



Dale R. Folwell, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

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

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

Approximate Per Capita Debt

State: \$544.24

Federal: \$94,001.99

Agenda Notes

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

3. Glossary of Debt Types

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

Consent Agenda

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

Unit Updates

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

Other Items

Unit Name	Vote Needed
Report on Units with Late Audits	No

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



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

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Asheville, City of

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

Financing Team

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

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

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

Debt and Debt Ratios

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

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

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Chapel Hill, Town of

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

Financing Team

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

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

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

Debt and Debt Ratios

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

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

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Town of Cornelius

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

Financing Team

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

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

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

Debt and Debt Ratios

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

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