <td><u>\$15,423,616</u></td> <td><u>\$133,734,725</u></td> </tr> </tbody> </table>							Taxable	Total				Series 2019B	Series 2019B	Total			Series 2019A	Series 2019B	Total	Sources:					Revenue Bonds at par:	Sources:				Premium	Revenue Bonds at par:	\$75,705,000	\$15,140,000	\$90,845,000	Budgeted Debt Service	Premium	\$15,655,782		\$15,655,782	Total Sources	Budgeted Debt Service	\$333,954	\$283,616	\$617,570		Brunswick Co. Contribution	\$26,616,373		\$26,616,373	Uses:	Total Sources	<u>\$118,311,109</u>	<u>\$15,423,616</u>	<u>\$133,734,725</u>	Project Fund					Refunding Escrow	Uses:				Issuance Costs	Project Fund	\$85,016,373		\$85,016,373	Underwriter's Discount	Refunding Escrow	\$32,748,488	\$15,312,317	\$48,060,805	Total Uses	Issuance Costs	\$355,875	\$73,227	\$429,102		Underwriter's Discount	\$190,373	\$38,072	\$228,445		Total Uses	<u>\$118,311,109</u>	<u>\$15,423,616</u>	<u>\$133,734,725</u>
		Taxable	Total																																																																																								
		Series 2019B	Series 2019B	Total																																																																																							
		Series 2019A	Series 2019B	Total																																																																																							
Sources:																																																																																											
Revenue Bonds at par:	Sources:																																																																																										
Premium	Revenue Bonds at par:	\$75,705,000	\$15,140,000	\$90,845,000																																																																																							
Budgeted Debt Service	Premium	\$15,655,782		\$15,655,782																																																																																							
Total Sources	Budgeted Debt Service	\$333,954	\$283,616	\$617,570																																																																																							
	Brunswick Co. Contribution	\$26,616,373		\$26,616,373																																																																																							
Uses:	Total Sources	<u>\$118,311,109</u>	<u>\$15,423,616</u>	<u>\$133,734,725</u>																																																																																							
Project Fund																																																																																											
Refunding Escrow	Uses:																																																																																										
Issuance Costs	Project Fund	\$85,016,373		\$85,016,373																																																																																							
Underwriter's Discount	Refunding Escrow	\$32,748,488	\$15,312,317	\$48,060,805																																																																																							
Total Uses	Issuance Costs	\$355,875	\$73,227	\$429,102																																																																																							
	Underwriter's Discount	\$190,373	\$38,072	\$228,445																																																																																							
	Total Uses	<u>\$118,311,109</u>	<u>\$15,423,616</u>	<u>\$133,734,725</u>																																																																																							
Pertaining to the Series 2014A refunded bonds: Originally issued \$ 60,355,000 Outstanding currently \$ 52,260,000 Balance expected to be refunded \$ 13,090,000 Balance to be potentially refunded \$ 17,625,000																																																																																											
TOWN OF LEWISTON-WOODVILLE																																																																																											
Sewer \$862,000 Revenue Bond G.S. 159; Article 5 Construction of a new 150,000 gpd wastewater treatment plant which includes construction, startup and testing of the replacement treatment plant on site while the existing plant is online. Once the new plant is online, the old plant shall be removed. The project may include full or partial pipe lining, point repairs, open-trench replacement and cementitious lining. The project will also include the renovation of three sanitary sewer pumping stations, as well as replacement of pumps, motors and controls and wetwell rehabilitation.	Necessary and expedient because the wastewater treatment plant & collection system are estimated to be over 50 years old. The plant is in poor condition due to its age and wear associated with 50+ years of usage.	Bids in hand.	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: N/A Sewer: \$45.00	No major deficiencies. No defaults noted.	USDA commitment to purchase the bonds upon substantial completion of the project.	Term: RBAN: 12 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service APPROVALS Issue Amount Revenue Bond: \$862,000 Issue Amount Revenue BAN: \$862,000 Final Maturity: RBAN: No later than 10/16/2020 RB: 2060 or 40 years after the maturity of the RBAN Interest Rate: RBAN: Not to exceed 5% RB: \$862,000 2.125% FINANCING TEAM Bond Counsel: McGuireWoods, LLP Revenue BAN: To be approved by the Secretary of the Commission Revenue Bond: USDA Rural Development Registrar: Finance Officer																																																																																					
USDA Loan \$ 862,000 USDA Grant \$ 316,000 USDA Grant \$ 1,774,000 <u>\$ 2,952,000</u>																																																																																											

PROJECT		PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
LINCOLN COUNTY		Necessary and expedient to provide the County with the ability to meet increasing demand for water due to significant population growth.	Bids are in hand and all material permitting is complete and in hand.	The City has provided internal projections for the period 2020-2024 and the projections have been reviewed by Raftelis Financial Consultants, Inc. Current projections demonstrate required coverages of debt service by income available for debt service as defined in the Bond Covenants of at least 1.53X on total system debt thru 2024. Average Fiscal Year 2020 residential monthly water bill based on 6,000 gallons is \$40.64 and is expected to have an increase of 10% in fiscal year 2021 with no others through 2024.	No major deficiencies. No defaults noted.	The transaction will be directly placed with Branch Banking and Trust Company and will not conflict with any other financings.	Term: Not to exceed 20 years. Interest Rate: Fixed Structure: The debt service related to the new projects will be approximate effective interest amortization resulting in level payments.
Enterprise System Revenue Bond, Series 2019 G.S. 159; Article 5							
Amount not to exceed:	\$ 8,000,000						
Project: Installation of approximately 32,000 lineal feet of waterlines of various diameters, a new booster pump station and a disinfection system.							
<u>Expected Sources and Uses of Funds:</u>							
Sources:							
Revenue Bond at par:	\$ 7,940,000						
Total Sources	\$ 7,940,000						
Uses:							
Project Costs	\$ 7,800,000						
Issuance Costs	\$ 140,000						
Total Uses	\$ 7,940,000						
							APPROVALS
							Final maturity: Not beyond 2039 Interest Rate not to exceed: 2.65%
							Amount not to exceed: \$8,000,000
							FINANCING TEAM
							Bond Counsel: Robinson, Bradshaw & Hinson, P.A. Lender: Branch Banking and Trust Company Lender's Counsel: Pope Flynn, LLC Trustee/Registrar: U.S. Bank, National Association Financial Advisor: Davenport & Company LLC Agreed Upon Procedures Consultant: Raftelis Financial Consultants, Inc.

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION																				
<p>WILMINGTON HOUSING AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS (Market North Apartments), Series 2019A, 2019B, 2019C</p> <p>G.S. 159-148; 159-153; 157-17.1</p> <p>Not to exceed \$43,000,000 Series A- \$27 million tax exempt Series B- app. \$8 million taxable Series C- app. \$8 million taxable (construction period)</p> <p>The proceeds of the bonds will be used to provide a loan to Market North Housing Partners, LP a North Carolina limited liability partnership, or an affiliate, for the acquisition, rehabilitation and equipping of approx. 202 apartment units located in the City of Wilmington on 19.94 acres. The apartments are targeted for 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).</p> <p><u>Sources of Funds</u></p> <table border="0"> <tr> <td>Ist Mortgage Note</td> <td>\$ 27,000,000</td> </tr> <tr> <td>Permanent Loan #2</td> <td>\$ 8,000,000</td> </tr> <tr> <td>Federal LIHTC Equity</td> <td>\$ 14,797,353</td> </tr> <tr> <td>Deferred Developer Fee & Interim Sources</td> <td>\$ 270,152</td> </tr> <tr> <td>Total Sources</td> <td>\$ 50,067,505</td> </tr> </table> <p><u>Uses of Funds</u></p> <table border="0"> <tr> <td>Construction and Land Acquisition</td> <td>\$ 39,162,661</td> </tr> <tr> <td>Fees and soft costs</td> <td>\$ 8,050,465</td> </tr> <tr> <td>Costs of Issuance</td> <td>\$ 1,213,291</td> </tr> <tr> <td>Interest, Reserves and Other</td> <td>\$ 1,641,088</td> </tr> <tr> <td>Total Uses</td> <td>\$ 50,067,505</td> </tr> </table>	Ist Mortgage Note	\$ 27,000,000	Permanent Loan #2	\$ 8,000,000	Federal LIHTC Equity	\$ 14,797,353	Deferred Developer Fee & Interim Sources	\$ 270,152	Total Sources	\$ 50,067,505	Construction and Land Acquisition	\$ 39,162,661	Fees and soft costs	\$ 8,050,465	Costs of Issuance	\$ 1,213,291	Interest, Reserves and Other	\$ 1,641,088	Total Uses	\$ 50,067,505	<p>Wilmington Housing Authority has found that the project is necessary to continue to provide an adequate supply of affordable housing for residents of the City.</p> <p>The development will be a mixed income development with 100% of the units dedicated to households with incomes at or below 60% of the area median income for the Wilmington area. 11 of the units will be reserved as ADA units serving households with disabilities.</p> <p>This will exceed tax code requirements restricting 40% of the 202 units to residents with incomes restricted to 60% of area median income.</p>	<p>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.</p> <p>The issuer has found that the debt to be incurred in connection with the project is adequate but not excessive and the fees are reasonable. In addition, the Rental Investment section of the NCHFA has reviewed this information and has found it to be reasonable.</p>	<p>The developer has provided 10-year cash flow projections that show debt service coverage for the bonds will range from 1.15X to 1.30X</p> <p>The lender has performed its own credit review.</p> <p>The developer commissioned a market analysis which concluded sufficient support for the introduction and absorption of affordable rental units within the market area at the proposed affordable rental rates.</p>	<p>No defaults noted. No major deficiencies.</p>	<p>Direct Purchase.</p> <p>Purchaser will restrict any bond transfers to "Approved Buyers" defined as Accredited Investors as currently defined in SEC Reg. D or a qualified institutional buyer as defined in Rule 144A of the Securities Act of 1933, but excluding individual investors, including high net worth individuals.</p> <p>Each transferee will execute a letter stating its full intent to retain the bonds for its own portfolio and stipulating that any transfer of the bonds must be restricted to an Approved Buyer</p> <p>Sale of the bonds will not conflict with the sale of any other revenue bonds.</p>	<p>Term: Approximately 16 years after 15 months construction</p> <p>40 year amortization Direct Purchase Structure</p> <p>Interest Rate: Series A: Fixed Rate calculated as (15 year LIBOR +325 bps) * .79 current indicative rate 3.93% Series B: Fixed Rate calculated as 15 year LIBOR +325 bps current indicative rate 4.97% Series C: Fixed Rate calculated as 2 year LIBOR +325 bps current indicative rate 4.95% Structure: Construction phase-interest only approximately level debt service thereafter</p> <p>APPROVALS Amount: Not to exceed \$43,000,000 Final Maturity: Not to exceed December 31, 2061 Interest Rate: Tax-exempt not to exceed 8.0%</p> <p>FINANCING TEAM Bond Counsel: McGuireWoods LLP Borrower: Market North Housing Partners, LP Borrower's Counsel: Winthrop & Weinstine, P.A. Issuer's Counsel: The Banks Law Firm, P.A. Trustee: Regions Bank Initial Purchaser: Sterling National Bank Servicer: R4 Servicer LLC Servicer's Counsel: Kutak Rock LLP LIHTC Equity Investor: R4 MNAC Acquisition LLC LIHTC Equity Investor Legal Counsel: Nixon Peabody LLP</p>
Ist Mortgage Note	\$ 27,000,000																									
Permanent Loan #2	\$ 8,000,000																									
Federal LIHTC Equity	\$ 14,797,353																									
Deferred Developer Fee & Interim Sources	\$ 270,152																									
Total Sources	\$ 50,067,505																									
Construction and Land Acquisition	\$ 39,162,661																									
Fees and soft costs	\$ 8,050,465																									
Costs of Issuance	\$ 1,213,291																									
Interest, Reserves and Other	\$ 1,641,088																									
Total Uses	\$ 50,067,505																									

PROJECT	NECESSARY AND EXPEDIENT ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY	DATE & MANNER OF SALE/ADVERSE EFFECTS	TERMS/OTHER INFORMATION														
<p>UNIVERSITY HEALTH SYSTEMS OF EASTERN CAROLINA, INC. (D/B/A Vidant Health) and PITT COUNTY MEMORIAL HOSPITAL, INCORPORATED (D/B/A Vidant Medical Center) as members of the Obligated Group</p> <p>North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Vidant Health) Series 2019A (Taxable), Health Care Facilities Revenue Refunding Bonds Series 2022 (Tax-Exempt), and Series 2019B (Tax-Exempt) G.S. 131A</p> <p>Amount: Not to exceed: \$ 155,000,000</p> <p>Locations: Greenville, Tarboro, Edenton, Ahoskie, Windsor, Nags Head, Washington, Kenansville and Belhaven.</p> <p>Licensed Beds in nine acute care hospital facilities: 1,504</p> <p>The 2019A Taxable Bonds issuance will be used for the:</p> <p>a) Advance refunding of a portion of the Series 2012A Bonds (all but 2033 maturity) that are callable beginning on June 1, 2022. The proceeds of which were used to refund the Series 1998A Bonds which refunded prior debt and financed certain hospital and outpatient facilities.</p> <p>b) Payment of certain fees and expenses incurred in connection with the sale and issuance of the Series 2019A Bonds.</p> <p>The 2019B Tax-exempt Bonds issuance will be used to:</p> <p>a) Refund the currently callable Series 2012A Bonds (2033 maturity). The proceeds refunded the Series 1998A Bonds.</p> <p>b) Refund outstanding Halifax Regional Medical Center Series 2011 and Series 2016 Bonds, the proceeds of which were used to finance various improvements to Halifax Regional.</p> <p>c) Prepay a taxable term loan note issued by Halifax Regional Medical Center.</p> <p>d) Pay the cost of acquiring a helicopter to be used for medical transportation purposes.</p> <p>e) Pay certain fees and expenses incurred in connection with the sale and issuance of the Series 2019B Bonds.</p>	<p>NCMCC has previously approved the project. Amount is adequate to refund Vidant Series 2012A Bonds, Halifax Series 2011 Bonds, Halifax Series 2016 Bonds, and prepay the Halifax taxable bank loan.</p> <p>The proceeds of the taxable 2019A Bonds will be used to advance refund a portion of the callable Series 2012A Bonds. The Bank will also enter into a Forward Purchase Option Agreement, which will lock a fixed rate for the Tax-Exempt Refunding Bonds expected to be issued on March 3, 2022.</p> <p>With the Forward Agreement in place, the estimated net present value savings for the overall financing is estimated to be \$19.47 million or 14.18% of the refunded bonds, based on the assumption that the Taxable 2019A Bonds will be converted to Tax- Exempt Bonds.</p>	<p>No defaults or deficiencies were noted.</p>	<p>Borrower has provided projections showing estimated debt service coverage of at least 3.17 times through 2023.</p>	<p>Bank Placement with TD Bank, N.A. of the Series 2019 Bonds (Taxable and Tax-Exempt) are currently scheduled to close on October 23, 2019. The 2022 Series Bonds (Tax-Exempt) are anticipated to close on March 3, 2022.</p> <p>Current Bond Ratings: S & P: A+ Moody's: A1</p> <p>The proposed bonds will not be rated</p>	<p>Term: ~17 Years 2019A - 6/1/2036; 2019B - 6/1/2033; 2022 - 6/1/2036 No extension of maturities.</p> <p>Interest Rate: Fixed 2019A Taxable: 3.03% (expected) 15 yr. initial bank hold period 2019B Tax Exempt: 2.37% (expected) to term 2022 Tax Exempt: 2.47% (expected) 15 yr. initial bank hold period</p> <p>Structure: modified wrapped debt; overall declining debt service payments.</p> <p>APPROVALS: Amount not to exceed \$155,000,000 Final maturity not to exceed June 1, 2036. Approval initial fixed rates not to exceed: 6.00 %</p> <p>Tax-Exempt Bonds: Should the Bank call the bonds or at the end of the holding period, the Borrower has the option to find another non-bank qualified loan provider, convert to another permitted interest rate mode or the Bank will pay off the NCMCC Bond and enter into a direct taxable loan on terms agreed to by the Bank and Borrower.</p> <p>FINANCING TEAM: Bond Counsel: Womble Bond Dickinson (US) LLP Borrower Counsel: K&L Gates, LLP Bond Purchaser: TD Bank, N.A. Bond Purchaser Counsel: Chapman and Cutler LLP Trustee/Escrow Agent: U.S. Bank, National Association Financial Advisor: Ponder & Co. Verification Agent: The Arbitrage Group, Inc.</p>														
<p><u>Expected Sources and Uses of Funds</u></p> <p><u>Sources:</u></p> <table border="0"> <tr> <td>Par Amount of 2019A & B Bonds</td> <td style="text-align: right;">\$ 148,620,000</td> </tr> <tr> <td>Total Sources of Funds</td> <td style="text-align: right;"><u>\$ 148,620,000</u></td> </tr> </table> <p><u>Uses:</u></p> <table border="0"> <tr> <td>Refunding Escrow Deposit</td> <td style="text-align: right;">\$ 95,004,695</td> </tr> <tr> <td>Redemption of Bonds</td> <td style="text-align: right;">\$ 49,331,672</td> </tr> <tr> <td>Project Fund - Helicopter Purchase</td> <td style="text-align: right;">\$ 3,860,000</td> </tr> <tr> <td>Costs of Issuance</td> <td style="text-align: right;"><u>\$ 423,633</u></td> </tr> <tr> <td>Total uses of funds</td> <td style="text-align: right;"><u>\$ 148,620,000</u></td> </tr> </table>	Par Amount of 2019A & B Bonds	\$ 148,620,000	Total Sources of Funds	<u>\$ 148,620,000</u>	Refunding Escrow Deposit	\$ 95,004,695	Redemption of Bonds	\$ 49,331,672	Project Fund - Helicopter Purchase	\$ 3,860,000	Costs of Issuance	<u>\$ 423,633</u>	Total uses of funds	<u>\$ 148,620,000</u>					
Par Amount of 2019A & B Bonds	\$ 148,620,000																		
Total Sources of Funds	<u>\$ 148,620,000</u>																		
Refunding Escrow Deposit	\$ 95,004,695																		
Redemption of Bonds	\$ 49,331,672																		
Project Fund - Helicopter Purchase	\$ 3,860,000																		
Costs of Issuance	<u>\$ 423,633</u>																		
Total uses of funds	<u>\$ 148,620,000</u>																		

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 MURPHY Sewer \$794,250 G.S. 159G-22 Revolving Loan	Replacement of existing 12" sewer with approximately 1000 ft. of new 12" ductile sewer line. Installation of 5 new manholes will also be included, with proper excavation / backfill / structural support to ensure no settlement of the line or manholes. The project will maximize any and all available grade to maximize flow velocities in this relatively flat portion of the collection system, prevent surcharges that are currently being experienced, and provide the necessary design capacity for effective system operation.	Necessary and expedient due to deteriorated soil quality in the project area. Sanitary Sewer Overflows have also recently increased due to higher demand on the system and likely the continued settlement of the manholes and piping.	Cost estimates provided by McGill Associates, PA.	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: \$20.60 Sewer: \$12.00	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%.	
TOWN OF WINTERVILLE Sewer \$3,032,200 G.S. 159G-22 Revolving Loan	Rehabilitation of approximately 19,000 linear feet of 8-inch to 12-inch lines and complete approximately 3800 LF of point repairs and pipe replacement. No expansion or increase in capacity is associated with this project.	Necessary and expedient to reduce inflow and infiltration. This project will principally address rehabilitation in areas previously studied but also address lines which are problematic to operations and maintenance of the Town. Approximately 60% of the infrastructure proposed for this project is greater than 40 years old.	Cost estimates provided by Rivers & Associates, 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: \$25.71 Sewer: \$40.82	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%.	

City of Charlotte

MISCELLANEOUS - ACTION ITEMS

The City of Charlotte requests approval to issue up to \$150,000,000 in a Short-Term Bond under general obligation bond authorizations previously approved by the Commission. Under the Draw Program, the City will draw funds as advances under a bond in the amount and at times needed to pay the cost of projects being financed under authorizations for Transportation Improvements, Public Improvements and Neighborhood Improvements. The City previously used a similar draw program in 2016 for projects authorized by voters. The bond will be issued non-competitively and bear interest at a floating rate of interest based upon 79.0% of one-month LIBOR, plus 22 basis points (.22%) per annum calculated on an actual/360 basis from the date of the bond for actual amounts drawn. There is no fee for funds not drawn. At or before maturity of the bond, the City will redeem the Bond by issuance of fixed rate general obligation bonds or other available funds of the City. The full-funding date of the bond will be October 15, 2022. The interest rate shall not exceed 25.0%. The City agrees to provide the LGC staff with notification of each new advance from the bond authorization and submit to staff written confirmation within four business days of an advance request.

The financing team members are:

Bond Counsel:	Parker Poe Adams & Bernstein LLP
BAN Purchaser:	PNC Bank, National Association
Bank Counsel:	McGuireWoods LLP
Financial Advisor:	DEC Associates, Inc.



STATE ETHICS COMMISSION
POST OFFICE BOX 27685
RALEIGH, NC 27611
PHONE: 919-814-3600

Via Email

September 20, 2019

The Honorable Beth A. Wood
North Carolina Office of the State Auditor
20601 Mail Service Center
Raleigh, North Carolina 27699

Re: Evaluation of Statement of Economic Interest by Mr. Graham Kent McLamb to Serve as Your Designee on the Local Government Commission

Dear Auditor Wood:

Our office has received Mr. Graham Kent McLamb's 2019 Statement of Economic Interest to serve as your designee on the Local Government Commission ("the Commission"). We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

We did not find an actual conflict of interest or the likelihood for a conflict of interest.

The Local Government Commission ("LGC") is authorized to issue rules and regulations governing procedures for the receipt, deposit, investment, transfer, and disbursement of money and other assets by local governments and other public authorities, including public hospitals, including rules establishing the standards for financial auditing and reporting and mutual fund investments. LGC also reviews the internal control procedures utilized by local governments and implements modifications to prevent mishandling of public monies, approves local government bonds and project development financing debt instruments, sells bonds issued by local governments, and approves financing agreements between local governments and other entities. LGC is authorized to impound the books and records of any public authority or unit of local government and assume full control of its financial affairs under specific circumstances.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also

The Honorable Beth A. Wood
September 20, 2019
Page 2 of 2

requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. McLamb will serve as your designee on the Commission.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

Mary Roerden, SEI Unit
State Ethics Commission

cc: Graham Kent McLamb, Chief Deputy
Laura Rowe, Ethics Liaison

Attachment: Ethics Education Guide