

LOCAL GOVERNMENT COMMISSION AGENDA
JANUARY 11, 2022

1. PLEDGE OF ALLEGIANCE

2. CONFLICT OF INTEREST STATEMENT

3. MINUTES FOR APPROVAL

December 7, 2021

(FINAL)

RELATED INFORMATION
Approximate Per Capita Debt

State: \$ 572
Federal: \$ 86,810

<u>Unit</u>	<u>Type</u>	<u>Purpose</u>	<u>Amount</u>	<u>Comments</u>	<u>Page Number</u>	<u>Last request to Borrow</u>
Brunswick County	Financing Agreement	Refinancing	\$ 11,225,000	FPIC		R 5-2020 \$160MM
Columbus County	Financing Agreement	Schools (USDA)	\$ 27,903,721	FPIC		FA 9-2021 \$14.6MM
Town of Pembroke	Revolving Loan	Waste Water	\$ 1,156,500	FPIC		GO 10-2018 \$836K
<u>BEGIN Consent Agenda</u>						
Town of Leland	Financing Agreement	Refinancing & Municipal Building (Fire)	\$ 5,800,000			FA 6-2020 \$3.3MM
Town of Morehead City	Financing Agreement	Refinancing	\$ 7,049,600			FA 1-2020 \$3.1MM
Town of Nags Head	Financing Agreement	Land	\$ 1,200,000			FA 5-2020 \$1.4MM
Washington, City of	Financing Agreement	Municipal Building (Police)	\$ 6,610,920			RL 9-2017 \$938K
Holly Springs, Town of	G.O. Refunding Bonds	Current Refunding	\$ 17,500,000			FA 5-2021 \$21.7MM
City of Bessemer City	Revenue Bonds	Water and Waste Water	\$ 4,998,000			FA 1-2021 \$7.9MM
Charlotte-Mecklenburg Hospital Authority (Atrium)	Revenue Bonds	Refinancing	\$ 165,000,000			R 12-2021 \$200MM
City of Charlotte	Revolving Loan	Water	\$ 11,000,000			GO 11-2021 \$350MM
Pamlico County	Revolving Loan	Water	\$ 3,002,725			RL \$1.2M 6-2019
<u>END Consent Agenda</u>						

MISCELLANEOUS ITEMS

NON-ACTION

Referenda Results November 2 Referendum

UNIT UPDATES

East Laurinburg	Update Only		
Eureka	Update Only		
Cliffside Sanitary District	Action Item	Resolution for Policy to Dispose of Property	Vote Needed
Kingstown	Update Only		
Pikeville	Update Only		
Robersonville	Action Item	Approve Budget Amendments (2)	Vote Needed
Spring Lake	Action Item	Resolution for Policy to Dispose of Property	Vote Needed

Units Engaged in Fiscal Accountability Agreement

Scotland Neck Update Only

NOTE: LGC Staff recommends approval of all financing requests on the January 2022 agenda.

[illegible]

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 PEMBROKE Waste Water \$1,156,500 G.S. 159G-22 Revolving Loan	This project replaces multiple components of the Town's Waste Water Treatment Plant (WWTP) including: 1. Concrete structure for sceening grit removal; 2. Mechanical bar screen with bypass manual bar screen; 3.Existing grit removal system with the associated grit classifier; 4. Sodium hydroxide (caustic) building; 5. Brush paddle aerators; 6. Brush aerator motors.	This project is necessary and expedient as the WWTP was constructed in 1995/96 without substantial upgrades during the subsequent years. The project will provide replacement of critical and underperforming equipment which results in continual increased maintenance of the mechanical components identified. The replacement will provide for continuous and reliable operations and improve the treatment performance.	Cost estimate provided by The East Wooten Company.	The Town received a FPIC (Financial Performance Indicator of Concern) due to the water and sewer rates are not covering the operating expenses. The Town's 2021 revenue was impacted by Covid. UNC Pembroke is their largest customer, providing 24-26% of the Town's water and sewer revenues. Their response was satisfactory.	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. Current Rates: 5,000 gal. Water: \$21.47 Sewer: \$ 27.05	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	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE	
TOWN OF LELAND	This project consists of the refinancing of an existing loan that was originally entered into in June of 2020 to purchase property and upgrade facilities on the property. This project will also finance the construction of fire station #51 on the existing property. The proposed fire station will be a 14,110 square foot facility that includes four 70' apparatus bays, 8 bedrooms, a 1200 square foot conference room, 3 offices, and a 672 square foot fitness area.	Necessary and expedient to provide critical service responses to residents and businesses with the Town of Leland's fire district.	Guaranteed Maximum Price has been provided as part of Design-Build contract.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: Approval Rate: Term: Market Rate: Payment: S&P: Moody's:	South State Bank 1.63% 10 Years 1.50% Annually N/A N/A
\$5,800,000		The refinancing of the 2020 loan will result in total interest savings of approximately \$314,000 over remaining term.	Payoff amount of the 2020 loan has been provided by the bank.				Installment purchase contract is more timely than issue of G.O. Bonds
Municipal Buildings; Refinancing G.S. 160A-20							
Installment Purchase Contract							
Private Placement							
	<u>Sources:</u>						
	Bank Loan:	\$ 5,800,000					
	Total Sources:	<u>\$ 5,800,000</u>					
	<u>Uses:</u>						
	Construction Cost:	\$ 2,186,864					
	Engineer or Arch. Fees	\$ 85,700					
	Administrative Cost:	\$ 328,714					
	Furnishings:	\$ 198,723					
	Refinancing Amount:	<u>\$ 3,000,000</u>					
	Total Uses:	<u>\$ 5,800,000</u>					

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		Per	
								Values		Capita	
								Before	After	Before	After
Refinance	23,544	\$ 3,000,000	12/13/2021	\$ -	\$3,317,645,863	17,244,925	\$0.25	0.52%	0.60%	\$ 732	\$ 851
Administrative Building		\$ 2,800,000									
		\$ 5,800,000								Brunswick Co.	\$ 1,207

TOWN OF MOREHEAD CITY \$7,049,600 Refinancing G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the refinancing of three installment agreements; 1). NCDOA Installment Agreement 2). USDA Police Station Installment Agreement 3). USDA Fire Station #2 Installment Agreement.	Necessary and expedient to save the Town of Morehead City and it's citizens a significant amount of money by refinancing above agreements with a lower borrowing rate and/or reducing the length of the loan.	Payoff amounts are known and certain.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service. Total gross savings over the refunding term is \$4,785,626.	Bank: Approval Rate: Term: Market Rate: Payment: S&P: Moody's:	Sterling National Bank 1.91% 15 Years 1.75% Annually N/A 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			
								To Property Values		Per Capita	
								Before	After	Before	After
Refinancing	9,540	\$ 7,049,000	12/16/2021	\$ -	\$2,213,727,793	9,736,267	\$0.380	0.44%	0.76%	\$ 1,021	\$ 1,759
										Carteret Co.	\$ 319

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 NAGS HEAD \$1,200,000 Land 160A-20 Installment Contract Private Placement	Acquisition of property at 105 West Seachase Drive in Nags Head. The property is adjacent to the current fire station and across the street from Town Hall.	Necessary and expedient for future use as a joint fire station/Dare County EMS station.	An appraisal was obtained which valued the property at \$2,000,000.	No major deficiencies. No defaults noted.	No tax increase is anticipated. The debt service will be paid from the General Fund.	Bank: Truist Bank Amount: \$ 1,200,000 Approval Rate: 2.37% Term (years): 10 Market Rate: 1.75% Structure: Semi -annual principal and interest payments.			
	<u>Expected Sources and Uses of Funds:</u>								
	Uses:					Bank placement will not be rated. Current G.O. ratings:			
	Loan Proceeds	\$ 1,200,000				S&P		N/A	
	Cash Contribution	\$ 500,000				Moody's:		N/A	
	Total Sources	<u>\$ 1,700,000</u>				Installment purchase structure is more timely and feasible than G.O.			
	Uses:								
	Purchase Price	\$ 1,700,000							
	Total Uses	<u>\$ 1,700,000</u>							

									Debt Ratios-Excluding Enterprise Funds			
Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	To Property Values		Per Capita		
								Before	After	Before	After	
Municipal Building	3,175	\$ 1,200,000	12/9/2021	\$ -	\$ 3,070,869,650	\$ 3,478,958	\$0.288	0.11%	0.15%	\$ 1,096	\$ 1,474	
										Dare County	\$ 1,603	

CITY OF WASHINGTON \$6,610,920 Municipal Building (Police) G.S. 160A-20 Installment Purchase Contract Private Placement	Construction build of new police station.	Necessary and expedient to have a permanent location for the police station. Hurricane Florence flooded the old police station causing current operations to be run out of a temporary facility.	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 Amount: \$6,610,920 Approval Rate: 1.85% Term: 20 Years Market Rate: 1.65% Payment: Monthly S&P: N/A Moody's: N/A			
	<u>Sources:</u>								
	Bank Loan:	\$6,610,920							
	Land & Prior year expenses:	\$1,181,980							
	Other/Fees	<u>\$1,604,376</u>							
	Total Sources:	<u>\$9,397,276</u>							
	<u>Uses:</u>								
	Construction Cost:	\$7,792,900							
	Engineer or Arch. Fees:	\$460,467							
	Land	\$800,000							
	Other/LegalFiscal Cost	<u>\$343,909</u>							
	Total Uses:	<u>\$9,397,276</u>							

								Debt Ratios-Excluding Enterprise Funds			
Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	To Property Values		Per Capita	
								Before	After	Before	After
Municipal Building	9,400	\$ 6,610,920	11/8/2021	\$ -	\$901,384,906	\$9,782,178	\$0.53	1.09%	1.82%	\$ 1,041 Beaufort Co.	\$ 1,744 \$ 286

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
HOLLY SPRINGS, TOWN OF \$17,500,000 Refinancing G.S. 159-72 General Obligation Refunding Bonds Public Sale	All or portion of bonds to be refunded: \$1,100,000 G. O. Refunding Bonds, Series 2006, sold on March 1, 2006 at a TIC of 3.946%, maturing on June 1, 2022/2028, with current interest rates of 3.85% to 4.20%; \$7,095,000 G. O. Refunding Bonds, Series 2012, sold on November 13, 2012 at a TIC of 2.5515%, maturing on February 1, 2023/2037, with current interest rates of 2.00% and 3.00%; and \$8,430,000 G. O. Parks & Recreation Bonds, Series 2012, sold on November 13, 2012 at a TIC of 2.4358%, maturing on February 1, 2023/2033, with current interest rates of 2.00% and 3.00%;	Necessary and expedient to provide savings on the outstanding issues.	Amount is adequate to redeem the bonds.	No major deficiencies. No defaults noted.	Debt service will be reduced and no tax increase is anticipated.	<u>Structure:</u> Current Refunding: Net present Value Savings of \$1,608,050 or 9.66% of the refunded bonds. The refunding bonds will be structured with no extensions of maturities; final maturity on February 1, 2037. Sale: Competitive Sale Date: On or about January 25, 2022. <u>Approvals:</u> Amount not to exceed: \$17,500,000 Final maturity not beyond: February 1, 2037. <u>Financing Team:</u> Bond Counsel: Parker Poe Adams and Bernstein LLP Financial Advisor: DEC Associates, Inc.	Moody's: Aa1 S&P: AAA (Expected Ratings)

							Debt Ratios-Excluding Enterprise Funds				
				Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	To Property Values		Per Capita		Per Capita
Purpose	Estimated Census	Amount	Election Date				Before	After	Before	After	
Refunding	42,711	\$ 17,500,000	N/A	\$ 35,500,000	\$ 6,357,812,619	\$ 75,173,622	0.422	1.74%	1.75%	\$ 2,591	\$ 2,612
							Wake County		\$	1,926	

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
CITY OF BESSEMER CITY Water Treatment Plant and Stinger Park Water & Sewer Improvements \$4,998,000 G.S. 159; Article 5 Private Placement This project consists of the Water Treatment Plant and Stinger Park Water & Sewer Improvements, which, in two elements of work, the first includes various pump/valve/equipment replacements at the water plant, a new raw water intake on Arrowood Reservoir and cleaning the existing residuals holding ponds at the water treatment plant. The second work element includes construction pf water lines to and sewer line replacements through the proposed Stinger Park.	Necessary and expedient to upgrade aging equipment and to provide water and sewer service to Stinger Park.	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: \$25.20 Sewer: \$41.20	No major deficiencies. No defaults noted.	USDA commitment to purchase the bonds upon substantial completion of the project.	Term: RBAN: 15 months RB: 40 years Interest Rate: Fixed Structure: RBAN: Interest due at maturity. RB: Approximately level debt service APPROVALS Issue Amount Revenue Bond: \$4,998,000 Issue Amount Revenue BAN: \$4,998,000 Final Maturity: RBAN: No later than 4/20/2023 RB: 2061 or 40 years after the maturity of the RBAN Interest Rate: RBAN: \$4,998,000 1.06% RB: \$4,998,000 1.25% FINANCING TEAM Bond Counsel: Parker Poe Adams & Bernstein LLP Revenue BAN Purchaser: To be approved by the Secretary of the Commission Revenue Bond Purchaser: USDA Rural Development Registrar: County Manager
USDA Loan:	\$	4,998,000				
USDA Grant:	\$	4,065,000				
Cash Contribution	\$	372,361				
Total:	\$	9,435,361				

PROJECT		PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY (d/b/a Atrium Health)		The refunding of the 2012A bonds is expected to have NPV savings of \$30.2 million or 21.3%.	This will be a current refunding and all payoff amounts on the 2012A bonds are known.	Agreed upon projections from CMHA demonstrates debt service coverage of at least 7.68 times for 2022 and at least 7.81 times through 2024.	No major deficiencies. No defaults noted.	2022 A Tax-Exempt Fixed Rate Bonds sale will be on January 26, 2022 in denominations of \$5,000 and any multiple thereof.	Term: approximately 21 years, maturing January 15, 2043 for 2022 A Bonds.
\$165,000,000 Tax-Exempt Fixed Rate Health Care Revenue Bonds Series 2022A Location: Charlotte (Mecklenburg) G.S. 131E-26							Savings will be approximately level with no extension of maturities on refunding portion.
Amount (par) not to exceed:	\$	113,080,000		Historical 3 years of days-of- cash-on-hand averaged 387 days.		Atrium Health's Long-term debt ratings have been affirmed, taking into account the 2022 A Bonds, at: S&P AA-Moody's Aa3	Interest rates: Series 2022A: Fixed Rate Expected Interest Rate : All-in True Interest Cost: 1.98%
*Preliminary							Expected Underwriting and Management Fee: Not to exceed \$4.00/1000
Uses of Funds							
<u>Refunding:</u>							
Current Refunding of Series 2012A Bonds							
Refunding Deposit:	\$	141,920,000	The Authority has passed a resolution approving the refunding.				
Cost of Issuance/Underwriters Discount	\$	1,131,025					
Total financing cost	\$	143,051,025					
Source of funds							
Bond Par Amount	\$	113,080,000					
Premium	\$	29,971,025					
Total Sources	\$	143,051,025					
							APPROVALS
							Amount: Not to exceed \$165,000,000 Final Maturity: Not beyond January 15, 2043
							Interest Rates not to exceed: True Interest Cost: 6.0%
							FINANCING TEAM
							Bond Counsel: Robinson, Bradshaw & Hinson, PA. Senior Underwriter: Citigroup Global Markets Inc. Co-Manager: BofA Securities, Inc. Co-Manager: J.P. Morgan Securities LLC Co-Manager: Loop Capital Markets, LLC Co-Manager: Siebert Williams Shank & Co., LLC Underwriter's Counsel: Nexsen Pruet, PLLC Authority's Counsel: Brett J. Denton Esq., & Exec. VP/CLO of the Authority Financial Advisor: Kaufman, Hall & Associates, LLC. Trustee: U.S. Bank National Association Trustee Counsel: Pope Flynn, LLC Auditor: KPMG LLP

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 CHARLOTTE Water \$11,000,000 G.S. 159G-22 Revolving Loan	This project proposes to install approximately 30,000 LF of 36-inch drinking water transmission main to connect the north and south portions of the "960 Pressure Zone" in southeast Charlotte.	This project is necessary and expedient as it addresses concerns for the reliability of the distribution system. The project will provide an alternate route to supply water throughout the 960 Pressure Zone, resulting in a more efficient and resilient operation of the system.	The City of Charlotte is using a design-build mechanism to construct this project. The City will rely on a Guaranteed Maximum Price as a part of the design process.	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. The current combined monthly water/sewer cost for 5,000 gallons is \$62.45.	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
PAMLICO COUNTY Water \$3,002,725 G.S. 159G-22 Revolving Loan	This project is for water treatment improvements at the County's existing Grantsboro and Kershaw Water Treatment Plants (WTP). Each WTP site will install: 1) new pre-chlorination system with enclosure; 2) new Inducted-draft aerator with pH adjustment (2 at each plant); 3) repairs and new coating to ground storage tanks (total of 4); 4) replace filter media; 5) replace Softener media; 6) total organic carbon/color-removal system; 7) new piping and control valves; 8) electrical and Supervisory Control And Data Acquisition (SCADA) improvements.	This project is necessary and expedient as it addresses contaminants that are not treated or removed by the current water treatment process. The raw water contaminants cause difficulty in routinely meeting secondary drinking water quality standards and in the production of potable water characterized by desirable aesthetic qualities.	Cost estimate provided by The East Group, PA; Todd Alan Tripp, P.E.	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. Current Rates: 5,000 Water: \$39.25	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%.	

MISCELLANEOUS:

(ACTION ITEMS):

(NON-ACTION ITEMS):

Referenda Results (Unaudited) - General Obligation Bonds

November 2, 2021				(Approved or Failed)							
								Secondary	County	Percent	Percent
Unit	Amount	Purpose	Referendum		Result	For	Against	For	Against	For	Against
Apex	\$ 42,000,000	Streets & Sidewalks	November 2, 2021		Approved	7,492	3,051			71.06%	28.94%
Bald Head Island	\$ 54,000,000	Public Transportation	November 2, 2021		Approved	173	122			58.64%	41.36%
Fuquay-Varina	\$ 18,500,000	Parks & Recreation	November 2, 2021		Approved	3,970	1,809			68.70%	31.30%
	20,000,000	Transportation			Approved	4,435	1,363			76.49%	23.51%
	\$ 38,500,000										
Garner	\$ 35,500,000	Parks & Recreation	November 2, 2021		Approved	2,180	720			75.17%	24.83%
	24,050,000	Streets & Sidewalks			Approved	2,325	588			79.81%	20.19%
	6,500,000	Public Safety and Services			Approved	2,336	571			80.36%	19.64%
	2,950,000	Stormwater			Approved	2,403	502			82.72%	17.28%
	\$ 69,000,000										
Morrisville	\$ 8,000,000	Public Safety	November 2, 2021		Approved	2,102	919	Durham	County		
	11,700,000	Streets & Sidewalks			Approved	2,234	788	3	-	69.61%	30.39%
	17,300,000	Parks and Recreation			Approved	2,024	989	3	-	73.95%	26.05%
	\$ 37,000,000									67.21%	32.79%
Mount Holly	\$ 13,555,000	Parks and Recreation	November 2, 2021		Failed	887	1,118			44.24%	55.76%
Shelby	\$ 10,000,000	Streets & Sidewalks	November 2, 2021		Approved	709	195			78.43%	21.57%
Total	<u>264,055,000</u>										
			Total Votes			33,279	12,735				-