**NORTH CAROLINA**

**WAYNE COUNTY**

The Wayne County Board of Commissioners met on Tuesday, May 18, 2021 at 9:07 a.m. in the Commissioners Meeting Room in the Wayne County Courthouse Annex, Goldsboro, North Carolina, after due notice thereof had been given.

Members present: George Wayne Aycock, Jr., Chairman; Freeman Hardison, Jr., Vice-Chairman; Barbara Aycock; Joe Daughtery; Bevan Foster; Chris Gurley; and Antonio Williams.

Members absent: None

## Briefing Session

During the scheduled briefing and prior to the regularly scheduled meeting, the Board of Commissioners held an advertised briefing session to discuss the items of business on the agenda.

The briefing began at 8:05 a.m. with County Manager Craig Honeycutt reviewing the agenda.

Finance Director Allison Speight reviewed the Budget Amendments.

Planning Director Berry Gray reviewed the final plat for Dobbs County Estates, Section 13.

## Call to Order

Chairman George Wayne Aycock, Jr. called the meeting of the Wayne County Board of Commissioners to order.

## Invocation

Commissioner Chris Gurley gave the invocation.

## Pledge of Allegiance

Commissioner Joe Daughtery led the Board of Commissioners in the Pledge of Allegiance to the Flag of the United States of America.

## Approval of Minutes

Upon motion of Vice-Chairman Freeman Hardison, Jr., the Board of Commissioners unanimously approved the minutes of the regularly scheduled meeting of the Board of Commissioners on May 4, 2021.

## Discussion/Adjustment of Agenda

County Manager Craig Honeycutt made the following adjustments to the agenda:

- Remove item #2 from Special Presentations and place on June 1, 2021 agenda.
- Add Hurricane Preparedness Video to #4 under New Business.

Upon motion of Commissioner Chris Gurley, the Board of Commissioners unanimously approved and authorized the adjusted agenda.

**Presentation by EMS Director Dave Cuddeback**

EMS Director Dave Cuddeback made a presentation honoring the Wayne County EMS staff, introducing 25 members of his team who are currently attending continuing education classes. He invited the Board for a hot dog lunch. The entire EMS staff was given a standing ovation for their work and dedication to the County, and County Manager Craig Honeycutt said Wayne County had the best EMS Director in Dave Cuddeback.

**Motion to Approve Older Americans Month in Wayne County Proclamation**

Services on Aging Director Paula Edwards read the Older Americans Month in Wayne County Proclamation and gave an update on Senior Activities at the Peggy M. Seegars Senior Center, attached hereto as Attachment A.

Commissioner Barbara Aycock shared her feelings on great generations that have come before us and Chairman George Wayne Aycock, Jr. discussed the wisdom of our older generations.

Upon motion of Vice-Chairman Freeman Hardison, Jr., the Board of Commissioners unanimously approved the Older Americans Month in Wayne County Proclamation.

**Appointment Committee**

Upon motion of Commissioner Chris Gurley, the Board of Commissioners unanimously approved the reappointments of Linda Harper, Jimmie Ford, and Martha Bryan to the Eastern Carolina Council Area Agency on Aging.

Commissioner Chris Gurley made a motion to appoint Bill Pate to the Wayne County ABC Board. Commissioner Antonio Williams asked for discussion on other applicants and stated he wanted to see fresh faces on various boards.

Commissioner Antonio Williams made a motion to amend Commissioner Chris Gurley's motion, appoint Russell Robbins to the Wayne County ABC Board.

Following discussion, Commissioner Chris Gurley made a motion to table the appointment of Bill Pate. After further discussion, Commissioner Chris Gurley rescinded his motion to table the appointment of Bill Pate to the Wayne County ABC Board.

Commissioner Bevan Foster asked Commissioner Antonio Williams to rescind his recommendation for the appointment of Russell Robbins to the Wayne County ABC Board. Commissioner Antonio Williams denied the request and a vote was called. The motion to appoint Russell Robbins to the Wayne County ABC Board failed by a vote of 5 to 2. Voting for the motion were Commissioner Antonio Williams and Commissioner Bevan Foster. Voting against the motion were Chairman George Wayne Aycock, Jr., Vice-Chairman Freeman Hardison, Jr., Commissioner Barbara Aycock, Commissioner Joe Daughtery, Commissioner Chris Gurley.

Commissioner Bevan Foster made a motion to table the appointment of Bill Pate to the Wayne County ABC Board. The motion passed 5 to 2. Voting for the motion were Chairman George Wayne Aycock, Jr., Commissioner Barbara Aycock, Commissioner Bevan Foster, Commissioner Chris Gurley, and Commissioner Antonio Williams. Voting against the motion were Vice-Chairman Freeman Hardison, Jr. and Commissioner Joe Daughtery.

Upon motion of Commissioner Chris Gurley, the Board of Commissioners unanimously approved the reappointment of Charlotte Brow, and the appointment of Amita Shreenath, to the Wayne County Public Library Board of Advisors.

Commissioner Chris Gurley made the following recommendations to be voted on at the June 1, 2021 meeting:

Reappoint Melanie Emerson Sanders to the Eastern Carolina Workforce Development Board.

Commissioner Chris Gurley discussed the Housing Appeals Board, stating the Appointment Committee determined its members will either be the Commissioners or a designee from each of their districts. Appointees will be submitted to the Clerk to the Board.

**Consent Agenda**

Upon motion of Commissioner Joe Daughtery, the Board of Commissioners unanimously approved and authorized the following items under the consent agenda:

1. Applications for Present Use Value
2. Budget Amendments.
   a. Sheriff's Office - #423
   b. Health Dept. - #42
3. Motion to approve the Dobbs County Estates, Section 13, Final Plat, attached hereto as Attachment B.
4. Motion to Adopt Resolution #2021-13: A Resolution Amending the Wayne County Personnel Policy, attached hereto as Attachment C.
5. Motion to Cancel the July 6, 2021 Board of Commissioners regular meeting.

**Presentation of County Manager's Recommended 2021/22 FY Budget by County Manager Craig Honeycutt**

County Manager Craig Honeycutt presented his recommended budget to the Board of Commissioners with a PowerPoint presentation, attached hereto as Attachment D.

Commissioner Bevan Foster asked for the increase in pay for the Sheriff's Office to include the words, "non-elected staff."

**Discussion of Budget Work Session**

County Manager Craig Honeycutt discussed the Budget Work Session with the Board of Commissioners.

Upon motion of Commissioner Barbara Aycock, the Board of Commissioners unanimously approved to set a budget workshop for Tuesday, May 25, 2021, at 2:00 p.m., in the Commissioners Meeting Room.

**Motion to Establish a Public Hearing on June 1, 2021, at 9:30 a.m., in the Board of Commissioners meeting room on the 4th floor of the courthouse atrium, 227 E. Walnut Street, Goldsboro, North Carolina, to allow public comments pertaining to the proposed budget for fiscal year July 1, 2021.**

Upon motion of Commissioner Antonio Williams, the Board of Commissioners unanimously approved the motion to establish a public hearing on June 1, 2021, at 9:30 a.m., to allow public comments pertaining to the proposed budget for fiscal year July 1, 2021, attached hereto as Attachment E.

**Presentation of Hurricane Preparedness Video by your Public Affairs Team**

Public Information Officer Joel Gillie presented the 2021 Hurricane Preparedness video created by the Public Affairs Staff.

**County Manager's Report**

County Manager Craig Honeycutt updated the Board on COVID-19 vaccination efforts and read an email from Health Department Director Dr. Brenda Weis.

Commissioner Bevan Foster stated the County needed to implement a program to serve homebound residents.

Commissioner Joe Daughtery asked if all vaccinations at the Bussman Building would be stopped May 31st. Mr. Honeycutt said that would be the last day at the Bussman Building, at which time all vaccinations would be given at the Health Department.

**Board of Commissioners Committee Reports**

Commissioner Bevan Foster had no comments.

Commissioner Barbara Aycock thanked the employees of the EMS Department and Sheriff's Office, stating they are there when we need them, and thanked Paula Edwards for her Services on Aging presentation. She also thanked the Finance and Management staff for getting the budget together.

Commissioner Chris Gurley had no comments.

Commissioner Joe Daughtery stated everyone was speechless after seeing the County Manager's budget. He thanked County Manager Craig Honeycutt and the staff for their work on the budget and said he looked forward to the work sessions.

Commissioner Antonio Williams thanked the staff for putting the budget together and thanked the staff and Mayor of the Town of Mount Olive for meeting with him and Vice-Chairman Freeman Hardison, Jr. He also thanked Representative Raymond Smith for his work on HB 921 and asked the County to adopt a resolution of support.

Vice-Chairman Freeman Hardison, Jr. had no comments.

Chairman George Wayne Aycock, Jr. thanked the staff for working on the budget, stating it benefits the citizens of Wayne County. He also asked everyone to keep the Dispatchers of the 911 Call Center in our prayers, stating their training is bringing them more interaction with callers and more involvement in many situations.

**Closed Sessions**

At 8:18 a.m., upon motion of Commissioner Chris Gurley, the Board of Commissioners unanimously declared itself in closed session to discuss the location or expansion of business in Wayne County, to consider the acquisition of real property, and to consult with attorneys employed or retained by the public body in order to preserve the attorney-client privilege between the attorneys and the public body, which privilege is hereby acknowledged.

At 9:01 a.m., upon motion of Commissioner Antonio Williams, the Board of Commissioners unanimously declared itself in regular session.

At 10:18 a.m., upon motion of Commissioner Chris Gurley, the Board of Commissioners unanimously declared itself in closed session to discuss the location or expansion of business in Wayne County, to consider the acquisition of real property, and to consult with attorneys employed or retained by the public body in order to preserve the attorney-client privilege between the attorneys and the public body, which privilege is hereby acknowledged.

At 11:37 a.m., upon motion of Commissioner Bevan Foster, the Board of Commissioners unanimously declared itself in regular session.

At 2:10 p.m., upon motion of Commissioner Antonio Williams, the Board of Commissioners unanimously declared itself in closed session to discuss the location or expansion of business in Wayne County.

At 2:26 p.m., upon motion of Vice-Chairman Freeman Hardison, Jr., the Board of Commissioners unanimously declared itself in regular session.

**Board of Commissioners' Information**

The Board of Commissioners was advised of the following personnel changes:

1. Landfill
   Name of Employee – Jesse Aldridge
   Date of Employment – April 1, 2021
   Classification – Heavy Equipment Operator, Full-time
   Salary – $34,782.58 per year
2. DSS
   Name of Employee – Doreen Waters
   Date of Employment – April 1, 2021
   Classification – IMC I w/a IMC II, Full-time
   Salary – $28,304.00 per year
3. 911
   Name of Employee – Audrey Cummings
   Date of Employment – April 1, 2021
   Classification – Telecommunicator, Full-Time
   Salary – $29,719.19 per year
4. Health
   Name of Employee – Katherine Fletcher
   Date of Employment – March 22, 2021
   Classification – Nutritionist II, Full-Time
   Salary – $42,000.00 per year
5. Jail
   Name of Employee – Chad Hare
   Date of Employment – April 1, 2021
   Classification – Detention Entry - PT, Full-Time
   Salary – $14.28 per hour
6. 911
   Name of Employee – Trivia Hall
   Date of Employment – April 4 2021
   Classification – Telecommunicator, Full-Time
   Salary – $29,719.19 per year
7. 911
   Name of Employee – Jasmin Turner
   Date of Employment –April 5, 2021
   Classification – Telecommunicator, Full-Time
   Salary – $29,719.19 per year
8. 911
   Name of Employee – Taylor Smith
   Date of Employment – April 4, 2021
   Classification – Telecommunicator, Full-Time
   Salary – $29,719.19 per year
9. Animal Control
   Name of Employee – Richard Boyce
   Date of Employment – March 22, 2021
   Classification – Animal Control Officer I, Full-Time
   Salary – $25,621.96 per year
10. Animal Control
    Name of Employee – Eric Person
    Date of Employment – March 22, 2021
    Classification – Animal Control Officer I, Full-Time
    Salary – $25,621.96 per year
11. IT
    Name of Employee – Timothy Faulkner
    Date of Employment – March 22, 2021
    Classification – IT Support Technician, Full-Time
    Salary – $45,114.00 per year
12. EMS
    Name of Employee – Aisha Hamdan
    Date of Employment – April 6, 2021
    Classification – Basic, Full-Time
    Salary – $26,955.60 per year
13. Jail
    Name of Employee – Lounes Blackman

Date of Employment – April 7, 2021
Classification – Special Deputy, Part-time
Salary – $17.86 per hour

**Recess the Board of Commissioners Meeting**

At 11:38 a.m., Chairman George Wayne Aycock, Jr. recessed the meeting of the Board of Commissioners.

**Reconvene the Board of Commissioners Meeting**

At 1:00 p.m., Chairman George Wayne Aycock, Jr. reconvened the meeting of the Board of Commissioners.

**1:00 P.M. Budget Work Session with Davenport**

County Manager Craig Honeycutt introduced Ted Cole with Davenport who reviewed the budget discussion materials, attached hereto as Attachment F.

Mr. Cole answered questions throughout the presentation.

**Adjournment**

At 2:28 p.m., Commissioner George Wayne Aycock, Jr. adjourned the meeting of the Wayne County Board of Commissioners.

Carol Bowden

Carol Bowden, Clerk to the Board
Wayne County Board of Commissioners

Attachment A

**NORTH CAROLINA**

**WAYNE COUNTY**

**OLDER AMERICANS MONTH IN WAYNE COUNTY PROCLAMATION**

**WHEREAS**, the older adults in Wayne County are the roots from which our community grows, who bestow gifts of wisdom and insight upon younger generations, and strengthen the bonds between neighbors to create a better place to live; and

**WHEREAS**, our society can be enhanced by older adults aging peacefully in their communities; and

**WHEREAS**, the older adults in Wayne County should be commended for their role in creating and bolstering the fiber of our community and nation; and

**WHEREAS**, our community can provide that recognition and respect by enriching the quality of life for Older Americans by:

- Increasing their opportunities to remain in their communities as active and engaged citizens
- Providing services, technologies and support systems that allow seniors to foster and maintain connections within the community
- Emphasizing the value of elders by publically recognizing their contributions to the diversity, strength and unity of our community.

**NOW, THEREFORE BE IT RESOLVED** that the Wayne County Board of Commissioners does hereby proclaim May 2021 as

**OLDER AMERICANS MONTH IN WAYNE COUNTY**

and urges every citizen to take time this month to honor our older adults. Our recognition of older Americans and their involvement in our lives can help us achieve stronger and more meaningful connections to each other and enrich our community's quality of life.

Adopted this the 18th day of May, 2021.

SEAL OF WAYNE COUNTY NORTH CAROLINA

George Wayne Aycock, Chairman
Wayne County Board of Commissioners

Attest:

Carol Bowden
Clerk to the Board

# MEMORANDUM

To: Wayne County Board of Commissioners

From: Berry Gray, Planning Director

Date: April 15, 2021

Re: Subdivision Final Plat Approval

Item: Dobbs County Estates Section 13, Final
Owner/Developer: Emmitt Hare
Surveyor/Engineer: B.R. Kornegay, Inc.
New Hope Township, Dobbs County Courthouse Road (SR 1729)
Lots 119-123 (5 lots)

Discussion: The Dobbs County Estates Section 13 final consists of 5 lots on 4.2 acres. This phase includes the creation of a cul de sac street to serve the lots. The subdivision is located west of the intersection of Dobbs County Courthouse Road and Piney Grove Church Road. No mapped flood zones are present. The property is located within the Airport Height Overlay District with an average lot size of 33,576 sf. Building lots will utilize public water and onsite septic. The property is shown within the Rural Enclave area in the Wayne County Comprehensive Land Use Plan. Improvements are complete and a NCDOT Built to Standards letter has been submitted to the County. Until the streets are accepted onto the State's secondary road system, the developer has signed a statement regarding the maintenance of the streets and right of ways.

The property is located within the following service areas:

Schools – Spring Creek HS, Spring Creek Middle, Spring Creek Elem
Water – East Wayne Sanitary District
Fire – Elroy Fire Department
EMS – Station 11
Transportation – MPO
Water Supply Watershed – No
Voluntary Agriculture District – No
Wetlands – No
Board of Commissioners District – 5

Recommendation: The Wayne County Planning Board recommends approval of the final plat.

Attachment B Page 2

PRESENTED
FOR REGISTRATION

DATE ____________

TIME ____________

CONSTANCE B. CORAM
REGISTER OF DEEDS
WAYNE COUNTY, N.C.

BY ____________
DEPUTY, ASSISTANT

THE STATE OF NORTH CAROLINA
COUNTY OF WAYNE

I, ____________ REVIEW OFFICER OF WAYNE COUNTY, CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING

REVIEW OFFICER ____________ DATE

I, HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF WAYNE COUNTY, NORTH CAROLINA AND THAT THIS PLAT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE REGISTER OF DEEDS OF WAYNE COUNTY.

CHAIRMAN, WAYNE COUNTY BOARD OF COMMISSIONERS ____________ DATE

ROAD MAINTENANCE OF UNDERSTANDING
DOBBS COUNTY ESTATES SECTION THIRTEEN IS RESPONSIBLE FOR THE CONSTRUCTION MAINTENANCE AND REQUIRED ROAD IMPROVEMENTS OF SUBDIVISION STREETS UNTIL:
A) APPROVED\TAKEN OVER BY NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR PUBLIC ROADS, OR
B) APPROVED\TAKEN OVER BY HOMEOWNERS ASSOCIATION FOR PRIVATE ROAD MAINTENANCE, OR
C) PRIVATE ROAD MAINTENANCE AGREEMENT IS SIGNED AND RECORDED BY OWNERS OF EACH LOT.

4·14·21
DEVELOPER/OWNER ____________ DATE

THE WAYNE COUNTY HEALTH DEPARTMENT HAS PERFORMED A SOIL ANALYSIS ON EACH LOT WITHIN THIS SUBDIVISION. COPIES OF THE SOIL ANALYSIS FOR EACH LOT ARE AVAILABLE FOR REVIEW IN THE OFFICE OF ENVIRONMENTAL HEALTH SECTION. THE SOIL ANALYSIS IS NOT A PERMIT OR A GUARANTEE THAT A PERMIT WILL BE ISSUED. EACH LOT WILL HAVE TO BE RE-EVALUATED FOR AN IMPROVEMENT PERMIT USING STANDARDS CURRENT AT THE TIME PERMITS ARE REQUESTED AND A PLOT PLAN SHOWING THE PROPOSED STRUCTURE HAS BEEN MADE AVAILABLE TO THE HEALTH DEPARTMENT.

WAYNE COUNTY HEALTH DEPARTMENT ____________ DATE

SITE DATA
TOTAL AREA WITHIN TRACT = 4.176 ACRES± INCLUDING ROAD RIGHT-OF-WAY
TOTAL AREA WITHIN ROAD RIGHT-OF-WAY = 0.322 ACRE±
TOTAL AREA WITHIN TRACT = 3.854 ACRES± EXCLUDING ROAD RIGHT-OF-WAY
TOTAL AREA WITHIN LOTS = 3.854 ACRES±
TOTAL NUMBER OF LOTS = 5
AVERAGE LOT SIZE = 33,576 SQUARE FEET OR 0.771 ACRE±
MINIMUM LOT SIZE = 25,004 SQUARE FEET OR 0.574 ACRE±

PROPERTY ZONED OH (WAYNE COUNTY)

THE PROPERTY IS LOCATED IN A HOG FARM 1/2 MILE BUFFER.

DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
PROPOSED SUBDIVISION ROAD
CONSTRUCTION STANDARDS CERTIFICATION
"FOR RECORDING PURPOSES ONLY"

APPROVED ____________
DISTRICT ENGINEER

DATE ____________

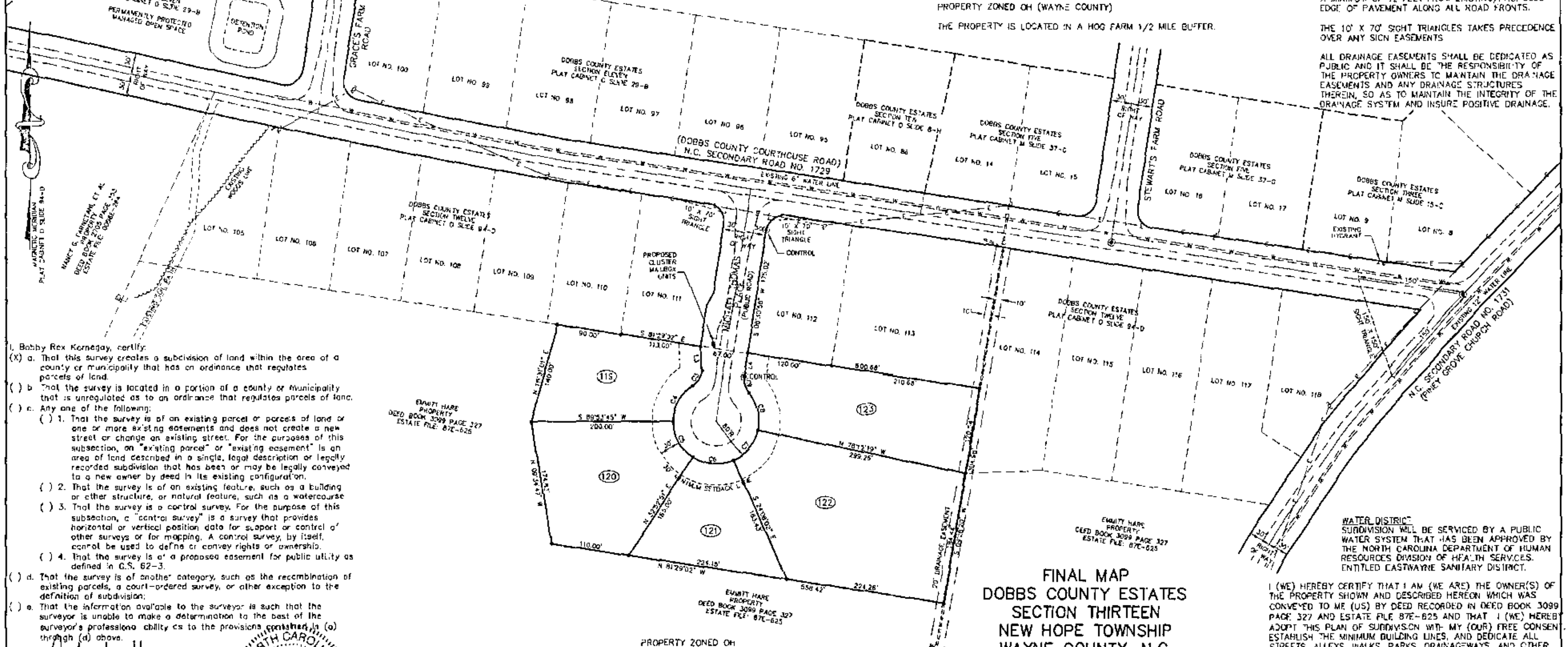
ALL THE LOTS IN THE DOBBS COUNTY ESTATES SECTION THIRTEEN SUBDIVISION MUST BE SERVED BY THE INTERNAL STREET SYSTEM.

ONLY NORTH CAROLINA DEPARTMENT OF TRANSPORTATION APPROVED STRUCTURES ARE TO BE CONSTRUCTED ON PUBLIC RIGHT-OF-WAY

THE OWNER, DEVELOPER OR CONTRACTOR SHALL SET THE CENTERLINE OF THE ROADWAY DITCH BACK TO A MINIMUM OF 12 FEET FROM EXISTING/PROPOSED EDGE OF PAVEMENT ALONG ALL ROAD FRONTS.

THE 10' X 70' SIGHT TRIANGLES TAKES PRECEDENCE OVER ANY SIGN EASEMENTS

ALL DRAINAGE EASEMENTS SHALL BE DEDICATED AS PUBLIC AND IT SHALL BE THE RESPONSIBILITY OF THE PROPERTY OWNERS TO MAINTAIN THE DRAINAGE EASEMENTS AND ANY DRAINAGE STRUCTURES THEREIN, SO AS TO MAINTAIN THE INTEGRITY OF THE DRAINAGE SYSTEM AND INSURE POSITIVE DRAINAGE.




I, Bobby Rex Kornegay, certify:

(X) a. That this survey creates a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of land.

( ) b. That the survey is located in a portion of a county or municipality that is unregulated as to an ordinance that regulates parcels of land.

( ) c. Any one of the following:

( ) 1. That the survey is of an existing parcel or parcels of land or one or more existing easements and does not create a new street or change an existing street. For the purposes of this subsection, an "existing parcel" or "existing easement" is an area of land described in a single, legal description or legally recorded subdivision that has been or may be legally conveyed to a new owner by deed in its existing configuration.

( ) 2. That the survey is of an existing feature, such as a building or other structure, or natural feature, such as a watercourse

( ) 3. That the survey is a control survey. For the purpose of this subsection, a "control survey" is a survey that provides horizontal or vertical position data for support or control of other surveys or for mapping. A control survey, by itself, cannot be used to define or convey rights or ownership.

( ) 4. That the survey is of a proposed easement for public utility as defined in G.S. 62-3.

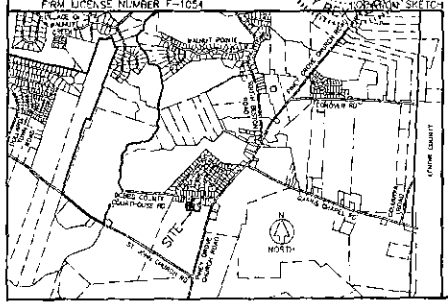
( ) d. That the survey is of another category, such as the recombination of existing parcels, a court-ordered survey, or other exception to the definition of subdivision;

( ) e. That the information available to the surveyor is such that the surveyor is unable to make a determination to the best of the surveyor's professional ability as to the provisions contained in (a) through (d) above.

BOBBY REX KORNEGAY
PROFESSIONAL LAND SURVEYOR NO. L-944
300 EAST WALNUT STREET
GOLDSBORO, NORTH CAROLINA 27530
TELEPHONE NO. 919-735-5886
FIRM LICENSE NUMBER F-1054

NORTH CAROLINA PROFESSIONAL SEAL L-944 LAND SURVEYOR BOBBY REX KORNEGAY

VICINITY SKETCH




LEGEND

| | |
|---|---|
| ◉ | CONTROL CORNER |
| I.R.S. | IRON ROD SET |
| I.R.F. | IRON ROD FOUND |
| | EXISTING HYDRANT |
| | EXISTING UTILITY POLE |
| > | EXISTING GUY WIRE |
| —— W —— | EXISTING WATER LINE |
| —— E —— | EXISTING OVERHEAD ELECTRICAL LINES |

RATIO OF PRECISION = MINIMUM 1/10,000
NO HORIZONTAL CONTROL WITHIN 2,000 FEET
AREA COMPUTED BY D.M.D. METHOD

LINE TABLE

| LINE | BEARING | DISTANCE |
|---|---|---|
| L3 | S 03°29'45" E | 33.53' |
| L4 | N 08°30'58" E | 32.90' |

CURVE TABLE

| CURVE | BEARING | RADIUS | CHORD | ARC |
|---|---|---|---|---|
| C3 | S 32°36'40" W | 30.00' | 24.49' | 25.23' |
| C4 | S 28°18'03" W | 60.00' | 57.08' | 59.49' |
| C5 | S 28°36'42" E | 60.00' | 57.27' | 59.71' |
| C6 | S 85°37'36" E | 60.00' | 57.27' | 59.71' |
| C7 | N 38°49'49" E | 60.00' | 54.55' | 55.62' |
| C8 | N 13°56'22" W | 60.00' | 52.10' | 53.90' |
| C9 | N 15°34'43" W | 30.00' | 24.49' | 25.23' |

PROPERTY ZONED OH
(WAYNE COUNTY)

MINIMUM SETBACK REQUIREMENTS
FRONT = 30 FEET
REAR = 25 FEET
SIDE INTERIOR LOT LINE= 10 FEET

MAXIMUM HEIGHT 35 FEET

LOT SCHEDULE

| LOT NO. | AREA |
|---|---|
| 119 | 35,428 SQUARE FEET OR 0.813 ACRE± |
| 120 | 54,388 SQUARE FEET OR 1.249 ACRES± |
| 121 | 21,180 SQUARE FEET OR 0.486 ACRE± |
| 122 | 31,874 SQUARE FEET OR 0.732 ACRE± |
| 123 | 25,004 SQUARE FEET OR 0.574 ACRE± |

100 0 50 100 200 400
SCALE: 1" = 100'

# FINAL MAP
# DOBBS COUNTY ESTATES
# SECTION THIRTEEN
# NEW HOPE TOWNSHIP
# WAYNE COUNTY, N.C.

APRIL 7, 2021

REFERENCE:
PART OF: DEED BOOK 3099 PAGE 327
PART OF: ESTATE FILE 87E-625

OWNER & DEVELOPER
EMMITT HARE
1696 SWIFT CREEK ROAD
SMITHFIELD, NORTH CAROLINA 27577-9374

WATER DISTRICT
SUBDIVISION WILL BE SERVICED BY A PUBLIC WATER SYSTEM THAT HAS BEEN APPROVED BY THE NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES DIVISION OF HEALTH SERVICES. ENTITLED EASTWAYNE SANITARY DISTRICT.

I (WE) HEREBY CERTIFY THAT I AM (WE ARE) THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED HEREON WHICH WAS CONVEYED TO ME (US) BY DEED RECORDED IN DEED BOOK 3099 PAGE 327 AND ESTATE FILE 87E-625 AND THAT I (WE) HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY (OUR) FREE CONSENT, ESTABLISH THE MINIMUM BUILDING LINES, AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS, DRAINAGEWAYS, AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED. FURTHER, I (WE) CERTIFY THAT THE LAND AS SHOWN HEREON IS WITHIN THE SUBDIVISION REGULATION JURISDICTION OF WAYNE COUNTY.

DATE 4·14·21

OWNERS

I, BOBBY REX KORNEGAY, CERTIFY THAT THIS MAP WAS DRAWN UNDER MY SUPERVISION BY TERRY S. BEASLEY FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION AND THAT THE BOUNDARIES ARE AS INDICATED IN THE LEGEND. THAT THE LAND IS OF THE FOLLOWING RECORDED INFORMATION: DEED BOOK 3099 PAGE 327 AND ESTATE FILE 87E-625. THAT THE RATIO OF PRECISION IS AS INDICATED IN THE LEGEND. THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED, WITNESS MY HAND AND SEAL THIS 7TH DAY OF APRIL, 2021.

NORTH CAROLINA PROFESSIONAL SEAL L-944 LAND SURVEYOR BOBBY REX KORNEGAY

BOBBY REX KORNEGAY
PROFESSIONAL LAND SURVEYOR NO. L-944
300 EAST WALNUT STREET
GOLDSBORO, NORTH CAROLINA 27530
TELEPHONE NO. 919-735-5886
LICENSE NUMBER F-1054

TSB-190535-D161F20 S/D 3285

# Memorandum

**To:** Wayne County Board of Commissioners

**From:** Craig Honeycutt, County Manager

**Date:** 5/10/2021

**Re:** Personnel Policy Update – 05/18/2021 Meeting

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Attached to this memo is a resolution to amend Article III, Section 14-B of the Wayne County Personnel Policy, which addresses Certification Levels Eligible for Salary Increase. The update will add six specialty certifications that apply to the Tax Office: Certified Assessment Evaluator, Residental Evaluation Specialist, Mass Appraisal Specialist, Assessment Administration Specialist, Personal Property Specialist, and Cadastral Mapping Specialist, and one certification that will apply to Public Affairs: Advanced Public Information Officer.

The purpose of the Certification Policy is to support a culture of continuous learning and improvement in the employee's chosen field and to support employees who wish to improve their professional skills.

**ORTH CAROLINA**

**WAYNE COUNTY**

**RESOLUTION #2021- 13: A RESOLUTION AMENDING THE WAYNE COUNTY PERSONNEL POLICY**

**WHEREAS,** the Wayne County Board of Commissioners is authorized by North Carolina General Statutes(NCGS) 153A-94 to establish personnel policies that promote the hiring and retention of capable, diligent, and honest career employees; and

**WHEREAS,** the County Manager has recommended amending one article in the Personnel Policies previously adopted by Resolution of the Board of Commissioners; and

**WHEREAS,** after careful consideration of those changes the Board of Commissioners had determined that it wishes to adopt said changes by Resolution;

**NOW, THEREFORE BE IT RESOLVED** that the document entitled "WAYNE COUNTY PERSONNEL POLICY" previously adopted as the personnel policies for Wayne County Government, is hereby amended as follows:

**Article III, Section 14-B, change the item from:**

**From:**

**COUNTY OF WAYNE**
Appendix to the Certification Policy
Certification/Licensure Levels Eligible for Salary Increase

| Department | Certification/Licensure | Percentage of Increase |
|---|---|---|
| Board of Elections | Certified Elections Administrator | 2% |
| | | |
| Clerk to the Board | NCCCM | 2% |
| | | |
| Co-op Extension Service | Technical Specialist for Waste Utilization Plan | 2% |
| | Pesticide License (NC Dept. of Ag. Certification) | $200 |
| | Certified Plant Professional (NC Nursery & Landscape Assoc.) | 2% |
| | Certified Professional Argonomist (state & national cert.) | 2% |
| | Certified Crop Advisor (Public Agriculture 2 yr. program) | 2% |
| | Notary Public for 4-H and NC State documents | $100 |
| | | |
| Emergency Services – 911 | Public Safety Telecommunicator (I and II) | 2% |
| | SDI Certification (State Department of Criminal Investigation) | 2% |
| | Emergency Medical Dispatch Certification | 2% |
| | Advanced Public Communications Training Officer Certification | 2% |
| | RPL (Registered Public Safety Leader) Certification | 2% |
| | NENA (Emergency Number Professional) Certification | 2% |

| | | |
|---|---|---|
| | APCO Certified Public Safety Executive | 2% |
| | | |
| Emergency Services - Fire | Fire Science Degree | 2% |
| | Fire Prevention Level 2 | 2% |
| | Fire Prevention Level 3 | 2% |
| | | |
| EMS & WayneNET | EMS Science Degree or EMS Management Institute Program | 2% |
| | | |
| Facilities Services | Sewer Collection Level 2 | 2% |
| | Sewer Collection Level 3 | 2% |
| | Sewer Collection Level 4 | 2% |
| | Pesticide Applicator (ornamentals and turf) | $200 |
| | Pesticide Applicator (right of way) | $50 |
| | Plumbing Backflow Inspections | 2% |
| | HVAC Boiler Inspections | 2% |
| | Locksmith | 2% |
| | Certified Environmental Services Specialist (Housekeeping) | $100 |
| | | |
| Finance | NC Local Govt. Finance Officers Certification Program | 2% |
| | Certified Budget and Evaluation Officer | 2% |
| | Certified Local Government Purchasing Officer | 2% |
| Human Resources | International Public Mgmt. Certified Professional (IMPA-CP) | 2% |
| | International Public Mgmt. Sr. Certified Professional (IMPA-SCP) | 2% |
| | | |
| I.T. | CISSP (Certified Information Systems Security Professional) | 2% |
| | CCIE (Cisco Certified Internetwork Expert) | 2% |
| | PMP (Project Management Professional) | 2% |
| | MCSE (Microsoft Certified Solutions Expert | 2% |
| | CGCIO (Certified Government Chief Information Officer) | 2% |
| | CCNP (Cisco Certified Network Professional) | 1% |
| | MCSA (Microsoft Certified Solutions Associate) | 1% |
| | CCNA (Cisco Certified Network Associate) | 1% |
| | A Plus Computer Service Technicians | $250 |
| | Security Plus (cryptography and access control) | $250 |
| | Network Plus (hardware, installation and troubleshooting) | $250 |
| | MCTS (Microsoft Certified Technology Specialist) | $250 |
| | MCITP (Microsoft Certified IT Professional) | $250 |
| | MCP (Microsoft Certified Professional) | $250 |
| | | |
| Inspections | Building Code Inspector Level 2 | 2% |
| | Building Code Inspector Level 3 | 2% |
| | Electrical Code Inspector Level 2 | 2% |
| | Electrical Code Inspector Level 3 | 2% |
| | Mechanical Code Inspector Level 2 | 2% |
| | Mechanical Code Inspector Level 3 | 2% |
| | Plumbing Code Inspector Level 2 | 2% |
| | Plumbing Code Inspector Level 3 | 2% |
| | Fire Code Inspector Level 2 | 2% |
| | Fire Code Inspector Level 3 | 2% |
| | | |
| Planning | NC Certified Zoning Officer Certification | 1.5% |
| | NC Certified Floodplain Manager | 1.5% |
| | Certified GIS Professional | 2% |

| | | |
|---|---|---|
| | American Institute of Certified Planners | 2% |
| | | |
| Public Affairs | Public Information Officer | 2% |
| | | |
| Register of Deeds | Certified Deputy Register of Deeds | 2% |
| | Certified Assistant Register of Deeds | 2% |
| | | |
| Services on Aging | Ann Johnson Institute Graduate (professional training for SOA) | 2% |
| | | |
| Sheriff | Criminal Investigation Certification Program | 2% |
| | Tactical Training | 2% |
| | SRO Certification Program | 2% |
| | Coastal Plain Law Enforcement Management Institute | 2% |
| | Fire Investigator | 2% |
| | Polygraph Examiner | 2% |
| | K-9 Instructor | 2% |
| | DRE – (Drug Recognition Expert) | 2% |
| | Advanced Law Enforcement Certificate | 2% |
| | | |
| Soil & Water | NC Environmental Education Certification Program | 2% |
| | Technical Specialist for Waste Utilization Plan | 2% |
| | Agriculture Pest Control Plan | $100 |
| | Animal Waste Operation Certification | $100 |
| | Natural Resources Certified Conservation Planner | 2% |
| | NRCS/NC Soil & Water Commission Job Approval Authority | 2% |
| | | |
| Tax Administration | Real Property Certification | 2% |
| | Personal Property Certification | 2% |
| | Appraiser Level 1 Certification | 2% |
| | Appraiser Level 2 Certification | 2% |
| | Appraiser Level 3 Certification | 2% |
| | Certified Mapper | 1.5% |
| | Certified Senior Mapper | 1.5% |
| Tax Collections | Collector | 2% |
| | Deputy Tax Collector | 2% |
| | Assistant Tax Collector | 2% |

To:

**COUNTY OF WAYNE**
Appendix to the Certification Policy
Certification/Licensure Levels Eligible for Salary Increase

| Department | Certification/Licensure | Percentage of Increase |
|---|---|---|
| Board of Elections | Certified Elections Administrator | 2% |
| | | |
| Clerk to the Board | NCCCM | 2% |
| | | |

| | | |
|---|---|---|
| Co-op Extension Service | Technical Specialist for Waste Utilization Plan | 2% |
| | Pesticide License (NC Dept. of Ag. Certification) | $200 |
| | Certified Plant Professional (NC Nursery & Landscape Assoc.) | 2% |
| | Certified Professional Argonomist (state & national cert.) | 2% |
| | Certified Crop Advisor (Public Agriculture 2 yr. program) | 2% |
| | Notary Public for 4-H and NC State documents | $100 |
| | | |
| Emergency Services – 911 | Public Safety Telecommunicator (I and II) | 2% |
| | SDI Certification (State Department of Criminal Investigation) | 2% |
| | Emergency Medical Dispatch Certification | 2% |
| | Advanced Public Communications Training Officer Certification | 2% |
| | RPL (Registered Public Safety Leader) Certification | 2% |
| | NENA (Emergency Number Professional) Certification | 2% |
| | APCO Certified Public Safety Executive | 2% |
| | | |
| Emergency Services - Fire | Fire Science Degree | 2% |
| | Fire Prevention Level 2 | 2% |
| | Fire Prevention Level 3 | 2% |
| | | |
| EMS & WayneNET | EMS Science Degree or EMS Management Institute Program | 2% |
| | | |
| Facilities Services | Sewer Collection Level 2 | 2% |
| | Sewer Collection Level 3 | 2% |
| | Sewer Collection Level 4 | 2% |
| | Pesticide Applicator (ornamentals and turf) | $200 |
| | Pesticide Applicator (right of way) | $50 |
| | Plumbing Backflow Inspections | 2% |
| | HVAC Boiler Inspections | 2% |
| | Locksmith | 2% |
| | Certified Environmental Services Specialist (Housekeeping) | $100 |
| | | |
| Finance | NC Local Govt. Finance Officers Certification Program | 2% |
| | Certified Budget and Evaluation Officer | 2% |
| | Certified Local Government Purchasing Officer | 2% |
| Human Resources | International Public Mgmt. Certified Professional (IMPA-CP) | 2% |
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| | | |
| I.T. | CISSP (Certified Information Systems Security Professional) | 2% |
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| | MCTS (Microsoft Certified Technology Specialist) | $250 |
| | MCITP (Microsoft Certified IT Professional) | $250 |
| | MCP (Microsoft Certified Professional) | $250 |
| | | |

| | | |
|---|---|---|
| Inspections | Building Code Inspector Level 2 | 2% |
| | Building Code Inspector Level 3 | 2% |
| | Electrical Code Inspector Level 2 | 2% |
| | Electrical Code Inspector Level 3 | 2% |
| | Mechanical Code Inspector Level 2 | 2% |
| | Mechanical Code Inspector Level 3 | 2% |
| | Plumbing Code Inspector Level 2 | 2% |
| | Plumbing Code Inspector Level 3 | 2% |
| | Fire Code Inspector Level 2 | 2% |
| | Fire Code Inspector Level 3 | 2% |
| | | |
| Planning | NC Certified Zoning Officer Certification | 1.5% |
| | NC Certified Floodplain Manager | 1.5% |
| | Certified GIS Professional | 2% |
| | American Institute of Certified Planners | 2% |
| | | |
| Public Affairs | Public Information Officer | 2% |
| | Advanced Public Information Officer | 1% |
| | | |
| Register of Deeds | Certified Deputy Register of Deeds | 2% |
| | Certified Assistant Register of Deeds | 2% |
| | | |
| Services on Aging | Ann Johnson Institute Graduate (professional training for SOA) | 2% |
| | | |
| Sheriff | Criminal Investigation Certification Program | 2% |
| | Tactical Training | 2% |
| | SRO Certification Program | 2% |
| | Coastal Plain Law Enforcement Management Institute | 2% |
| | Fire Investigator | 2% |
| | Polygraph Examiner | 2% |
| | K-9 Instructor | 2% |
| | DRE – (Drug Recognition Expert) | 2% |
| | Advanced Law Enforcement Certificate | 2% |
| | | |
| Soil & Water | NC Environmental Education Certification Program | 2% |
| | Technical Specialist for Waste Utilization Plan | 2% |
| | Agriculture Pest Control Plan | $100 |
| | Animal Waste Operation Certification | $100 |
| | Natural Resources Certified Conservation Planner | 2% |
| | NRCS/NC Soil & Water Commission Job Approval Authority | 2% |
| | | |
| Tax Administration | Real Property Certification | 2% |
| | Personal Property Certification | 2% |
| | Appraiser Level 1 Certification | 2% |
| | Appraiser Level 2 Certification | 2% |
| | Appraiser Level 3 Certification | 2% |
| | Certified Mapper | 1.5% |
| | Certified Senior Mapper | 1.5% |
| Tax Collections | Collector | 2% |
| | Deputy Tax Collector | 2% |
| | Assistant Tax Collector | 2% |
| | Certified Assessment Evaluator (CAE) | 2% |
| | Residental Evaluation Specialist (RES) | 2% |

| | | |
|---|---|---|
| | Mass Appraisial Specialist (MAS) | 2% |
| | Assessment Admininstration Specialist (AAS) | 2% |
| | Personal Property Specialist (PPS) | 2% |
| | Cadastral Mapping Specialist (CMS) | 2% |

**"The Wayne County Board of Commissioners has adopted these Personnel Policies by Resolution in order to establish a personnel system which will recruit, select, develop, and maintain an effective and responsible work force. These Personnel Policies can only be amended by subsequent Resolution adopted by the Board of Commissioners."**

**This the 18th day of May 2021 and effective the 1st day of July 2021.**

Wayne Aycock, Chairman
Wayne County Board of Commissioners

Carol Bowden, Clerk to the Board

Attachment D Page 1

# Manager's Recommended Budget FY 2021/2022

Craig F. Honeycutt

County Manager

May 18, 2021

WAYNECOUNTY
NORTH CAROLINA

# Budget Overview

- Proposed Tax Rate – the ad valorem (property) would remain *$.6635 per $100 evaluation* (the same rate as the 2017/18 through 2020/21 FY property tax rate) IF . . .
- We did not add $58 million worth of new debt for the county for capital projects
  - $5 million - Fremont Elementary
  - $3 million – WCC Advanced Manufacturing Center
  - $25 million – new jail replacement
  - $25 million – new Health/DSS building
- By adding this new capital will mean an estimated $.054 tax increase bringing our new recommended tax rate to approximately $.7175 per $100 evaluation
  - Discussion of capital expenditures will be presented by Davenport, Inc. at 1 pm today

## American Rescue Plan (ARP)/Infrastructure Funds

- We have not used, nor projected to use, any of the ARP/infrastructure funds in this budget. We feel that we will be able to offset some of our capital and first responder salaries, but until we fully understand what the rules are we did not want to make assumptions.

# Surrounding Counties Tax Rate 20/21

- Wilson - .73
- Johnston - .76
- Lenoir - .845
- Greene - .786
- Duplin - .735
- Sampson - .825

# Wayne County Public Schools - Increases

- Recommendation of $250,000 increase to general operating budget (based on agreed upon funding growth formula)
- WCPS Small Works Capital
  - Increase of $407,319 for years FY 2022, 2023 & 2024.
    - This increase is a recommendation from the Board of Commissioners, to allocate the remaining sales tax funds that were originally set aside for Fremont Stars over a three-year period, to assist with small capital items.

# County Employees

- 3% set aside in a contingency (either COLA or Merit)
- 6% increase in employee Health Insurance with plan changes (8.9% increase last year)
- 1.2% MANDATED increase in Local Government Retirement Employer contribution from 10.22% to 11.42%– ($414,000)
- Pay and Classification implementation for Sheriff/Detention (to begin January 1) - $510,000
- Second year implementation of EMS Pay and Classification
- Position Increases:
  - Housekeepers - $2,000 each
  - Register of Deeds non-elected staff - $2,000 each

# New Positions Budgeted

- New Patrol Deputy – Sheriff
- New Information Technology Systems Administrator (IT) – due to impending retirement of staff within the next two years, we need to get someone trained as we will be losing up to 60 years of experience within Wayne County IT
- New Deputy Director – Health Department
- New Training officer – EMS
- New Part-time Administration Assistant/Workers Comp Administrator – HR
- New Animal Control Supervisor

# Deleted Positions

- Board of Elections - Election Specialist
- Animal Control Office Assistant IV
- Animal Control – Shelter Assistant
  - Will be combining the two deleted positions into one FTE new position of Animal Control Supervisor

# Major Capital Expenditures

- $185,000 – New ambulance (EMS)
- $425,000 – Sheriff vehicle replacement
- $600,000 – New elevator (jail)
- $300,000 – New chiller
- $200,000 – Other General Fund Vehicles
- $10 million – New debt financing
  - Voting machines
  - Radio backup/towers
  - Financial software package
  - A. Joe Gurley, III Emergency Services Building

Attachment D Page 10

# Major Revenue Increases From Current 2020/21

- Increase of Revenues: + $5,709,729
- Property Tax/vehicles - $2,140,724
- Sales Tax increased - $3,069,005
- Medicaid Hold Harmless - $500,000

WAYNECOUNTY
NORTH CAROLINA

# Major Revenue Decreases From Current 2020/21

- Decrease of Revenues: (- $1,132,050)
- Interest revenue decreased by ($340,000)
- Lottery funds decreased/General Fund expenditure for school debt service ($442,050)
- Misdemeanant jail fees ($350,000)

- *NET REVENUE CHANGES* *+$4,577,679*

# Major Departmental Expenditure Decrease From Current 2020/21

- Decrease of Expenditures
  - DSS (due to increased state funds) $766,258

# Major Expenditure Changes From Current 2020/21 Budget

- Increased sales tax owed to schools for statutory requirement is $487,102.
- Increased Wayne Community College transfer for current expense by 5% or $216,327.
- Increased Maxwell Center transfer for indirect costs by $498,910 (represents first full year of operation – should maintain after initial year).
- New service payment will be realized in FY 22 for $10M borrowing from Fall of 2020 resulting in a budget increase of $1,123,729.
- Increased General Fund contribution for pay-go capital of $1,451,296. This includes large projects in the Detention Center.

# Major Expenditure Changes From Current 2020/21 Budget

- Required increase in hospitalization of 6% and retirement of over 11% resulting in an additional $600,000 in payroll costs.
- Fuel rate increases totaling $289,000.
- 3% recommended COLA at $1,000,000 in salaries & fringes.
- Sheriff's pay study recommendations implemented at January 1 for a budget increase of $510,000.

- *Increase of basic fixed costs expenditures $5,675,106*

# Volunteer Fire Departments

- All Volunteer Fire Department tax rates shall remain the same except the following two departments:
  - Boone Hill VFD asking for increase from $.05 to $.08
  - Elroy VFD has asked for a tax decrease from $.0625 to $.06.

## Next Steps

- Copies of proposed budget will be filed in the County Clerks office today.
- Public Hearing on Proposed Budget will be scheduled for June 1, 2021.
- Budget Adoption – June 15, 2021 (or later)
  - Work Sessions on Proposed Budget will be scheduled at your convenience.

**FINAL BUDGET NEEDS TO BE APPROVED ANYTIME BEFORE JULY 1, 2021.**

## Questions?

- Thanks again to our wonderful Department Heads and Finance Staff for getting us to this point!

Attachment E

WAYNECOUNTY
NORTH CAROLINA

**NOTICE**
**FILING OF BUDGET ESTIMATE AND PUBLIC HEARING**

Notice is hereby given the County Manager's proposed budget for Wayne County for the fiscal year beginning July 1, 2021 was presented to the Wayne County Board of Commissioners on May 18, 2021, and a copy thereof is on file for public inspection in the office of the Clerk to the Board in Room 470 in the Wayne County Courthouse Annex, 224 E. Walnut Street, Goldsboro, North Carolina. The budget is also available on the county website at www.waynegov.com.

Notice is hereby given the Wayne County Board of Commissioners will hold a public hearing at 9:30 a.m. on Tuesday, June 1, 2021 in the Commissioners' Meeting Room in the Wayne County Courthouse Annex, 224 E. Walnut Street, Goldsboro, North Carolina, at which time all citizens have a right to appear and give oral or written comments pertaining thereto. **Note: Due to new practices related to COVID-19, individuals visiting the Wayne County Courthouse, or any Wayne County building, must wear a mask or cloth face covering.** The Public may view the hearing in the on www.waynegov.com.

Written comments may be made to the Clerk to the Wayne County Board of Commissioners before the public hearing. The Clerk will make those written comments available to all members of the Wayne County Board of Commissioners prior to the Wayne County Board of Commissioners' vote on the budget.

**WAYNE COUNTY BOARD OF COMMISSIONERS**
**Carol Bowden, Clerk to the Board**
**P.O. Box 227**
**Goldsboro, NC 27533-0227**
**carol.bowden@waynegov.com**
**May 18, 2021**

**Publish Date May 21, 2020**

THE GOOD LIFE. GROWN HERE.

# Discussion Materials

## Wayne County, North Carolina

WAYNECOUNTY

May 18, 2021

Attachment F Page 1

DAVENPORT 1863
PUBLIC FINANCE
Member NYSE | FINRA | SIPC

# Contents / Agenda





Attachment F Page 2

# Topics for Discussion



- Credit Ratings and Peer Comparative Introduction.
- General Fund Financial Performance.
- Existing Tax Supported Debt Profile.
- Capital Improvement Plan.
  - Cash Flows Available for Capital and Debt Service.
  - Proposed FY 2022 – 2026 CIP Sources and Uses.
  - Proposed Tax Supported Debt Profile and Policies.
  - CIP Cash Flow Impacts.
- School Funding Agreement Analysis.

# General Fund Credit Rating Overview

# Credit Rating Overview and Peer Comparatives



## Credit Rating Overview

- The County is currently rated:
  - Aa2 by Moody's Investors Service (6/2/2017, 5/28/2020 AICR)
  - AA by Standard and Poor's (6/1/2017)

| Moody's Investors Service | Standard & Poor's | Fitch Ratings |
|---|---|---|
| Aaa | AAA | AAA |
| Aa1 | AA+ | AA+ |
| Aa2 | AA | AA |
| Aa3 | AA- | AA- |
| A1 | A+ | A+ |
| A2 | A | A |
| A3 | A- | A- |
| Baa1 | BBB+ | BBB+ |
| Baa2 | BBB | BBB |
| Baa3 | BBB- | BBB- |
| | Non Investment Grade | |

## Peer Comparatives

- The following pages contain peer comparatives based on the below Moody's rating categories.
  - National Counties
    - Aa1 125 Credits
    - Aa2 258 Credits
    - Aa3 174 Credits
  - North Carolina County Medians
    - Aa1 13 Credits
      - Brunswick, Cabarrus, Carteret, Catawba, Chatham, Cumberland, Davidson, Henderson, Iredell, Johnston, Moore, Onslow, Pitt
    - Aa2 22 Credits
      - Alamance, Burke, Cleveland, Dare, Davie, Franklin, Gaston, Granville, Harnett, Lee, Lenoir, Lincoln, Macon, Nash, Pender, Randolph, Rockingham, Rowan, Surry, Watauga, Wayne, Wilson
    - Aa3 11 Credits
      - Beaufort, Bladen, Columbus, Hoke, Montgomery, Richmond, Rutherford, Sampson, Stanly, Warren, Wilkes

- The data shown in the peer comparatives is from Moody's Municipal Financial Ratio Analysis database. The figures shown are derived from the most recent financial statement available as of April 21, 2021 (FY 2020 figures in most cases).

# Rating Agency Methodology Overview



## Moody's

| Category | Rating Percentage | Short Term Control | Long Term Control |
|---|---|---|---|
| Economy / Tax Base | 30% | | ✓ |
| Finances | 30% | ✓ | ✓ |
| Management | 20% | ✓ | ✓ |
| Debt / Pensions | 20% | ✓ | ✓ |

## S&P

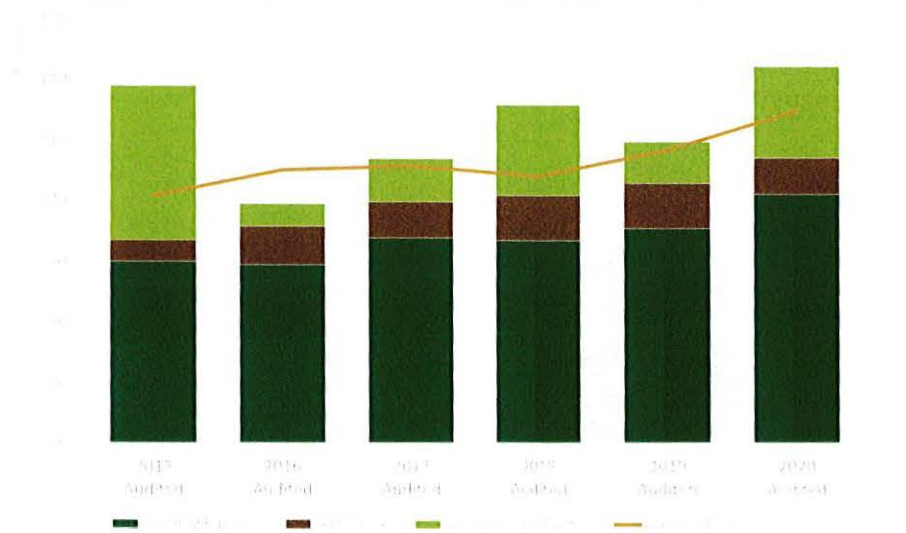
| Category | Rating Percentage | Short Term Control | Long Term Control |
|---|---|---|---|
| Institutional Framework | 10% | | ✓ |
| Economy | 30% | | ✓ |
| Management | 20% | ✓ | ✓ |
| Budget Flexibility | 10% | ✓ | ✓ |
| Budgetary Performance | 10% | ✓ | ✓ |
| Liquidity | 10% | ✓ | ✓ |
| Debt and Contingent Liabilities | 10% | ✓ | ✓ |

# General Fund Financial Performance

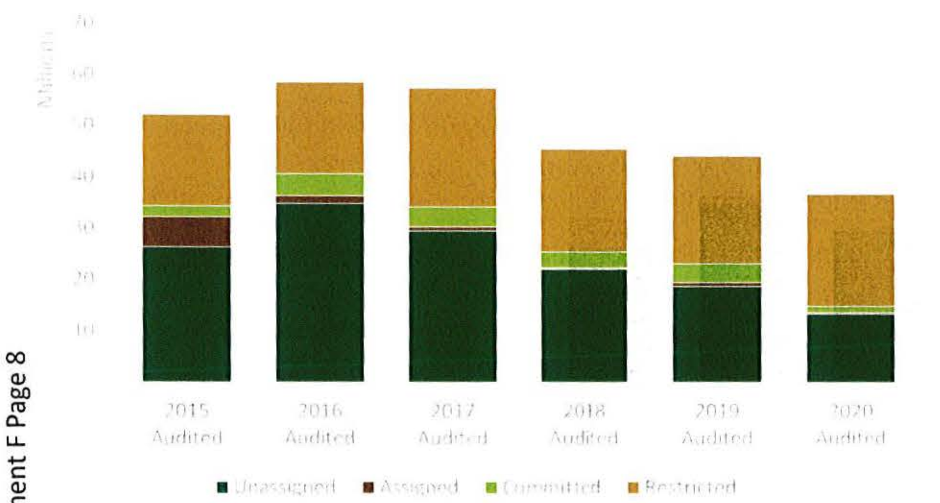
Attachment F Page 7

# General Fund Financial Performance

## General Fund Revenues vs. Expenditures




## General Fund Balance




## Observations

- Historically, the County's operating revenues have exceeded operating expenditures, resulting in a structurally balanced budget and annual operating surpluses.

- In recent years, the County has cash funded a significant amount of one-time capital projects, resulting in a reductions in fund balance, particularly in FY 2015 and FY 2018:

**Capital Project Funding - Pay-Go and Reserves**

| | Fiscal Year | | Amount |
|---|---|---|---|
| 1 | 2015 | $ | 20,900,000 |
| 2 | 2016 | | |
| 3 | 2017 | | 4,000,000 |
| 4 | 2018 | | 12,500,000 |
| 5 | 2019 | | 1,606,559 |
| 6 | 2020 | | 6,252,164 |
| 7 | **Total** | $ | **45,258,723** |
| 8 | Less: Reimbursements | | (9,497,164) |
| 9 | **Net Capital Project Funding** | $ | **35,761,559** |
| | Note: See Appendix B for Details | | |

- In addition to the cash funding of capital projects, the County has also funded capital projects through three debt financings which have resulted in an increase an annual debt service payments:
  - 2014 Installment Financing for School Projects ($38.4 million)
  - 2017 Limited Obligation Bonds for School and County Projects ($35.9 million)
  - 2020 Installment Financing for County Projects ($10 million)

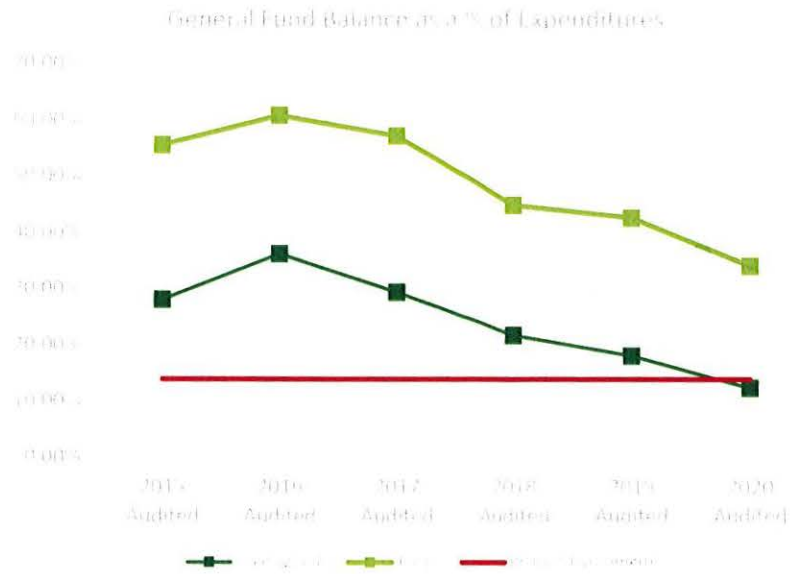
- The capital investment in the major capital projects outlined above totals over $115 million.

Source: County Audits


Attachment F Page 8

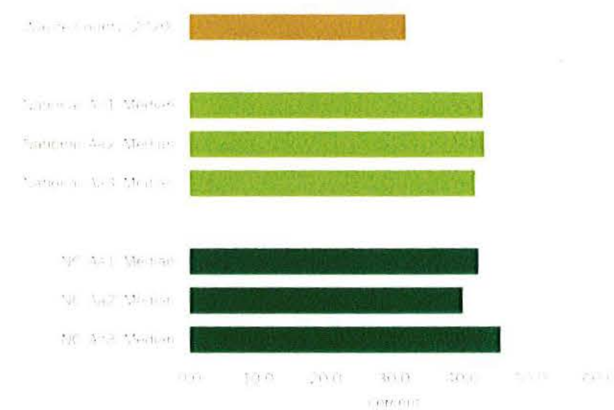
# General Fund Balance Performance and Policy

## General Fund Balance as a % of Expenditures



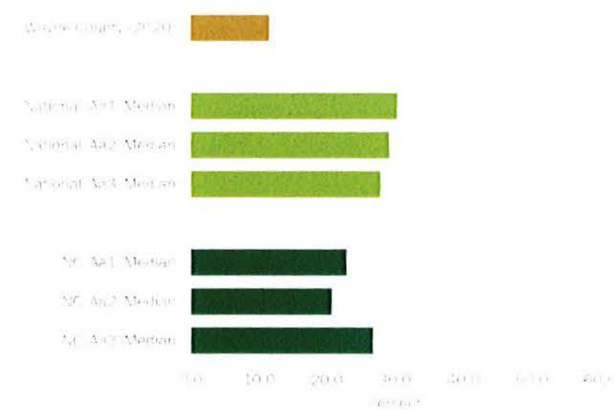
- The County has an adopted Financial Policy to maintain a minimum Unassigned General Fund Balance of at least 14% of General Fund Expenditures.
- The County's General Fund Balance and Fund Balance Percentages have declined in recent years due to Capital Investment.
- Going forward, the County's ability to utilize Fund Balance to fund Capital projects may be limited.

Total General Fund Balance as a % of Revenues



| | NC Aa1 | NC Aa2 | NC Aa3 |
|---|---|---|---|
| Max | 62.30 | 66.50 | 63.30 |
| Min | 26.40 | 21.50 | 29.40 |

Unassigned Fund Balance as a % of Revenues



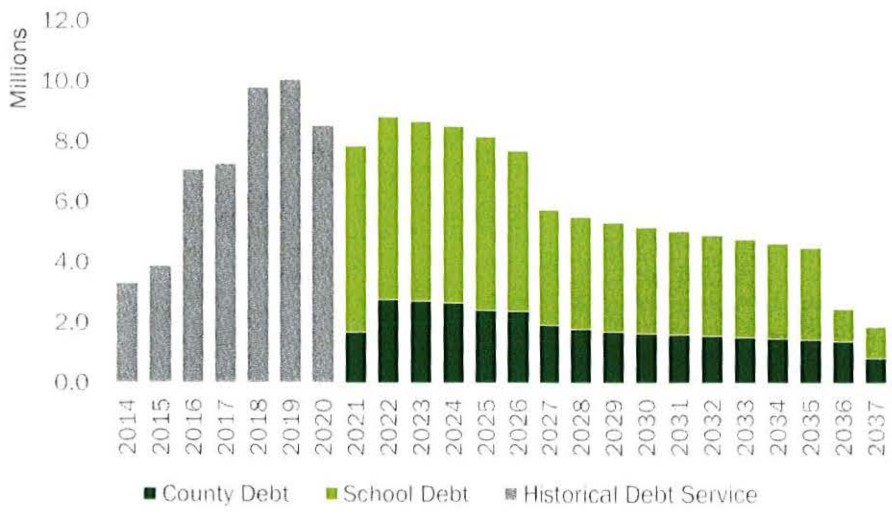
| | NC Aa1 | NC Aa2 | NC Aa3 |
|---|---|---|---|
| Max | 40.70 | 40.50 | 47.20 |
| Min | 0.70 | 2.70 | 11.40 |

Source: County Audits and Moody's MFRA

# Existing Tax Supported Debt Profile

# Existing Tax Supported Debt

## Tax Supported Debt Service




## Par Outstanding – Estimated as of 6/30/2020

| Type | Par Amount |
|---|---|
| County Debt | $25,271,783 |
| School Debt | $52,575,576 |
| Total | $77,847,359 |

Notes:
- 2011 QSCBs shown gross of Federal Subsidy.

## Tax Supported Debt Service

| FY | Principal | Interest | Total | 10-yr Payout |
|---|---|---|---|---|
| Total | 77,847,359 | 21,853,026 | 99,700,385 | |
| 2021 | 5,126,305 | 2,740,576 | 7,866,881 | 67.2% |
| 2022 | 6,051,305 | 2,786,422 | 8,837,727 | 70.8% |
| 2023 | 6,046,305 | 2,631,996 | 8,678,300 | 74.5% |
| 2024 | 6,051,305 | 2,467,025 | 8,518,330 | 79.0% |
| 2025 | 5,876,305 | 2,301,805 | 8,178,109 | 84.5% |
| 2026 | 5,885,313 | 1,825,584 | 7,710,897 | 91.5% |
| 2027 | 4,408,877 | 1,343,879 | 5,752,755 | 95.8% |
| 2028 | 4,319,646 | 1,193,537 | 5,513,183 | 100.0% |
| 2029 | 4,277,000 | 1,037,959 | 5,314,959 | 100.0% |
| 2030 | 4,266,000 | 900,641 | 5,166,641 | 100.0% |
| 2031 | 4,276,000 | 763,745 | 5,039,745 | 100.0% |
| 2032 | 4,276,000 | 626,449 | 4,902,449 | 100.0% |
| 2033 | 4,276,000 | 489,152 | 4,765,152 | 100.0% |
| 2034 | 4,276,000 | 351,856 | 4,627,856 | 100.0% |
| 2035 | 4,276,000 | 214,560 | 4,490,560 | 100.0% |
| 2036 | 2,344,000 | 121,891 | 2,465,891 | 100.0% |
| 2037 | 1,815,000 | 55,950 | 1,870,950 | 100.0% |

**Summary of Prepayment Provisions for Loans Outstanding Beyond FY 2021**

| Loan | Interest Rate | Prepayment Language |
|---|---|---|
| 2011 IPC - QSCB (BB&T) | 4.33%[1] | Current at Par |
| 2014 IPC (SunTrust) | 2.75% | Current (Make Whole Call) |
| Limited Obligation Bonds, Series 2017 | 3.00% - 5.00% | 6/1/2027 at Par |
| 2017 USDA Loans | 0.00% | Current at Par |
| 2020 IFA (Truist) | 1.50% - 2.18% | Current at 101%, Then 100% after 3/1/2028 |

[1] Coupon is shown gross of federal tax credit subsidy.

Source: 2020 Audit and LGC Bond Ledger



Attachment F Page 11

Attachment F Page 12

# Key Debt Ratio: Tax Supported Payout Ratio

## 10-Year Payout Ratio

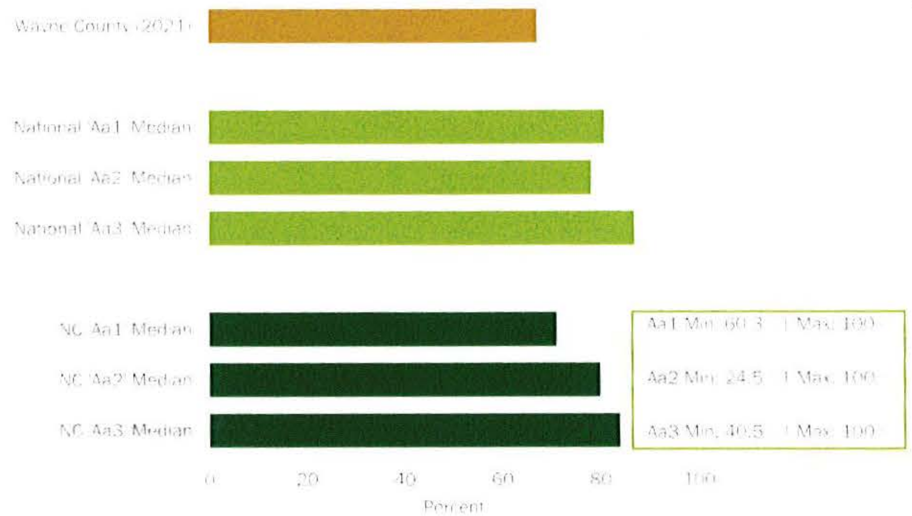

- Existing 10-year Payout Ratio
  - FY 2021: 67.2%

- The 10-Year Payout Ratio measures the amount of principal to be retired in the next 10 years.

- This ratio is an important metric that indicates whether or not a locality is back-loading its debt.

- The County has a policy establishing a minimum aggregate 10-year Payout Ratio for all tax supported debt of 50%.

## 10-year Payout Ratio Peer Comparative



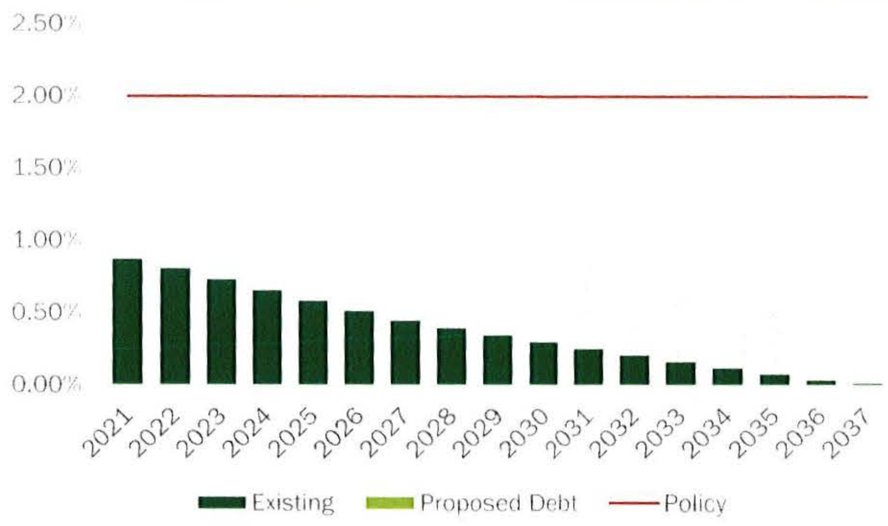

- Rating Considerations:
  - Moody's: Moody's rating criteria for General Obligation credits allows for a scorecard adjustment if an issuer has unusually slow or rapid amortization of debt principal.
  - S&P: A payout ratio greater than 65% results in a one point positive qualitative adjustment to the Debt & Contingent Liabilities section of S&P's General Obligation rating methodology.



Source: LGC Bond Ledger, 2020 Audit, Moody's Investors Service, and S&P

# Key Debt Ratio: Debt to Assessed Value

## Debt to Assessed Value

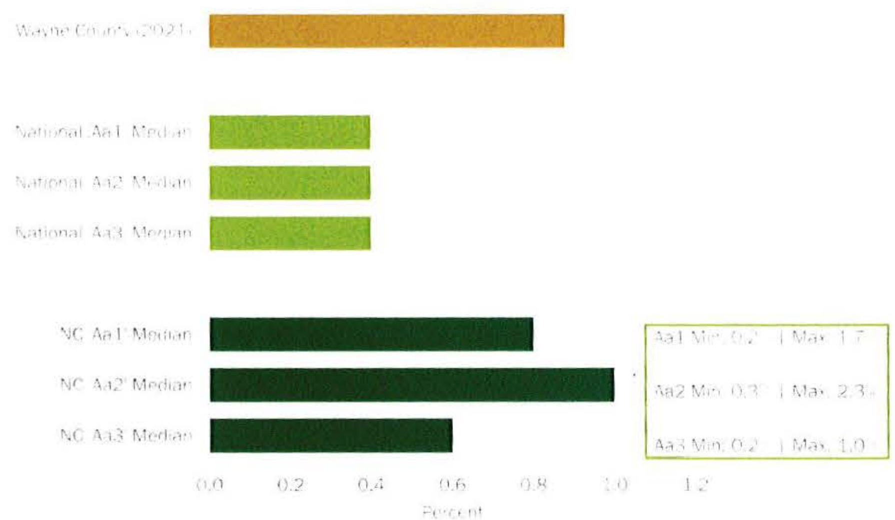



- Existing Debt to Assessed Value
  - FY 2021: 0.88%

- Assumed Future Growth Rates
  - 2021 Estimated Assessed Value: $8,895,540,726
  - 2022 Estimated Assessed Value: $8,981,675,703
  - 2023 and Beyond: 1.25%

- The County has a policy that sets a maximum Debt to Assessed Value of 2.00%.

## Debt to Assessed Value Peer Comparative

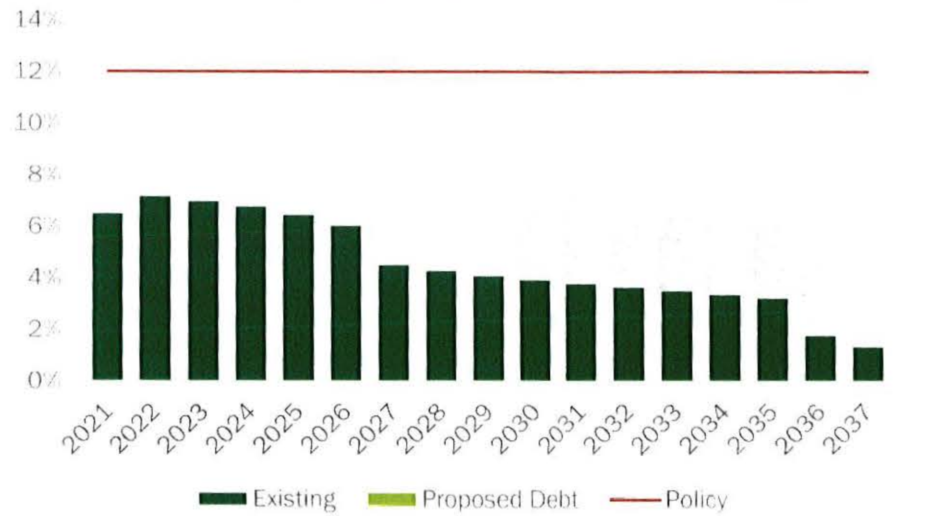



- Rating Considerations:
  - Moody's: Criteria for General Obligation Credits defines categories of Debt to Assessed Values as:
    - Very Strong (Aaa): < 0.75%
    - Strong (Aa): 0.75% - 1.75%
    - Moderate (A): 1.75% - 4.00%
    - Weak – Very Poor (Baa and below): > 4.00%
  - S&P: A positive qualitative adjustment is made to the Debt and Contingent Liabilities score for a debt to market value ratio below 3.00%, while a negative adjustment is made for a ratio above 10.00%.

Attachment F Page 13

# Key Debt Ratio: Debt Service vs. Expenditures

## Debt Service vs. Governmental Expenditures



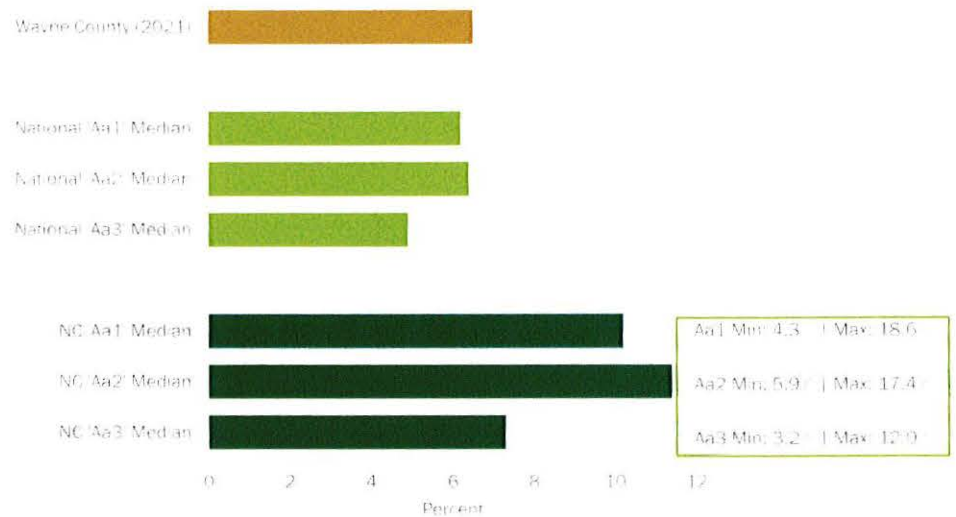

- Existing Debt Service vs. Expenditures
  - FY 2021: 6.51%

- Assumed Future Growth Rates
  - 2020 Adjusted Expenditures: $111,503,417
  - 2021 and Beyond: 1.25%

- The County has a policy that sets a maximum Debt Service to Expenditures of 12.00%.

Note: Governmental Expenditures represent the ongoing operating expenditures of the Town. In this analysis, debt service and capital outlay expenditures are excluded.

## Debt Service vs. Expenditures Peer Comparative




- Rating Considerations:
  - Moody's: Moody's criteria allows for a scorecard adjustment if an issuer has very high or low debt service relative to its budget Percent.

  - S&P: The Debt and Contingent Liabilities section defines categories of Net Direct Debt as a % of Total Governmental Funds Expenditures as follows:
    - Very Strong: <8%
    - Strong: 8% to 15%
    - Adequate: 15% - 25%
    - Weak: 25% - 35%
    - Very Weak: > 35%

Source: LGC Bond Ledger, 2020 Audit, Moody's Investors Service, and S&P



Attachment F Page 14

# County Capital Improvement Plan

Cash Flows Available for Capital and Debt Service

Proposed FY 2022 – 2026 CIP Sources and Uses

Proposed Tax Supported Debt Profile and Policies

CIP Cash Flow Impacts

# Debt Affordability Analysis

## County Debt Service and Capital – Existing Debt Only



| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debt Service Requirements | | | | | | | | Revenue Available for DS | | | | | | | | | | Debt Service Cash Flow Surplus (Deficit) | | | | | |
| FY | Existing Debt Service | CIP Debt Service | One-Time Pay Go Capital[1] | Annual CIP Pay Go | Vehicle Pay Go[2] | IT Maintenance Pay Go | Required School Funding Contribution | Total | FY 2022 General Fund DS Budget Appropriation[3] | Town Eastern Region Contributions[4] | Receipts for Radio Loans[5] | Annual CIP Pay-Go Budget[6] | Proceeds from Private Donor Campaign[7] | Assessment Revenues[8] | Board of Elections Grant[9] | DSS Reimbursement[10] | Other Revenues / Fund Balance | Total Revenues Available | Surplus/ (Deficit) | Revenue From Prior Tax Impact | Capital Reserve Utilized | Adjusted Surplus/ (Deficit) | Estimated Incremental Tax Equivalent | County Capital Reserve Fund Balance[11] |
| | | | | | | | | | | | | | | | | | | | | | | Total Tax Effect | 0.00¢ | |
| Total | 29,802,881 | - | - | - | - | - | - | 29,802,881 | | 5,876 | 151,785 | | 60,686 | 1,281,000 | 86,165 | | - | | Total | | (26,630) | | | |

Note: School Debt Service and Capital Accounted for under School Funding Agreement.

- FY 2021 Value of a Penny[12]: $880,743
- 2022 Growth and Beyond: 1.25%

[12] per County staff. Assumes a 98.06% collection rate.

- Note: Does not include operating costs or School Capital funded through the School Funding Agreement.

# County Draft CIP Summary

| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---|---|---|---|---|---|
| | | | | | | |
| **Uses of Funds** | | | | | | |
| General Fund Departments | 2,244,209 | 3,363,328 | 1,233,371 | 636,869 | 5,828,454 | 13,306,231 |
| School Funding Agreement | 2,407,319 | 2,407,319 | 2,407,319 | 2,000,000 | 2,000,000 | 11,221,958 |
| FY 2022 Major Capital Projects[1] | 73,000,000 | - | - | - | - | 73,000,000 |
| Jetport | 5,421,435 | 2,550,000 | - | 600,000 | - | 8,571,435 |
| Annual GF Vehicles | 812,500 | 812,500 | 812,500 | 812,500 | 812,500 | 4,062,500 |
| ITS | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| Total | 84,135,463 | 9,383,147 | 4,703,190 | 4,299,369 | 8,890,954 | 111,412,123 |
| | | | | | | |
| | | | | | | |
| **Sources of Funds** | | | | | | |
| Departmental Funding | 75,089 | 127,474 | - | 100,984 | - | 303,547 |
| DSS State Funding | 220,569 | - | 14,569 | - | - | 235,138 |
| School Funding Agreement | 2,407,319 | 2,407,319 | 2,407,319 | 2,000,000 | 2,000,000 | 11,221,958 |
| Debt Funding | 58,975,000 | 1,829,000 | - | - | 5,600,000 | 66,404,000 |
| Grant Funding | 20,421,435 | 2,450,000 | - | 540,000 | - | 23,411,435 |
| Pay-Go / Fund Balance | 2,036,051 | 2,569,354 | 2,281,302 | 1,658,385 | 1,290,954 | 9,836,046 |
| Total | 84,135,463 | 9,383,147 | 4,703,190 | 4,299,369 | 8,890,954 | 111,412,123 |

Notes:

- Solid Waste Fund Expenditures Excluded.

[1] FY 2022 Major Capital Projects include the Health/DSS Building, Detention Center, Fremont Elementary School and Advanced Manufacturing Center.

Attachment F Page 17

# County Draft CIP Detail

## Uses of Funds

Uses of Funds

| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---|---|---|---|---|---|
| **FY 2022 Major Capital Projects** | | | | | | |
| DSS-Health Building | 25,000,000 | | | | | 25,000,000 |
| Detention Center | 25,000,000 | | | | | 25,000,000 |
| Fremont Elementary School | 20,000,000 | | | | | 20,000,000 |
| Advanced Manufacturing Center | 3,000,000 | | | | | 3,000,000 |
| Subtotal | 73,000,000 | | | | | 73,000,000 |
| **County General Fund Departments** | | | | | | |
| Emergency Management | | 829,000 | | 255,000 | | 1,084,000 |
| Emergency Medical | 152,664 | 126,459 | 126,859 | 175,553 | 113,122 | 694,657 |
| 911 | | 163,649 | | | | 163,649 |
| Facilities Maintenance | 1,209,832 | 584,232 | 242,932 | 135,332 | 85,332 | 2,257,660 |
| Finance | | 175,000 | | | | 175,000 |
| GIS | 25,888 | | 102,843 | | | 128,731 |
| ITS | 320,000 | 1,150,000 | 250,000 | | | 1,720,000 |
| Library | 79,175 | 37,500 | | | | 116,675 |
| Maxwell | | 36,600 | 347,254 | | 5,600,000 | 5,983,854 |
| Reval | 52,638 | 52,638 | | | | 105,276 |
| Register of Deeds | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| Sewer Division | | 74,836 | | 40,984 | | 115,820 |
| Sheriff's Office | 130,992 | 103,414 | 118,914 | | | 353,320 |
| DSS | 220,569 | | 14,569 | | | 235,138 |
| Soil & Water | 22,451 | | | | | 22,451 |
| Jetport | 5,421,435 | 2,550,000 | | 600,000 | | 8,571,435 |
| School Annual CIP Funding | 2,407,319 | 2,407,319 | 2,407,319 | 2,000,000 | 2,000,000 | 11,221,958 |
| Subtotal | 10,072,963 | 8,320,647 | 3,640,690 | 3,236,869 | 7,828,454 | 33,099,623 |
| **Annual General Fund Vehicles** | | | | | | |
| General Government | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| EMS | 187,500 | 187,500 | 187,500 | 187,500 | 187,500 | 937,500 |
| Sheriff's Office | 425,000 | 425,000 | 425,000 | 425,000 | 425,000 | 2,125,000 |
| Subtotal | 812,500 | 812,500 | 812,500 | 812,500 | 812,500 | 4,062,500 |
| **ITS** | | | | | | |
| Replacement Allocation | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| Subtotal | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| Total Uses | 84,135,463 | 9,383,147 | 4,703,190 | 4,299,369 | 8,890,954 | 111,412,123 |





Attachment F Page 18

# County Draft CIP Detail

## Sources of Funds

Sources of Funds

| # | Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---|---|---|---|---|---|---|
| 2 | | | | | | | |
| 3 | **Other Sources** | | | | | | |
| 4 | Sewer Fund | - | 74,836 | - | 40,984 | - | 115,820 |
| 5 | Reval Fund | 52,638 | 52,638 | - | - | - | 105,276 |
| 6 | Soil & Water Fund | 22,451 | - | - | - | - | 22,451 |
| 7 | Jetport Fund | - | - | - | 60,000 | - | 60,000 |
| 8 | DSS State Funding | 220,569 | - | 14,569 | - | - | 235,138 |
| 9 | Jetport Grants | 5,421,435 | 2,450,000 | - | 540,000 | - | 8,411,435 |
| 10 | School Lottery Grants | 15,000,000 | - | - | - | - | 15,000,000 |
| 11 | School Funding Agreement | 2,407,319 | 2,407,319 | 2,407,319 | 2,000,000 | 2,000,000 | 11,221,958 |
| 12 | Subtotal | 23,124,412 | 4,984,793 | 2,421,888 | 2,640,984 | 2,000,000 | 35,172,077 |
| 13 | | | | | | | |
| 14 | **Debt Funding** | | | | | | |
| 15 | Short Term (5 Years) | - | 1,000,000 | - | - | - | 1,000,000 |
| 16 | Mid Term (10 Years) | - | 829,000 | - | - | - | 829,000 |
| 17 | Long Term (20 Years) | 58,975,000 | - | - | - | 5,600,000 | 64,575,000 |
| 18 | Total | 58,975,000 | 1,829,000 | - | - | 5,600,000 | 66,404,000 |
| 19 | | | | | | | |
| 20 | **General Fund Pay-Go / Fund Balance** | | | | | | |
| 21 | Recurring Pay-Go | 1,062,500 | 1,062,500 | 1,062,500 | 1,062,500 | 1,062,500 | 5,312,500 |
| 22 | Pay-Go / Fund Balance[1] | 973,551 | 1,506,854 | 1,218,802 | 595,885 | 228,454 | 4,523,546 |
| 23 | Total | 2,036,051 | 2,569,354 | 2,281,302 | 1,658,385 | 1,290,954 | 9,836,046 |
| 24 | | | | | | | |
| 25 | **Total** | **84,135,463** | **9,383,147** | **4,703,190** | **4,299,369** | **8,890,954** | **111,412,123** |

[1] Note: For purposes of this funding analysis, future pay-go is assumed to be $750,000 per year and the timing of future projects is assumed to be adjusted to fit within the anticipated $750,000 of annual funding.

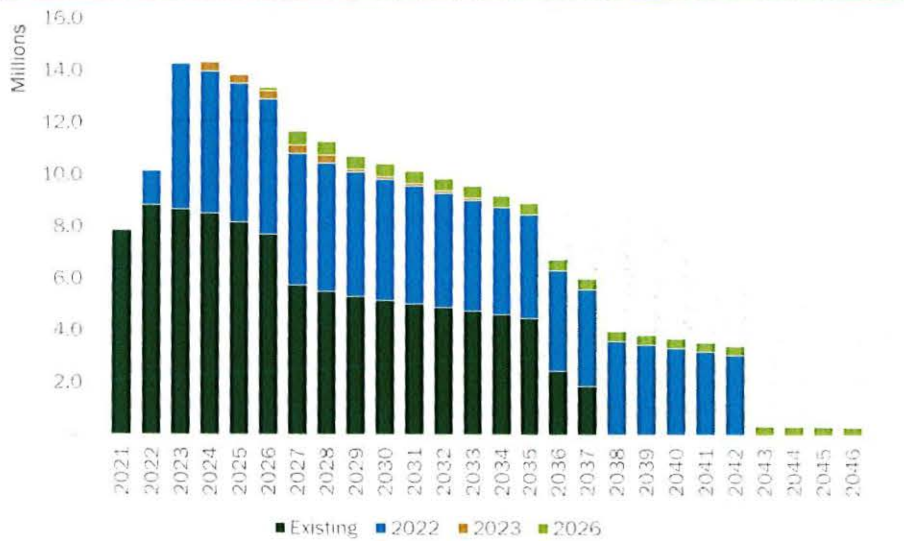
Attachment F Page 19

Attachment F Page 20

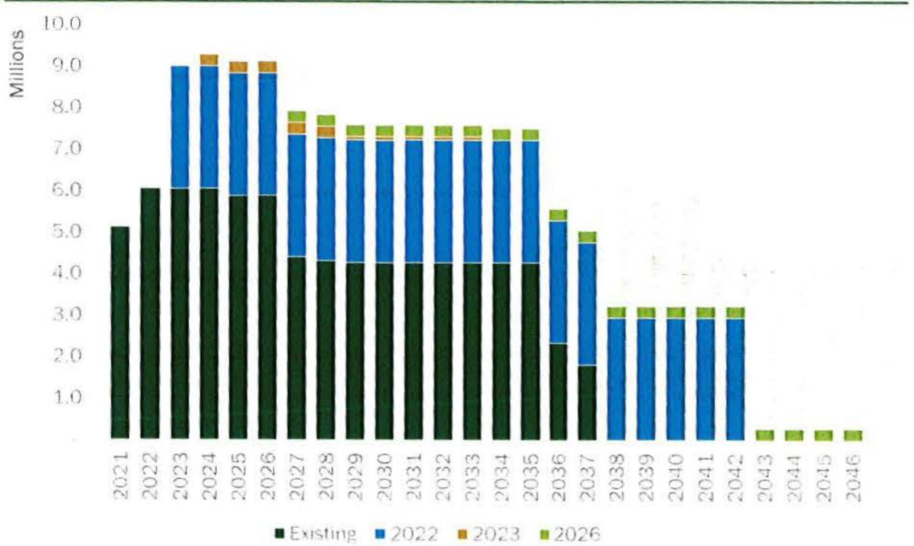
# Proposed Debt Service

## Existing and Proposed Debt Service

### Proposed Debt Service




### Proposed Principal



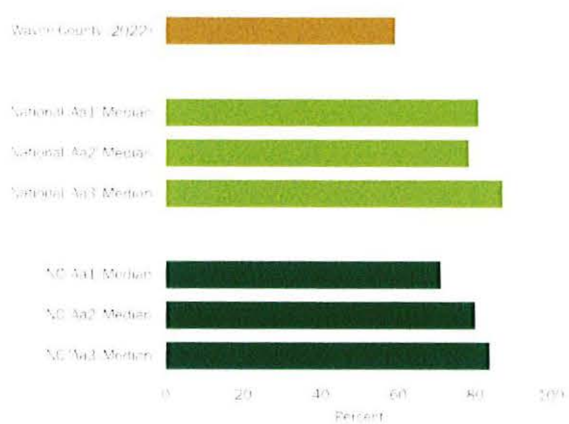

### Assumptions

- Long-Term Financing Assumptions:
  - Term: 20 Years
  - Amortization: Level Principal
  - Interest Rate: 4.50%
  - First Principal Payment: FY After Issuance
  - First Interest Payment: FY of Issuance (6 months)
- Mid-Term Financing Assumptions:
  - Term: 10 Years
  - Amortization: Level Principal
  - Interest Rate: 3.50%
  - First Principal Payment: FY After Issuance
  - First Interest Payment: FY of Issuance (6 months)
- Short-Term Financing Assumptions:
  - Term: 5 Years
  - Amortization: Level Principal
  - Interest Rate: 3.00%
  - First Principal Payment: FY After Issuance
  - First Interest Payment: FY of Issuance (6 months)
- New Par Amount Issued:
  - FY 2022 (County) $53,975,000
  - FY 2022 (Schools) $5,000,000
  - FY 2023 $1,829,000
  - FY 2026 $5,600,000
  - Total: $66,404,000
- Total New Debt Service:
  - County $91,172,715
  - Schools $7,417,625
  - Total $98,590,340

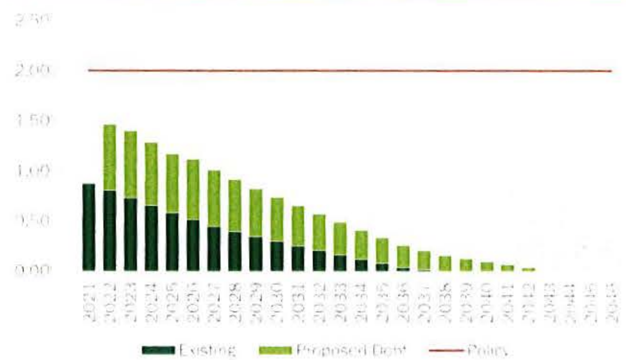
Attachment F Page 20

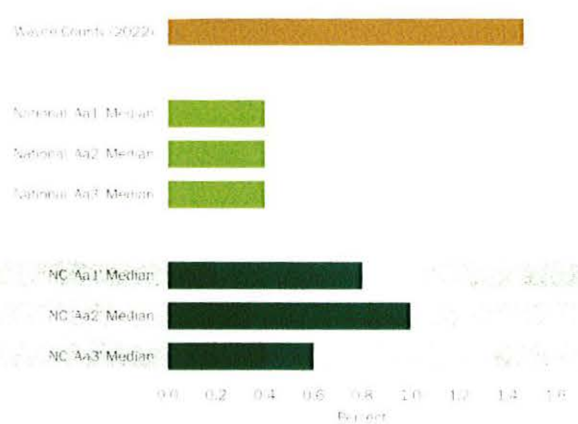
# Tax Supported Debt Policies

## 10 Year Payout Ratio

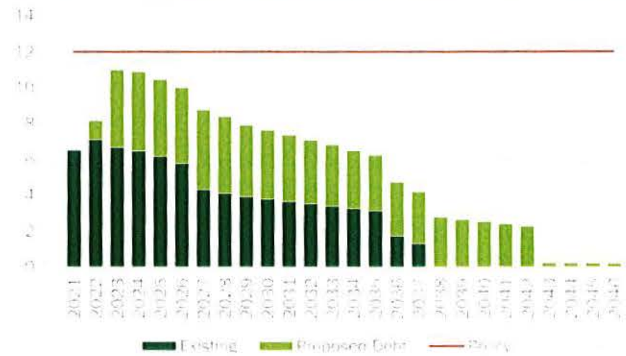



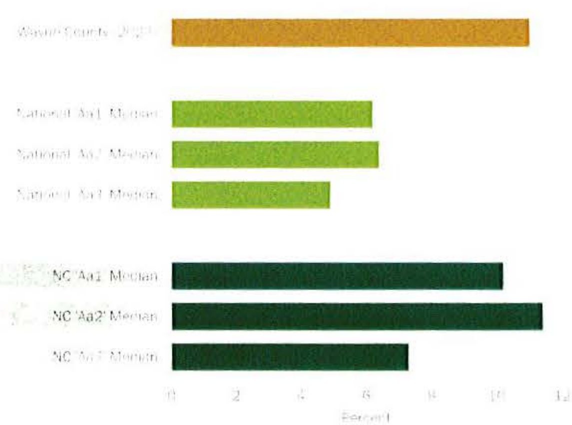
## Debt to Assessed Value




## Debt Service vs. Expenditures






- FY22 10-year Payout Ratio: 59.2%
- The County has a policy establishing a minimum aggregate 10-year Payout Ratio for all tax supported debt of 50%.

- FY22 Debt to Assessed Value: 1.47%
- The County has a policy that sets a maximum Debt to Assessed Value of 2.00%.

- FY23 DS vs. Expenditures : 11.00%
- The County has a policy that sets a maximum Debt Service to Expenditures of 12.00%.

Attachment F Page 21

# School Funding Agreement Cash Flow Analysis

## $5 Million Financing – 20-Year Amortization

- As part of the requirements for receiving a Needs Based Lottery Grant from the State, the County will forgo its annual lottery receipts for a five year period. These lottery receipts are part of a full School Funding Agreement.
- Wayne County Government will be required to contribute $2,765,303 towards the school debt service over 4 years, as shown in Column L.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debt Service Requirements | | | | | Revenue Available for DS | | | | | | | Debt Service Cash Flow Surplus (Deficit) | | | | | |
| FY | Existing Debt Service | CIP Debt Service | School Pay-as-you-go[1,6] | Other Pay-as-you-go | Total | Restricted Sales Tax[2] | Lottery Dedicated to Debt Service[3] | Edgewood Community School Savings[4] | QSCB Subsidy[5] | Fremont STARS Funds[6] | County Required Contribution | Total Revenues Available | Surplus/ (Deficit) | Revenue From Prior Tax Impact | Capital Reserve Utilized | Adjusted Surplus/ (Deficit) | Estimated Incremental Tax Equivalent | School Sales Tax Capital Reserve Fund Balance[7] |
| | | | | | | | | | | | | | | | | | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | 555,562 | [illegible] | [illegible] | | [illegible] | | - | |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | 1,036,428 | [illegible] | | | | | - | |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | 738,541 | [illegible] | | | | | - | |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | | 434,771 | [illegible] | | | | | - | |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| [illegible] | | | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | | | | [illegible] | [illegible] | | | [illegible] | - | [illegible] |
| | | | | | | | | | | | | | | | | Total Tax Effect | 0.00¢ | |
| Total | [illegible] | [illegible] | | | [illegible] | | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | | | |

Notes:

[illegible]



Attachment F Page 22

# Debt Affordability Analysis

## County Debt Service and Capital – Existing and Proposed Debt Service (Natural Tax Equivalent)

<u>Cash Flow Impact Summary</u>

| | |
|---|---|
| Natural Tax Equivalent: | 7.32¢ (0.24¢ in FY 2022, 7.08¢ in FY 2023) |
| FY 2022 Upfront Impact: | 5.40¢ |
| Equivalent Reserves/Revenues: | $77.3 million utilized through FY 2042 |

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debt Service Requirements | | | | | | | | Revenue Available for DS | | | | | | | | | | Debt Service Cash Flow Surplus (Deficit) | | | | | |
| FY | Existing Debt Service | CIP Debt Service | One-Time Pay Go Capital[1] | Annual CIP Pay Go | Vehicle Pay Go[2] | IT Maintenance Pay Go | Required School Funding Contribution | Total | FY 2022 General Fund DS Budget Appropriation[3] | Town Eastern Region Contributions[4] | Receipts for Radio Loans[5] | Annual CIP Pay-Go Budget[6] | Proceeds from Private Donor Campaign[7] | Assessment Revenues[8] | Board of Elections Grant[9] | DSS Reimbursement[10] | Other Revenues / Fund Balance | Total Revenues Available | Surplus/ (Deficit) | Revenue From Prior Tax Impact | Capital Reserve Utilized | Adjusted Surplus/ (Deficit) | Estimated Incremental Tax Equivalent | County Capital Reserve Fund Balance[11] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 0.24¢ | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.08¢ | [illegible] |
| Total | 29,802,881 | 91,172,715 | 973,551 | 24,000,000 | 26,812,500 | 8,250,000 | 2,765,303 | 183,776,950 | | 5,876 | 151,785 | | 60,686 | 1,281,000 | 86,165 | | - | | Total | | (2,391,214) | Total Tax Effect | 7.32¢ | |

- FY 2021 Value of a Penny[12]: $880,743
- 2022 Growth and Beyond: 1.25%

[12] per County staff. Assumes a 98.06% collection rate.

- Note: Does not include operating costs or School Capital funded through the School Funding Agreement.





Attachment F Page 23

# Debt Affordability Analysis

## County Debt Service and Capital – Existing and Proposed Debt Service (FY 2022 Upfront Impact)

Cash Flow Impact Summary

| | |
|---|---|
| Natural Tax Equivalent: | 7.32¢ (0.24¢ in FY 2022, 7.08¢ in FY 2023) |
| FY 2022 Upfront Impact: | 5.40¢ |
| Equivalent Reserves/Revenues: | $77.3 million utilized through FY 2042 |

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debt Service Requirements | | | | | | | | Revenue Available for DS | | | | | | | | | | Debt Service Cash Flow Surplus (Deficit) | | | | | |
| FY | Existing Debt Service | CIP Debt Service | One-Time Pay Go Capital[1] | Annual CIP Pay Go | Vehicle Pay Go[2] | IT Maintenance Pay Go | Required School Funding Contribution | Total | FY 2022 General Fund DS Budget Appropriation[3] | Town Eastern Region Contributions[4] | Receipts for Radio Loans[5] | Annual CIP Pay-Go Budget[6] | Proceeds from Private Donor Campaign[7] | Assessment Revenues[8] | Board of Elections Grant[9] | DSS Reimbursement[10] | Other Revenues / Fund Balance | Total Revenues Available | Surplus/ (Deficit) | Revenue From Prior Tax Impact | Capital Reserve Utilized | Adjusted Surplus/ (Deficit) | Estimated Incremental Tax Equivalent | County Capital Reserve Fund Balance[11] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | | | | | | | | | | | | | | | | | | | | | | Total Tax Effect | 5.40¢ | |
| Total | 29,802,881 | 91,172,715 | 973,551 | 24,000,000 | 26,812,500 | 8,250,000 | 2,765,303 | 183,776,950 | | 5,876 | 151,785 | | 60,686 | 1,281,000 | 86,165 | | - | | Total | | (4,531,575) | | | |

- FY 2021 Value of a Penny[12]: $880,743
- 2022 Growth and Beyond: 1.25%

[12] per County staff. Assumes a 98.06% collection rate.

- Note: Does not include operating costs or School Capital funded through the School Funding Agreement.




Attachment F Page 24

# Appendix A

Draft CIP Expense Details

Attachment F Page 25

# County CIP Expense Details

| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---|---|---|---|---|---|
| **Animal Control** | | | | | | |
| Vehicles | | | | | | |
| Subtotal | | | | | | |
| **FY 2022 Major Capital Projects** | | | | | | |
| DSS Health Building | 25,000,000 | | | | | 25,000,000 |
| Detention Center | 25,000,000 | | | | | 25,000,000 |
| Fremont Elementary School | 20,000,000 | | | | | 20,000,000 |
| Advanced Manufacturing Center | 3,000,000 | | | | | 3,000,000 |
| Subtotal | 73,000,000 | | | | | 73,000,000 |
| **Emergency Management** | | | | | | |
| Fire Paging Upgrade | | | | 255,000 | | 255,000 |
| Upgrade Radio System Equipment | | 829,000 | | | | 829,000 |
| Subtotal | | 829,000 | | 255,000 | | 1,084,000 |
| **Emergency Medical** | | | | | | |
| Stryker Power Pro XT Stretcher | 114,000 | 113,122 | 113,122 | 113,122 | 113,122 | 566,488 |
| Viper Update | 38,664 | 13,337 | 13,737 | 62,431 | | 128,169 |
| Subtotal | 152,664 | 126,459 | 126,859 | 175,553 | 113,122 | 694,657 |
| **911** | | | | | | |
| Emergency Fire and Police Dispatch | | 163,649 | - | | | 163,649 |
| Subtotal | | 163,649 | | | | 163,649 |
| **Facilities Maintenance** | | | | | | |
| Roofs on County Buildings | | 288,000 | 7,600 | | | 295,600 |
| HVAC Replacements | 375,000 | 75,000 | 175,000 | 75,000 | 25,000 | 725,000 |
| Trailers | | 30,900 | | | | 30,900 |
| Hustler Mower | 10,332 | 10,332 | 10,332 | 10,332 | 10,332 | 51,660 |
| Old Jail Boiler | | 130,000 | | | | 130,000 |
| Generator - Old Jail | 94,500 | | | | | 94,500 |
| Equipment Shelter Jetport | 80,000 | | | | | 80,000 |
| Elevators Old Jail | 600,000 | | | | | 600,000 |
| Jail Door hardware | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Subtotal | 1,209,832 | 584,232 | 242,932 | 135,332 | 85,332 | 2,257,660 |
| **Finance** | | | | | | |
| Timekeeping Project | | 175,000 | | | | 175,000 |
| Subtotal | | 175,000 | | | | 175,000 |
| **GIS** | | | | | | |
| Update Building Planimetrics | 25,888 | | | | | 25,888 |
| Lear 1M Postings | - | - | 102,843 | - | - | 102,843 |
| Subtotal | 25,888 | | 102,843 | - | - | 128,731 |

$15 Million of the $20 Million for the Fremont Elementary School Project is assumed to be grant funded.

Short-Term Debt (5 Years)

Mid-Term Debt (10 Years)

Long-Term Debt (20 Years)

# County CIP Expense Details

| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---|---|---|---|---|---|
| **ITS** | | | | | | |
| SAN Infrastructure Replacement | | 1,000,000 | | | | 1,000,000 |
| Wireless Infrastructure Upgrade | 200,000 | | | | | 200,000 |
| Phone System Upgrade | | | 250,000 | | | 250,000 |
| NAC Replacement | 120,000 | | | | | 120,000 |
| Exchange Office Upgrade | | 150,000 | | | | 150,000 |
| Subtotal | 320,000 | 1,150,000 | 250,000 | | | 1,720,000 |
| | | | | | | |
| **Library** | | | | | | |
| Storage Building | 25,000 | | | | | 25,000 |
| Mobile Library | 16,675 | | | | | 16,675 |
| Steele Library Camera System | 37,500 | 37,500 | | | | 75,000 |
| Subtotal | 79,175 | 37,500 | | | | 116,675 |
| | | | | | | |
| **Maxwell** | | | | | | |
| New Kitchen | | | 97,254 | | | 97,254 |
| Professional Washer & Dryer | | 36,600 | | | | 36,600 |
| Additional Exhibit, Meeting Space | | | | | 5,600,000 | 5,600,000 |
| A/V Unit | | | 250,000 | | | 250,000 |
| Subtotal | | 36,600 | 347,254 | | 5,600,000 | 5,983,854 |
| | | | | | | |
| **Reval** | | | | | | |
| Phase 2 Pictometry | 52,638 | 52,638 | | | | 105,276 |
| Subtotal | 52,638 | 52,638 | | | | 105,276 |
| | | | | | | |
| **Register of Deeds** | | | | | | |
| Online Index Books for Conveyances | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| Subtotal | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| | | | | | | |
| **Sewer Division** | | | | | | |
| Replace Bar Screen | | 50,000 | | | | 50,000 |
| Vehicles | | | | 40,984 | | 40,984 |
| Pump Station Generator | | 24,836 | | | | 24,836 |
| Subtotal | | 74,836 | | 40,984 | | 115,820 |
| | | | | | | |
| **Sheriff's Office** | | | | | | |
| K-9 Units | 15,500 | | 15,500 | | | 31,000 |
| Rifle rated ballistic shields (2) | 12,078 | | | | | 12,078 |
| Axon Car and Body Cameras | 103,414 | 103,414 | 103,414 | | | 310,242 |
| Subtotal | 130,992 | 103,414 | 118,914 | | | 353,320 |

Short-Term Debt (5 Years)

Mid-Term Debt (10 Years)

Long-Term Debt (20 Years)

# County CIP Expense Details

| Fiscal Year | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|---|---|---|---|---|---|---|
| **DSS** | | | | | | |
| Vehicle Replacement - Department Cost | 14,569 | - | 14,569 | - | - | 29,138 |
| Northwoods Traverse | 206,000 | - | - | - | - | 206,000 |
| Subtotal | 220,569 | - | 14,569 | - | - | 235,138 |
| | | | | | | |
| **Soil & Water** | | | | | | |
| Vehicles - Department Cost | 22,451 | - | - | - | - | 22,451 |
| Subtotal | 22,451 | - | - | - | - | 22,451 |
| | | | | | | |
| **Wayne Jetport** | | | | | | |
| T Hangar Construction | - | - | - | 600,000 | - | 600,000 |
| Perimeter Fencing | - | 1,150,000 | - | - | - | 1,150,000 |
| Corporate Area Expansion-Phase II | 877,324 | - | - | - | - | 877,324 |
| Corporate Area Expansion-Phase III | - | 1,300,000 | - | - | - | 1,300,000 |
| Land Acquisition-19.5 Acres | 183,000 | - | - | - | - | 183,000 |
| Jetport Phone System | - | 100,000 | - | - | - | 100,000 |
| Terminal Building Improvements | 250,000 | - | - | - | - | 250,000 |
| Airfield Apron Rehab | 4,111,111 | - | - | - | - | 4,111,111 |
| Subtotal | 5,421,435 | 2,550,000 | - | 600,000 | - | 8,571,435 |
| | | | | | | |
| **IT - Annual Program** | | | | | | |
| Desktop Computer Replacement Allocation | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| Subtotal | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| | | | | | | |
| **Vehicles - Annual Program** | | | | | | |
| General Government | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| EMS | 187,500 | 187,500 | 187,500 | 187,500 | 187,500 | 937,500 |
| Sheriff's Office | 425,000 | 425,000 | 425,000 | 425,000 | 425,000 | 2,125,000 |
| Subtotal | 812,500 | 812,500 | 812,500 | 812,500 | 812,500 | 4,062,500 |
| | | | | | | |
| **Annual School Funding Agreement** | | | | | | |
| School Annual CIP Funding | 2,407,319 | 2,407,319 | 2,407,319 | 2,000,000 | 2,000,000 | 11,221,958 |
| Subtotal | 2,407,319 | 2,407,319 | 2,407,319 | 2,000,000 | 2,000,000 | 11,221,958 |
| | | | | | | |
| **Grand Total** | 84,135,463 | 9,383,147 | 4,703,190 | 4,299,369 | 8,890,954 | 111,412,123 |

Short-Term Debt (5 Years)

Mid-Term Debt (10 Years)

Long-Term Debt (20 Years)

Attachment F Page 28

# Appendix B

Capital Project Funding – FY 2015 - 2020

# Capital Project Funding

FY 2015 - 2020



| | Capital Project Funding - Pay-Go and Reserves | FY | Amount |
|---|---|---|---|
| 1 | New Detention Facility | 2015 | $ 10,000,000 |
| 2 | Maxwell Center | 2015 | 4,000,000 |
| 3 | Grantham / Spring Creek Schools | 2015 | 6,900,000 |
| 4 | 911 EOC* | 2017 | 4,000,000 |
| 5 | School Renovations | 2018 | 6,100,000 |
| 6 | Meadowlane Classrooms | 2018 | 1,400,000 |
| 7 | WCC Advance Manufacturing Center | 2018 | 3,500,000 |
| 8 | New EMS Substations | 2018 | 1,500,000 |
| 9 | Corporate Area Expansion & Waterline | 2019 | 590,218 |
| 10 | New EMS Substations (Additional Costs) | 2019 | 566,772 |
| 11 | Maxwell Center Final Change Orders | 2019 | 249,569 |
| 12 | Dixie Trail Building Purchase | 2019 | 200,000 |
| 13 | 911 EOC* | 2020 | 425,000 |
| 14 | Software* | 2020 | 1,400,000 |
| 15 | Election Equipment* | 2020 | 293,056 |
| 16 | Radio Town Project* | 2020 | 3,379,109 |
| 17 | Dixie Trail Building | 2020 | 405,000 |
| 18 | WCC Driving Pad | 2020 | 200,000 |
| 19 | Jetport Hanger | 2020 | 150,000 |
| 20 | Total | | $ 45,258,723 |
| 21 | Less: Reimbursements from Bonds / Grants | | (9,497,164) |
| 22 | Net Capital Project Funding | | $ 35,761,559 |

*Reimbursed from Bonds / Grants

# Appendix C

Existing Debt Detail

Attachment F Page 31

Attachment F Page 31

# Existing Tax Supported Debt Summary

**Total Tax Supported Debt Service**

| FY | Principal | Interest | Total |
|---|---|---|---|
| Total | 77,847,359 | 21,853,026 | 99,700,385 |
| 2021 | 5,126,305 | 2,740,576 | 7,866,881 |
| 2022 | 6,051,305 | 2,786,422 | 8,837,727 |
| 2023 | 6,046,305 | 2,631,996 | 8,678,300 |
| 2024 | 6,051,305 | 2,467,025 | 8,518,330 |
| 2025 | 5,876,305 | 2,301,805 | 8,178,109 |
| 2026 | 5,885,313 | 1,825,584 | 7,710,897 |
| 2027 | 4,408,877 | 1,343,879 | 5,752,755 |
| 2028 | 4,319,646 | 1,193,537 | 5,513,183 |
| 2029 | 4,277,000 | 1,037,959 | 5,314,959 |
| 2030 | 4,266,000 | 900,641 | 5,166,641 |
| 2031 | 4,276,000 | 763,745 | 5,039,745 |
| 2032 | 4,276,000 | 626,449 | 4,902,449 |
| 2033 | 4,276,000 | 489,152 | 4,765,152 |
| 2034 | 4,276,000 | 351,856 | 4,627,856 |
| 2035 | 4,276,000 | 214,560 | 4,490,560 |
| 2036 | 2,344,000 | 121,891 | 2,465,891 |
| 2037 | 1,815,000 | 55,950 | 1,870,950 |

**School Debt**

| FY | Principal | Interest | Total |
|---|---|---|---|
| Total | 52,575,576 | 15,626,741 | 68,202,317 |
| 2021 | 4,014,428 | 2,157,266 | 6,171,694 |
| 2022 | 4,014,428 | 2,053,384 | 6,067,812 |
| 2023 | 4,009,428 | 1,949,501 | 5,958,929 |
| 2024 | 4,014,428 | 1,845,869 | 5,860,297 |
| 2025 | 4,019,428 | 1,741,986 | 5,761,414 |
| 2026 | 4,014,436 | 1,316,104 | 5,330,540 |
| 2027 | 2,938,000 | 887,471 | 3,825,471 |
| 2028 | 2,937,000 | 783,853 | 3,720,853 |
| 2029 | 2,937,000 | 680,248 | 3,617,248 |
| 2030 | 2,937,000 | 586,793 | 3,523,793 |
| 2031 | 2,937,000 | 493,338 | 3,430,338 |
| 2032 | 2,942,000 | 399,883 | 3,341,883 |
| 2033 | 2,942,000 | 306,228 | 3,248,228 |
| 2034 | 2,942,000 | 212,573 | 3,154,573 |
| 2035 | 2,942,000 | 118,918 | 3,060,918 |
| 2036 | 1,015,000 | 61,890 | 1,076,890 |
| 2037 | 1,020,000 | 31,440 | 1,051,440 |

**County Debt**

| FY | Principal | Interest | Total |
|---|---|---|---|
| Total | 25,271,783 | 6,226,285 | 31,498,068 |
| 2021 | 1,111,877 | 583,310 | 1,695,187 |
| 2022 | 2,036,877 | 733,038 | 2,769,915 |
| 2023 | 2,036,877 | 682,494 | 2,719,371 |
| 2024 | 2,036,877 | 621,156 | 2,658,033 |
| 2025 | 1,856,877 | 559,818 | 2,416,695 |
| 2026 | 1,870,877 | 509,480 | 2,380,357 |
| 2027 | 1,470,877 | 456,407 | 1,927,284 |
| 2028 | 1,382,646 | 409,684 | 1,792,331 |
| 2029 | 1,340,000 | 357,711 | 1,697,711 |
| 2030 | 1,329,000 | 313,848 | 1,642,848 |
| 2031 | 1,339,000 | 270,407 | 1,609,407 |
| 2032 | 1,334,000 | 226,566 | 1,560,566 |
| 2033 | 1,334,000 | 182,925 | 1,516,925 |
| 2034 | 1,334,000 | 139,284 | 1,473,284 |
| 2035 | 1,334,000 | 95,642 | 1,429,642 |
| 2036 | 1,329,000 | 60,001 | 1,389,001 |
| 2037 | 795,000 | 24,510 | 819,510 |



Attachment F Page 32

# School Debt

## IPCs / LOBs / COPs

Attachment F Page 33

$15,000,000
2011 IPC - QSCB (BB&T)

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 6,428,576 | 3,572,250 | 10,000,826 |
| 2021 | 4.330% | 1,071,428 | 649,500 | 1,720,928 |
| 2022 | 4.330% | 1,071,428 | 649,500 | 1,720,928 |
| 2023 | 4.330% | 1,071,428 | 649,500 | 1,720,928 |
| 2024 | 4.330% | 1,071,428 | 649,500 | 1,720,928 |
| 2025 | 4.330% | 1,071,428 | 649,500 | 1,720,928 |
| 2026 | 4.330% | 1,071,436 | 324,750 | 1,396,186 |
| 2027 | | - | - | - |
| 2028 | | - | - | - |
| 2029 | | - | - | - |
| 2030 | | - | - | - |
| 2031 | | - | - | - |
| 2032 | | - | - | - |
| 2033 | | - | - | - |
| 2034 | | - | - | - |
| 2035 | | - | - | - |
| 2036 | | - | - | - |
| 2037 | | - | - | - |

Dated Date: 10/7/2011 Next Call: Current

Purpose: Schools Insurance: N/A

Coupon Dates: Apr 1 / Oct 1 Maturity Date: Oct 1

Note: Coupon and Interest shown gross of federal tax credit subsidy. Principal shown is annual deposit to sinking fund ("SF") No earnings assumed on SF.

$38,452,000
2014 IPC (SunTrust) - Modified on 3/16/16

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 28,837,000 | 5,946,861 | 34,783,861 |
| 2021 | 2.750% | 1,923,000 | 766,576 | 2,689,576 |
| 2022 | 2.750% | 1,923,000 | 713,694 | 2,636,694 |
| 2023 | 2.750% | 1,923,000 | 660,811 | 2,583,811 |
| 2024 | 2.750% | 1,923,000 | 607,929 | 2,530,929 |
| 2025 | 2.750% | 1,923,000 | 555,046 | 2,478,046 |
| 2026 | 2.750% | 1,923,000 | 502,164 | 2,425,164 |
| 2027 | 2.750% | 1,923,000 | 449,281 | 2,372,281 |
| 2028 | 2.750% | 1,922,000 | 396,413 | 2,318,413 |
| 2029 | 2.750% | 1,922,000 | 343,558 | 2,265,558 |
| 2030 | 2.750% | 1,922,000 | 290,703 | 2,212,703 |
| 2031 | 2.750% | 1,922,000 | 237,848 | 2,159,848 |
| 2032 | 2.750% | 1,922,000 | 184,993 | 2,106,993 |
| 2033 | 2.750% | 1,922,000 | 132,138 | 2,054,138 |
| 2034 | 2.750% | 1,922,000 | 79,283 | 2,001,283 |
| 2035 | 2.750% | 1,922,000 | 26,428 | 1,948,428 |
| 2036 | | - | - | - |
| 2037 | | - | - | - |

Dated Date: 7/16/2014 Next Call: Make Whole

Purpose: Schools Insurance: n/a

Coupon Dates: Feb 1 / Aug 1 Maturity Date: Aug 1

$19,680,000
Limited Obligation Bonds, Series 2017

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 17,310,000 | 6,107,630 | 23,417,630 |
| 2021 | 5.00% | 1,020,000 | 741,190 | 1,761,190 |
| 2022 | 5.00% | 1,020,000 | 690,190 | 1,710,190 |
| 2023 | 5.00% | 1,015,000 | 639,190 | 1,654,190 |
| 2024 | 5.00% | 1,020,000 | 588,440 | 1,608,440 |
| 2025 | 3.00% / 5.00% | 1,025,000 | 537,440 | 1,562,440 |
| 2026 | 5.00% | 1,020,000 | 489,190 | 1,509,190 |
| 2027 | 5.00% | 1,015,000 | 438,190 | 1,453,190 |
| 2028 | 5.00% | 1,015,000 | 387,440 | 1,402,440 |
| 2029 | 4.00% | 1,015,000 | 336,690 | 1,351,690 |
| 2030 | 4.00% | 1,015,000 | 296,090 | 1,311,090 |
| 2031 | 4.00% | 1,015,000 | 255,490 | 1,270,490 |
| 2032 | 4.00% | 1,020,000 | 214,890 | 1,234,890 |
| 2033 | 4.00% | 1,020,000 | 174,090 | 1,194,090 |
| 2034 | 4.00% | 1,020,000 | 133,290 | 1,153,290 |
| 2035 | 3.00% | 1,020,000 | 92,490 | 1,112,490 |
| 2036 | 3.00% | 1,015,000 | 61,890 | 1,076,890 |
| 2037 | 3.20% / 3.00% | 1,020,000 | 31,440 | 1,051,440 |

Dated Date: 6/28/2017 Next Call: 6/1/2027

Purpose: Schools Insurance: n/a

Coupon Dates: Jun 1 / Dec 1 Maturity Date: Jun 1

Attachment F Page 33

Attachment F Page 34

# County Debt

## IPCs / LOBs / COPs

$11,000,000
Limited Obligation Bonds, Series 2017

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 9,710,000 | 3,687,820 | 13,397,820 |
| 2021 | 5.00% | 430,000 | 404,260 | 834,260 |
| 2022 | 5.00% | 430,000 | 382,760 | 812,760 |
| 2023 | 5.00% | 430,000 | 361,260 | 791,260 |
| 2024 | 5.00% | 430,000 | 339,760 | 769,760 |
| 2025 | 3.00% / 5.00% | 430,000 | 318,260 | 748,260 |
| 2026 | 5.00% | 430,000 | 298,060 | 728,060 |
| 2027 | 5.00% | 425,000 | 276,560 | 701,560 |
| 2028 | 5.00% | 670,000 | 255,310 | 925,310 |
| 2029 | 4.00% | 670,000 | 221,810 | 891,810 |
| 2030 | 4.00% | 670,000 | 195,010 | 865,010 |
| 2031 | 4.00% | 670,000 | 168,210 | 838,210 |
| 2032 | 4.00% | 670,000 | 141,410 | 811,410 |
| 2033 | 4.00% | 670,000 | 114,610 | 784,610 |
| 2034 | 4.00% | 670,000 | 87,810 | 757,810 |
| 2035 | 3.00% | 670,000 | 61,010 | 731,010 |
| 2036 | 3.00% | 670,000 | 40,910 | 710,910 |
| 2037 | 3.20% / 3.00% | 675,000 | 20,810 | 695,810 |

Dated Date: 6/28/2017 Next Call: 6/1/2027

Purpose: Maxwell Center Insurance: n/a

Coupon Dates: Jun 1 / Dec 1 Maturity Date: Jun 1

$1,910,000
Limited Obligation Bonds, Series 2017

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 1,280,000 | 298,090 | 1,578,090 |
| 2021 | 5.00% | 205,000 | 59,770 | 264,770 |
| 2022 | 5.00% | 205,000 | 49,520 | 254,520 |
| 2023 | 5.00% | 200,000 | 39,270 | 239,270 |
| 2024 | 5.00% | 200,000 | 29,270 | 229,270 |
| 2025 | 3.00% / 5.00% | 35,000 | 19,270 | 54,270 |
| 2026 | 5.00% | 40,000 | 17,620 | 57,620 |
| 2027 | 5.00% | 35,000 | 15,620 | 50,620 |
| 2028 | 5.00% | 40,000 | 13,870 | 53,870 |
| 2029 | 4.00% | 40,000 | 11,870 | 51,870 |
| 2030 | 4.00% | 35,000 | 10,270 | 45,270 |
| 2031 | 4.00% | 40,000 | 8,870 | 48,870 |
| 2032 | 4.00% | 35,000 | 7,270 | 42,270 |
| 2033 | 4.00% | 40,000 | 5,870 | 45,870 |
| 2034 | 4.00% | 35,000 | 4,270 | 39,270 |
| 2035 | 3.00% | 35,000 | 2,870 | 37,870 |
| 2036 | 3.00% | 35,000 | 1,820 | 36,820 |
| 2037 | 3.20% / 3.00% | 25,000 | 770 | 25,770 |

Dated Date: 6/28/2017 Next Call: 6/1/2027

Purpose: Fiber / Software Insurance: n/a

Coupon Dates: Jun 1 / Dec 1 Maturity Date: Jun 1

$1,820,000
Limited Obligation Bonds, Series 2017

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 1,550,000 | 552,860 | 2,102,860 |
| 2021 | 5.00% | 90,000 | 66,280 | 156,280 |
| 2022 | 5.00% | 90,000 | 61,780 | 151,780 |
| 2023 | 5.00% | 90,000 | 57,280 | 147,280 |
| 2024 | 5.00% | 90,000 | 52,780 | 142,780 |
| 2025 | 3.00% / 5.00% | 80,000 | 48,280 | 128,280 |
| 2026 | 5.00% | 85,000 | 44,380 | 129,380 |
| 2027 | 5.00% | 90,000 | 40,130 | 130,130 |
| 2028 | 5.00% | 95,000 | 35,630 | 130,630 |
| 2029 | 4.00% | 95,000 | 30,880 | 125,880 |
| 2030 | 4.00% | 90,000 | 27,080 | 117,080 |
| 2031 | 4.00% | 95,000 | 23,480 | 118,480 |
| 2032 | 4.00% | 95,000 | 19,680 | 114,680 |
| 2033 | 4.00% | 90,000 | 15,880 | 105,880 |
| 2034 | 4.00% | 95,000 | 12,280 | 107,280 |
| 2035 | 3.00% | 95,000 | 8,480 | 103,480 |
| 2036 | 3.00% | 90,000 | 5,630 | 95,630 |
| 2037 | 3.20% / 3.00% | 95,000 | 2,930 | 97,930 |

Dated Date: 6/28/2017 Next Call: 6/1/2027

Purpose: Sewer Insurance: n/a

Coupon Dates: Jun 1 / Dec 1 Maturity Date: Jun 1

Attachment F Page 34

# County Debt

## IPCs / LOBs / COPs



$1,535,000
Limited Obligation Bonds, Series 2017

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 1,070,000 | 211,000 | 1,281,000 |
| 2021 | 5.000% | 155,000 | 53,000 | 208,000 |
| 2022 | 5.000% | 150,000 | 45,250 | 195,250 |
| 2023 | 5.000% | 155,000 | 37,750 | 192,750 |
| 2024 | 3.00% / 5.00% | 155,000 | 30,000 | 185,000 |
| 2025 | 5.000% | 150,000 | 22,250 | 172,250 |
| 2026 | 5.000% | 155,000 | 15,250 | 170,250 |
| 2027 | 5.00% | 150,000 | 7,500 | 157,500 |
| 2028 | | - | - | - |
| 2029 | | - | - | - |
| 2030 | | - | - | - |
| 2031 | | - | - | - |
| 2032 | | - | - | - |
| 2033 | | - | - | - |
| 2034 | | - | - | - |
| 2035 | | - | - | - |
| 2036 | | - | - | - |
| 2037 | | - | - | - |

Dated Date: 6/28/2017 Next Call: 6/1/2027

Purpose: Street Assessment Insurance: n/a

Coupon Dates: Jun 1 / Dec 1 Maturity Date: Jun 1

$2,318,767
2017 USDA Loans

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 1,661,783 | - | 1,661,783 |
| 2021 | 0.000% | 231,877 | - | 231,877 |
| 2022 | 0.000% | 231,877 | - | 231,877 |
| 2023 | 0.000% | 231,877 | - | 231,877 |
| 2024 | 0.000% | 231,877 | - | 231,877 |
| 2025 | 0.000% | 231,877 | - | 231,877 |
| 2026 | 0.000% | 231,877 | - | 231,877 |
| 2027 | 0.000% | 231,877 | - | 231,877 |
| 2028 | 0.000% | 38,646 | - | 38,646 |
| 2029 | | - | - | - |
| 2030 | | - | - | - |
| 2031 | | - | - | - |
| 2032 | | - | - | - |
| 2033 | | - | - | - |
| 2034 | | - | - | - |
| 2035 | | - | - | - |
| 2036 | | - | - | - |
| 2037 | | - | - | - |

Dated Date: unknown Next Call: unknown

Purpose: Maxwell Center Insurance: unknown

Coupon Dates: Monthly Maturity Date: Monthly

Source: County Schedule
Per 5/3/2021 email from Allison Speight

# County Debt

## IPCs / LOBs / COPs

$1,982,000
2020 IFA (Truist) - Short-Term Advancement

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 1,982,000 | 88,011 | 2,070,011 |
| 2021 | | - | - | - |
| 2022 | 1.500% | 395,000 | 28,161 | 423,161 |
| 2023 | 1.500% | 395,000 | 23,805 | 418,805 |
| 2024 | 1.500% | 395,000 | 17,880 | 412,880 |
| 2025 | 1.500% | 395,000 | 11,955 | 406,955 |
| 2026 | 1.500% | 394,000 | 6,030 | 400,030 |
| 2027 | 1.500% | 4,000 | 120 | 4,120 |
| 2028 | 1.500% | 4,000 | 60 | 4,060 |
| 2029 | | - | - | - |
| 2030 | | - | - | - |
| 2031 | | - | - | - |
| 2032 | | - | - | - |
| 2033 | | - | - | - |
| 2034 | | - | - | - |
| 2035 | | - | - | - |
| 2036 | | - | - | - |
| 2037 | | - | - | - |

Dated Date: 8/20/2020 Next Call: Current (101%)

Purpose: Voting Equp / Radios Finance / Planning Software Insurance: n/a

Coupon Dates: Aug 1 Maturity Date: Aug 1

$8,018,000
2020 IFA (Truist) - Long-Term Advancement

| FY | Coupon | Principal | Interest | Total |
|---|---|---|---|---|
| Total | | 8,018,000 | 1,388,504 | 9,406,504 |
| 2021 | | - | - | - |
| 2022 | 2.180% | 535,000 | 165,567 | 700,567 |
| 2023 | 2.180% | 535,000 | 163,129 | 698,129 |
| 2024 | 2.180% | 535,000 | 151,466 | 686,466 |
| 2025 | 2.180% | 535,000 | 139,803 | 674,803 |
| 2026 | 2.180% | 535,000 | 128,140 | 663,140 |
| 2027 | 2.180% | 535,000 | 116,477 | 651,477 |
| 2028 | 2.180% | 535,000 | 104,814 | 639,814 |
| 2029 | 2.180% | 535,000 | 93,151 | 628,151 |
| 2030 | 2.180% | 534,000 | 81,488 | 615,488 |
| 2031 | 2.180% | 534,000 | 69,847 | 603,847 |
| 2032 | 2.180% | 534,000 | 58,206 | 592,206 |
| 2033 | 2.180% | 534,000 | 46,565 | 580,565 |
| 2034 | 2.180% | 534,000 | 34,924 | 568,924 |
| 2035 | 2.180% | 534,000 | 23,282 | 557,282 |
| 2036 | 2.180% | 534,000 | 11,641 | 545,641 |
| 2037 | | - | - | - |

Dated Date: 8/20/2020 Next Call: Current (101%)

Purpose: Communications System Call Center / OES Building Insurance: n/a

Coupon Dates: Aug 1 Maturity Date: Aug 1

# Appendix D

Rating Reports

Attachment F Page 37

U.S. PUBLIC FINANCE

MOODY'S
INVESTORS SERVICE

ISSUER COMMENT
28 May 2020

RATING

**General Obligation (or GO Related)** [1]

| | |
|---|---|
| Aa2 | No Outlook |

Contacts

| | |
|---|---|
| Nathan Carley<br>*Associate Lead Analyst*<br>nathan.carley@moodys.com | +1.312.706.9958 |
| Gregory W. Lipitz<br>*VP-Sr Credit Officer/Manager*<br>gregory.lipitz@moodys.com | +1.212.553.7782 |

CLIENT SERVICES

| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |


# Wayne County, NC

## Annual Comment on Wayne County

### Issuer Profile

Wayne County is located in east central North Carolina and the county seat of Goldsboro is approximately 40 miles southeast of Raleigh. The county has a population of 123,248 and a moderate population density of 224 people per square mile. The county's median family income is $52,655 (4th quartile) and the March 2020 unemployment rate was 4.5% (3rd quartile) [2]. The largest industry sectors that drive the local economy are health services, retail trade, and manufacturing.

We regard the coronavirus outbreak as a social risk under our environmental, social and governance framework, given the substantial implications for public health and safety and the economy. We do not see any material immediate credit risks for Wayne County. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of Wayne County changes, we will update our opinion at that time.

### Credit Overview

The credit position for Wayne County is very strong. Its Aa2 rating is equal to the median rating of Aa2 for US counties. Notable credit factors include a healthy financial position, an affordable debt burden, a small pension liability, and a substantial tax base with a below average wealth and income profile.

**Finances:** The financial position of the county is healthy and is roughly aligned with the assigned rating of Aa2. The cash balance as a percent of operating revenues (31.9%) falls just short of the US median. Additionally, the fund balance as a percent of operating revenues (28.1%) is on par with the US median.

**Debt and Pensions:** The debt and pension burdens of the county are affordable and consistent with its Aa2 rating position. The net direct debt to full value (0.8%) is slightly above the US median, and did not change between 2015 and 2019. The Moody's-adjusted net pension liability to operating revenues (0.74x) is favorably lower than the US median.

**Economy and Tax Base:** The coronavirus is driving an unprecedented economic slowdown. We currently forecast US GDP to decline significantly during 2020 with a gradual recovery commencing toward the end of the year. Local governments with the highest exposure to tourism, hospitality, healthcare, retail, and oil and gas could suffer particularly severe impacts.

The economy and tax base of the county are solid but the factor is relatively unfavorable when compared to its Aa2 rating. The total full value ($8.4 billion) is consistent with the US median, and increased significantly between 2015 and 2019. Also, the full value per capita ($68,354) approximates the US median. Lastly, the median family income is only 71.2% of the US level.

**Management and Governance:** North Carolina counties have an institutional framework score [3] of "Aaa," or very strong. Revenues mainly consist of property taxes, which are highly predictable. Counties have high revenue-raising ability primarily due to their flexibility to increase property tax rates annually, virtually without limit. Expenditures, which are largely for personnel, are highly predictable and counties have a high ability to reduce expenditures.

## Sector Trends - North Carolina Counties

North Carolina counties are likely to experience steady economic growth over the near- to medium term, leading to healthy revenue trends. Increasing property tax valuations benefit counties as the housing market continues to rebound, supported by positive migration trends. The growing tourism sector is also helping boost many localities in the state. Conversely, some areas transitioning from a high reliance on textile, furniture and tobacco employment will lag the rest of the state. Pensions are typically well funded, whereas debt burdens are slightly high because counties are responsible for school and technical college infrastructure needs.





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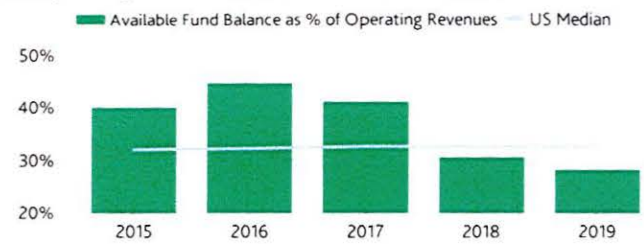
EXHIBIT 1
**Key Indicators[1][2] Wayne County**

| | 2015 | 2016 | 2017 | 2018 | 2019 | US Median | Credit Trend |
|---|---|---|---|---|---|---|---|
| **Economy / Tax Base** | | | | | | | |
| Total Full Value | $7,071M | $8,128M | $8,232M | $8,304M | $8,424M | $7,665M | Improved |
| Full Value Per Capita | $56,865 | $65,316 | $66,126 | $66,973 | $68,354 | $85,725 | Improved |
| Median Family Income (% of US Median) | 77% | 76% | 74% | 71% | 71% | 93% | Weakened |
| **Finances** | | | | | | | |
| Available Fund Balance as % of Operating Revenues | 39.9% | 44.6% | 41.1% | 30.5% | 28.1% | 32.5% | Weakened |
| Net Cash Balance as % of Operating Revenues | 46.6% | 50.8% | 46.3% | 35.8% | 31.9% | 37.8% | Weakened |
| **Debt / Pensions** | | | | | | | |
| Net Direct Debt / Full Value | 0.9% | 0.7% | 1.0% | 0.9% | 0.8% | 0.5% | Stable |
| Net Direct Debt / Operating Revenues | 0.60x | 0.55x | 0.75x | 0.69x | 0.61x | 0.59x | Stable |
| Moody's-adjusted Net Pension Liability (3-yr average) to Full Value | 0.6% | 0.5% | 0.7% | 0.8% | 1.0% | 1.1% | Stable |
| Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues | 0.44x | 0.41x | 0.53x | 0.66x | 0.74x | 1.38x | Stable |

| | 2015 | 2016 | 2017 | 2018 | 2019 | US Median |
|---|---|---|---|---|---|---|
| **Debt and Financial Data** | | | | | | |
| Population | 124,355 | 124,447 | 124,496 | 124,002 | 123,248 | N/A |
| Available Fund Balance ($000s) | $40,603 | $47,143 | $43,565 | $31,849 | $30,485 | $24,307 |
| Net Cash Balance ($000s) | $47,372 | $53,670 | $49,105 | $37,383 | $34,615 | $27,626 |
| Operating Revenues ($000s) | $101,709 | $105,682 | $106,103 | $104,476 | $108,564 | $72,972 |
| Net Direct Debt ($000s) | $60,973 | $58,455 | $79,120 | $71,731 | $66,681 | $40,162 |
| Moody's Adjusted Net Pension Liability (3-yr average) ($000s) | $45,038 | $43,753 | $56,739 | $69,407 | $80,256 | $89,312 |

*Source: Moody's Investors Service*

EXHIBIT 2
**Available fund balance as a percent of operating revenues decreased from 2015 to 2019**




*Source: Issuer financial statements; Moody's Investors Service*

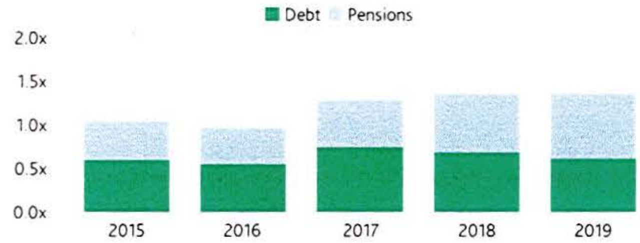


Attachment F Page 40

EXHIBIT 3
**Full value of the property tax base increased from 2015 to 2019**


*Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service*

EXHIBIT 4
**Moody's-adjusted net pension liability to operating revenues increased from 2015 to 2019**




*Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service*

## Endnotes

1 The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.

2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.

3 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See **US Local Government General Obligation Debt (September 2019)** methodology report for more details.

4 For definitions of the metrics in the Key Indicators Table, **US Local Government General Obligation Methodology and Scorecard User Guide (July 2014)**. Metrics represented as N/A indicate the data were not available at the time of publication.

5 The medians come from our most recently published local government medians report, **Medians – Tax base growth underpins sector strength, while pension challenges remain (May 2019)** which is available on Moodys.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.



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REPORT NUMBER 1223944



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CLIENT SERVICES

| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |

MOODY'S
INVESTORS SERVICE



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MOODY'S
INVESTORS SERVICE

CREDIT OPINION
2 June 2017

New Issue

Rate this Research

Contacts

Edward (Ted) Damutz 212-553-6990
VP-Sr Credit Officer
edward.damutz@moodys.com

Tiphany Lee-Allen 212-553-4772
AVP-Analyst
tiphany.lee-allen@moodys.com

# Wayne County, NC

## New Issue - Moody's Assigns Aa2 Issuer and Aa3 LOB Lease Ratings to Wayne County, NC

### Summary Rating Rationale

Moody's Investors Service assigns an initial Aa2 Issuer rating (general obligation equivalent) to Wayne County, NC. Concurrently, Moody's assigns an intial Aa3 rating to Wayne County's $39.555 million Limited Obligation Bonds, Series 2017. The Aa2 Issuer Rating reflects the county's strong institutional presence of Seymour Johnston Air Force Base, healthy reserves, low debt and manageable pension profile despite below average wealth indices. The Aa3 LOB lease rating reflects the more essential nature of the majority of the financed assets (school buildings), adequate legal provisions for bond holders, the risk of non-appropriation and the strong long-term rating characteristics of the county itself.

### Credit Strengths

» Stabilizing institutional presence of Seymour Johnson Air Force Base

» Local economy benefits from proximity to the Raleigh metro area

» Low debt burden

» Limited pension liability

### Credit Challenges

» Elevated, but declining unemployment

» Below average wealth indices

» Some reliance on sales tax revenues

### Rating Outlook

Outlooks are typically not assigned to debt of this limited amount.

### Factors that Could Lead to an Upgrade

» Continued tax base expansion and diversification with improvements in wealth levels

» Sustained trend of surplus operations resulting in growth in reserves and liquidity

### Factors that Could Lead to a Downgrade

» Deterioration of the county's tax base and demographic profile

» Significant increase in debt burden

Attachment F Page 44

## Key Indicators

Exhibit 1

| Wayne County | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Economy/Tax Base | | | | | | | | | | |
| Total Full Value ($000) | $ | 7,446,913 | $ | 7,709,519 | $ | 7,823,933 | $ | 7,938,784 | $ | 8,128,442 |
| Full Value Per Capita | $ | 60,831 | $ | 62,484 | $ | 63,049 | $ | 63,974 | $ | 65,036 |
| Median Family Income (% of US Median) | | 78.2% | | 78.6% | | 79.4% | | 78.2% | | 76.6% |
| Finances | | | | | | | | | | |
| Operating Revenue ($000) | $ | 95,757 | $ | 99,285 | $ | 101,217 | $ | 101,709 | $ | 105,682 |
| Fund Balance as a % of Revenues | | 55.3% | | 51.3% | | 69.5% | | 62.2% | | 55.3% |
| Cash Balance as a % of Revenues | | 58.8% | | 62.2% | | 66.6% | | 46.6% | | 50.8% |
| Debt/Pensions | | | | | | | | | | |
| Net Direct Debt ($000) | $ | 24,493 | $ | 22,981 | $ | 24,580 | $ | 60,973 | $ | 58,455 |
| Net Direct Debt / Operating Revenues (x) | | 0.2x | | 0.2x | | 0.2x | | 0.6x | | 0.6x |
| Net Direct Debt / Full Value (%) | | 0.3% | | 0.3% | | 0.3% | | 0.9% | | 0.7% |
| Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x) | | 0.4x | | 0.5x | | 0.4x | | 0.5x | | 0.4x |
| Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%) | | 0.6% | | 0.7% | | 0.5% | | 0.7% | | 0.6% |

*Source: Moody's Investors Service, Wayne County, NC*

## Detailed Rating Considerations

### Economy and Tax Base: Modest Growth Continues in Diversifying Tax Base Anchored by Institutional Presence

Wayne County's $8 billion tax base to remain stable given the presence of the Seymour Johnson Air Force Base and its location in eastern North Carolina (Aaa stable), just 50 miles from Raleigh (Aaa stable). Seymour Johnson Air Force Base is home to the Air Combat Command's 4th fighter wing and the 916th Air refueling wing. Seymour Johnson currently employs approximately 4,450 active duty military personnel, 775 civilian personnel and 1,375 reservists and generates approximately $621 million in annual economic impact for the county. The base is currently working on a number of improvements and in 2014, the Base broke ground on a 107,000 square foot, $54.3 million medical facility that is expected to be completed this summer.

While the presence of the base has had a significant impact on residential and commercial development, improved highway connections have also helped to spur growth. The I-795 highway, which goes through the county, provides easy access to I-95 and I-40 and Highway 44, which is now open to the county, represents a section of the future US 70 bypass expected to be opened in late 2017.

Tax base growth has averaged 2.4% annually the last five years. The county and city have developed several industrial parks to house various manufacturing and warehousing companies; ParkEast and Mount Olive industrial parks provide a total of 625 acres of space and have room for expansion. These sites can draw from an employment base of 250,000 within a 30 mile radius and officials report a number of new and expanding manufacturing operations over the last few years.

Additional development has occurred in downtown Goldsboro, officials reports that downtown has realized $77.4 million of investment ($43.5 million public and $33.9 million private), 212 net jobs, and 51 net businesses since the adoption of the 2007 Downtown Master Plan.

In July 2016, Wayne County and the City of Goldsboro held a groundbreaking for the new, $21.6 million, Maxwell Regional Agricultural and Convention Center that will house governmental agricultural services and offer event and meeting space.

The county's wealth levels are weak reflecting the large military population and agricultural sector. Unemployment rate is remains elevated but has declined to 5.3% in March down significantly from a high of 9.2% in 2011.

### Financial Operations and Reserves

Moody's expects the county to maintain a sound financial position given management's strong record of maintaining healthy fund balance levels in step with budgetary growth. The county has achieved six consecutive operating surpluses with the exception of fiscal 2015 due to planned pay-go financing after building reserves to a high of $70.4 million. In fiscal 2015 Transfers Out include: $10 million for the new Detention Facility, $4 million for the MRACC, $6.9 million for the Grantham/Spring Creek schools, and $6.1 million for other school renovations. Fiscal 2016 closed on a strong note with a $4.6 million operating surplus, growing the General Fund balance to $58.5 million or a healthy 55.3% of General Fund revenues. The unassigned portion increased to $34.8 million or 32.9% of General Fund revenues. The fiscal 2017 budget calls for use of $2.4 million of reserves but officials project a modest operating surplus.

#### LIQUIDITY

The county's liquidity remains strong with Operating Fund cash at $53.7 million or a healthy 50.8% of Operating Fund revenues at fiscal year-end 2016.

### Debt and Pensions

The county has only a modest amount of outstanding debt totaling $53 million of lease appropriation installment purchase contracts. No GO backed debt is currently outstanding nor planned. The net direct debt burden is manageable at 0.7% of full valuation. The proposed payout of all debt including the current offering is slightly below average 60% in 10 years. The county has no new borrowing plans for next four years and a modest pay-go program.

#### DEBT STRUCTURE

All outstanding debt and the current offering are set at fixed interest rate mode.

#### DEBT-RELATED DERIVATIVES

The county is not party to any swap agreements.

#### PENSIONS AND OPEB

The county contributes to the North Carolina Local Government Employees Retirement System (NCLGERS), defined benefit retirement plan administered by the State of North Carolina. We determined the county's share of liability for the state-run plan in proportion to its contributions to the plan. The county also operates a small Law Enforcement Officers' Special Separation Allowance plan. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the county's reported liability information, but to improve comparability with other rated entities. The county's adjusted net pension liability, under Moody's methodology for adjusting reported pension data, is $46.5 million, or approximately a moderate 0.44 times operating revenues.

The county has not been fully funding OPEB annual contribution requirements the last few years as it devises a strategy to address the liability. It addresses the annual cost on a pay-go basis and contributed 62.2% of the annual cost. The reported unfunded actuarial accrued liability was $23.6 million at 12/31/2014.

### Management and Governance

North Carolina counties have an institutional framework score of "Aaa", or very strong. Counties operate under limited levy constraints. Pensions are well-funded. Counties have more limited mandates than cities, which supports this sector's overall operating consistency and maintenance of ample reserves.

County management typically budgets conservatively for expenditures, which has led to the maintenance of healthy reserves despite significant pay-go financing. Prudent policies include maintaining the unassigned General Fund balance at a minimum 14% of budget.

## Legal Security: Satisfactory Legal Protections for Bond Holders; Essential Assets Pledged as Collateral

Bond proceeds from the Series 2017 LOBs will primarily finance school building improvements. The more essential nature of the majority of financed projects and pledged assets somewhat mitigates the risk of non-appropriation by the county, and that other legal provisions adequately protect bond holders. In the event of non-appropriation, the county would lose title to the financed schools and other facilities, which provides adequate collateralization of approximately 100% of outstanding principal under the Trust Indenture. The county will make payments under the Installment Purchase Contract directly to the Trustee, at least five days prior to debt service payment dates. Further strengthening security, the county has covenanted to include the appropriation in its preliminary budget, and it must be removed from the annual budget by an affirmative vote of the county commission. Under the Installment Purchase Contract title insurance will also be secured by the county

## Use of Proceeds

Bond proceeds from the Series 2017 LOBs will primarily finance school building improvements but $12 million has been earmarked for construction of the Maxwell Regional Agricultural and Convention Center.

## Obligor Profile

The county is located 50 miles east of Raleigh (Aaa stable). The county spans 555 square miles with a population estimated at 124,355.

## Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. The additional methodology used in the lease rating was Lease, Appropriation, Moral Obligation and Comparable Debt of US State and Local Governments published in July 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

## Ratings

Exhibit 2

Wayne (County of) NC

| Issue | Rating |
|---|---|
| Limited Obligation Bonds, Series 2017 | Aa3 |
| Rating Type | Underlying LT |
| Sale Amount | $39,555,000 |
| Expected Sale Date | 06/15/2017 |
| Rating Description | Lease: Appropriation |

*Source: Moody's Investors Service*



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REPORT NUMBER 1075586

MOODY'S
INVESTORS SERVICE



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S&P Global
Ratings

# RatingsDirect®

## Summary:
# Wayne County, North Carolina; General Obligation

**Primary Credit Analyst:**
Kimberly Barrett, Centennial (1) 303-721-4446; Kimberly.Barrett@spglobal.com

**Secondary Contact:**
Hilary A Sutton, New York (1) 212-438-7093; hilary.sutton@spglobal.com

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Summary:

# Wayne County, North Carolina; General Obligation

Credit Profile

## Rationale

S&P Global Ratings assigned its 'AA-' appropriation rating to Wayne County, N.C.'s series 2017 limited obligation bonds and at the same time, assigned its 'AA' underlying long-term rating to the county. The outlook for all ratings is stable.

The 2017 bonds are limited obligations of the county, subject to annual appropriation. Bond proceeds will be used to construct a new elementary school, build a convention center, and fund various other capital improvement projects.

The rating reflects our opinion of the county's:

- Weak economy, with projected per capita effective buying income at 72.3% of the national level and market value per capita of $64,889;
- Very strong management, with "strong" financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with an operating surplus in the general fund but a slight operating deficit at the total governmental fund level in fiscal 2016;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2016 of 37% of operating expenditures;
- Very strong liquidity, with total government available cash at 58.7% of total governmental fund expenditures and 11.2x governmental debt service, and access to external liquidity we consider strong;
- Strong debt and contingent liability profile, with debt service carrying charges at 5.3% of expenditures and net direct debt that is 83.4% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- Very strong institutional framework score.

### Weak economy

We consider Wayne County's economy weak. The county has an estimated population of 125,368. The county has a projected per capita effective buying income of 72.3% of the national level and per capita market value of $64,889. Overall, the county's market value was stable over the past year at $8.1 billion in 2017. The county unemployment rate was 5.8% in 2016.

Wayne County is located approximately 50 miles southeast of Raleigh; the City of Goldsboro serves as the county seat. The diverse local economy is based on industry, agriculture, and governmental institutions as well as a wide range of wholesale and retail businesses. The area's economy is influenced by the presence of Seymour Johnson Air Force Base, as it is one of the county's largest employers with about 6,600 employees. The county and the city work together to ensure the base is an integral part of the local economy by ensuring sufficient services and amenities are available to



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military personnel and their families.

Total assessed value in the county has increased 5.5% in the past five fiscal years, which equates to an average growth rate of 1.8% annually. The growth can be attributed to both residential and commercial development as well as the expansion of some existing businesses and the redevelopment of Goldsboro's downtown. Management expects modest taxable value growth to continue over the next two fiscal years.

The county has experienced significant growth in its sales tax revenues recently, which increased 21.7% between fiscal years 2011 and 2016. In addition to normal growth from more retail activity in the area, management attributes the sales tax growth to both a favorable change in county sales tax distributions and a recent expansion of what is considered taxable. The increase in sales tax revenues has helped offset the need for any changes to the ad valorem tax rate, which is expected to remain stable into fiscal 2018.

## Very strong management

We view the county's management as very strong, with "strong" financial policies and practices under our Financial Management Assessment methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Wayne County reviews historical revenues and expenditures when developing its budget and also works with the property appraiser and the League of Municipalities when projecting revenues. The budget can be amended as needed and the county reports budget-to-actual performance to the board monthly. In conjunction with budget preparation, the county develops a rolling five-year capital improvement plan that includes detailed cost information by project and identifies funding sources. It also tracks the useful life of all equipment to project when things will need to be replaced and monitors whether there will be any spikes in funding needs. Wayne County has a formal investment policy that requires at least 20% of investments to be liquid and all investments must mature within three years. Investment holdings and performance are reported to the board at least twice per year. The county's formal debt management policy specifies that debt amortization cannot exceed the useful life of the asset. The debt policy also includes quantitative metrics such as: at least 50% of principal must be paid within 10 years, net debt cannot exceed 2% of market value, debt service cannot exceed 12% of total governmental funds expenditures, and debt per capita must be less than $1,000. The county's reserve policy targets an available fund balance of at least 14% of general fund expenditures, which it typically exceeds. Wayne County does not have a formal long-term financial plan that includes multiple years of revenue and expenditure projections. However, it does informally plan for future revenues and expenditures during the budget development process in that management discusses and plans for any anticipated changes or additions to revenues or expenditures.

## Strong budgetary performance

Wayne County's budgetary performance is strong in our opinion. The county had surplus operating results in the general fund of 5.7% of expenditures, but a slight deficit result across all governmental funds of 0.6% in fiscal 2016.

We adjusted for recurring transfers out of the general fund, and after these adjustments, the county experienced an operating surplus of approximately $5.7 million or 5.7% of general fund expenditures. Similarly, in fiscal years 2015 and 2014, operating results were also positive with surpluses of $6.0 million and $8.5 million, respectively, or 6.2% and 9.1% of general fund expenditures. In addition, across total governmental funds, we adjusted for one-time expenditures



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for capital projects and the use of bond proceeds. After these adjustments, Wayne County experienced slight deficit operating results of about $644,000 or 0.6% of total governmental funds expenditures. Operating results across all governmental funds were positive in fiscal years 2015 and 2014.

The county budgeted for deficit operating results in the general fund in fiscal 2017 of $2.4 million, primarily due to costs associated with salaries and health insurance costs. Based on revenues tracking above budget fiscal-year-to-date and salary expenses expected to be less than budgeted, management expects to end fiscal 2017 with at least break-even results. As a result, we believe the county will likely maintain strong budgetary performance.

### Very strong budgetary flexibility

Wayne County's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2016 of 37% of operating expenditures, or $36.4 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

The county's available fund balance has consistently remained above 30% of general fund expenditures over the past three fiscal years. In fiscal 2015, Wayne County cash-funded several capital projects with available reserves, which resulted in a decline in fund balance to a still very strong 33.6% from 38.0% in fiscal 2014, before increasing again to 36.7% in fiscal 2016. Although not expected to materialize, if the $2.4 million expenditure from reserves occurs as budgeted in fiscal 2017, the available fund balance would still remain very strong at around $34.0 million or approximately 33% of general fund expenditures. The county may fund additional capital projects from reserves over the next two years, but management expects to maintain available fund balance at similar levels in future. As a result, we believe Wayne County will likely maintain very strong budgetary flexibility.

### Very strong liquidity

In our opinion, Wayne County's liquidity is very strong, with total government available cash at 58.7% of total governmental fund expenditures and 11.2x governmental debt service in 2016.

Although not a frequent issuer recently, Wayne County's access to the external market liquidity has been demonstrated through prior general obligation debt issuance as well as participation in several installment-purchase contracts over the past several years. The county's funds are held in bank deposit accounts and North Carolina Capital Management Trust's cash portfolio, which we do not consider aggressive.

The county entered into four privately placed installment purchase contracts between 2011 and 2015 to finance various capital improvements. The contracts allow for immediate acceleration as a remedy in an event of default. However, we believe Section 160A-20 of North Carolina statutes, which prohibits deficiency judgments for appropriation debt, mitigates liquidity risk.

### Strong debt and contingent liability profile

In our view, Wayne County's debt and contingent liability profile is strong. Total governmental fund debt service is 5.3% of total governmental fund expenditures, and net direct debt is 83.4% of total governmental fund revenue. Overall net debt is low at 1.8% of market value, which is in our view a positive credit factor.

The 2017 bonds are limited obligations of the county, subject to annual appropriation. The county will use bond proceeds to construct a new elementary school, build a new convention center, and fund various other capital improvement projects. The new school will be located near the air force base to serve the associated student population, which is also in close proximity to a sports complex currently under development. The county does not plan to issue any additional debt subsequent to the issuance of the 2017 bonds over the next four years.

Wayne County's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 2.5% of total governmental fund expenditures in 2016. Of that amount, 1.9% represented required contributions to pension obligations, and 0.6% represented OPEB payments. The county made its full annual required pension contribution in 2016.

The county participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the North Carolina Local Government Employees' Retirement System (LGERS) and the Registers of Deeds Supplemental Pension Fund. Wayne County also participates in the Law Enforcement Officers' Special Separation Allowance, which is a single-employer defined benefit pension plan. It consistently meets its annual required contributions for all three plans. The LGERS is by far the largest of these plans, and accounts for 94% of the county's required annual contributions. The LGERS had a strong funded ratio of 98.0% in fiscal 2016. The county also provides postemployment healthcare benefits through a single-employer defined benefit plan, which is funded on a pay-as-you-go basis.

### Very strong institutional framework

The institutional framework score for North Carolina counties is very strong.

## Outlook

The stable outlook reflects our opinion that Wayne County will continue to maintain strong budgetary performance and very strong reserves. Rating stability is also provided by the county's strong financial policies and practices. Therefore, we do not expect to change the rating within the two-year outlook period.

### Upside scenario

If the county's economic indicators improve to levels we consider comparable with those of higher-rated peers, we could raise the rating.

### Downside scenario

If Wayne County's financial performance were to experience significant deterioration, leading to sustained decreases in reserves, we could lower the rating.

## Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- 2016 Update Of Institutional Framework For U.S. Local Governments

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors,


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have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.



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# Appendix E

Policies

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NORTH CAROLINA

WAYNE COUNTY

**RESOLUTION #2014-__: A RESOLUTION ADOPTING AMENDED FINANCIAL POLICIES**

WHEREAS, Wayne County operates under a set of duly adopted Financial Policies previously approved by the Board of Commissioners; and

WHEREAS, the County Manager and Finance Director have recommended a change to the fund balance portion of those policies in order to commit funds for certain capital projects that are anticipated for the immediate future; and

WHEREAS, the Board of Commissioners wishes to adopted these amended financial policies;

NOW, THEREFORE BE IT RESOLVED that the Financial Policy Guidelines, attached hereto and incorporated herein by reference, are hereby approved as the Financial Policy Guidelines for Wayne County, North Carolina.

This the 6th day of May, 2014.

George Wayne Aycock, Jr., Chairman
Wayne County Board of Commissioners

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# Financial Policy Guidelines

*For:*

## Wayne County, North Carolina

Originally Adopted: April 18, 2006

Amended and Adopted: May 6, 2014

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# FINANCIAL POLICY GUIDELINES

**Wayne County, North Carolina**
**Adopted Financial Policy Guidelines**

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# FINANCIAL POLICY GUIDELINES

**Wayne County, North Carolina**
**Adopted Financial Policy Guidelines**

## FINANCIAL POLICY GUIDELINES - OBJECTIVES

This financial policy is a statement of the guidelines and goals that will influence and guide the financial management practice of Wayne County, North Carolina. A financial policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. Effective financial policy:

- Contributes significantly to the County's ability to insulate itself from fiscal crisis,
- Enhances short term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the County rather than single issue areas,
- Promotes the view of linking long-run financial planning with day to day operations, and
- Provides the County Staff, the County Board of Commissioners and the County citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

To these ends, the following financial policy statements are presented.



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# FINANCIAL POLICY GUIDELINES

**Wayne County, North Carolina**
**Adopted Financial Policy Guidelines**

## CAPITAL IMPROVEMENT BUDGET POLICIES

1. The County will consider all capital improvements in accordance with an adopted capital improvement program.

2. The County, in consultation with the Wayne County Public School and Community College Systems, will develop a five-year Capital Improvement Program and review and update the plan annually.

3. The County will enact an annual capital budget based on the five-year capital improvement plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.

4. The County, in consultation with the Wayne County Public School and Community College Systems, will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

5. The County will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan and County priorities, and who's operating and maintenance costs have been included in operating budget forecasts.

6. The Capital Improvement Program will include the estimated costs for the County to maintain all County, Public School and Community College assets at a level adequate to protect the County's capital investment and to minimize future maintenance and replacement costs.

7. The Capital Improvement Program will include a projection of the County, County Public School and Community College System's equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.

8. The County, in consultation with the Wayne County Public School and Community College Systems, will identify the estimated costs and



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potential funding sources for each capital project proposal before it is submitted for approval.

9. The County will attempt to determine the least costly and most flexible financing method for all new projects.



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# FINANCIAL POLICY GUIDELINES

**Wayne County, North Carolina**
**Adopted Financial Policy Guidelines**

## DEBT POLICIES

1. The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided.

2. The County will take a balanced approach to capital funding utilizing debt financing, Capital Reserves and pay-as-you go funding.

3. When the County finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be annually calculated and included in the review of financial trends.

4. Payout of aggregate outstanding tax-supported debt principal shall be no less than 50% repaid in 10 years.

5. Net debt as a percentage of estimated market value of taxable property shall not exceed 2.0%. Net debt is defined as any and all debt that is tax-supported.

6. The ratio of debt service expenditures as a percent of total governmental fund expenditures shall not exceed 12.0%.

7. Tax-supported debt per capita shall not exceed $1,000.

8. The County will retire tax anticipation debt, if any, annually and will retire bond anticipation debt within six months after completion of the project.



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# FINANCIAL POLICY GUIDELINES

**Wayne County, North Carolina**
**Adopted Financial Policy Guidelines**

## RESERVE POLICIES

1. The County will strive to maintain a targeted Unassigned Fund Balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 14% of General Fund Expenditures.

2. The County Board may, from time-to-time, designate for capital projects any Unassigned Fund Balance monies that are in excess of the 14% target described above.

3. The County Board may, from time-to-time, utilize fund balances that will reduce Unassigned Fund Balance below the 14% target for the purposes of a declared fiscal emergency or other such purpose as to protect or enhance the long-term fiscal security of Wayne County. In such circumstances, the Board will adopt a plan to restore the Unassigned Fund Balance to the target level within 36 months. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different but appropriate time period.



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# FINANCIAL POLICY GUIDELINES

**Wayne County, North Carolina**
**Adopted Financial Policy Guidelines**

## CASH MANAGEMENT / INVESTMENT POLICIES

1. It is the intent of the County that public funds shall be invested to the extent possible to reduce the need for property tax revenues. Funds shall be invested with the emphasis on safety and liquidity. Yield shall be a secondary consideration. All deposits and investments of County funds shall be in accordance with NCGS 159.

2. The Finance Director will establish a Cash Management Program that maximizes the amount of cash available for investment. The Program shall address at a minimum; Accounts Receivable/Billings, Accounts Payable, Receipts, Disbursements, Deposits, Payroll and Debt Service Payments.

3. Up to one-half (50%) of the appropriations to Non-County Agencies and to non debt-supported capital outlays for County Departments can be encumbered prior to December 31. Any additional authorization shall require the County Manager's written approval upon justification. The balance of these appropriations may be encumbered after January 1, upon a finding by the County Manager that there is a reasonable expectation that the County's Budgeted Revenues will be realized.

4. The County will use a Central Depository to maximize the availability and mobility of cash for all funds that can be legally and practically combined.

5. Cash Flows will be forecast and investments will be made to mature when funds are projected to be needed to meet cash flow requirements.

6. Liquidity: No less than 20% of funds available for investment will be maintained in liquid investments at any point in time.

7. Maturity: All investments will mature in no more than thirty-six (36) months from their purchase date.

8. Custody: All investments will be purchased "payment-verses-delivery" and if certificated will be held by the Finance Officer in the name of the County. All non-certificated investment will be held in book-entry form in the name of the County with the County's third party Custodian (Safekeeping Agent).

9. Authorized Investments: The County may deposit County Funds into: Any Board approved Official Depository, if such funds are secured in



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accordance with NCGS 159-31. The County may invest County Funds in: the North Carolina Capital Management Trust, US Treasury Securities, US Agency Securities specifically authorized in Chapter 159 of the North Carolina General Statutes and rated no lower than "AAA", and Commercial Paper meeting the requirements of Chapter 159 of the North Carolina General Statutes plus having a national bond rating.

10. Diversification: No more than 5% of the County's investment funds may be invested in a specific company's commercial paper and no more than 20% of the County's investment funds may be invested in commercial paper. No more than 25% of the County's investments may be invested in any one US Agency's Securities.

11. Allocation: Investment income will be allocated to each participating fund or account based on a fair and equitable formula determined by the Finance Director.

12. Reporting: Not less than twice a year the Finance Director will report to the Manager on the Cash Flow Forecast for the ensuing twelve months. The Finance Director also will report on the interest earned in the past six months and on the current investment portfolio including: type of investment, purchase date, price, par amount, maturity date, coupon rate, and any special features.



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# Appendix F

School Funding Agreement

NORTH CAROLINA
WAYNE COUNTY

AGREEMENT

This Agreement, made this the 9th day of January, 2017, by and between the Wayne County Board of Commissioners, hereinafter referred to as "BOC" and the Wayne County Board of Education, hereinafter referred to as "BOE".

WITNESSETH:

WHEREAS, the BOE and BOC desire to replace Meadow Lane Elementary School and Edgewood Developmental School; and

WHEREAS, the BOE and BOC desire to build a new gymnasium and construct classrooms to replace the existing modular units at Southern Wayne High School; and

WHEREAS, the BOE and BOC desire to air condition the gymnasium at Rosewood Middle School; and

WHEREAS, the BOE desires to add on to Fremont Stars Elementary School to replace some mobile units at Northwest Elementary School; and

WHEREAS, it is the belief of the BOC that a debt of $23,600,000.00 will be needed to finance said projects; and

WHEREAS, the BOE and the BOC are authorized to enter into interlocal agreements pursuant to N.C. Gen. Stat. § 160A-461 *et seq.*

NOW THEREFORE, be it agreed by and between the BOE and the BOC that the following will be accomplished:

I. The BOE will:

1. Construct the new Meadow Lane Elementary School.

2. Construct the additional wing at Meadow Lane to replace the existing Edgewood Developmental School.

3. Construct the additional 22 classrooms at Fremont Stars Elementary School to alleviate crowding at Northwest Elementary School, Northeast Elementary School, and Tommys Road Elementary School or put about half the classrooms at Fremont Stars Elementary School, and half at Northwest Elementary School. This would replace mobile units at these schools.



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4. Norwayne Middle School's overcrowding shall be solved by converting the Wayne Academy to Goldsboro Middle School.

5. School Street Elementary School will be converted to offices and a possible alternative school, freeing up the proposed Goldsboro Middle School. Part of the student population at School Street Elementary School will be relocated to Carver Heights, and the testing center will be moved from North Drive Elementary School to free up more classroom space. Two additional Pre-K classrooms will be added to School Street Elementary School.

6. A replacement gymnasium will be constructed at Southern Wayne High School, as well as the six classrooms shown on the plan previously submitted to the BOE by the Boosters Club. The timing of this project is being advanced.

7. The Rosewood Middle School gymnasium will be air conditioned. The timing of this project is being advanced.

II. That BOE and BOC agree that the following methods and funds will be used to finance the projects listed above:

A. A $4,600,000.00 addition to the Fremont Stars Elementary School to replace the mobile units at Northwest Elementary School shall be paid from existing BOE sales tax funds which are currently on hand and available.

B. The BOC will finance $23,600,000.00 which will have an annual payment of $1,660,507.00. This annual payment shall be accomplished by the BOE and BOC committing the following funds:

| | |
|---|---|
| $527,000 | Operating Savings from Edgewood and Meadow Lane School Replacements |
| $248,011 | Savings to the County and School Board from the Refinancing of the Grantham/Spring Creek Middle Schools Debt |
| $258,000 | 5.1% Growth in the School's portion of the Sales Tax restricted for capital outlay/debt service in FY 2017 |
| $148,473 | 2.5% Growth in the School's portion of the Sales Tax in FY 2018 |
| $479,023 | County funding (available in FY 2018 from the $600,000 in one-time funding in FY 2017 for the Technology Plan) |
| $1,660,507 | Total Available Revenues per year |
| $1,660,507 | Annual Debt Service Payment Required per year |



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III. The BOE and BOC agree that because of the time required to design the projects by an architect and award bids that it will be the Spring of 2017, before any construction could start. This would require that debt service payments would not begin until FY 2018.

The BOE agrees to change some attendance lines, if necessary, to accomplish this plan.

IV. The BOC shall continue to appropriate $2,000,000.00 of BOE sales tax for small capital projects. The BOE shall approve a five year plan for renovations in agreement of the percentage of the $2,000,000.00 that can be used for renovations with the remainder of the $2,000,000.00 being applied to minor capital projects to improve maintenance of the facilities. The BOE further agrees that all lottery and other restricted BOE sales tax proceeds shall be used first to pay any debt service or construction of facilities. The BOC agrees that if debt service costs are more than the two funding sources identified in the previous sentence, that the BOC shall provide the difference from County appropriations.

V. The BOE agrees to convey property upon which any buildings are to be built to Wayne County so that Wayne County's tax payers can be reimbursed the sales taxes. Both parties agree that the BOC may then pledge the property and new construction as collateral for the duration of the loans incurred to finance these projects. The parties further agree that ownership of the property and schools to be constructed shall be transferred to the BOE at such time as the loans are completely repaid and/or the property is no longer required as collateral by a Lender .

VI. Both parties agree that it is the intent that this plan shall not cause an increase in tax rates for the tax payers in Wayne County.

IN WITNESS WHEREOF, each party has caused this Agreement to be duly executed as of the day first written above.

WAYNE COUNTY

By: ______________________

William H. Pate, Chairman
Board of Commissioners

ATTEST:

______________________

Carol Bowman
Clerk to the Board



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This instrument has been preaudited as required by the Local Government Budget and Fiscal Control Act.

1-31-17

Allison Speight, County Finance Officer — Date

WAYNE COUNTY BOARD OF EDUCATION

By: ______________________

Arnold L. Flowers, Chairman

ATTEST:

______________________

Michael J. Dunsmore
Superintendent

This instrument has been preaudited as required by the Local Government Budget and Fiscal Control Act.

1/30/17

Michael Hayes, Board of Education Finance Officer — Date



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# Municipal Advisor Disclosure

The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

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