

LOCAL GOVERNMENT COMMISSION AGENDA  
June 4, 2019

1. PLEDGE OF ALLEGIANCE

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL  
May 7, 2019

<b>(FINAL)</b>
<b>RELATED INFORMATION</b>
Approximate Per Capita Debt 05/31/19
State: \$ 439
Federal: \$66,963

<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>	<u>Voted/ Non-Voted</u>
Elizabeth City, City of	Financing Agreement	Municipal Building	\$ 1,500,000	Unit Letter	2	FA 2-2018 \$125K	
Green Level, Town of	Financing Agreement	Misc. - increase of additional funds	\$ 716,400	Unit Letter	2	FA 2-2018 \$2.3M	
Montreat, Town of	Financing Agreement	Town Hall	\$ 1,000,000	Unit Letter	2	FA 10-2015 \$300K	
Oxford, City of	Revolving Loan	Sewer	\$ 4,696,493	Unit Letter	3	RL 4-2018 \$2.9M	
Oxford, City of	Revolving Loan	Misc. - increase of additional funds	\$ 1,500,000	Unit Letter	3	RL 4-2018 \$2.9M	
Sparta, Town of	Financing Agreement	Water	\$ 2,754,000	Unit Letter	3	RL 2-2019 \$685K	
Swain, County of	Financing Agreement	School	\$ 2,600,000	Unit Letter	4	FA 10-2016 \$2.52M	
Troutman, Town of	Revolving Loan	Sewer	\$ 1,078,850	Unit Letter	5	FA 9-2015 \$1.1M	
Valdese, Town of	Revolving Loan	Water	\$ 632,078	Unit Letter	5	RL 7-2018 \$2.0M	
Valdese, Town of	Revolving Loan	Water	\$ 493,725	Unit Letter	5	RL 7-2018 \$2.0M	
Alleghany, County of	Financing Agreement	County Building	\$ 900,000		6	FA 10-2018 \$1.9M	
Caldwell, County of	Financing Agreement	County Buildings	\$ 4,000,000		6	FA 4-2017 \$12.6M	
Caldwell County Board of Education	Financing Agreement (GESC)	Lighting upgrades, air handler refurbishment, etc.	\$ 6,631,600		7	NA	
Cornelius, Town of	Financing Agreement	Land	657,000		7	GO 9-2018 \$24M	
Moore, County of	Financing Agreement	Schools	16,500,000		8	GO 4-2018 \$123M	
New Bern, City of	Financing Agreement	Street	1,600,000		8	FA 6-2018 \$2.3M	
New Bern, City of	Financing Agreement	Municipal Building	\$ 619,407		9	FA 6-2018 \$2.3M	
Rocky Mount, City of	Financing Agreement	Municipal Building and Gas	\$ 2,073,000		10	FA 6-2018 \$2.9M	
Wake, County of	Financing Agreement (LOBs)	Schools and Community College	\$ 240,000,000		11	FA 6-2018 \$175M	
Yadkin Valley Sewer Authority	Financing Agreement	Refinance - Sewer	\$ 361,000		11	RL 3-2019 \$2.1M	
Charlotte, City of	Revenue	General Airport Revenue Bonds (GARBSs)	\$ 220,000,000		12-13	FA 5-2019 \$156.5M	
Durham, City of	Revenue	Bond Anticipation Notes, Series 2019	\$ 263,000,000		14	FA 4-2018 \$100M	
Novant Health	Revenue	Healthcare Facilities (NCMCC)	\$ 380,000,000		15	REV 4-2013 \$180M	
East Yancey Water & Sewer Authority	Revolving Loan	Sewer	\$ 302,917		16	NA	
Granite Falls, Town of	Revolving Loan	Water	\$ 500,000		16	RL 11-2015 \$1.9M	
Newton, City of	Revolving Loan	Water	\$ 558,500		16	FA 4-2018 \$3.5M	
Warsaw, Town of	Revolving Loan	Sewer	\$ 4,000,000		16	REV 2-2013 \$1.39M	
Durham, County of	General Obligation	Miscellaneous - Action	\$ 70,000,000		17	GO 2-2019 \$50M	
Eureka, Town of	Resolution	Notice of Warning to the Town	NA		17		
Winston-Salem, City of	Annexation	Miscellaneous - Action			17	RL 12-2018 \$20.0M	
Roanoke Rapids, City of	Revenue Bond	Miscellaneous - Non-Action			17	FA 5-2017 \$17.5M	
Charlotte-Mecklenburg Hospital Authority - DENIED	Revenue Bond Anticipation Certificate	Guaranty Atrium Navicent	\$ 306,000,000		18	REV 1-2019 \$132M	
Charlotte-Mecklenburg Hospital Authority	Revenue Bond Anticipation Certificate	Guaranty Atrium Surgical	\$ 12,250,000		18	REV 1-2019 \$132M	

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																																																				
<b>CITY OF ELIZABETH CITY</b> Acquisition & Renovation of Building \$1,500,000 G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the purchase of a building and renovation to use for a Senior Center.  <u>Expected Sources and Uses of Funds:</u> <u>Sources:</u> Bank Loan \$ 1,500,000 Total Sources: \$ 1,500,000  <u>Uses:</u> Construction Cost: \$ 350,000 Purchase of Building \$ 1,150,000 Total Uses: \$ 1,500,000	Necessary and expedient because current senior center does not have adequate space.	Appraisal performed by certified appraiser substantiates the purchase price.	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 unit provided a response to the unit letter that was satisfactory to the fiscal staff. Unit visit was conducted on 4/19/19.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 2.97% Term: 10 Years Market Rate: 3.00% Payment: Monthly S&P: A Moody's: A3	Installment purchase contract is more timely than issue																																																				
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**TOWN OF GREEN LEVEL** The Town is requesting approval for an increase of additional funds and extension of the maturity on an Installment Purchase Contract. The Loan is for the design and construction of a new Town Hall. The original loan was approved by the LGC on February 6, 2018 for \$1,147,900 for a 14 month term with BB&T. At the end of the 14 month term, long term permanent financing will be provided by USDA. The Town is requesting an increase of \$716,400 for a total loan amount of \$1,864,300 with a final maturity date of 2/14/2020. The increase is due to multiple change orders that increased cost and delayed the project, extremely wet construction season, and high turnover with the contractor's company. USDA has agreed to permanently fund the additional amount.

The Town received a unit letter because the audited financial statement for the fiscal year ended June 30, 2018, was not received by us until February 27, 2019, well after the due date of October 30, 2018. The Town provided a response which adequately addressed the late audit concerns raised in the Unit letter issued by the LGC fiscal staff. Staff determined that a unit visit was not necessary.

<b>TOWN OF MONTREAT</b> \$1,000,000 Town Hall G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the design and construction of a 3,500 square foot Town Hall.  <u>Expected Sources and Uses of Funds:</u> <u>Sources:</u> Bank Loan \$ 1,000,000 Cash: \$ 614,973 Other Private Sources: \$ 84,000 Total Sources: \$ 1,698,973  <u>Uses:</u> Construction Cost: \$ 1,484,000 Contingency \$ 214,983 Total Uses: \$ 1,698,983	Necessary and expedient because the Town's current Services Building is no longer adequate for the Administrative and Public safety needs of the Town.	This project is a designed build with stipulated costs.	The Town received a unit letter because timeliness of the audit, various material weaknesses concerning the Town's internal controls and budgeting issues in Water Fund. A satisfactory response to the unit letter was provided to the Fiscal staff by the Town. Unit visit was conducted on 4/9/19.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 3.180% Term: 15 Years Market Rate: 3.25% Payment: Semi-Annually S&P: N.A. Moody's: N.A.	Installment purchase contract is more timely than issue of G.O. Bonds																																																				
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<b>CITY OF OXFORD</b> Sewer \$4,696,493 G.S. 159G-22 Revolving Loan	This project consists of the replacement of existing sewer lines with new sewer mains of modern materials including Polyvinyl chloride (PVC), Ductile iron pipe, and High-density polyethylene pipes as well as all new precast concrete manholes.	Necessary and expedient to replace/rehabilitate sections of the City of Oxford wastewater system, reducing Inflow/ Infiltration (I/I) and will clear debris and failing segments of pipe and manholes that are used for unexpected and expensive maintenance, reducing the reactive need of the City's maintenance department.	Cost estimated provided by McGill Associates, P. A.	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	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

**CITY OF OXFORD**

The City is requesting approval for an increase of additional funds on a State Revolving Loan. The Loan is for the replacement of approximately 34,000 linear feet of 2" through 12" water lines, located along various streets/rights-of-way and within the City of Oxford's water distribution system. The original loan amount was approved by the LGC on April 10, 2018 for \$2,916,000. The City is requesting an increase of \$1,500,000 for a total loan amount of \$4,416,000. The increase is due to the bids received for the project in 2018 exceeded the original estimates.

The City received a unit letter due to the Water and Sewer Fund receiving interfund loans totaling the amount of \$1,255,050 from the General Fund over the past several years. The Town provided the fiscal staff with a satisfactory response to the unit letter that was issued.

<b>TOWN OF SPARTA</b> \$2,754,000 Water & Economic Development G.S.160A-20 Installment Contract Private Placement	Replacement of the Main Street water line, improvements to the Town's streetscape and burial of utility lines. The interim financing will be taken out permanently with a USDA loan.	Necessary and expedient to replace the Main Street water line which will increase capacity and efficiency. The streetscape and burial of utilities will improve the vibrancy and aesthetics of downtown Sparta.	Bids in hand.	The Town received a unit letter due to transfers that were made without budget authorization for the Water & Sewer Fund and the Water & Sewer Capital Project Fund. A unit visit was made on 1/9/2019.	The Town projects a tax increase of 2.35 cents per \$100 valuation which is deemed to be reasonable and not excessive to cover the new debt service.	Bank: BB&T Approval Rate: 2.82% Term: 13 months Market Rate: 2.50% Payment: At maturity  S&P: Not Rated Moody's: Not Rated  Installment purchase contract is more timely than issue of G.O. Bonds
<u>Expected Sources and Uses of Funds:</u>						
Sources:						
Bank Loan	\$ 2,754,000					
Grant - USDA	\$ 1,452,000					
Appalachian Regional Comm.	\$ 300,000					
NCDOT	\$ 295,000					
Available Cash	\$ 99,000					
Total Sources	<u>\$ 4,900,000</u>					
Uses:						
Project Costs:	\$ 4,900,000					
Total Uses	<u>\$ 4,900,000</u>					

Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	Debt Ratios-Excluding Enterprise Funds				
								Values		Capita		
								Before	After	Before	After	
Water	1,806	\$ 917,036	1/8/2019	\$ -	\$ -	154,375,740	\$ -	\$0.38	0.00%	1.78%	\$ -	\$ 1,525
Economic Development		\$ 1,836,964										
		<u>\$ 2,754,000</u>										
									Alleghany County			

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							
<b>SWAIN COUNTY</b> \$2,600,000 School G.S.160A-20 Installment Contract Private Placement	Construction of additional area (17,000 sq. ft.) at an existing high school. New construction consists of STEM classrooms, a school guidance suite, a confined main entrance with school administrative offices and lobby with a security vestibule and expanded cafeteria kitchen.  <u>Expected Sources and Uses of Funds:</u> Sources: Bank Loan \$ 2,600,000 Grant - NC Education Lottery \$ 4,708,086 Total Sources \$ 7,308,086  Uses: Project Costs: \$ 7,308,086 Total Uses \$ 7,308,086	Necessary and expedient because current facility capacity is being exceeded.	Bids in hand.	The County received a unit letter due to negative cash flow in the Solid Waste fund indicating that the rate structure or the cash collection procedures are inadequate. The County responded satisfactorily. County management has implemented an action plan for the deficiency that was enacted on July 1, 2018. This additional fee / increased revenue should keep the fund from having a significant deficit during the 2018/2019 fiscal year. The Board also is looking at other ways to increase revenue for future years for the enterprise fund. A unit visit was conducted on 2/12/19.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 3.38% Term: 15 Years Market Rate: 3.25% Payment: Annually  S&P: Not Rated Moody's: Baa  Installment purchase contract is more timely than issue of G.O. Bonds								
						<u>Debt Ratios-Excluding Enterprise Funds</u>								
						To Property Values	Per Capita							
						Before	After							
						Before	After							
School	Purpose	Estimated Census	Amount	Public Hearing	Bonds Authorized & Unissued	Assessed Valuation	Existing Debt Excluding Enterprise Funds	Tax Rate	0.99%	1.15%	\$	1,112	\$	1,287
		14,852	\$2,600,000	4/11/2019	\$ -	\$	1,666,193,611	\$	16,509,146	\$0.36				

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
<b>TOWN OF TROUTMAN</b> Sewer \$1,078,850 G.S. 159G-22 Revolving Loan	Replacement of approximately 2910 LF of existing 4" to 8" with 8" gravity sewer in the Mill Village area; Demolition / abandonment of existing Legend Lane Pump Station and associated force main, replacement with approximately 1700 LF of 8" gravity sewer; Replacement of two (2) 50 gpm pumps, valves, piping, electric and associated appurtenances and relocation of valve vault at Quail Haven Pump Station; Replacement of one (1) 100 gpm pump, level control system, piping, valves, and associated appurtenances; and installation of a new onsite generator at Rimmer Farm Road Pump Station; Replacement of pump station roof and installation of new onsite generator at I-L Creek Pump Station; & replacement of level control system and installation of new onsite generator at Iredell Avenue Pump Station.	Necessary and expedient because the sewer collection system contains several sections of gravity sewers & pump stations that are very old and have significant deficiencies.	Cost estimates provided by West Consultants, PLLC.	The Town received a unit letter because, in the General Fund, it did not sufficiently budget for its debt service payments. The Town also exceeded its budget in the ESC Park Fund. A unit visit was conducted on 5/29/19 in lieu of getting a response from the Town to 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: \$30.88 Sewer: \$50.28	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%.	
<b>TOWN OF VALDESE</b> Water \$632,078 G.S. 159G-22 Revolving Loan	The project consists of replacing the existing motor control centers (MCCs) at the Raw-Water and Finished-Water pumping stations; replacing motor feeders and related appurtenances; and reconfiguring the electrical conduits and junction boxes to protect against flood damage.	Necessary and expedient to improve the reliability of water service to industries, businesses, and residences that rely upon the Town's water system.	Cost estimate provided by McGill Associates.	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: \$40.55 Sewer: \$10.60	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
<b>TOWN OF VALDESE</b> Water \$493,725 G.S. 159G-22 Revolving Loan	This project will eliminate the chlorinator, chlorine dock, chlorine cylinders and existing dated chlorination technology and replace them with bulk storage chlorine bleach tanks, day storage tanks, transfer pumps and chemical feed pumps for dosing chlorine solution to achieve disinfection of the Town's treated drinking water.	Necessary and expedient to replace an outdated and potentially dangerous method of disinfection with a more modern and safer method of disinfection.	Cost estimate provided by McGill Associates.	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: \$40.55 Sewer: \$10.60	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

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<b>ALLEGHANY COUNTY</b> \$900,000 Construction of Senior Center & Several Building Improvements and Renovations  G.S.160A-20 Installment Purchase Contract Private Placement	This project consists of the construction of a new Senior Center and the acquisition, construction and improvements to various public buildings.	Necessary and expedient because the senior population is growing and the Council of Aging is completely out of space in their current facility.	Bids in Hand	No Major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 3.07% Term: 10 Years Market Rate: 3.00% Payment: Annually S&P: N/A Moody's: N/A  Installment purchase contract is more timely than issue of G.O. Bonds

**FINANCING TEAM**

Bond Counsel: Sanford Holshouser LLP

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
County Building	11,190	\$ 900,000	5/6/2019	\$ -	\$1,565,527,954	4,822,487	\$0.5475	0.31%	0.37%	\$ 431	\$ 511

<b>CALDWELL COUNTY</b> \$3,045,000 G.S. 160A-20 Financing Agreement Private Placement	Constructing, equipping and furnishing two new Emergency Medical Services bases to be located in the County.	Necessary and expedient to improve and better provide medical services to certain areas of the County.	Bid is in hand.	No major deficiencies. No defaults noted.	No tax increase is required. Debt service will be paid from revenues to the Sales Tax Reinvestment Fund which receives payments from municipalities located in the County which have approved using funds for this project.	Bank: Zions Bank Amount: \$ 3,045,000 Approval Rate: 2.830% Term (years): 15 Market Rate: 3.25% Payment: Annual principal and interest  Bank placement will not be rated. Current G.O. ratings: S&P: N/A Moody's: N/A
<u>Expected Sources and Uses of Funds:</u>						
Sources:						
Bank Loan	\$ 3,045,000					
Total Sources	\$ 3,045,000					
Uses:						
Project Fund	\$ 3,010,000					
Cost of Issuance	\$ 35,000					
Total Uses	\$ 3,045,000					

**FINANCING TEAM**

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

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
County Buildings	79,594	\$ 4,000,000	4/24/2019	\$ -	\$ 6,907,301,587	\$ 43,902,869	\$0.6300	0.64%	0.69%	\$ 552	\$ 602

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>CALDWELL COUNTY BOARD OF EDUCATION</b> \$6,631,600 G.S. 160A-20 Installment Purchase Guaranteed Energy Savings Contract (GESC) Private Placement	Installation of energy conservation measures (ECMs) at school system facilities. ECMs are primarily lighting upgrades, air handler refurbishment and water conservation measures.  Total est. Cost: \$ 8,677,886 Total Guaranteed Savings: \$ 8,915,499 Total Savings \$ 8,915,499	Necessary and expedient to improve quality and reliability of lighting, to reduce operating costs and to reduce school system water usage.	Cost estimates and guaranteed savings reviewed by the professional engineering firm of Brittain Engineering, Inc.	No major deficiencies. No defaults noted per the most recent annual report.	No tax increase is anticipated. Energy savings will service the debt.	Vendor: Trane US Inc. Lender: Banc of America Public Capital Corp.  Amount: \$6,631,600  Term: Approx. 18.75 Years; Quarterly Payments sized to accommodate the savings realization pattern. The term of the GESC is 17.25 years.  Rate: 3.060% Special Counsel: Parker Poe Adams & Bernstein LLP Lender's Counsel: McGuireWoods LLP

<b>TOWN OF CORNELIUS</b> \$657,000 Park Land Purchases G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the acquisition of land for park use.	Necessary and expedient to provide park land for future park facilities and amenities.	Certified appraisal justifies purchase price.	No Major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 2.97% Term: 7 Years Market Rate: 2.85% Payment: Annually S&P: AAA Moody's: N/A
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Installment purchase contract is more timely than issue of G.O. Bonds

**FINANCING TEAM**

Bond Counsel: Pope Flynn

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	
Land	29,431	\$ 657,000	5/6/2019	\$ 28,000,000	\$5,499,814,083	20,875,803	\$0.255	0.89%	0.90%	\$ 1,661	\$ 1,683	\$ 2,412
										Mecklenburg Co.		

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>MOORE COUNTY</b> \$16,500,000 G.S. 160A-20 Financing Agreement Private Placement	Acquiring, constructing and equipping a new auxiliary gym and classroom additions at North Moore High School.  <u>Expected Sources and Uses of Funds:</u> Sources: Bank Loan \$ 16,500,000 Total Sources \$ 16,500,000  Uses: Project Fund \$ 16,500,000 Total Uses \$ 16,500,000	Necessary and expedient to improve and increase classroom space and provide for additional athletic and extra curricular space.	Bid is in hand.	No major deficiencies. No defaults noted.	No tax increase is required. Debt service will be paid from revenues to the Capital Reserve for Debt Service Fund.	Bank: Sterling National Bank Amount \$ 16,500,000 Approval Rate: 3.04% Term (years): 20 years Market Rate: 3.50% Payment: Annual principal and semi-annual interest  Bank placement will not be rated. Current G.O. ratings: S&P: AA Moody's: Aa2  <b>FINANCING TEAM</b> Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Davenport & Company  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	To Property Values		Per Capita	
								Before	After	Before	After
Schools	94,191	\$ 16,500,000	4/16/2019	\$ 58,000,000	\$ 11,786,883,548	\$ 155,241,311	\$0.4650	1.81%	1.95%	\$ 2,264	\$ 2,439

<b>CITY OF NEW BERN</b> \$1,600,000 Roadway Improvements G.S. 160A-20 Installment Purchase Contract Private Placement	This project includes the widening, repairs, improvements and resurfacing of a stretch of Oaks Road, Trent Road and Dr. Martin Luther King Jr. Blvd. in New Bern.	Necessary and expedient for the safety of travelers in the area and to allow for safe traffic flow and the economic growth of the Dr. MLK jr. corridor.	Bids in Hand.	No Major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 2.78% Term: 10 Years Market Rate: 3.00% Payment: Semi-Annual S&P: N/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
Street	29,590	\$ 1,600,000	5/28/2019	\$ -	\$2,847,142,818	40,671,801	\$0.46	1.43%	1.48%	\$ 1,375	\$ 1,429
										Craven County	\$ 368



UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>CITY OF NEW BERN</b> \$619,407 Municipal Building G.S. 160A-20 Installment Purchase Contract Private Placement	This project includes the redevelopment of a 4.6 acre City owned parcel. The facility is unused and vacant and is being converted into a workforce development training center Marketplace for entrepreneurs, and commissary.	Necessary and expedient due to the lack of jobs and job training with high unemployment which is a vital need in the community and region. This center will meet the needs identified in this plan.	Bids in Hand.	No Major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: BB&T Approval Rate: 2.78% Term: 10 Years Market Rate: 3.00% Payment: Semiannual S&P: N/A Moody's: A3
	<u>Expected Sources and Uses of Funds:</u>					
	<u>Sources:</u>					
	Bank Loan	\$ 619,407				
	Gold Leaf	\$ 549,000				
	Bate Foundation	\$ 25,000				
	Economic Development Contr	\$ 50,000				
	Federal Grants	\$ 1,353,093				
	Total Sources:	<u>\$ 2,596,500</u>				
	<u>Uses:</u>					
	Construction Cost:	\$ 2,431,500				
	Engineer/Arch. Fees	\$ 125,000				
	Legal Fees:	\$ 10,000				
	Admin. Cost	\$ 30,000				
	Total Uses	<u>\$ 2,596,500</u>				

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	29,590	\$ 619,407	5/28/2019	\$ -	\$2,847,142,818	39,691,208	\$0.46	1.39%	1.42%	\$ 1,341	\$ 1,362
								Craven County			\$ 368

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>CITY OF ROCKY MOUNT</b> \$2,073,000 Municipal Building & Gas Main project G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of replacing the entire EPDM (ethylene propylene diene terpolymer) roof at the Rocky Mount Senior Center, roof repairs to the Judicial Center which consists of removing the existing asphalt shingled roofing sections and replacing them with a raised metal roof, and lastly, a gas main project which consists of providing natural gas to Pfizer and adjacent businesses.	Necessary and expedient for continued safe operations of the center and to ensure an even longer future, to maintain the integrity of the center. The gas main project will allow for future load growth and to bolster the service pressure in the existing system.	Bids in Hand.	No Major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: PNC Bank Approval Rate: 2.36% Term: 7 Years Market Rate: 2.85% Payment: Monthly S&P: AA- Moody's: Aa3  Installment purchase contract is more timely than issue of G.O. Bonds

Expected Sources and Uses of Funds:

Sources:

Bank Loan	\$ 2,073,000
Pfizer's contribution	\$ 692,281
<b>Total Sources:</b>	<b>\$ 2,765,281</b>

Uses:

Construction Cost	\$ 2,411,230
Engineer/Arch. Fees	\$ 209,335
Contingency	\$ 144,716
<b>Total Uses:</b>	<b>\$ 2,765,281</b>

**FINANCING TEAM**

Bond Counsel: Parker Poe Adams & Bernstein

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
Municipal Building	54,486	\$ 833,000	4/22/2019	\$ -	\$3,930,158,513	33,775,906	\$0.685	0.86%	0.91%	\$ 620	\$ 658
Gas		\$ 1,240,000						Nash County			\$ 531
		<b>\$ 2,073,000</b>									

<b>TOWN OF SEVEN DEVILS</b> \$1,125,000 Municipal Building G.S. 160A-20 Installment Contract Private Placement	Purchase and acquisition of an existing building to be used as a new Town Hall.	Necessary and expedient because additional space is needed.	Value of property is verified by an independent appraisal. Purchase agreement between buyer and seller is in hand.	No major deficiencies. No defaults noted.	No tax increase is anticipated. General Fund revenues will provide for debt service.	Bank: Skyline Telephone Membership Co-op Approval Rate: 2.75% Term: 10 Years Market Rate: 3.00% Payment: Monthly  S&P: Not Rated Moody's: Not Rated  Installment purchase contract is more timely than issue of G.O. Bonds
<u>Expected Sources and Uses of Funds:</u>						
<u>Sources:</u>						
	Bank Loan	\$ 1,125,000				
	Cash	\$ 75,000				
	<b>Total Sources</b>	<b>\$ 1,200,000</b>				
<u>Uses:</u>						
	Project Costs:	\$ 1,200,000				
	<b>Total Uses</b>	<b>\$ 1,200,000</b>				

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
Municipal Building	218	\$ 1,125,000	4/9/2019	\$ -	\$ 161,543,122	\$ 55,443	\$0.51	0.03%	0.73%	\$ 254	\$ 5,415
								Watuaga County			\$ 620

UNIT	PROJECT	PROPOSED ISSUE IS NECESSARY AND EXPEDIENT	ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	TAX INCREASE	TERMS/OTHER INFORMATION PREFERABLE TO A BOND ISSUE
<b>WAKE COUNTY</b> \$240,000,000 Draw Program Permanent Financing G.S.160A-20 Limited Obligation Bonds, Series 2019 Publicly Offered	Permanent financing to take out drawn and certain undrawn balances of construction period financing of the two separate draw programs previously approved by the LGC. The initial financing draws were used for projects in the Wake County Public School System (WCPSS) and Wake County Community College (WCCC).  <u>Expected Sources and Uses of Funds:</u>  Sources: Par Amount \$ 198,145,000 Premium \$ 39,320,864 County Contribution \$ 507,175 Total Sources \$ <u>237,973,039</u>  Uses: Project Costs \$ 237,000,000 Costs of Issuance \$ 508,185 Underwriter's Discount \$ 464,854 Total Uses \$ <u>237,973,039</u>	Necessary and expedient to permanently finance the County's current draw notes approved by the Commission.	Costs for the projects are based on bids and estimates provided by Construction Managers at Risk (CMARs) and their design architects. The County maintains an extensive 7-year Capital Improvement Plan (CIP) for public school and community college projects. Each project is associated with specific funding sources and the CIP is authorized by the Board of Commissioners.	No major deficiencies. No defaults noted.	The County Board has found by resolution that any related required tax increases will not be deemed excessive. Debt service will be paid from the Debt Service Fund (DSF) that is designated to <b>fund capital projects.</b> Currently 18.76 cents of the ad valorem tax rate as well as certain sales tax, lottery and other miscellaneous revenues are dedicated to the DSF and capital expenditures. The viability of the Debt Service Fund and its capacity to adequately <b>cover debt service for</b> these projects and other anticipated future financing needs through fiscal year 2024, has been evaluated by the County's financial advisor, Waters and Company.	Structure: Annual principal and semi-annual interest payments. Debt service follows straight line amortization.  Expected Ratings: S&P: AA+; Moody's: Aa1; Fitch: AA+ Expected Rate: Effective Interest Cost: 2.571% Expected Underwriters Fee/\$1,000: 2.35%  APPROVALS Amount Not To Exceed: \$ 240,000,000 Approval rate not to exceed: (EIC) 3.500% Final Maturity not beyond: Sept. 2038  FINANCING TEAM Bond Counsel: Womble Bond Dickinson (US) LLP Financial Advisor: Waters and Company, LLC Underwriter: Wells Fargo Securities (Senior Mgr.); PNC Capital Markets & Raymond James & Associates (Co-Mgr.) Underwriter's Counsel: Parker Poe Adams & Bernstein LLP Trustee: US Bank N.A.  Installment financing agreement is the necessary vehicle for this financing.
						Debt Ratios-Excluding Enterprise Funds
						To Property Values Before After Per Capita Before After
Schools	464,758 \$ 227,569,722	6/3/2019	\$ 1,017,000,000	\$ 148,720,543,351	\$ 2,086,385,640	0.6544 2.09% 2.24% \$ 6,677 \$ 7,167
Community College	\$ 12,430,278 \$ 240,000,000					
<b>YADKIN VALLEY SEWER AUTHORITY</b> \$361,000 Refinance G.S. 160A-20 Installment Purchase Contract Private Placement	This project consists of the payoff of a startup loan from Elkin.	Necessary and expedient to pay off a startup loan from Elkin at 4% with a lower cost loan.	A bank proposal is in hand and payoff amount is known.	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. Sewer: \$36.67	Bank: BB&T Approval Rate: 2.93% Term: 5 years Market Rate: 2.75% Payment: annual principal and interest S&P: NA Moody's: NA Installment purchase contract is more timely than issue of G.O. Bonds
						Debt Ratios-Excluding Enterprise Funds
						To Property Values Before After Per Capita Before After
Sewer	\$ 361,000	4/23/2019	\$ -	\$ 0		0.00% 0.00% \$ - \$ -

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>CITY OF CHARLOTTE</b> G.S. 159; Article 5 General Airport Revenue Bonds (GARBs) for New Money purposes and to refund 2017 GARBs draw notes.</p> <p>Amount Not to Exceed \$220,000,000</p> <p>Series 2019A New Money (non-AMT) and Series 2019B New Money (AMT) will fund new money needs for the Airport.</p> <p>Additionally, the new money bonds will refund the 2017 D, GARBs Note, issued at a variable rate, at a fixed rate.</p> <p>Direct Bank Placement of Series 2019C GARBs Note for new money projects at the Airport. The Notes and the Series 2019A and 2019B discussed above will provide construction fund needs for the next year.</p> <p>Amount Not to Exceed \$136,000,000</p> <p>The City anticipates a 2020 GARBs fixed rate issuance to fund new money needs and to take out the amount drawn on the 2019 Notes. Additionally, in 2020 the City anticipates the issuance of a 2020 GARBs Note.</p> <p><u>Expected Sources and Uses of Funds* for Series A and B:</u> Sources: Par Amount \$ 179,415,000 Premium \$ 34,106,950 Total Sources <u>\$ 213,521,950</u></p> <p>Uses: Project Costs \$ 191,663,095 Capitalized Interest \$ 6,563,744 DSRF Deposit \$ 13,319,880 Issuance Cost \$ 1,975,231 Total Uses <u>\$ 213,521,950</u></p> <p><i>* Preliminary and subject to change</i></p>	<p>Necessary and expedient to improve the service and operations of the City's large hub international airport. Projects include a major expansion to the terminal, various concourse improvements, runway improvements to the airfield, a joint operations facility and other needed capital expenditures and improvements. Debt is issued by the City in both fixed rate bonds and by use of BANs to provide the various capital cost needs of the many projects at the Airport. The airport performs on-going and necessary periodic capital improvements that, individually, do not make financing cost-effective but that collectively over time, as the projects are to be executed, represent a significant requirement of financing resources.</p> <p>The construction period draw structure using BANs together with fixed rate bonds provides the cash resources and timing coordination to implement the multiple projects. This is the fourth time a Note has been used as "construction period financing" for the City's Airport credit. The City has also used this structure multiple times in other credit</p>	<p>The Airport has an extensive 5-year Capital Improvement Program (CIP) of \$3 billion adopted by and after in depth review by the City Council. The CIP is funded by many sources, that include, GARBs (fixed rate and Notes) PAYGO, PFC cash and airport fund balance and grants. It is the practice of the City to execute financings periodically as considered advantageous and adequate and, until a financing is in place, to fund the cash requirements with the intent to reimburse itself and by use of BANs. 2019 GARBs will repay the 2017 Note balance in an amount of approximately \$101 million. Additionally, a significant amount of the projects have been contracted for and are under or beginning construction. The unbid balance of the Projects' cost is based on estimates provided by the City/Airport's engineering staff or the professional engineering firms responsible for design and execution of the projects. By the typical nature of the BANs it is expected that the City will make no draws unless a project is at the stage of being bid, having all material permits and thereby requiring funding.</p>	<p>The City has provided a feasibility study prepared by Newton and Associates (NAI). The study is a review of the air service area, the projects in the CIP, estimates of future revenues, operating costs, current and future debt service and resulting debt service coverages. Future projected debt service coverage is over 2 times. NAI will provide coverage calculations anticipated by the Bond Order to issue each of the three Series of GARBs debt. In addition to meeting coverage requirements and with projections well exceeding them, the strong cash balances of the airport serves as a means to enhance the strength of the Airport's finances and provide significant resources for airport debt payment. The City expects to continue strong finances of the Airport well into the future. The study will also provide a sensitivity analysis estimating impacts on revenues, cost and debt service coverage if the American Airlines hub were to be discontinued.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Series 2019A and B will be conducted as a public sale on June 6, 2019. Series C, bank direct placement with a periodic draw structure. The closing should not conflict with any other debt transaction.</p>	<p><b>Series 2019 A and B</b> provide new money funding for projects at the airport. The Series 2019A bonds will be issued tax-exempt, non AMT and the Series 2019B bonds will be issued tax-exempt, AMT.</p> <p>Series 2019A: Expected Rate All in TIC 3.40% Expected underwriter fees - \$6.00/\$1,000</p> <p>Series 2019B Expected Rate All in TIC 3.55% Expected underwriter fees - \$6.00/\$1,000</p> <p style="text-align: center;">APPROVALS</p> <p>Series 2019 A and B - Final Maturity Not Beyond 2049 Amount not to exceed - \$220,000,000 Interest Rate not to exceed All in TIC 4.25%</p> <p style="text-align: center;">FINANCING TEAM</p> <p>Underwriters; BofA Merrill Lynch, J.P. Morgan, UBS Securities, LLC and Wells Fargo Securities Bond Counsel: Parker Poe Adams &amp; Bernstein LLP Financial Consultant: Newton and Associates, Frasca and Associates Financial Advisor: DEC Associates, Inc. Trustee: U.S. Bank, National Association Underwriters Counsel: McGuire Woods, LLP</p> <p><b>Series 2019 C Direct Placement New Money -</b> Term: 2 years in initial draw mode; five years if converted to amortizing term bond. Interest Rate: Variable</p> <p>Structure: Semi-annual payment of interest accruing on draws. Drawn principal is payable in full at the end of a two year term or earlier. It is the expectation of the City to terminate the Bond Anticipation Note Draw Facility in approximately one year and replace it with publicly offered and conventionally termed General Airport Revenue Bonds. If, at the end of the two year term of the Note, the City is unable to execute a long-term replacement, the Note will convert to a three year term loan payable in semi-annual installments at a Term Loan Rate calculated at conversion not exceeding 20%.</p> <p style="text-align: center;">APPROVALS</p> <p>Final Maturity: Not beyond 2021 in initial draw mode; 2024 if converted to amortizing term bond. Interest Rate: Variable rate applied to drawn amounts</p>
<p><b>CITY OF CHARLOTTE CONTINUED ON NEXT PAGE</b> <b>CITY OF CHARLOTTE CONTINUED</b></p>						

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
	entities.					calculated at: (79% of One Month LIBOR)+.33%. Maximum calculated rate of 20%. For undrawn amounts calculated at 0% Issue Amount Not to exceed \$136,000,000
						<p style="text-align: center;">FINANCING TEAM</p> Bond Anticipation Note Purchaser: Bank of America, N.A. Bond Counsel: Parker Poe Adams & Bernstein LLP Financial Consultant: Newton and Associates, Frasca and Associates Financial Advisor: DEC Associates, Inc. Trustee: U.S. Bank, National Association

PROJECT	PROJECT IS NECESSARY & EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	MARKETABILITY	TERMS/ OTHER INFORMATION
<p><b>CITY OF DURHAM</b> Utility System Revenue Bond Anticipation Note, Series 2019 Amount not to exceed: \$ 263,000,000 Direct Bank Placement of Revenue Bond Anticipation Notes</p> <p>Project: Construction period draw-structure financing of utility system capital asset needs in years 2019, 2020 and 2021.</p> <p><u>Expected Sources and Uses of Funds:</u> Sources: Fully Drawn Notes: \$ 263,000,000 Total Sources: \$ 263,000,000 Uses: Project Costs: \$ 262,919,000 Issuance Costs: \$ 81,000 Total Uses: \$ 263,000,000</p>	<p>Necessary and expedient to improve the service and operations of the City's water and sewer systems by performing necessary periodic capital improvements. The construction period draw structure using bond anticipation notes allows efficient use of cash resources to implement the projects.</p>	<p>The City has an extensive and formalized Capital Improvement Program ("CIP") that is funded partially by internal cash generation ("PAYGO") and partially by debt financing. The City desires to execute financings periodically as considered advantageous and adequate and, until a financing is in place, may fund the cash requirements with the intent to reimburse itself. At closing the City plans to draw the full amount of the note from the lender and escrow the proceeds at an earnings rate that offsets the interest cost in order to avoid an undrawn or commitment fee. Drawings will be made through 2021 from the escrow account as required which will generate interest cost against the unhedged loan balance. The unbid balance of the projects' cost is based on estimates provided by the City's internal engineering staff or the professional engineering firms responsible for design and execution of the projects. By the typical nature of this transaction, it is expected that the City will make no draws unless a project is at the stage of being bid, having all material permits and requiring funding.</p> <p>Additionally, the City is to provide the Staff of the LGC periodic reconciliations of the projected and the actual expenditures of funds provided pursuant to this credit facility.</p>	<p>The City has provided internal projections including the period 2019-2022, the anticipated term of the credit facility. Current projections demonstrate required coverages of total debt service by net revenues as defined in the Bond Covenants of at least 2.19X on total system debt thru 2023. Currently, the typical customer bill based on approximately 4,600 gallons per month is \$58.41. Projected rate increases for that period average 3.2%.</p>	<p>No major deficiencies. No defaults noted.</p>	<p>Direct bank placement with periodic draw structure. The closing should not conflict with any other debt transaction.</p> <p>Current ratings: S&amp;P: AAA Moody's: Aaa</p>	<p>Term: 2.5 years in initial draw mode; 8 years if converted to 5.5 year amortizing term bond. Interest Rate: Fixed</p> <p>Structure: Monthly payment of interest accruing on draws. Drawn principal is payable in full at the end of a three year term or earlier. It is the expectation of the City to replace the Bond Anticipation Note with publicly offered and conventionally termed Utility System Revenue Bonds. If, at the end of the 2.5 year term, the City is unable to execute a long-term replacement, the Bond Anticipation Notes will convert to a 5.5 year term loan payable in monthly installments at a defined rate calculated at conversion not exceeding 22%.</p> <p>APPROVALS Final Maturity: Not beyond 2021 in initial draw mode; 2027 if converted to amortizing term bond.</p> <p>Interest Rate: 2% fixed. If in term-out mode, Bank's Base Rate as defined plus 2% with a maximum rate of 22%.</p> <p>Issue Amount: Not to exceed \$263,000,000</p> <p>FINANCING TEAM Bond Anticipation Note Purchaser: PNC Bank, N.A. Bond Counsel: Parker Poe Adams &amp; Bernstein LLP Financial Advisor: First Tryon Securities, LLC Trustee: U.S. Bank, National Association Bank Counsel: Moore &amp; Van Allen PLLC</p>

PROJECT	NECESSARY AND EXPEDIENT ADEQUATE NOT EXCESSIVE	DEBT MANAGEMENT	FEASIBILITY	DATE & MANNER OF SALE/ADVERSE EFFECTS	TERMS/OTHER INFORMATION								
<p><b>NOVANT HEALTH, INC.</b> North Carolina Medical Care Commission Health Care Facility Revenue Bonds Series 2019 A</p> <p>Amount: Not to exceed \$380,000,000 New Money Project Locations: Clemmons (Forsyth) Charlotte, Huntersville, Matthews (Mecklenburg), Mint Hill (Mecklenburg and Union)</p> <p>Licensed beds: 2,309 Obligated Group: Novant Health, Inc; The Presbyterian Hospital; Forsyth Memorial Hospital, Inc.</p> <p>Project: The proceeds of the Bonds will be used to finance or refinance certain interim debt used for (A) constructing, renovating, furnishing and equipping (1) a replacement Charlotte Orthopedic Hospital, consisting of approximately 32 inpatient beds and 7 inpatient operating rooms <b>(the "Charlotte Orthopedic Hospital Project");</b></p> <p><b>(2) additions consisting of approximately 36 new inpatient beds and 3 operating rooms (the "Clemmons Medical Center Project");</b></p> <p><b>(3) a new health care facility consisting of approximately 36 inpatient beds, four operating rooms, an endoscopy room, an emergency room and laboratory facilities (the "Mint Hill Medical Center Project");</b></p> <p><b>(4) a two-story addition to Matthews Medical Center (the "Matthews Medical Center Project");</b></p> <p><b>(5) renovation and modernization of 246 patient rooms, including the adolescent behavioral health unit and the behavioral health gym, (the "Presbyterian Medical Center Project");</b></p> <p><b>and (6) an expansion of the existing center, including approximately 48 inpatient beds, an operating room and additional parking, (the "Huntersville Medical Center Project");</b></p> <p><b>(B) acquiring and installing medical, computer, office and capital equipment for use at Presbyterian Medical Center, Huntersville Medical Center, Forsyth Medical Center, Matthews Medical Center and Mint Hill Medical Center (Equipment)</b></p>	<p>Any Certificates of Need required for the construction portion of this financing have been received. Major construction components are subject to guaranteed maximum price contracts, based on final design plans and have been approved by Division of Health Service Regulation.</p> <p>Approximately 75% of the projects have been completed.</p>	<p>No defaults or other deficiencies were noted.</p>	<p>The Agreed Upon Procedure reports estimated debt service coverage ratios thru 2023 that range from 7.7 to 9.3 times maximum debt service.</p> <p>NCMCC has previously approved the project.</p> <p>The expected ratings are based on the underlying ratings of the Novant Health: Moody's Aa3 S &amp;P AA- Fitch AA-</p>	<p>Series 2019A: fixed rate offering in \$5,000 denominations. Scheduled for June 26, 2019 to not conflict with other revenue bonds.</p>	<p>Term: approximately 33 years</p> <p>Interest rates: fixed Expected True Interest Cost: 3.83% Expected Effective Interest Cost: 3.85%</p> <p>Expected Underwriting Fee: Not to exceed \$ 5.25/1000</p> <p>Structure: Series 2019 has level interest payments, wrapped with existing debt. First principal payment will be made in 2047.</p>								
					<p><b>APPROVALS</b></p> <p>Amount: Not to exceed \$380,000,000 Final maturity not to exceed: December 1, 2052 Interest rates not to exceed Effective Interest Cost: 6.0%</p>								
					<p><b>FINANCING TEAM</b></p> <p>Bond Counsel: Robinson, Bradshaw &amp; Hinson, P.A. Underwriters: J.P. Morgan Securities LLC Co-Managers: Wells Fargo; BofA Securities, Inc. PNC Capital Markets LLC Underwriters' Counsel: McGuire Woods LLP Borrower's Counsel: Womble Bond Dickinson (US) LLP Trustee: Regions Bank Auditor: PriceWaterhouse Coopers LLP</p>								
	<p><b>Expected Sources and Uses of Funds</b></p>												
		<p><u>Sources:</u></p> <table border="0"> <tr> <td>Bond Proceeds</td> <td></td> </tr> <tr> <td>Par Amount</td> <td>\$ 295,300,000</td> </tr> <tr> <td>Premium</td> <td>\$ 34,727,475</td> </tr> <tr> <td>Total Sources of Funds</td> <td><u>\$ 330,027,475</u></td> </tr> </table>		Bond Proceeds		Par Amount	\$ 295,300,000	Premium	\$ 34,727,475	Total Sources of Funds	<u>\$ 330,027,475</u>		
Bond Proceeds													
Par Amount	\$ 295,300,000												
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Total Sources of Funds	<u>\$ 330,027,475</u>												
		<p><u>Uses:</u></p> <table border="0"> <tr> <td>Project Fund</td> <td>\$ 327,415,000</td> </tr> <tr> <td>Underwriter's Discount</td> <td>\$ 1,550,325</td> </tr> <tr> <td>Cost of Issuance</td> <td>\$ 1,062,150</td> </tr> <tr> <td>Total uses of funds</td> <td><u>\$ 330,027,475</u></td> </tr> </table>		Project Fund	\$ 327,415,000	Underwriter's Discount	\$ 1,550,325	Cost of Issuance	\$ 1,062,150	Total uses of funds	<u>\$ 330,027,475</u>		
Project Fund	\$ 327,415,000												
Underwriter's Discount	\$ 1,550,325												
Cost of Issuance	\$ 1,062,150												
Total uses of funds	<u>\$ 330,027,475</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
<b>EAST YANCEY WATER &amp; SEWER DISTRICT- (YANCEY COUNTY)</b> Sewer \$302,917 G.S. 159G-22 Revolving Loan	Construction of approximately 4,700 LF of 12-inch PVC and DIP gravity sewer lines, 25 manholes, and all related appurtenances to connect multiple previously constructed sewer segments in East Yancey County. This project is Phase 2 of a project that will complete the construction of a major sewer collection and treatment system. Note: Phase 1 (original) project was 100% grant funded by the Division (DEQ) and supplemented by grant funds from Golden Leaf in 2015. The project was funded to establish sewer service in the eastern part of Yancey County.	Necessary and expedient to provide public sewer service to establishments with waste water disposal problems- five businesses, three institutions, a day care facility, three schools, and at least five residences.	Cost estimates provided by Withers Ravenel, 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: N/A Sewer: \$42.00	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%.	N/A
<b>TOWN OF GRANITE FALLS</b> Water \$500,000 G.S. 159G-22 Revolving Loan	Replacement of an existing 8" cast iron waterline. The new line will run from the water treatment plant to Laurel St. along Lakeside Dr. At Laurel Street, the line will connect to two (2) existing 8" lines and a 6" line. The project will include approximately 2900 feet of 12" ductile iron waterline along with approximately eight (8) new 12" gate valves. All work will be completed on the water treatment plant site and within the existing right-of- way of Lakeside Dr. No easement acquisition is anticipated.	Necessary and expedient to provide unrestricted flow from the Town's water treatment plant. The existing 8" cast iron waterline was installed in 1941.	Cost estimates provided by The Wooten Company.	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: \$30.04 Sewer: \$29.15	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
<b>CITY OF NEWTON</b> Water \$558,500 G.S. 159G-22 Revolving Loan	This project consists of replacing approximately 1,100 linear feet (LF) of 6-inch waterlines with 8-inch waterlines; replacing approximately 300 linear feet (LF) of 10-inch waterlines, and the installation of approximately 28 drinking-water service connections and all necessary appurtenances.	Necessary and expedient as part of the downtown streetscape project which will promote economic opportunities in the downtown business district.	Cost estimated provided by McGill Associates.	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: \$33.64 Sewer: \$42.53	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
<b>TOWN OF WARSAW</b> Sewer \$4,000,000 G.S. 159G-22 Revolving Loan	Conducting an Infiltration/Inflow (I&I) study to determine the areas of gravity sewer lines to be replaced, replacement / rehabilitation of known gravity sewer over 40 years of age with I/I issues, and replacement/renovation of original 1980 pumps and tertiary filters at the Town's WWTP. Replacement of the influent pumps and the filters will increase the peak hourly capacity that the WWTP can handle from 1600 gpm to 2100 gpm, but does not increase the design average daily flow of the WWTP which is .915 mgd.	Necessary and expedient because the Town received Notices of Violations (NOV's) for Sanitary Sewer Overflows (SSO's) and for monthly flow limit at the WWTP. These violations are directly related to old/damaged gravity sewer lines/manholes and the aged equipment at the WWTP.	Cost estimates provided by McDavid 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: \$29.90 Sewer: \$51.22	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



**MISCELLANEOUS:**  
County of Durham

**(ACTION ITEMS):**

The County of Durham requests approval to issue up to \$70,000,000 in short-term general obligation bonds under general obligation bond authorizations previously approved by the Commission. The County will draw funds as advances under the bond in the amount and at times needed to pay the costs of projects being financed under the authorizations. This is the second request for approval of a program of this type, the previous being in March 2017 for an amount of up to \$50,000,000 outstanding at any time. The bond will be issued non-competitively at a floating rate of interest based upon 79.0% of one month LIBOR, plus 25 basis points (.25%) per annum calculated on an actual/360 basis from the date of the bond for amounts drawn under the program. At or before the maturity, the County will redeem the bond by issuance of fixed rate general obligation bonds or other available funds of the County. The full-funding date of the bond will be June 12, 2022. The County 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 interest rate shall not exceed 12.0%. The financing team members are:

Bond Counsel: Parker Poe Adams and Bernstein LLP  
 Initial Purchaser: PNC Bank, National Association  
 Bank Counsel: Moore & Van Allen  
 Financial Advisor: DEC Associates, Inc.

Town of Eureka	Resolution Giving Notice and Warning to the Town of Eureka, Pursuant to G.S. 159-181(c), Regarding the Town's Failure to comply with the Budget and Fiscal Control Requirements of Chapter 159 of the General Statutes of North Carolina.
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City of Winston-Salem

The City of Winston-Salem and the following fire department have requested approval of an annexation payment schedule developed in accordance with G.S. 160A-31.1, whereby the City will make a lump sum payment for the City's proportionate share of outstanding debt as follows:

Volunteer Fire Department	Effective Annexation Date	Payment Period	Reimbursement
Lewisville Volunteer Fire Department	9/18/2018	2019	\$277.69

**(NON-ACTION ITEM):**

City of Roanoke Rapids  
(Amendment to the bond order & rate reduction)

In May 2017, the Local Government Commission approved the refinancing of the Roanoke Rapids' 2007 Music and Entertainment District Taxable Special Revenue Bonds to (1) extend the term with a lower, tax-exempt interest rate, (2) terminate a variable-to-fixed rate swap associated with the bonds, and (3) restructure the restricted taxable portion of the bonds to a two year term with an optional extension for an additional three years (the "term-out mode"). This refinancing lowered the City's annual debt service by approximately \$750,000 per year and reduced some of the financial stress caused by the City's underperforming theatre project. The refinancing also provided time for the City to identify an eventual buyer and theatre operator, and any sale proceeds would reduce the City's debt burden associated with the theatre. In July 2017, the City conveyed the Theatre to a third party Purchaser. Under the terms of the conveyance, the Purchaser paid a down payment on the purchase price, would pay monthly payments, and would pay the balance of the purchase price in July 2019. The Purchaser is operating the theatre with regularly scheduled acts, has bookings through the end of the year, and the City expects it to pay the balance of the purchase price in July 2019. To date, the Purchaser has made all monthly payments. If the Purchaser does not pay the balance of the purchase price in July 2019, it is required to convey the theatre back to the City.

The Series 2017B taxable bond entered the three-year term-out mode on May 1, 2019. On May 7, 2019, the City and Bank of America (the "Bank"), purchaser of the taxable Series 2017B Bond, agreed to amend the bond order to adjust the term-out period 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 5/20/19, the Bank's prime rate was 5.50% and the LIBOR daily rate was 2.35%, making the current term-out rate 3.15%. The maximum rate remains at 12%. Currently, \$10,513,584 is outstanding on the tax-exempt Series 2017A bonds at a rate of 2.54% with a final maturity of 5/1/2032. \$3,232,000 is outstanding on the taxable Series 2017B bonds with a final maturity of 5/1/2022.

PROJECT	PROJECT IS NECESSARY AND EXPEDIENT	AMOUNT OF PROJECT IS ADEQUATE BUT NOT EXCESSIVE	FEASIBILITY	DEBT MANAGEMENT	TERMS/ OTHER INFORMATION
<p><b>CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY - DENIED</b> (d/b/a Atrium Health) Guaranty G.S. 131E-26(b) \$306,000,000 (plus interest) Revenue Anticipation Certificates to be issued by Navicent Health, Inc (A Georgia nonprofit corporation) Atrium Health is the corporate parent of Navicent Health.</p> <p>Location Macon, Georgia</p> <div style="border: 1px solid black; padding: 2px;">(A) Guaranty of Revenue Anticipation Certificates to be issued through the Macon-Bibb Hospital Authority for Navicent Health</div> <p style="text-align: right;">\$306,000,000</p> <p>(B) Guaranty of related interest rate swap agreements in regards to current Navicent outstanding bonds, with SunTrust. *Outstanding aggregate notional amount of \$61.4 Million with current mark to market of negative and \$8.5 Million.</p>	<p>The primary reason for the guaranty is to allow Navicent into the Atrium Health Obligated Group. Navicent will be the sole beneficiary of lower borrowing costs due to Atrium's financial strength.</p> <p>The Georgia Attorney General ruled that with this corporate parent relationship, Georgia citizens would benefit from a capital investment inflow from Atrium as well as continued levels of care/service or it would not sign off on the relationship.</p> <p>The North Carolina Attorney General was not required to have an opinion on the merger for the benefit/costs to the citizens of North Carolina.</p>	<p>Requested guaranty amount corresponds to current outstanding Navicent bonds and swap valuation.</p>	<p>Per Atrium, to lower the borrowing costs and allow savings to occur when Navicent refunds their outstanding bonds, the Atrium credit will be used to get a better rate, as well as guaranty the payment of Navicent debts. If the guaranty were acted upon, the addition of the projected Navicent debt service obligations is estimated to reduce Atrium's long-term debt service coverage ratio from 7.26x's to 6.32x's,</p> <p>The Authority Board (Atrium) has passed a resolution approving the guaranty.</p>	<p>No Defaults. No major deficiencies.</p> <p>Atrium's Health Long-term debt ratings are: S&amp;P: AA- Moody's: Aa3</p> <p>Navicent Health is unrated.</p>	<p>This Guaranty would apply only to the proposed 2019 Revenue Anticipation Certificates to be issued by Navicent to refund its outstanding bonded debt; and also to the associated swap termination payment.</p>
<p><b>CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY</b> (d/b/a Atrium Health) Guaranty G.S. 131E-26(b) \$10,012,500 (plus interest) Location Charlotte (Mecklenburg)</p> <p>Guaranty of a loan for Charlotte Surgery Center, LLC ("CSC"), which will refinance CSC's existing debt.</p>	<p>Charlotte Surgery Center, LLC is a partnership between Surgical Care Affiliates, Atrium Health, Gaul Surgical Properties, LLC and various existing physician investors. Atrium Health has a 45% membership interest (the largest among the members).</p> <p>Atrium Health developed the Wendover Campus Center which is now part of the LLC.</p> <p>The designated representatives of the Authority have authorized the guaranty.</p>	<p>Atrium's guaranty is required by the bank to allow CSC to refinance an existing construction line of credit (\$10 million) and a line of credit promissory note with Atrium (\$12,250,000). Atrium's guaranty would apply to 45% of the refinanced debt, i.e. \$10,012,500.</p>	<p>Internal projections from Atrium Health demonstrates debt service coverage of at least 7.08 times through 2022.</p> <p>Historical 3 year days cash on hand averaged 295 days.</p>	<p>No major deficiencies. No defaults noted.</p> <p>Atrium's Health Long-term debt ratings are: S&amp;P: AA- Moody's: Aa3</p>	<p>Guaranty is necessary to reduce costs for the joint venture.</p> <p style="text-align: center;">APPROVALS</p> <div style="border: 1px solid black; padding: 2px;">Authority Guaranties: Not to exceed \$10,012,500 in outstanding principle amount plus interest.</div> <p>Loans are with First Citizens Bank</p>