



TRANSYLVANIA

— COUNTY —

N O R T H C A R O L I N A

BOARD OF COMMISSIONERS

April 24, 2017



Call to Order & Welcome

Larry Chapman, Chair, Board of Commissioners

Tawny McCoy, Chair, Board of Education

Public Comment

Speakers are limited to three minutes

The comment period will close when there are no more speakers or the 15 minute limit is reached



Agenda Modifications

Workshop

- A. Joint Meeting of Board of Commissioners and Board of Education

Presentation on Facility Needs

- Pdf provided by school system presentation
- Process for assessment from 2015
- Public involvement summary
- Needs identified requiring \$93.2 million
 - ▣ Phase 1: \$38 million
 - ▣ Phase 2: \$38 million
 - ▣ Phase 3: \$17.2 million



Transylvania County Schools
Teaching Everyone Takes Everyone



CLARK NEXSEN

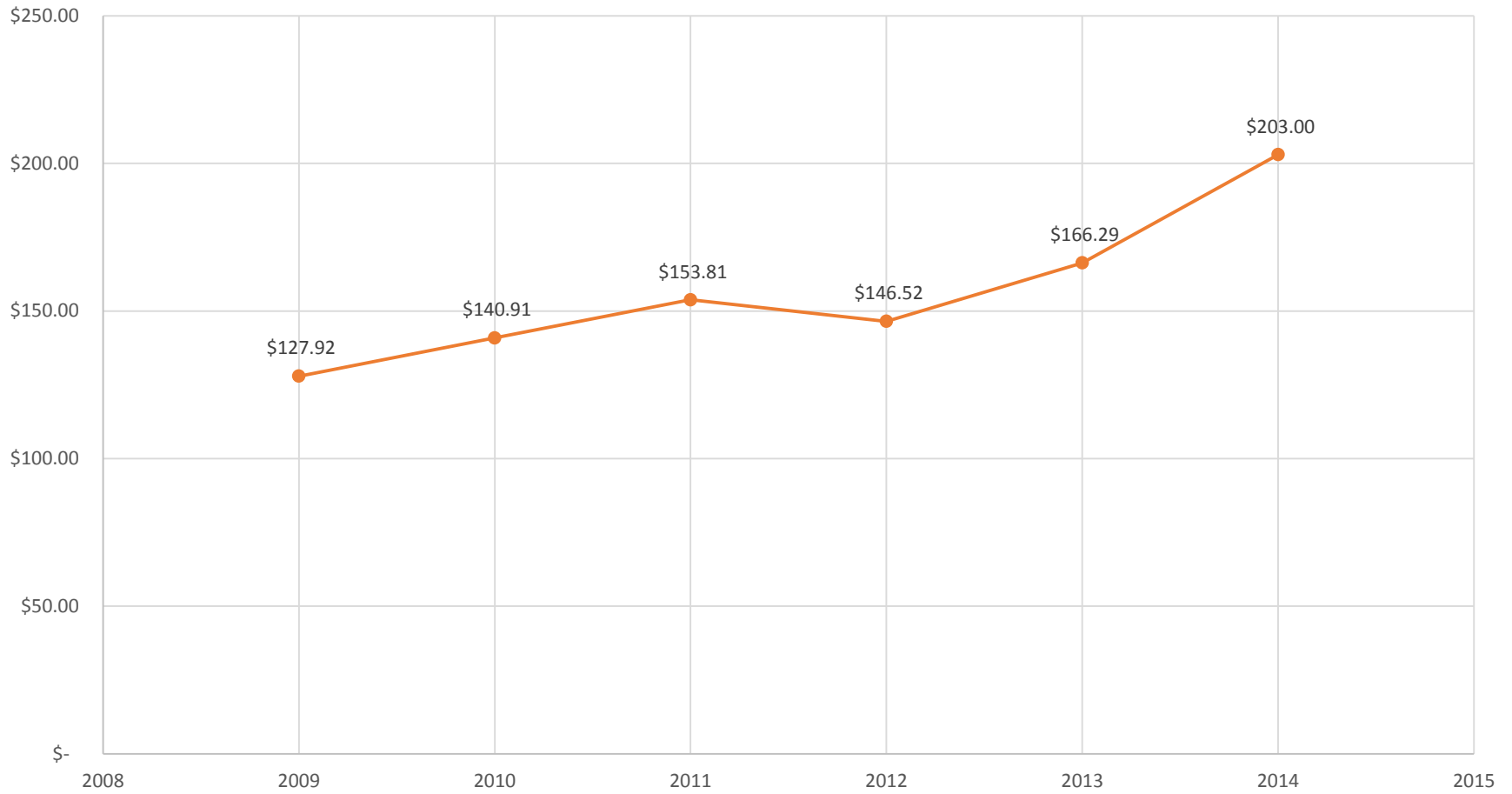


Avg. Cost of All School Construction in 2009 ---\$127.92*
Avg. Cost of All School Construction in 2014 --- \$203.00*
Avg. Cost of All School Construction in 2018--- \$????

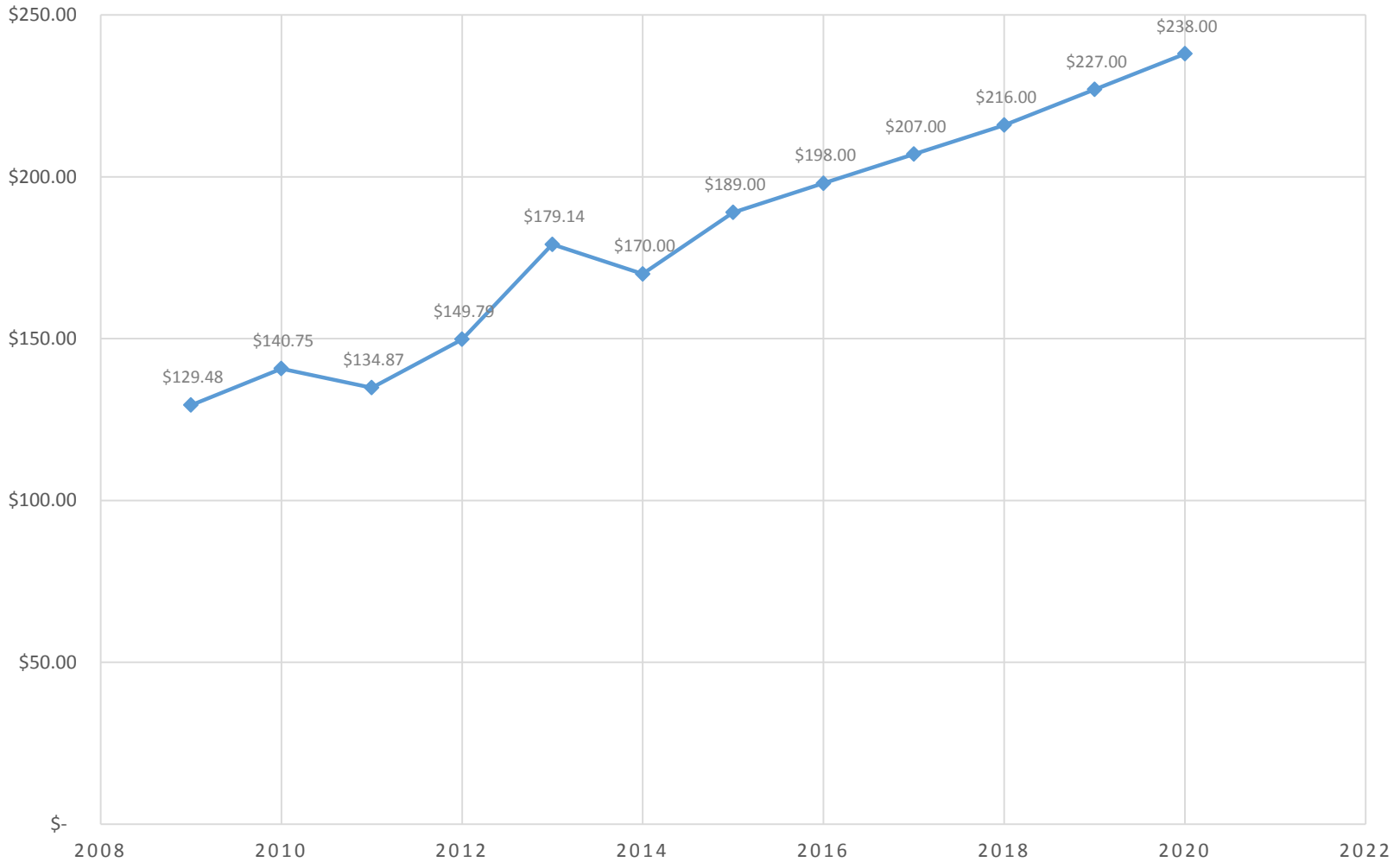
Represents an increase of **60%** increase in 5 years, 12% per
year, or \$75.00/sf cost increase on average

*Information obtained from NCDPI

Avg. Cost of School Construction

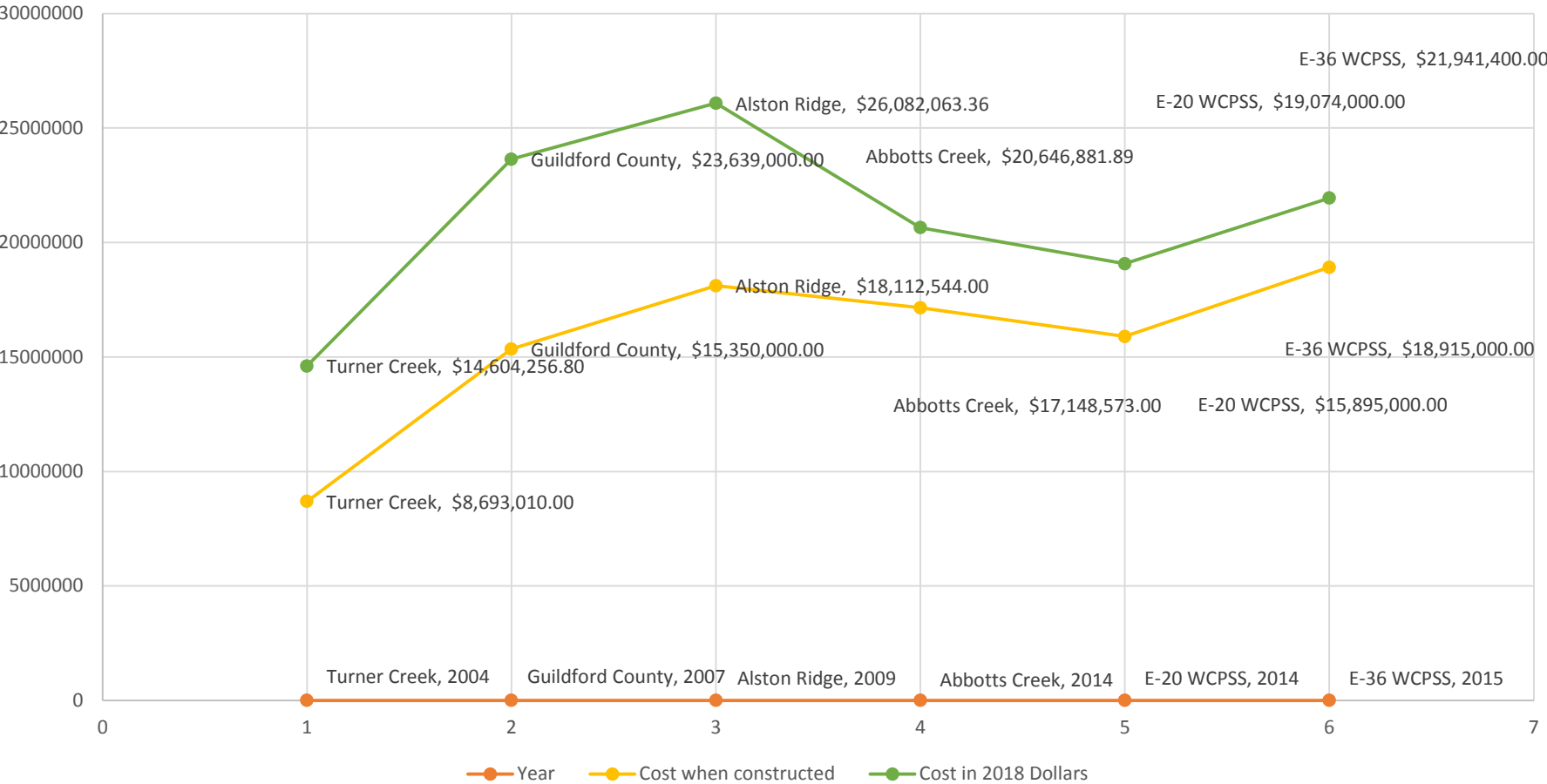


AVG ELEMENTARY SCHOOL COST

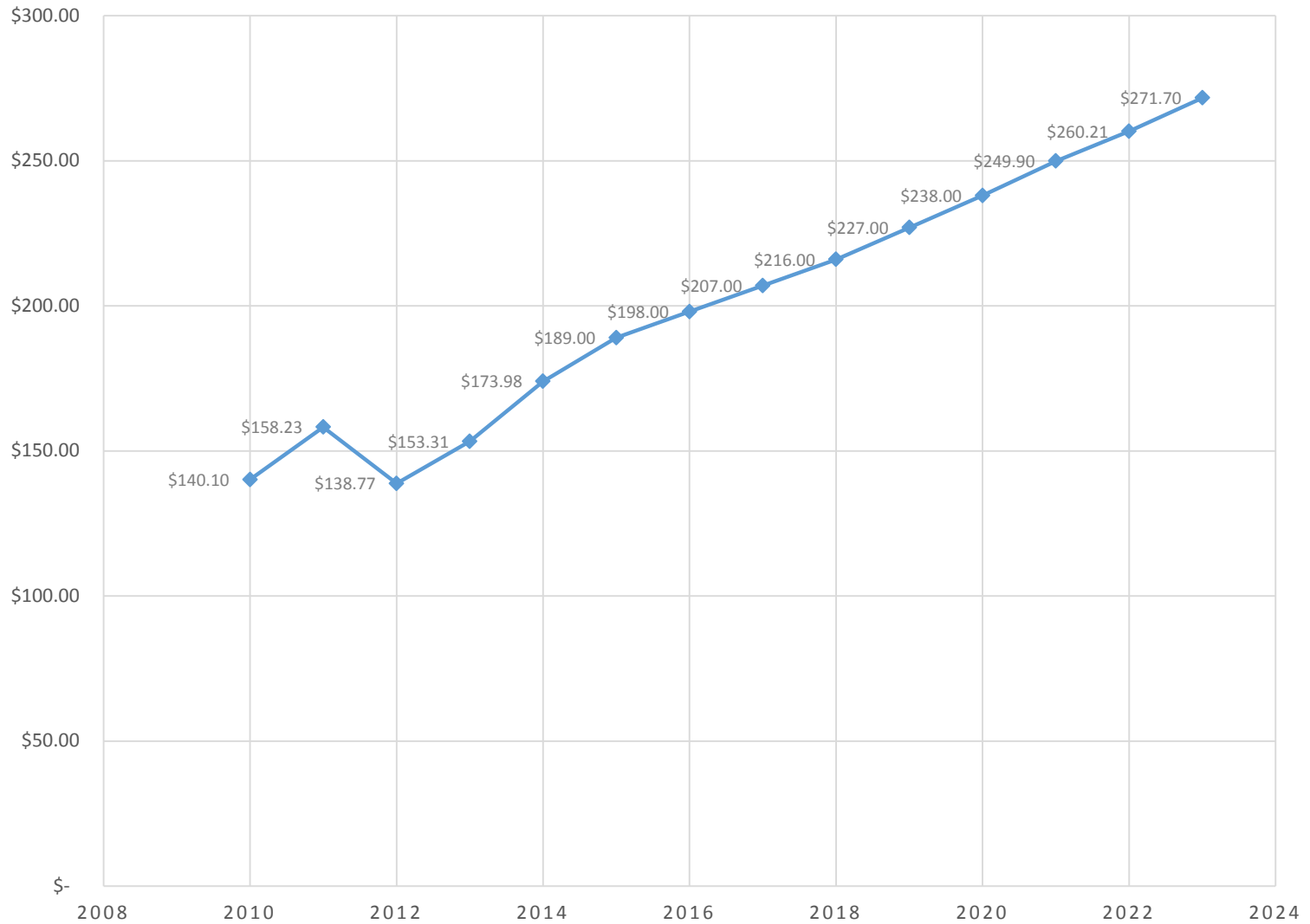


Avg cost of an elementary school will jump over 80% from 2009-2020

Elementary School Costs Comparison



AVERAGE HIGH SCHOOL COST



Avg cost of a high school school will jump over 70% from 2010-2020

HIGH SCHOOL (9-12)

TYPICAL SPACE PROFILE

31-Jul-03

Number of students	600		800		1,200		1,600		2,000	
Core capacity	600		1,000		1,400		1,850		2,000	
Exceptional Children (S/C)			1		2		3		3	
Video Production fac.	N		N		Y		Y		Y	
Dance/Drama			1		2		2		2	
Gymnasium # seats	600		1,000		1,400		1,850		2,000	
Wrestling (Y/N)	N		N		Y		Y		Y	
Auditorium (Y/N)	N		Y		Y		Y		Y	
Auditorium seats			400		560		740		800	
	No. sq. ft.		No. sq. ft.		No. sq. ft.		No. sq. ft.		No. sq. ft.	
Classrooms:										
Academic										
English @ 750 s.f.	5	3,750	7	5,250	10	7,500	13	9,750	16	12,000
Foreign Language @ 750 s.f.	2	1,500	2	1,500	3	2,250	5	3,750	6	4,500
Social Studies @ 750 s.f.	4	3,000	5	3,750	8	6,000	10	7,500	13	9,750
Math @ 750 s.f.	4	3,000	6	4,500	9	6,750	11	8,250	14	10,500
Science:										
Physical Science @ 1200 s.f.	1	1,200	1	1,200	2	2,400	3	3,600	3	3,600
Biology @ 1200 s.f.	1	1,200	2	2,400	3	3,600	4	4,800	5	6,000
Chemistry @ 1500 s.f.	1	1,500	1	1,500	2	3,000	2	3,000	3	4,500
Physics @ 1200 s.f.			1	1,200	1	1,200	1	1,200	2	2,400
Other Science @ 1200 s.f.							1	1,200	1	1,200
Prep rooms @ 250	1	250	2	500	4	1,000	5	1,250	7	1,750
M/SCI Computer Lab					1	850	1	850	1	850
sub-total	18	15,400	25	21,800	39	34,550	51	45,150	64	57,050
Resource/Exceptional										
Resource rooms @ 450 s.f.	2	900	3	1,350	5	2,250	6	2,700	8	3,600
Exceptional S/C @ 1200 s.f.			1	1,200	2	2,400	3	3,600	3	3,600
Inst. kitchen/tlts.				200		400		600		600
In-School susp.		450		600		750		750		750
sub-total		1,350		3,350		5,800		7,650		8,550
Arts Education										
Visual art @ 1400 s.f.	1	1,400	1	1,400	2	2,800	2	2,800	3	4,200
Art stor/kiln		200		200		400		400		600
Instrumental music			1	1,800	1	2,000	1	2,450	1	2,600
Ensemble/practice				150		300		300		300
Band uniforms				300		400		400		400
Instrument stor				300		400		400		400
String inst stor				150		150		150		150
Band/choral off/wkrm				250		250		250		250
Band stor/library				150		150		150		150
Vocal Music			1	1,200	1	1,400	1	1,850	1	2,000
Vocal music stor				200		300		300		300
Dance/ Drama classrooms			1	1,800	2	3,600	2	3,600	2	3,600
Props/costume/gen stor				250		500		500		500
Band/chorus	1	1,600								
Instrument stor		300								
Uniform/gen stor		400								
Office/workroom		250								
sub-total	2	4,150	4	8,150	6	12,650	6	13,550	7	15,450
Auditorium/Theatre										
Seating			400	3,600	560	5,040	740	6,660	800	7,200
Stage/dress/stor.				2,500		4,000		4,000		4,000
Lobby				1,000		1,200		1,200		1,200
sub-total				7,100		10,240		11,860		12,400
Business/Off Education										
Typing/Keyboarding	1	1,200	1	1,200	2	2,400	2	2,400	3	3,600
Computer/applications	1	1,200	1	1,200	1	1,200	1	1,200	2	2,400
Business/office ed.	1	1,000	1	1,000	1	1,000	1	1,000	1	1,000
Faculty off./stor.		500		500		500		500		750
sub-total	3	3,900	3	3,900	4	5,100	4	5,100	6	7,750





Brevard Elementary



CLARK NEXSEN



MAJOR AREAS FOR REPAIRS AND RENOVATIONS

- A. HVAC REPLACEMENT
- B. LIGHTING UPGRADES
- C. FIRE RATINGS IN COORIDORS
- D. SECURITY
- E. EXITING THRU INTERVENING SPACES

FUTURE AREAS NEEDING IMPROVEMENT

- 1. PARENT DROP OFF
- 2. SITE WORK TO ADDRESS WATER FLOW
- 3. COORIDOR RECONFIGURATIONS







Conceptual Budgeting - Brevard Elementary						Construction beginning 3rd Qtr 2019 - Completion 18 mos.
HVAC renovations	87,200sf	@	\$	12.00	sf	1,046,400
Site work for drop off	3 acres	@	\$	300,000.00		900,000
Pre-K flooring and exiting	5,000sf	@	\$	4.50		22,500
Chainlink fences at playground	1,000lf	@	\$	7.25		7,250
Site work to address water issues between buildings	1 acres	@	\$	100,000.00		100,000
Corridor reconfigurations	87,200sf	@	\$	3.00		261,600
Exterior canopy replacement and painting	600lf	@	\$	250.00	lf	150,000
ACT replacment due to HVAC work	87,200sf	@	\$	3.00		261,600
Light replacement -complete during HVAC work	87,200sf	@	\$	6.00		523,200
Address fire rated corridors	87,200sf	@	\$	0.50		43,600
Address entrances and security	87,200sf	@	\$	0.75		65,400
Address exiting thru intervening spaces	87,200sf	@	\$	0.50		43,600
TOTAL CONSTRUCTION COST						3,425,150
Overhead and Profit					6.0%	205,509
Bonds and insurance					1.5%	54,460
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)					12.0%	442,214
Owner Contingency					5.0%	206,367
TOTAL SOFT COST						908,550

Escalation factor	42 months	@	0.33%	600,651
-------------------	-----------	---	-------	---------

TOTAL PROJECT COST	4,934,351
---------------------------	------------------





Brevard High





Property #1





MAJOR AREAS FOR REPAIRS AND RENOVATIONS

- A. Replacement Mechanical and Electrical Systems
- B. Replacement of Old Gym
- C. Replacement of Cafeteria Dining Space
- D. Window Replacement
- E. Kitchen replacement in CTE classrooms
- F. Repair and replacement of bleachers, paint, and lights in new gym.
- G. Construct new locker rooms, concession, and field house at football field
- H. Stage lighting in auditorium need to be replaced

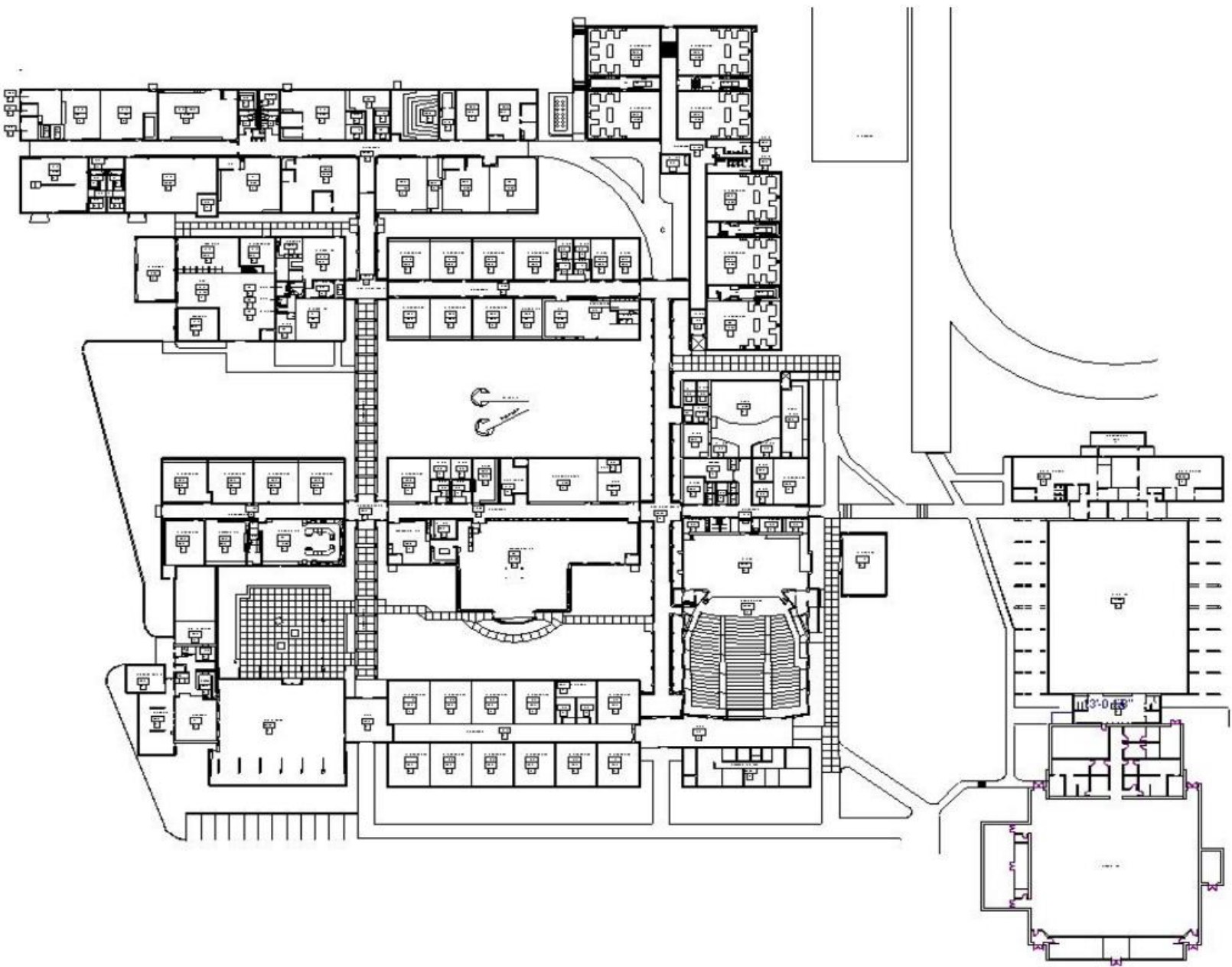
FUTURE AREAS NEEDING IMPROVEMENT

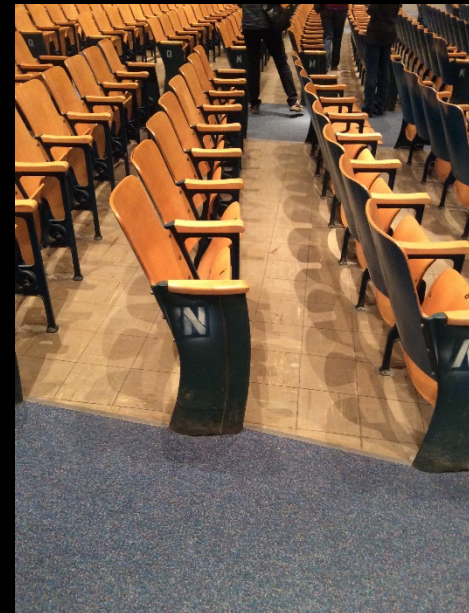
- 1. Parking
- 2. Construct new Fine Arts Building

AREAS OF CONCERN

- a. Cost of renovations vs. Building new?
- b. Staging and cost for modulares during renovations?









CLARKNEXSEN

Conceptual Budgeting - Brevard High School

Construction
beginning 1st Qtr 2020
- Completion 24 mos.

New multi-story main building	100,000 sf	@	225.00	sf	22,500,000
Auxillary gym, fieldhouse/locker rooms, JROTC	22,000 sf	@	225.00		4,950,000
Corrective work to track	1 ls	@	125,000.00		125,000
Site work	2 acres	@	350,000.00		700,000
Maintenance and updates to Main Gym	21,700 sf	@	50.00		1,085,000

TOTAL CONSTRUCTION COST	29,360,000
--------------------------------	-------------------

Overhead and Profit	6.0%	1,761,600
Bonds and insurance	1.5%	466,824
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)	12.0%	3,790,611
Owner Contingency	5.0%	1,768,952

TOTAL SOFT COST	7,787,987
------------------------	------------------

Escalation factor	45 months @	0.33%	5,516,476
--------------------------	--------------------	--------------	------------------

TOTAL PROJECT COST	42,664,463
---------------------------	-------------------





Brevard Middle School





Property #2



MAJOR AREAS FOR REPAIRS AND RENOVATIONS

- A. Mechanical renovations
- B. Science Labs
- C. Handicap Accessibility
- D. Carpet Replacement in corridors
- E. Windows and doors
- F. Relocate transformer and address entrance
- G. Address site slopes that are failing along south entrance road

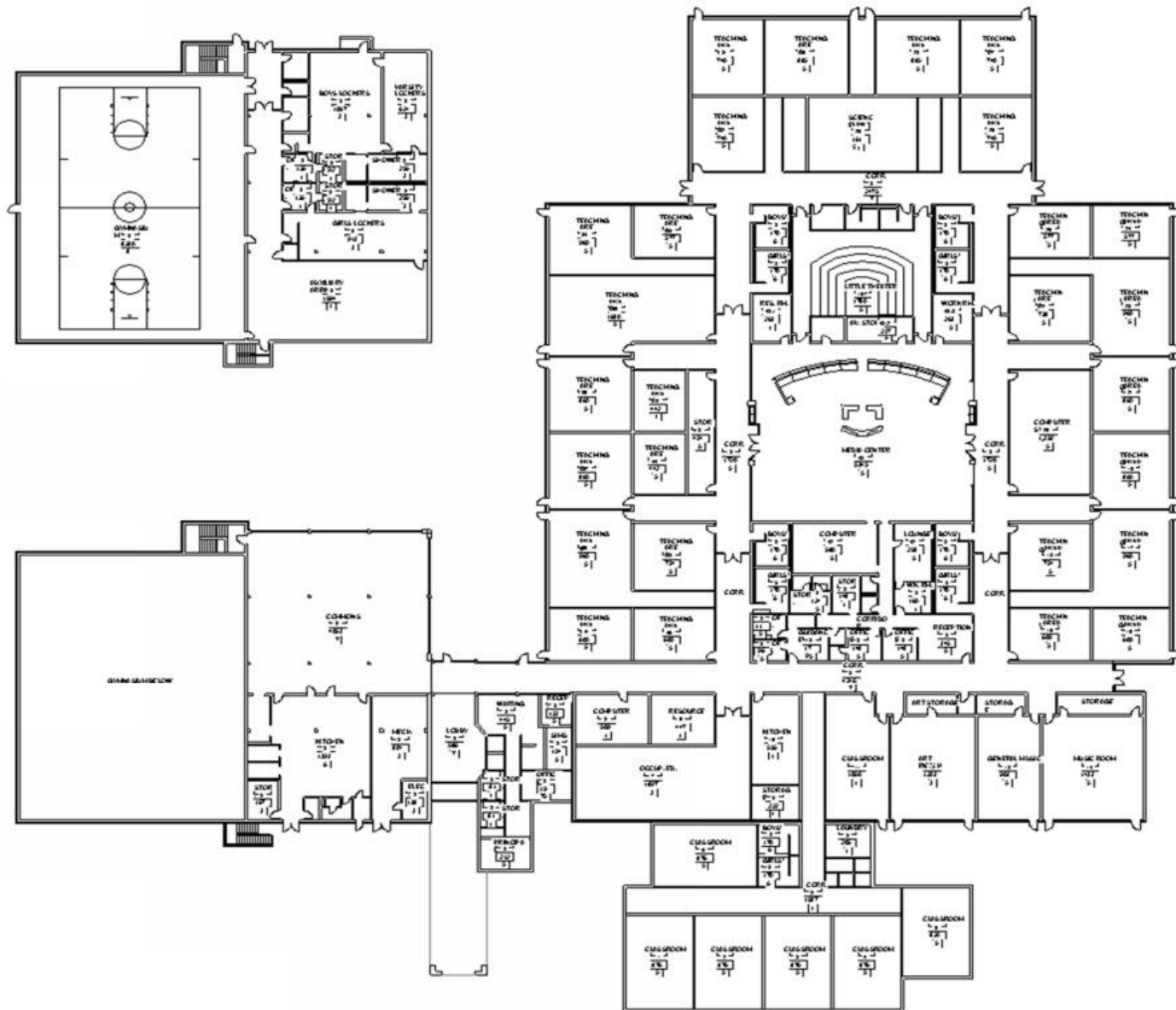
FUTURE AREAS NEEDING IMPROVEMENT

- 1. Art room needs kiln and plumbing
- 2. Address Staff toilets

AREAS OF CONCERN

- a. Aging systems –planning for long term maintenance







CLARKNEXSEN

Conceptual Budgeting - Brevard Middle					Construction beginning 3rd Qtr 2021 - Completion 12 mos.
Mechanical renovations	93,860 sf	@	\$ 10.00	sf	938,600
Science room renovations	2,000 sf	@	\$ 150.00		300,000
Handicap accessiblity modifications	1 ls	@	\$ 250,000.00		250,000
Window and door replacements	93,860 sf	@	\$ 3.00		281,580
Relocate transformer and entrance modifications	1 sf	@	\$ 175,000.00		175,000
TOTAL CONSTRUCTION COST'					1,945,180
Overhead and Profit				6.0%	116,711
Bonds and insurance				1.5%	30,928
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)				12.0%	251,138
Owner Contingency				5.0%	117,198
TOTAL SOFT COST					515,975
Escalation factor					54 months @ 0.33% 438,578
TOTAL PROJECT COST					2,899,733



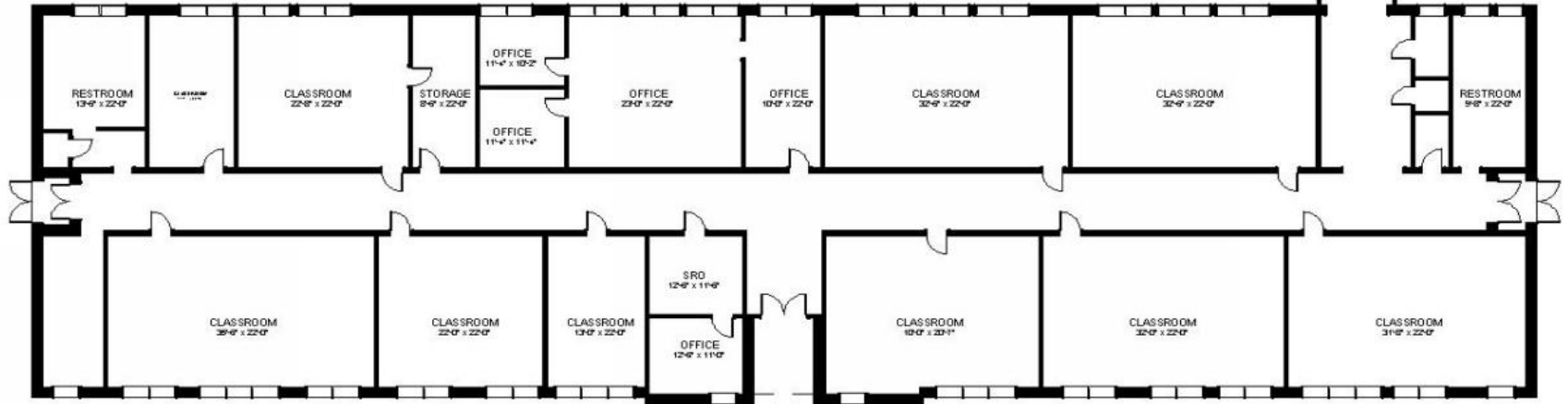
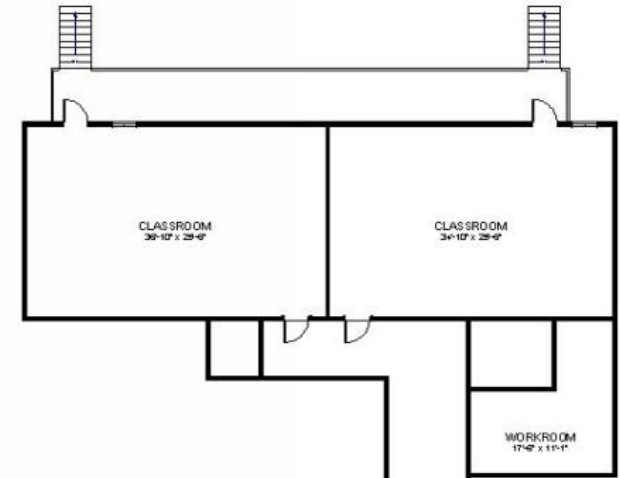


Davidson River School









Conceptual Budgeting - Davidson River					Construction beginning 3rd Qtr 2021 - Completion 6 mos.
Electrical upgrades	18,208 sf	@	\$	12.00 sf	218,496
Handicap accessiblity modifications	1 ls	@	\$	60,000.00	60,000
Replace paneling with drywall	5,000 sf	@	\$	5.00	25,000
Office renovations to be near front entrance	700 sf	@	\$	60.00	42,000
Sprinkler installation	18,208 sf	@	\$	4.50	81,936
Minor improvements in toilet rooms	500 sf	@	\$	10.00	5,000
TOTAL CONSTRUCTION COST					432,432
Overhead and Profit				6.0%	25,946
Bonds and insurance				1.5%	6,876
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)				12.0%	55,830
Owner Contingency				5.0%	26,054
TOTAL SOFT COST					114,706
Escalation factor	54 months	@		0.33%	97,500
TOTAL PROJECT COST					644,638



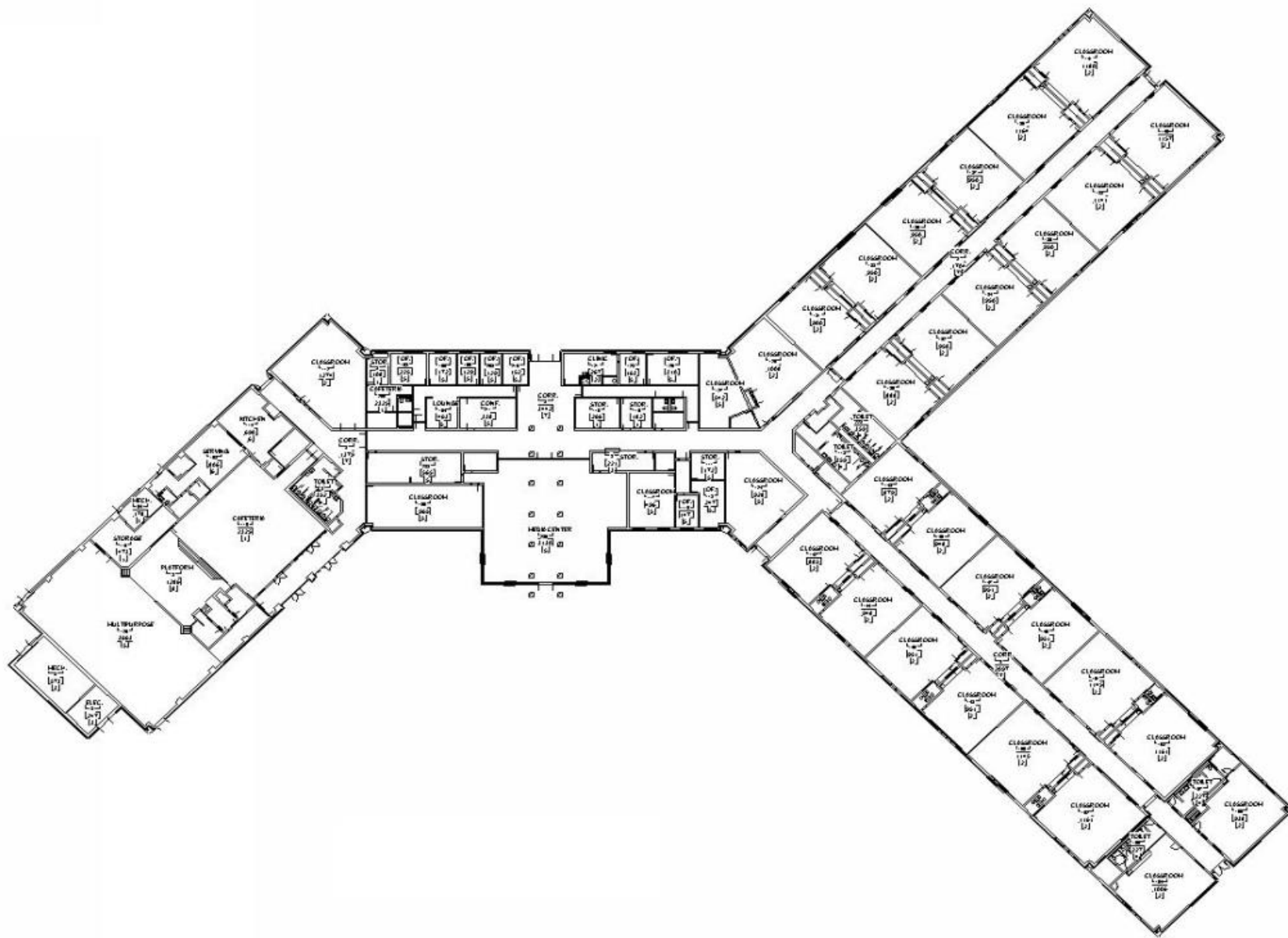


Pisgah Forest Elementary School





CLARKNEXSEN



Conceptual Budgeting - Pisgah Forest Elementary					Construction beginning 3rd Qtr 2019 - Completion 12 mos.
Expansions to increase Core Capacity	8,000 sf	@	\$ 200.00		1,600,000
Exterior painting, replace columns, gutters and downspouts	69,898 sf	@	\$ 2.50	sf	174,745
HVAC upgrades due to age of building	69,898 sf	@	\$ 18.00		1,258,164
Update interior finishes (paint, ceilings, flooring)	69,898 sf	@	\$ 12.00		838,776
Address accessible bathrooms	1,500 sf	@	\$ 30.00		45,000
TOTAL CONSTRUCTION COST					3,916,685
Overhead and Profit				6.0%	235,001
Bonds and insurance				1.5%	62,275
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)				12.0%	505,675
Owner Contingency				5.0%	235,982
TOTAL SOFT COST					1,038,933
Escalation factor					36 months @ 0.33% 588,727
TOTAL PROJECT COST					5,544,345

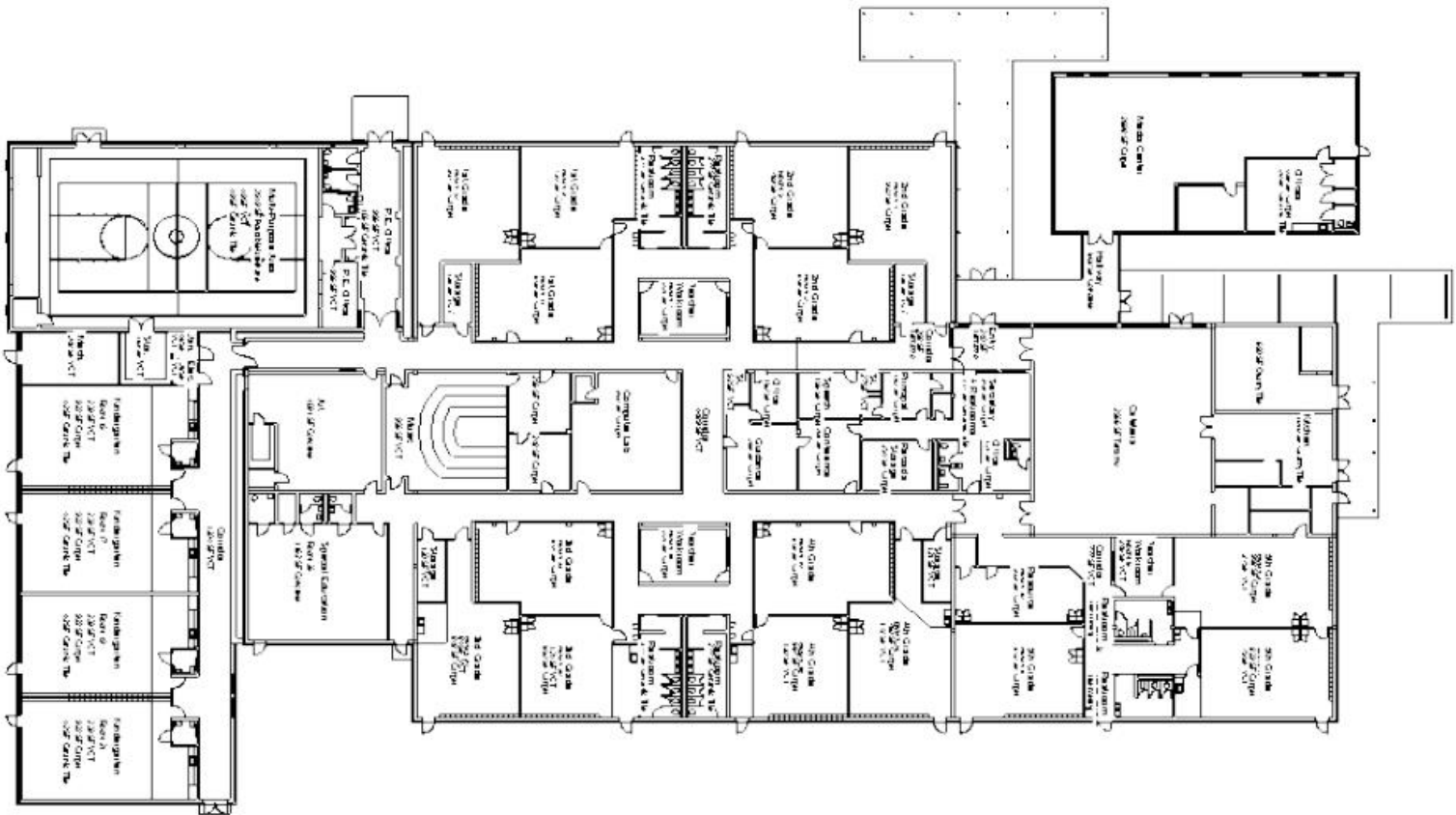




Rosman Elementary School



CLARKNEXSEN



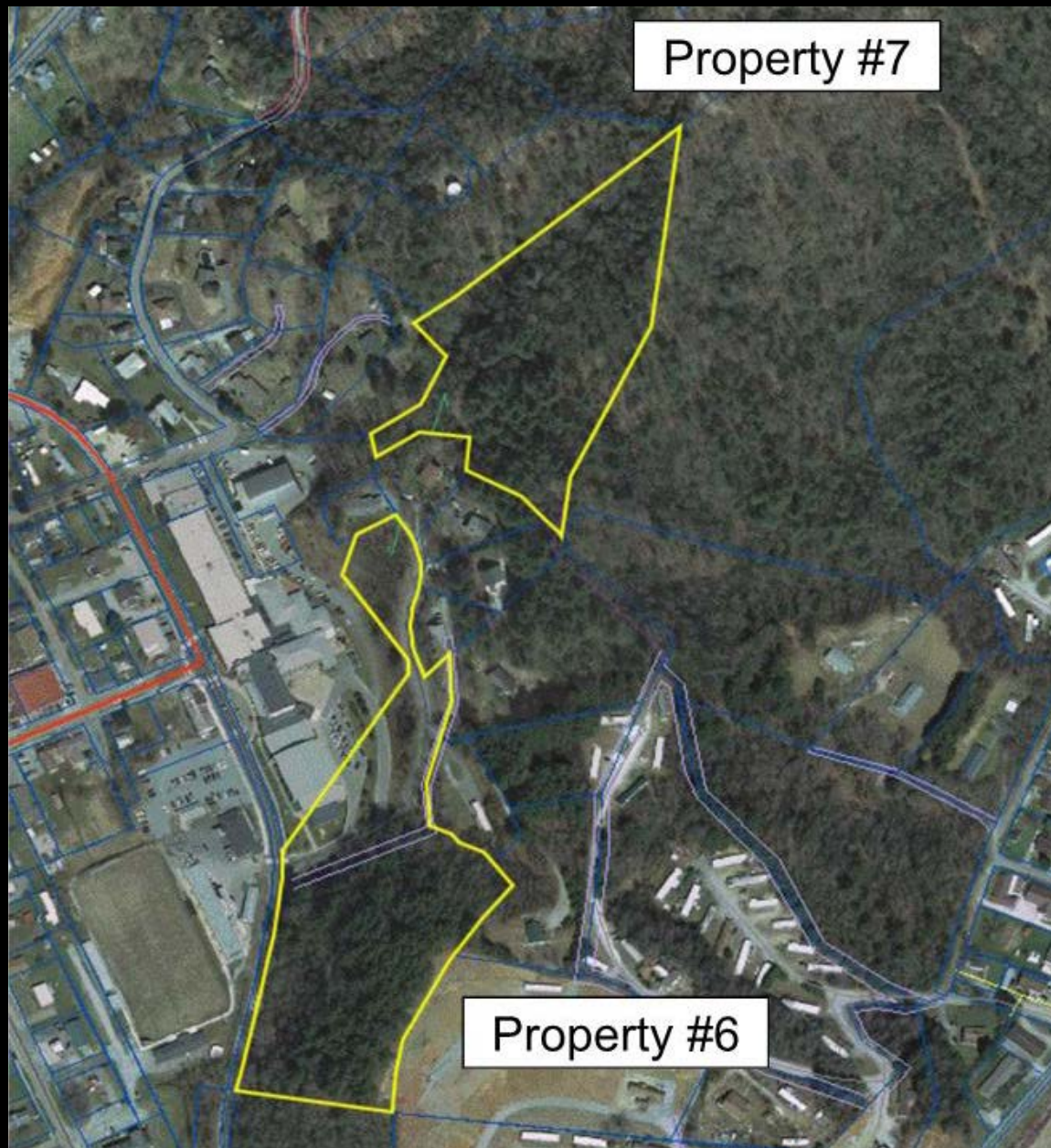
Conceptual Budgeting - Rosman Elementary					Construction beginning 3rd Qtr 2020 - Completion 24 mos.
Interior and Exterior painting	53,000 lf	@	\$	2.50	132,500
Reconfiguration of office space	2,800 sf	@	\$	75.00	210,000
Architectural upgrades due to age of building	40,553 sf	@	\$	100.00	4,055,300
HVAC upgrades due to age of building	40,553 sf	@	\$	12.80	519,078
Plumbing upgrades due to age of building	40,553 sf	@	\$	9.00	364,977
Electrical upgrades due to age of building	40,553 sf	@	\$	16.00	648,848
Address accessible bathrooms	1,200 sf	@	\$	60.00	72,000
TOTAL CONSTRUCTION COST					6,002,703
Overhead and Profit				6.0%	360,162
Bonds and insurance				1.5%	95,443
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)				12.0%	774,997
Owner Contingency				5.0%	361,665
TOTAL SOFT COST					1,592,267
Escalation factor	48 months	@		0.33%	1,203,043
TOTAL PROJECT COST					8,798,013



Rosman Middle School and Rosman High School





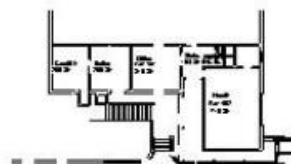
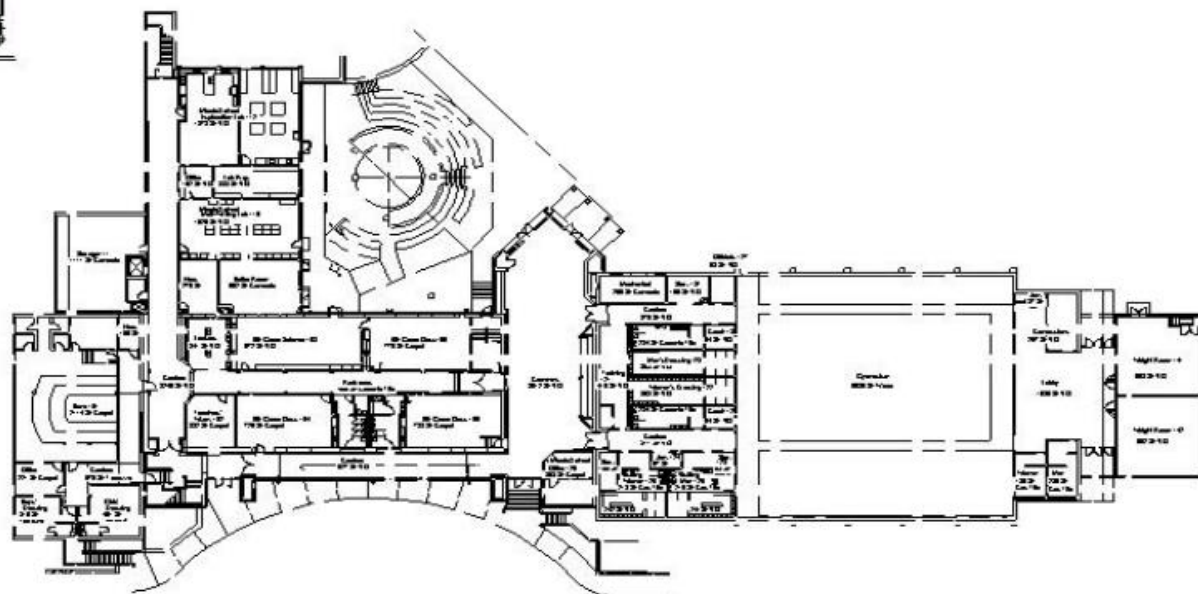
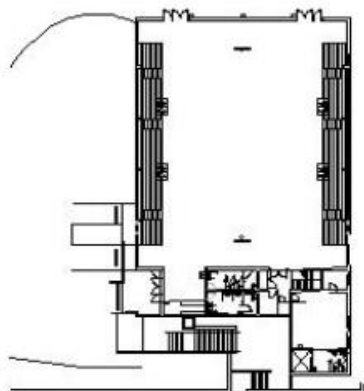


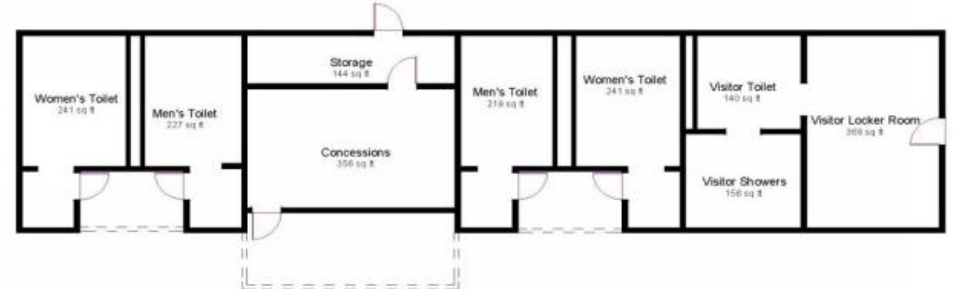
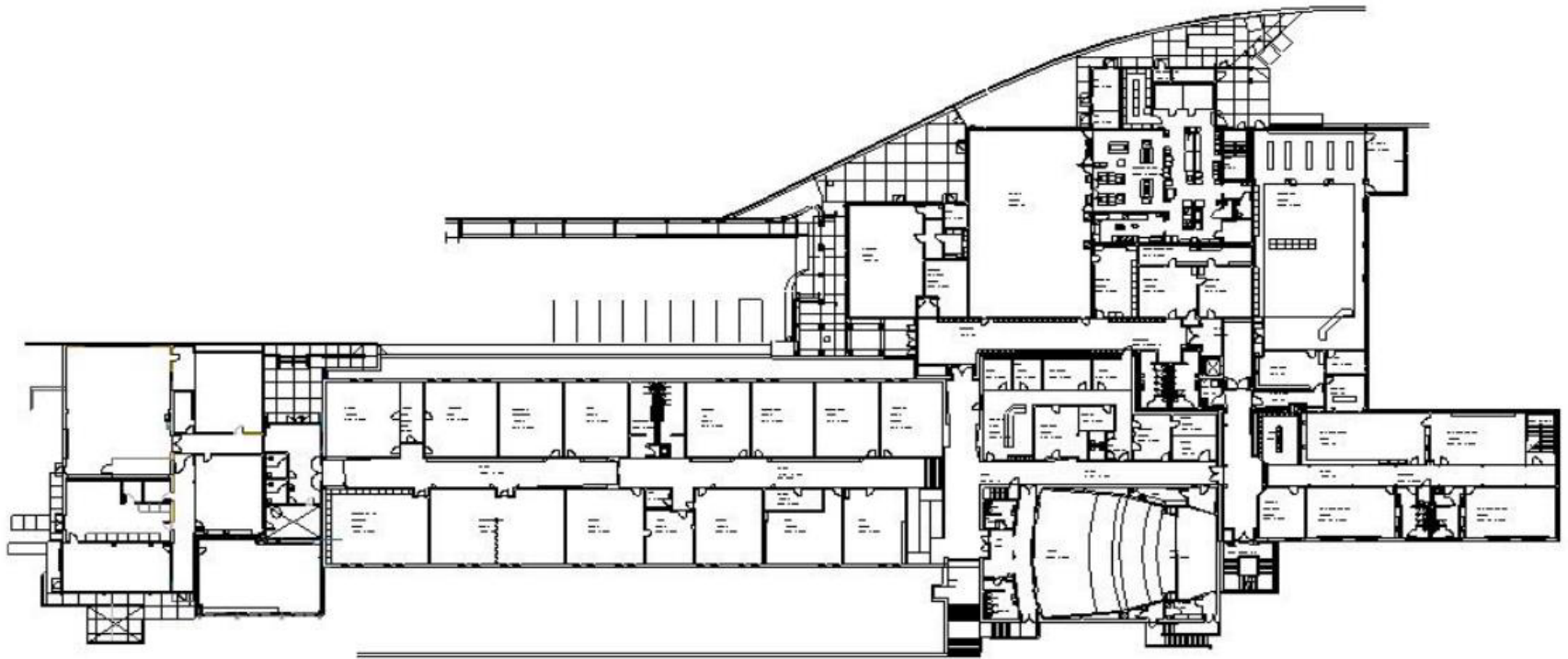
Property #7

Property #6



CLARK NEXSEN





				Construction beginning 1st Qtr 2020 - Completion 24 mos.
Conceptual Budgeting - Rosman Middle-High				
Replace current RMS with new RHS	51,500 sf	@	\$ 225.00	11,587,500
Maintenance and updates to Main Gym	14,735 sf	@	\$ 50.00	736,750
RHS Mechanical renovations for RMS	32,000 sf	@	\$ 16.00 sf	512,000
RHS Electrical renovations for RMS	32,000 sf	@	\$ 22.00	704,000
RHS Plumbing renovations for RMS	32,000 sf	@	\$ 12.00	384,000
RHS General construction renovations for RMS	32,000 sf	@	\$ 110.00	3,520,000
TOTAL CONSTRUCTION COST				17,444,250
Overhead and Profit				6.0% 1,046,655
Bonds and insurance				1.5% 277,364
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)				12.0% 2,252,192
Owner Contingency				5.0% 1,051,023
TOTAL SOFT COST				4,627,234

Escalation factor

0.33% 3,277,615

TOTAL PROJECT COST	25,349,099
---------------------------	-------------------





TC Henderson Elementary School





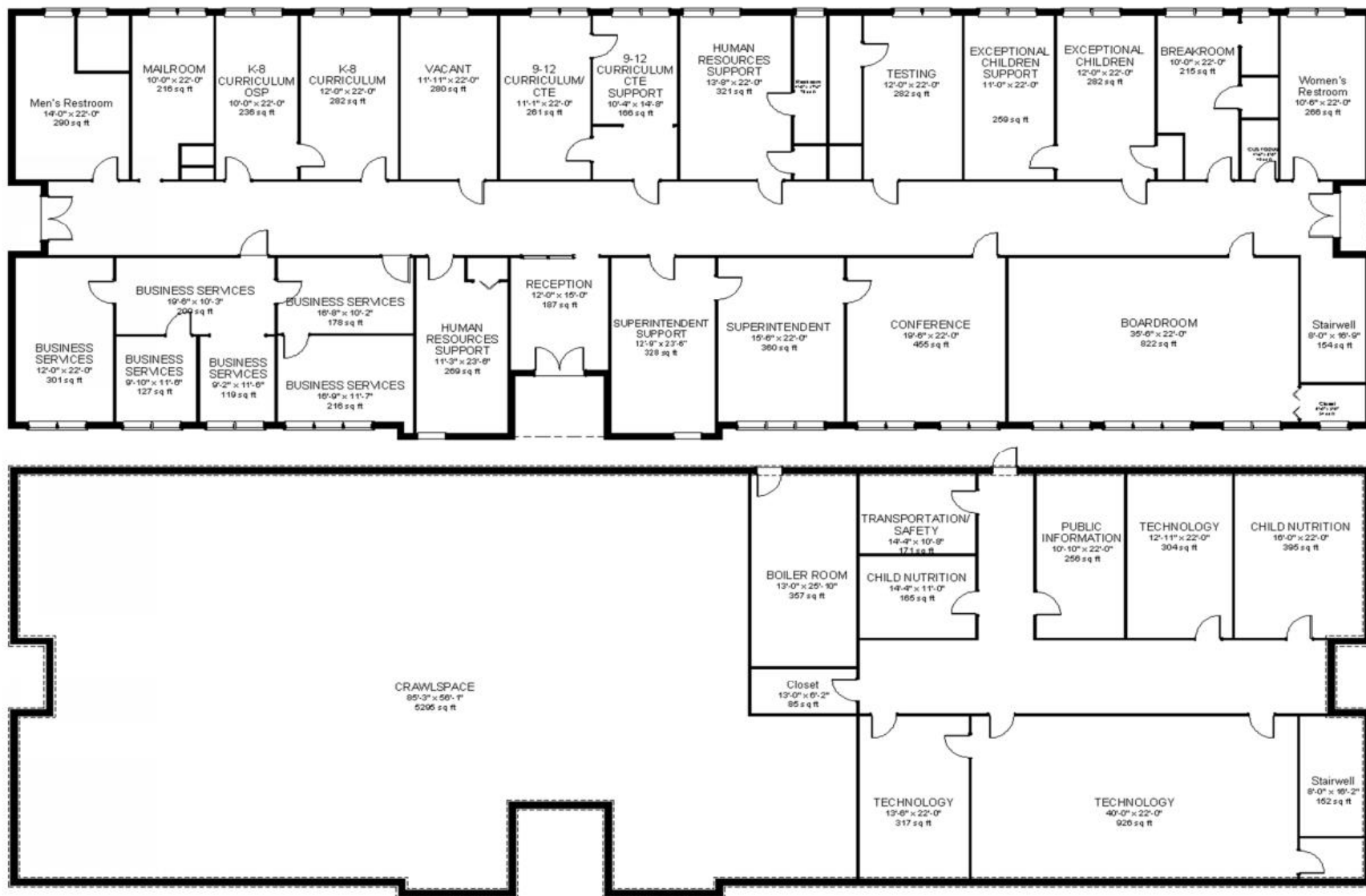


Conceptual Budgeting - TC Henderson Elementary					Construction beginning 3rd Qtr 2019 - Completion 6 mos.
Mechanical upgrades	19,000 sf	@	\$	18.00 sf	342,000
Handicap accessibility modifications at toilet	300 sf	@	\$	60.00	18,000
Address dead end corridor situation at music/art class	1 ls	@	\$	10,000.00	10,000
Office renovations to be near front entrance	1,000 sf	@	\$	60.00	60,000
Add additional toilets due to accessibility upgrades	500 sf	@	\$	150.00	75,000
Site improvements to address drop off and parking	1 acre	@	\$	350,000.00	350,000
Moisture infiltration repairs	1 ls	@	\$	10,000.00	10,000
TOTAL CONSTRUCTION COST					865,000
Overhead and Profit				6.0%	51,900
Bonds and insurance				1.5%	13,754
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)				12.0%	111,678
Owner Contingency				5.0%	52,117
TOTAL SOFT COST					229,449
Escalation factor	42 months	@		0.33%	151,691
TOTAL PROJECT COST					1,246,140





Morris Education Center



Conceptual Budgeting - Morris Education Center/Shop						Construction beginning 3rd Qtr 2020 - Completion 6 mos.
Accessiblity upgrades	1 ls	@	\$	80,000.00	ls	80,000
Roof replacement	14,278 sf	@	\$	3.00		42,834
Exterior painting	14,278 sf	@	\$	1.00		14,278
Business occupancy fire alarm installation	14,278 sf	@	\$	3.00		42,834
Server Farm/storage addition	2,000 sf	@	\$	250.00		500,000
Shop general renovations	1 ls	@	\$	50,000	ls	50,000
Shop fuel containment walls	1 ls	@	\$	10,000.00	ls	10,000
TOTAL CONSTRUCTION COST						739,946
Overhead and Profit					6.0%	44,397
Bonds and insurance					1.5%	11,765
Soft Costs(AE fees, CM pre-con fee, survey, permitting, geotech, special inspector, material testing agent, Air Monitoring etc.)					12.0%	95,533
Owner Contingency					5.0%	44,582
TOTAL SOFT COST						196,277
Escalation factor	36 months	@			0.33%	111,223
TOTAL PROJECT COST						1,047,446



Project Summary	2019	2020	2021	Total
Brevard Elementary	\$ 2,375,000	\$ 2,559,351	\$ -	\$ 4,934,351
Brevard High	4,300,000	21,000,000	\$ 17,364,463	42,664,463
Brevard Middle	-	1,513,250	\$ 1,386,483	2,899,733
Davidson River	-	-	644,638	644,638
Pisgah Forest Elementary	4,300,000	1,244,345	-	5,544,345
Rosman Elementary	-	5,100,000	3,698,013	8,798,013
Rosman Middle-High	2,500,000	13,000,000	9,849,099	25,349,099
TC Henderson Elementary	-	-	1,246,140	1,246,140
MEC/Shop	-	810,000	237,446	1,047,446
Total Cost	\$ 13,475,000	\$ 45,226,946	\$ 34,426,282	\$ 93,128,228

Funding projection	\$ 38,000,000	\$ 38,000,000	\$ 17,200,000	\$ 93,200,000
---------------------------	----------------------	----------------------	----------------------	----------------------

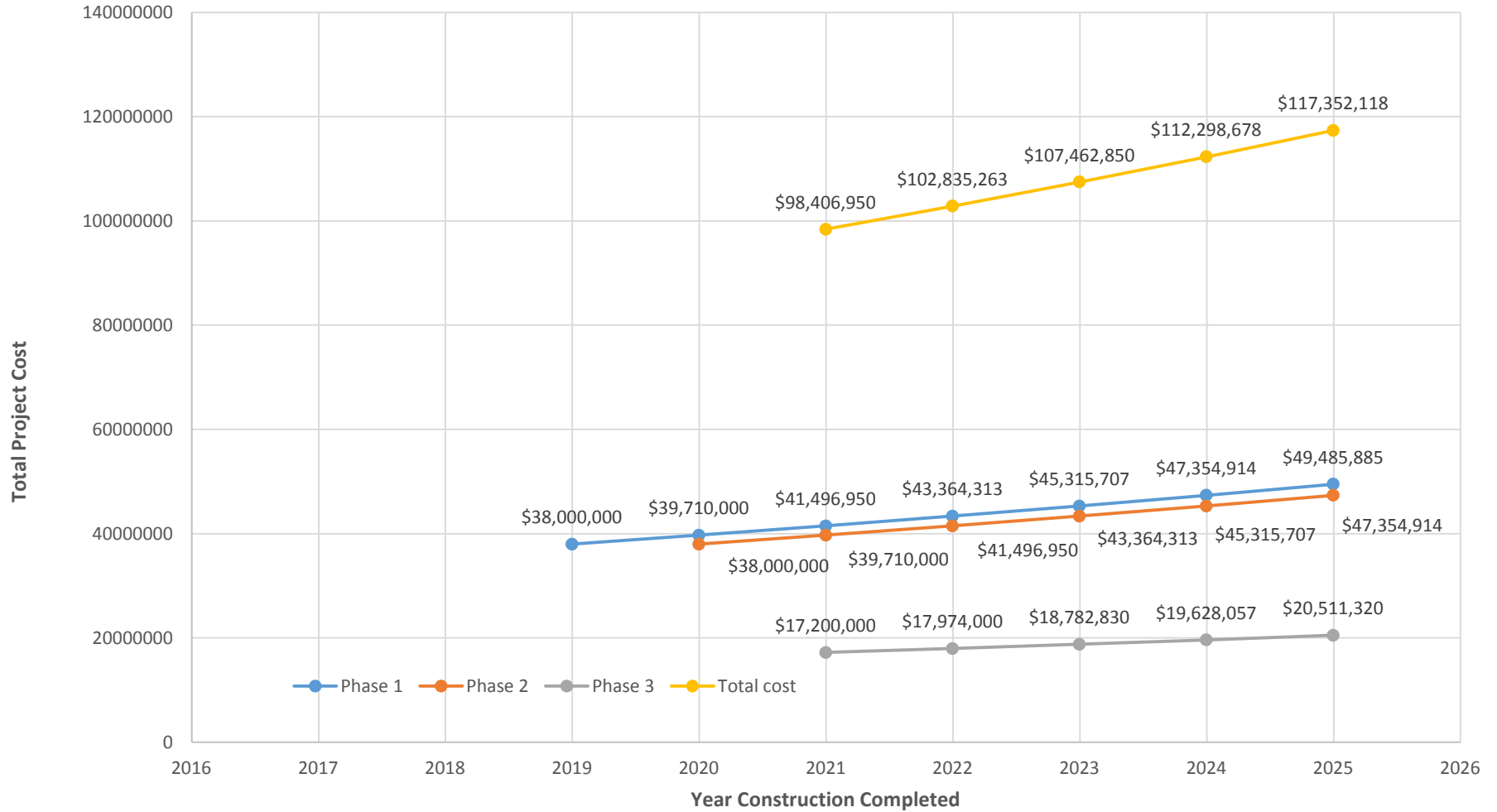
1st Qtr 2019

3rd Qtr 2020

3rd Qtr 2021



PROJECTED ESCALATION





Question and Answer





DAVID CHEATWOOD, Director

1355 Greenwood Cliff, Suite 400

Charlotte, NC 28204

Office: (704) 926-2447

Email: dcheatwood@firsttryon.com

Discussion Materials

Transylvania County, North Carolina

April 24, 2017

Agenda

I. Overview of Projects and Timing

II. Available Repayment Sources

III. Financial Analysis

Agenda

I. Overview of Projects and Timing

II. Available Repayment Sources

III. Financial Analysis

Projects Under Consideration

- The County is considering a variety of capital projects over the coming years including:

Project	Estimated Project Cost
Courthouse (renovation / addition)	16,000,000 - 24,000,000
EMS Station	1,600,000
Parks and Recreation Facilities	
Community Park / Sports Complex	8,000,000
Multi-Generational Recreation Center / Neighborhood Park	19,000,000
Miscellaneous Projects	2,100,000
Water & Sewer	10,000,000
School Facilities (see below for breakout)	93,200,000
Total	149,900,000 - 157,900,000

*\$16mm-\$24mm

- For the \$93,200,000 in school needs, the School Board has provided a breakout of the projects under consideration with estimated amounts and timing for each as follows:

Project	Estimated Project Cost	Project Begin Date
Brevard Elementary	4,934,351	Q3 2019
Pisgah Forest Elementary	5,544,345	Q3 2019
TC Henderson Elementary	1,246,140	Q3 2019
Brevard High	42,664,463	Q1 2020
Rosman Middle-High	25,349,099	Q1 2020
Rosman Elementary	8,798,013	Q3 2020
Morris Education Center / Shop	1,047,446	Q3 2020
Brevard Middle	2,899,733	Q3 2021
Davidson River	644,638	Q3 2021
Total	93,128,228	
Funding Projection	93,200,000	

Available Financing Structures

- There are two financing structures available to issuers in the State to fund school needs:
 - General Obligation Bonds
 - Limited Obligation Bonds / Installment Financings (160A-20)

General Obligation Bonds
Authorization
Local Government Bond Act (Article 4 of Chapter 159 of N.C.G.S.)
Voter Approval Required
Security
Full faith, credit and taxing power
No property lien
Typical Projects
Streets, sidewalks, greenways, community college, schools, courthouses
Characteristics
Typically strongest credit
Lowest interest rates
Typically subject to voter approval via a referendum
Amortization - 20 years (per LGC guidelines)
D/S Structure - Level principal (per LGC guidelines)
Lowest cost of issuance

LOBs/Installment Financings (160A-20)
Authorization
Article 3 of Chapter 160 of N.C.G.S.
Security
Subject to annual appropriation
Lien on financed property
Typical Projects
Schools, jails, courthouses/gov't buildings, convention center, stadiums
Characteristics
Usually rated one or two notches off GO credit depending on essentiality of financed asset
Higher interest rates than G.O.
No voter referendum required
Amortization - 20 years (per LGC guidelines)
D/S Structure - Level principal (per LGC guidelines)
Slightly higher cost of issuance vs. G.O. Bonds (+\$50k - \$75k)

- The timing and steps involved in the issuance process differ depending on the financing structure chosen.
- However, for both General Obligation Bonds and Limited Obligation Bonds, the general policy of the Local Government Commission ("LGC") is to have all (or the large majority) of bids and permits in hand prior to LGC approval and selling the bonds.

Issuance Timeline – General Obligation Bonds

- Must hold a referendum (except for 2/3s bonds)
- Referendum can only be held on a date when all precincts in the County are open (primaries / general elections)
 - Next available date for the County is March 5, 2018
- Referendum process typically starts 5-6 months ahead of the election day
 - County BOC / School Board decide on projects and not to exceed borrowing amount
 - Pre-Application meeting with LGC to review projects, repayment source(s), timing, etc.
 - County BOC actions (typically 3 meetings)
 - Adopt preliminary resolution
 - Introduce bond order
 - Hold public hearing
 - Adopt bond order
 - Local Government Commission approval (meets first Tuesday of every month)
 - Ballot question / materials sent to County's election office
- Upon voter approval, financing process can begin and typically takes 2 months
 - Prepare offering document
 - Obtain credit ratings
 - Obtain bids / permits for projects being financed
 - County BOC adopts sale and issuance resolution
 - Sell bonds

Issuance Timeline – Limited Obligation Bonds

- Does not require a referendum so the County jumps straight to the financing process
- Financing process typically takes 3 months
- County BOC actions (typically 2-3 meetings)
 - Adopt preliminary findings resolution and call for public hearing
 - Hold public hearing
 - Adopt approving resolution
- Prepare offering document
- Obtain credit ratings
- Obtain bids / permits for projects being financed
- Local Government Commission approval (meets first Tuesday of every month)
- Sell bonds

Agenda

I. Overview of Projects and Timing

II. Available Repayment Sources

III. Financial Analysis

Available Repayment Sources

Sales Tax

- Article 39 (1 cent)
 - Used for general purposes
 - Shared with municipalities
 - Brought in approximately \$3.0 million in FY2016
- Article 40 (1/2 cent)
 - 70% used for general purposes; 30% used for school capital
 - Portion allocable to school capital is typically reserved by the County for annual/ongoing capital needs
 - Shared with municipalities
 - Brought in approximately \$2.2 million in FY2016
- Article 42 (1/2 cent)
 - 40% used for general purposes; 60% used for school capital
 - Portion allocable to school capital is typically reserved by the County for annual/ongoing capital needs
 - Shared with municipalities
 - Brought in approximately \$1.6 million in FY2016
- Article 46 (1/4 cent)
 - Used for general purposes
 - Currently not levied by the County

Available Revenue Sources

Property Tax Revenue

- The County may also use property taxes to support debt service
 - The approximate value of a cent in the County is \$570,900

Fund Balance

- The County's total fund balance in its general fund at the end of FY2016 was \$24,776,291.
- Of this amount, \$12,458,779 (27%) was unassigned.

	General Fund					
	2011	2012	2013	2014	2015	2016
Total Expenditures	38,922,184	38,816,725	39,273,720	41,781,026	44,855,256	46,062,544
Total Fund Balance	20,327,500	21,038,792	21,963,860	23,546,719	24,161,663	24,776,291
Fund Balance as % of Expenditures	52.23%	54.20%	55.93%	56.36%	53.87%	53.79%
Unassigned Fund Balance	11,889,227	11,562,233	12,302,809	12,519,329	12,777,784	12,458,779
Unassigned Fund Balance as % of Expenditures	30.55%	29.79%	31.33%	29.96%	28.49%	27.05%

- The County plans on using approximately \$3,000,000 of this amount for economic development in FY2018 with the goal of receiving all or a portion of it back in the future
- The County does not have a formal fund balance policy but would like to maintain an unassigned fund balance of at least 15% of expenditures.

Available Revenue Sources

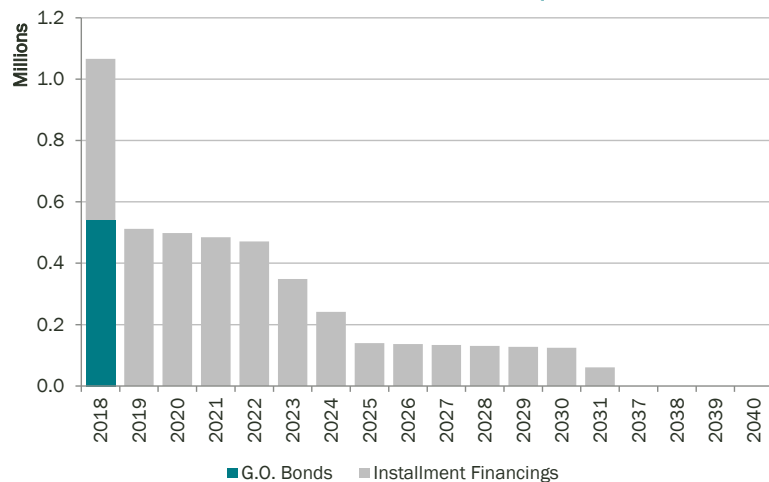
Debt “Roll off”

- As existing debt is repaid, the County creates capacity to layer on new debt without increasing the tax rate (or other repayment source)
- The following highlights the County’s outstanding debt structure.

General Obligation Bonds						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Use of Proceeds
Series 2008	General Obligation Refunding Bonds	520,000	2/1/2018	Non-Callable	4.000%	Refund Series 1998 & 1999
Total		520,000			4.000%	

Installment Financings						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Use of Proceeds
Series 2008	Public Safety Facility Installment Financing Contract	1,256,667	11/7/2023	Currently Callable	4.250%	Public Safety Facility
Series 2010	Qualified School Construction Bonds	540,741	12/15/2021	Currently Callable	2.090%	High School Building
Series 2015	Installment Financing Contract (BB&T)	1,626,711	10/1/2030	9/30/2016	2.640%	County Buildings
Total		3,424,119			3.144%	
Grand Total		3,944,119			3.257%	

Annual Debt Service Requirements



Observations

- The County has approximately \$3.94 million in long-term debt outstanding, comprised of general obligation bonds and installment financings.
- The portfolio has a weighted average coupon of 3.26%, an average life of 4.74 years, a 10-year payout ratio of 89%, and a final maturity in fiscal year 2031.

Detailed Debt Service Schedule

Series	Series 2008			Series 2008			Series 2010			Series 2015			Total		
Description	General Obligation Refunding Bonds			Pub. Safety Fac. Installment Fin. Contract			Qualified School Construction Bonds			Installment Financing Contract (BB&T)					
Original Par	\$15,810,000			\$2,900,000			\$1,297,778			\$1,807,457					
Ratings	Aaa/AAA (FSA Insured)			NR			NR			NR					
Year	Principal	Interest	D/S	Principal	Interest	D/S	Principal	Interest	D/S	Principal	Interest	D/S	Principal	Interest	D/S
Total	520,000	20,800	540,800	1,256,667	180,253	1,436,920	540,741	33,904	574,645	1,626,711	295,248	1,921,959	3,944,119	530,206	4,474,324
2018	520,000	20,800	540,800	193,333	50,327	243,660	108,148	11,301	119,450	120,497	41,752	162,249	941,979	124,181	1,066,159
2019			-	193,333	42,110	235,444	108,148	9,041	117,189	120,497	38,571	159,068	421,979	89,723	511,701
2020			-	193,333	33,894	227,227	108,148	6,781	114,929	120,497	35,390	155,887	421,979	76,065	498,043
2021			-	193,333	25,677	219,010	108,148	4,521	112,669	120,497	32,209	152,706	421,979	62,407	484,385
2022			-	193,333	17,460	210,794	108,148	2,260	110,408	120,497	29,028	149,525	421,979	48,748	470,727
2023			-	193,333	9,244	202,577			-	120,497	25,847	146,344	313,830	35,090	348,921
2024			-	96,667	1,540	98,207			-	120,497	22,666	143,163	217,164	24,206	241,370
2025			-			-			-	120,497	19,484	139,982	120,497	19,484	139,982
2026			-			-			-	120,497	16,303	136,800	120,497	16,303	136,800
2027			-			-			-	120,497	13,122	133,619	120,497	13,122	133,619
2028			-			-			-	120,497	9,941	130,438	120,497	9,941	130,438
2029			-			-			-	120,497	6,760	127,257	120,497	6,760	127,257
2030			-			-			-	120,497	3,579	124,076	120,497	3,579	124,076
2031			-			-			-	60,249	596	60,845	60,249	596	60,845
Dated Date	3/25/2008			11/6/2008			3/2/2010			9/30/2015					
Final Maturity	2/1/2018			11/7/2023			12/15/2021			10/1/2030					
Next Call	Non-Callable			Currently Callable			Currently Callable			9/30/2016					
Payment Dates	1-Feb			Quarterly			15-Dec			Quarterly					
Purpose	Refund Series 1998 & 1999			Public Safety Facility			High School Building			County Buildings					

Agenda

I. Overview of Projects and Timing

II. Available Repayment Sources

III. Financial Analysis

Overview of Scenarios

- First Tryon has evaluated the estimated financial impact of funding the projects under the following scenarios:

- **Scenario 1:**
 - Fund full amount of projects (\$157.9mm) over the next 10 years
 - Combination of general obligation bonds, limited obligation bonds, and fund balance

- **Scenario 2:**
 - Fund the courthouse project (\$24mm) and the school projects (\$93.2mm) over the next 3 years
 - Limited obligation bonds for the courthouse project
 - General obligation bonds for school projects

- **Scenario 3:**
 - Fund only the school projects (\$93.2mm) over the next 3 years
 - 20 year general obligation bonds

Scenario 1 – Overview

- The following scenario assumes that the County funds the full amount of projects (\$157.9mm) over the next 10 years with a combination of general obligation bonds, limited obligation bonds, and fund balance
- In addition, this scenario assumes that the County pays for any debt service above its existing levels via a property tax increase

Projects Under Consideration									
1	2	3	4	5	6	7	8	9	10
On/Off	Description	Amount	Timing (FY)	Funding Type	Structure	Rate Mode	Term	Principal Deferral	Rate
On	Courthouse	24,000,000	2018	L.O.B.	Level Principal	Fixed	20	0	3.500%
On	Schools	38,000,000	2019	G.O.	Level Principal	Fixed	20	0	3.500%
On	Schools	38,000,000	2020	G.O.	Level Principal	Fixed	20	0	3.750%
On	Schools	17,200,000	2021	G.O.	Level Principal	Fixed	20	0	4.000%
On	Miscellaneous Projects	1,100,000	2020	Fund Balance					
On	Miscellaneous Projects	1,000,000	2020	L.O.B.	Level Principal	Fixed	15	0	3.500%
On	Water & Sewer	10,000,000	2020	L.O.B.	Level D/S	Fixed	20	0	4.000%
On	EMS Station	1,600,000	2022	Fund Balance					
On	Comm. Park/Sports Complex	2,000,000	2023	Fund Balance					
On	Comm. Park/Sports Complex	6,000,000	2023	L.O.B.	Level Principal	Fixed	15	0	4.250%
On	Multi-Gen Rec Ctr / Park	19,000,000	2027	L.O.B.	Level Principal	Fixed	20	0	5.000%

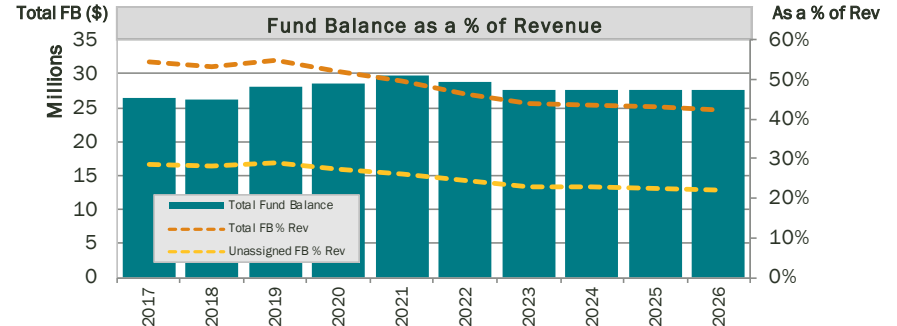
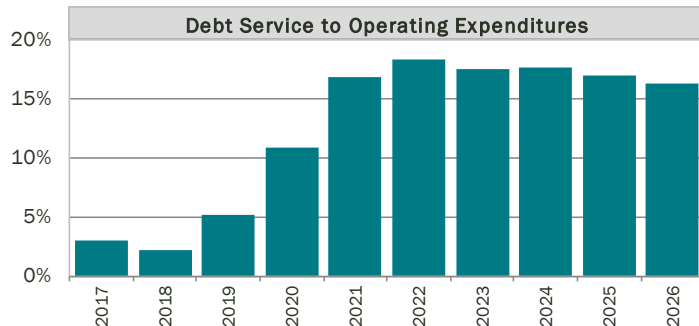
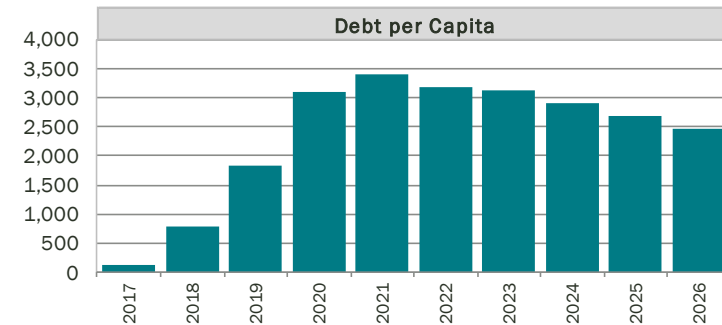
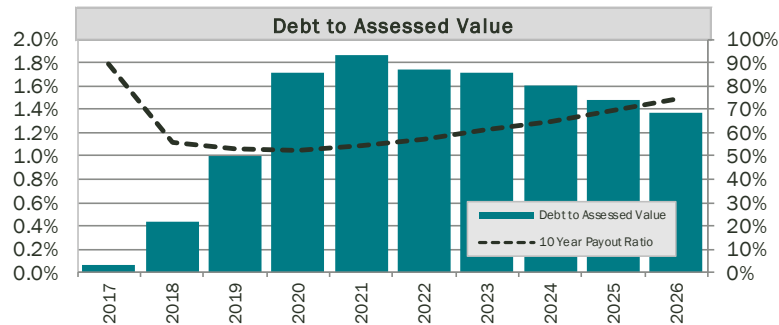
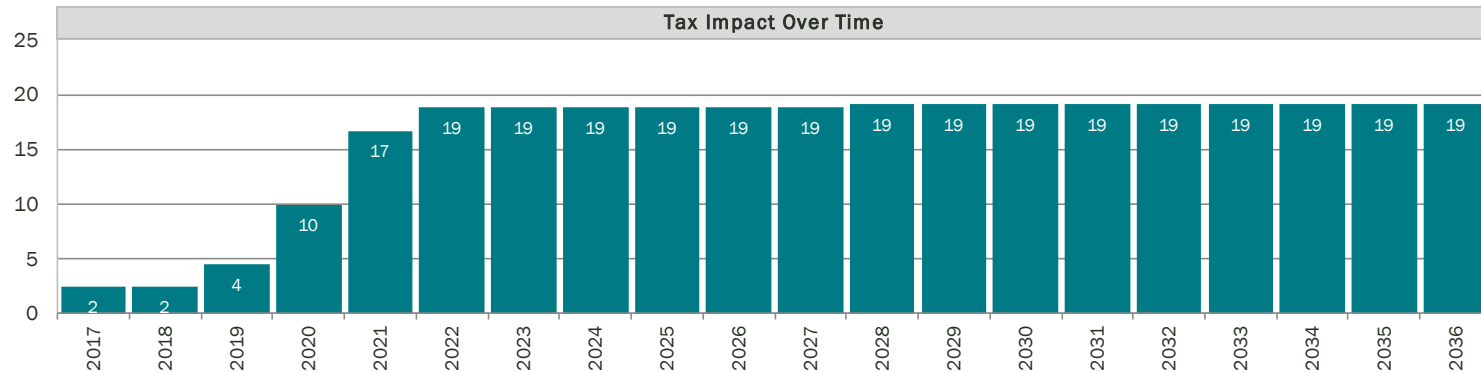
Scenario 1 – Tax Impact

- Based on the assumptions for the borrowing amount, timing and repayment source, the County would need to increase taxes by approximately 16.4 cents over a 4 year period (FY2019-2022) and approximately 0.3 cents in FY2028.
- If the County chose to increase taxes upfront (i.e. FY2019) instead of over a 4 year period and “maintain” the excess amount in a debt service fund, the tax increase could be reduced to approximately 13.85 cents

1	2	3	4	5	6	7	8	9
Fiscal Year	Collected Value*	Existing Tax Supported Debt Service	Current Cost of Existing Debt	Revenues Generated from Current Tax Rate	Proposed Tax Supported Debt Service	Total Debt Service (New and Existing)	Revenue Required	Required Tax Increase
2017	565,319	1,371,018	2.43	1,371,018	-	1,371,018	-	-
2018	568,045	1,066,159	-	1,377,629	-	1,066,159	-	-
2019	573,725	511,701	-	1,391,404	2,040,000	2,551,701	1,160,297	2.02
2020	579,463	498,043	-	1,405,320	5,228,000	5,726,043	3,148,822	5.43
2021	585,257	484,385	-	1,419,371	9,281,984	9,766,369	3,983,072	6.81
2022	591,110	470,727	-	1,433,566	10,647,901	11,118,628	1,254,588	2.12
2023	597,021	348,921	-	1,447,902	10,431,418	10,780,338	-	-
2024	602,991	241,370	-	1,462,380	10,869,934	11,111,304	-	-
2025	609,021	139,982	-	1,477,004	10,636,451	10,776,432	-	-
2026	615,111	136,800	-	1,491,774	10,402,968	10,539,768	-	-
2027	621,262	133,619	-	1,506,691	10,169,484	10,303,103	-	-
2028	627,475	130,438	-	1,521,759	11,836,001	11,966,439	163,795	0.26
2029	633,750	127,257	-	1,536,977	11,555,018	11,682,275	-	-
2030	640,087	124,076	-	1,552,346	11,274,034	11,398,110	-	-
2031	646,488	60,845	-	1,567,869	10,993,051	11,053,896	-	-
2032	652,953	-	-	1,583,548	10,712,068	10,712,068	-	-
2033	659,483	-	-	1,599,385	10,431,084	10,431,084	-	-
2034	666,078	-	-	1,615,379	10,150,101	10,150,101	-	-
2035	672,738	-	-	1,631,531	9,869,118	9,869,118	-	-
2036	679,466	-	-	1,647,848	9,521,468	9,521,468	-	-
Total		5,845,342			215,182,850	221,028,192	9,710,573	16.65

*Assumes FY2018 value of a cent of \$570,900, an annual growth rate of 1.0%, and a 99.5% collection percentage

Scenario 1 – Tax & Ratio Impact



Scenario 1 – Debt Service

Fiscal Year	Series 2018 - Courthouse			Series 2019 - Schools			Series 2020 - Schools			Series 2021 - Schools		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	24,000,000	8,820,000	32,820,000	38,000,000	13,965,000	51,965,000	38,000,000	14,962,500	52,962,500	17,200,000	7,224,000	24,424,000
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	1,200,000	840,000	2,040,000	-	-	-	-	-	-	-	-	-
2020	1,200,000	798,000	1,998,000	1,900,000	1,330,000	3,230,000	-	-	-	-	-	-
2021	1,200,000	756,000	1,956,000	1,900,000	1,263,500	3,163,500	1,900,000	1,425,000	3,325,000	-	-	-
2022	1,200,000	714,000	1,914,000	1,900,000	1,197,000	3,097,000	1,900,000	1,353,750	3,253,750	860,000	688,000	1,548,000
2023	1,200,000	672,000	1,872,000	1,900,000	1,130,500	3,030,500	1,900,000	1,282,500	3,182,500	860,000	653,600	1,513,600
2024	1,200,000	630,000	1,830,000	1,900,000	1,064,000	2,964,000	1,900,000	1,211,250	3,111,250	860,000	619,200	1,479,200
2025	1,200,000	588,000	1,788,000	1,900,000	997,500	2,897,500	1,900,000	1,140,000	3,040,000	860,000	584,800	1,444,800
2026	1,200,000	546,000	1,746,000	1,900,000	931,000	2,831,000	1,900,000	1,068,750	2,968,750	860,000	550,400	1,410,400
2027	1,200,000	504,000	1,704,000	1,900,000	864,500	2,764,500	1,900,000	997,500	2,897,500	860,000	516,000	1,376,000
2028	1,200,000	462,000	1,662,000	1,900,000	798,000	2,698,000	1,900,000	926,250	2,826,250	860,000	481,600	1,341,600
2029	1,200,000	420,000	1,620,000	1,900,000	731,500	2,631,500	1,900,000	855,000	2,755,000	860,000	447,200	1,307,200
2030	1,200,000	378,000	1,578,000	1,900,000	665,000	2,565,000	1,900,000	783,750	2,683,750	860,000	412,800	1,272,800
2031	1,200,000	336,000	1,536,000	1,900,000	598,500	2,498,500	1,900,000	712,500	2,612,500	860,000	378,400	1,238,400
2032	1,200,000	294,000	1,494,000	1,900,000	532,000	2,432,000	1,900,000	641,250	2,541,250	860,000	344,000	1,204,000
2033	1,200,000	252,000	1,452,000	1,900,000	465,500	2,365,500	1,900,000	570,000	2,470,000	860,000	309,600	1,169,600
2034	1,200,000	210,000	1,410,000	1,900,000	399,000	2,299,000	1,900,000	498,750	2,398,750	860,000	275,200	1,135,200
2035	1,200,000	168,000	1,368,000	1,900,000	332,500	2,232,500	1,900,000	427,500	2,327,500	860,000	240,800	1,100,800
2036	1,200,000	126,000	1,326,000	1,900,000	266,000	2,166,000	1,900,000	356,250	2,256,250	860,000	206,400	1,066,400
2037	1,200,000	84,000	1,284,000	1,900,000	199,500	2,099,500	1,900,000	285,000	2,185,000	860,000	172,000	1,032,000
2038	1,200,000	42,000	1,242,000	1,900,000	133,000	2,033,000	1,900,000	213,750	2,113,750	860,000	137,600	997,600
2039	-	-	-	1,900,000	66,500	1,966,500	1,900,000	142,500	2,042,500	860,000	103,200	963,200
2040	-	-	-	-	-	-	1,900,000	71,250	1,971,250	860,000	68,800	928,800
2041	-	-	-	-	-	-	-	-	-	860,000	34,400	894,400
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-

Scenario 1 – Debt Service

Fiscal Year	Series 2020 - Miscellaneous Projects			Series 2020 - Water & Sewer			Series 2023 - Comm. Park/Sports Complex			Series 2027 - Multi-Gen Rec Ctr / Park		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	1,000,000	280,000	1,280,000	10,000,000	4,716,350	14,716,350	6,000,000	2,040,000	8,040,000	19,000,000	9,975,000	28,975,000
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	66,667	35,000	101,667	335,818	400,000	735,818	-	-	-	-	-	-
2022	66,667	32,667	99,333	349,250	386,567	735,818	-	-	-	-	-	-
2023	66,667	30,333	97,000	363,220	372,597	735,818	-	-	-	-	-	-
2024	66,667	28,000	94,667	377,749	358,068	735,818	400,000	255,000	655,000	-	-	-
2025	66,667	25,667	92,333	392,859	342,959	735,818	400,000	238,000	638,000	-	-	-
2026	66,667	23,333	90,000	408,573	327,244	735,818	400,000	221,000	621,000	-	-	-
2027	66,667	21,000	87,667	424,916	310,901	735,818	400,000	204,000	604,000	-	-	-
2028	66,667	18,667	85,333	441,913	293,905	735,818	400,000	187,000	587,000	950,000	950,000	1,900,000
2029	66,667	16,333	83,000	459,589	276,228	735,818	400,000	170,000	570,000	950,000	902,500	1,852,500
2030	66,667	14,000	80,667	477,973	257,844	735,818	400,000	153,000	553,000	950,000	855,000	1,805,000
2031	66,667	11,667	78,333	497,092	238,726	735,818	400,000	136,000	536,000	950,000	807,500	1,757,500
2032	66,667	9,333	76,000	516,976	218,842	735,818	400,000	119,000	519,000	950,000	760,000	1,710,000
2033	66,667	7,000	73,667	537,655	198,163	735,818	400,000	102,000	502,000	950,000	712,500	1,662,500
2034	66,667	4,667	71,333	559,161	176,657	735,818	400,000	85,000	485,000	950,000	665,000	1,615,000
2035	66,667	2,333	69,000	581,527	154,290	735,818	400,000	68,000	468,000	950,000	617,500	1,567,500
2036	-	-	-	604,788	131,029	735,818	400,000	51,000	451,000	950,000	570,000	1,520,000
2037	-	-	-	628,980	106,838	735,818	400,000	34,000	434,000	950,000	522,500	1,472,500
2038	-	-	-	654,139	81,678	735,818	400,000	17,000	417,000	950,000	475,000	1,425,000
2039	-	-	-	680,305	55,513	735,818	-	-	-	950,000	427,500	1,377,500
2040	-	-	-	707,517	28,301	735,818	-	-	-	950,000	380,000	1,330,000
2041	-	-	-	-	-	-	-	-	-	950,000	332,500	1,282,500
2042	-	-	-	-	-	-	-	-	-	950,000	285,000	1,235,000
2043	-	-	-	-	-	-	-	-	-	950,000	237,500	1,187,500
2044	-	-	-	-	-	-	-	-	-	950,000	190,000	1,140,000
2045	-	-	-	-	-	-	-	-	-	950,000	142,500	1,092,500
2046	-	-	-	-	-	-	-	-	-	950,000	95,000	1,045,000
2047	-	-	-	-	-	-	-	-	-	950,000	47,500	997,500

Scenario 2 – Overview

- The following scenario assumes that the County funds
 - \$24 million courthouse project in FY2018 with limited obligation bonds amortized over 20 years
 - \$93 million of school projects over a 3-year period (FY2019-2021) with general obligation bonds amortized over 20 years
- In addition, this scenario assumes that the County pays for any debt service above its existing levels via a property tax increase

Projects Under Consideration									
1	2	3	4	5	6	7	8	9	10
On/Off	Description	Amount	Timing (FY)	Funding Type	Structure	Rate Mode	Term	Principal Deferral	Rate
On	Courthouse	24,000,000	2018	L.O.B.	Level Principal	Fixed	20	0	3.500%
On	Schools	38,000,000	2019	G.O.	Level Principal	Fixed	20	0	3.500%
On	Schools	38,000,000	2020	G.O.	Level Principal	Fixed	20	0	3.750%
On	Schools	17,200,000	2021	G.O.	Level Principal	Fixed	20	0	4.000%
Off	Miscellaneous Projects	1,100,000	2020	Fund Balance					
Off	Miscellaneous Projects	1,000,000	2020	L.O.B.	Level Principal	Fixed	15	0	3.500%
Off	Water & Sewer	10,000,000	2020	L.O.B.	Level D/S	Fixed	20	0	4.000%
Off	EMS Station	1,600,000	2022	Fund Balance					
Off	Comm. Park/Sports Complex	2,000,000	2023	Fund Balance					
Off	Comm. Park/Sports Complex	6,000,000	2023	L.O.B.	Level Principal	Fixed	15	0	4.250%
Off	Multi-Gen Rec Ctr / Park	19,000,000	2027	L.O.B.	Level Principal	Fixed	20	0	5.000%

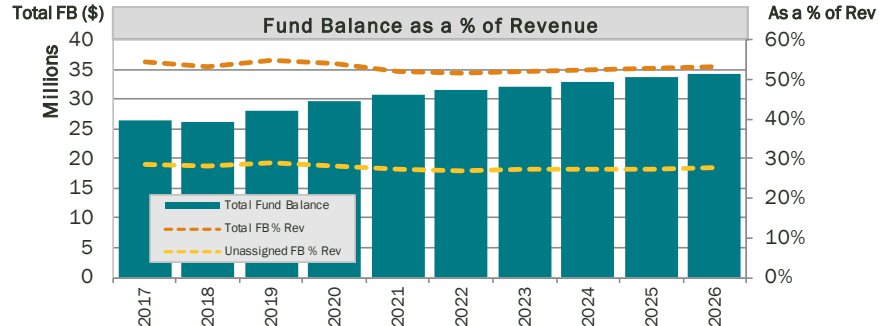
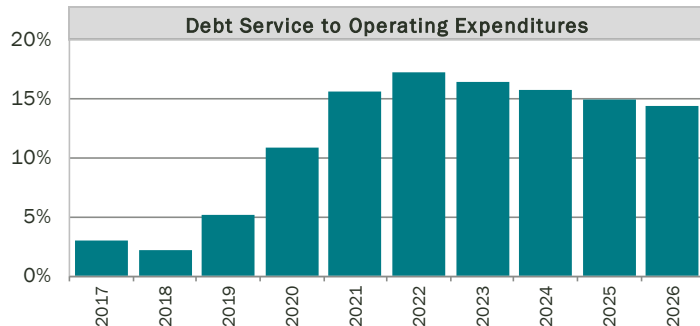
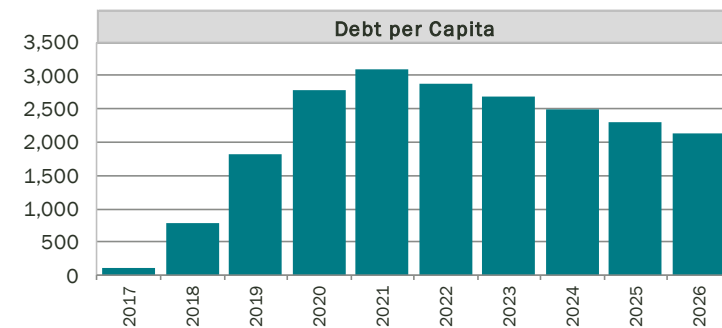
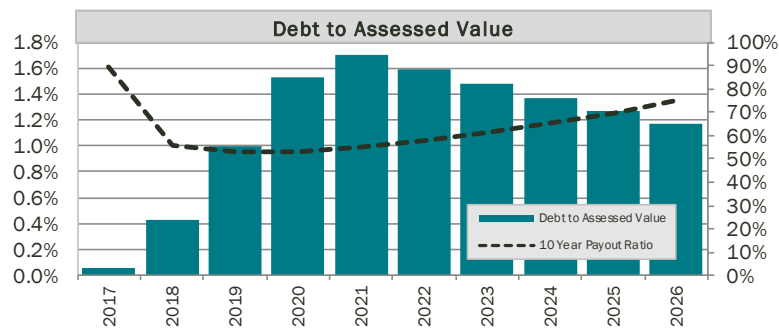
Scenario 2 – Tax Impact

- Based on the assumptions for the borrowing amount, timing and repayment source, the County would need to increase taxes by approximately 15 cents over a 4 year period (FY2019-2022)
- If the County chose to increase taxes upfront (i.e. FY2019) instead of over a 4 year period and “maintain” the excess amount in a debt service fund, the tax increase could be reduced to approximately 11.4 cents
 - If the School debt was funded with limited obligation bonds as opposed to general obligation bonds, the tax impact would increase by 0.3 cents to 15.3 cents.
 - If the Courthouse was funded with a USDA loan over 40 years as opposed to 20 years, the tax impact would decrease by 1.4 cents to 13.6 cents

1	2	3	4	5	6	7	8	9
Fiscal Year	Collected Value*	Existing Tax Supported Debt Service	Current Cost of Existing Debt	Revenues Generated from Current Tax Rate	Proposed Tax Supported Debt Service	Total Debt Service (New and Existing)	Revenue Required	Required Tax Increase
2017	565,319	1,371,018	2.43	1,371,018	-	1,371,018	-	-
2018	568,045	1,066,159	-	1,377,629	-	1,066,159	-	-
2019	573,725	511,701	-	1,391,404	2,040,000	2,551,701	1,160,297	2.02
2020	579,463	498,043	-	1,405,320	5,228,000	5,726,043	3,148,822	5.43
2021	585,257	484,385	-	1,419,371	8,444,500	8,928,885	3,145,588	5.37
2022	591,110	470,727	-	1,433,566	9,812,750	10,283,477	1,265,296	2.14
2023	597,021	348,921	-	1,447,902	9,598,600	9,947,521	-	-
2024	602,991	241,370	-	1,462,380	9,384,450	9,625,820	-	-
2025	609,021	139,982	-	1,477,004	9,170,300	9,310,282	-	-
2026	615,111	136,800	-	1,491,774	8,956,150	9,092,950	-	-
2027	621,262	133,619	-	1,506,691	8,742,000	8,875,619	-	-
2028	627,475	130,438	-	1,521,759	8,527,850	8,658,288	-	-
2029	633,750	127,257	-	1,536,977	8,313,700	8,440,957	-	-
2030	640,087	124,076	-	1,552,346	8,099,550	8,223,626	-	-
2031	646,488	60,845	-	1,567,869	7,885,400	7,946,245	-	-
2032	652,953	-	-	1,583,548	7,671,250	7,671,250	-	-
2033	659,483	-	-	1,599,385	7,457,100	7,457,100	-	-
2034	666,078	-	-	1,615,379	7,242,950	7,242,950	-	-
2035	672,738	-	-	1,631,531	7,028,800	7,028,800	-	-
2036	679,466	-	-	1,647,848	6,814,650	6,814,650	-	-
Total		5,845,342			162,171,500	168,016,842	8,720,003	14.97

*Assumes FY2018 value of a cent of \$570,900, an annual growth rate of 1.0%, and a 99.5% collection percentage

Scenario 2 – Tax & Ratio Impact



Scenario 2 – Debt Service

Fiscal Year	Series 2018 - Courthouse			Series 2019 - Schools			Series 2020 - Schools			Series 2021 - Schools		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	24,000,000	8,820,000	32,820,000	38,000,000	13,965,000	51,965,000	38,000,000	14,962,500	52,962,500	17,200,000	7,224,000	24,424,000
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	1,200,000	840,000	2,040,000	-	-	-	-	-	-	-	-	-
2020	1,200,000	798,000	1,998,000	1,900,000	1,330,000	3,230,000	-	-	-	-	-	-
2021	1,200,000	756,000	1,956,000	1,900,000	1,263,500	3,163,500	1,900,000	1,425,000	3,325,000	-	-	-
2022	1,200,000	714,000	1,914,000	1,900,000	1,197,000	3,097,000	1,900,000	1,353,750	3,253,750	860,000	688,000	1,548,000
2023	1,200,000	672,000	1,872,000	1,900,000	1,130,500	3,030,500	1,900,000	1,282,500	3,182,500	860,000	653,600	1,513,600
2024	1,200,000	630,000	1,830,000	1,900,000	1,064,000	2,964,000	1,900,000	1,211,250	3,111,250	860,000	619,200	1,479,200
2025	1,200,000	588,000	1,788,000	1,900,000	997,500	2,897,500	1,900,000	1,140,000	3,040,000	860,000	584,800	1,444,800
2026	1,200,000	546,000	1,746,000	1,900,000	931,000	2,831,000	1,900,000	1,068,750	2,968,750	860,000	550,400	1,410,400
2027	1,200,000	504,000	1,704,000	1,900,000	864,500	2,764,500	1,900,000	997,500	2,897,500	860,000	516,000	1,376,000
2028	1,200,000	462,000	1,662,000	1,900,000	798,000	2,698,000	1,900,000	926,250	2,826,250	860,000	481,600	1,341,600
2029	1,200,000	420,000	1,620,000	1,900,000	731,500	2,631,500	1,900,000	855,000	2,755,000	860,000	447,200	1,307,200
2030	1,200,000	378,000	1,578,000	1,900,000	665,000	2,565,000	1,900,000	783,750	2,683,750	860,000	412,800	1,272,800
2031	1,200,000	336,000	1,536,000	1,900,000	598,500	2,498,500	1,900,000	712,500	2,612,500	860,000	378,400	1,238,400
2032	1,200,000	294,000	1,494,000	1,900,000	532,000	2,432,000	1,900,000	641,250	2,541,250	860,000	344,000	1,204,000
2033	1,200,000	252,000	1,452,000	1,900,000	465,500	2,365,500	1,900,000	570,000	2,470,000	860,000	309,600	1,169,600
2034	1,200,000	210,000	1,410,000	1,900,000	399,000	2,299,000	1,900,000	498,750	2,398,750	860,000	275,200	1,135,200
2035	1,200,000	168,000	1,368,000	1,900,000	332,500	2,232,500	1,900,000	427,500	2,327,500	860,000	240,800	1,100,800
2036	1,200,000	126,000	1,326,000	1,900,000	266,000	2,166,000	1,900,000	356,250	2,256,250	860,000	206,400	1,066,400
2037	1,200,000	84,000	1,284,000	1,900,000	199,500	2,099,500	1,900,000	285,000	2,185,000	860,000	172,000	1,032,000
2038	1,200,000	42,000	1,242,000	1,900,000	133,000	2,033,000	1,900,000	213,750	2,113,750	860,000	137,600	997,600
2039	-	-	-	1,900,000	66,500	1,966,500	1,900,000	142,500	2,042,500	860,000	103,200	963,200
2040	-	-	-	-	-	-	1,900,000	71,250	1,971,250	860,000	68,800	928,800
2041	-	-	-	-	-	-	-	-	-	860,000	34,400	894,400
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-

Scenario 3 – Overview

- The following scenario assumes that the County funds only the school projects over a 3-year period (FY2019-2021) with general obligation bonds amortized over 20 years
- In addition, this scenario assumes that the County pays for any debt service above its existing levels via a property tax increase

Projects Under Consideration									
1	2	3	4	5	6	7	8	9	10
On/Off	Description	Amount	Timing (FY)	Funding Type	Structure	Rate Mode	Term	Principal Deferral	Rate
Off	Courthouse	24,000,000	2018	L.O.B.	Level Principal	Fixed	20	0	3.500%
On	Schools	38,000,000	2019	G.O.	Level Principal	Fixed	20	0	3.500%
On	Schools	38,000,000	2020	G.O.	Level Principal	Fixed	20	0	3.750%
On	Schools	17,200,000	2021	G.O.	Level Principal	Fixed	20	0	4.000%
Off	Miscellaneous Projects	1,100,000	2020	Fund Balance					
Off	Miscellaneous Projects	1,000,000	2020	L.O.B.	Level Principal	Fixed	15	0	3.500%
Off	Water & Sewer	10,000,000	2020	L.O.B.	Level D/S	Fixed	20	0	4.000%
Off	EMS Station	1,600,000	2022	Fund Balance					
Off	Comm. Park/Sports Complex	2,000,000	2023	Fund Balance					
Off	Comm. Park/Sports Complex	6,000,000	2023	L.O.B.	Level Principal	Fixed	15	0	4.250%
Off	Multi-Gen Rec Ctr / Park	19,000,000	2027	L.O.B.	Level Principal	Fixed	20	0	5.000%

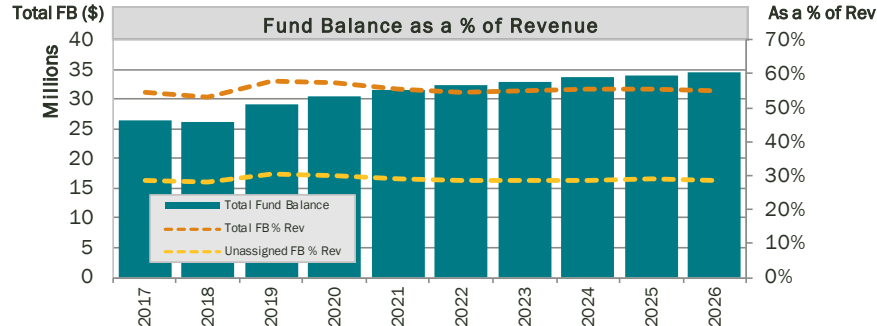
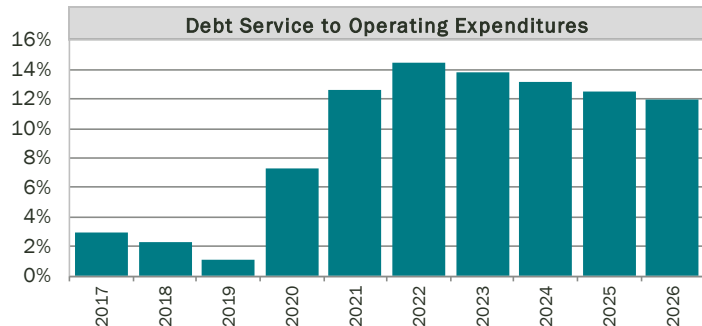
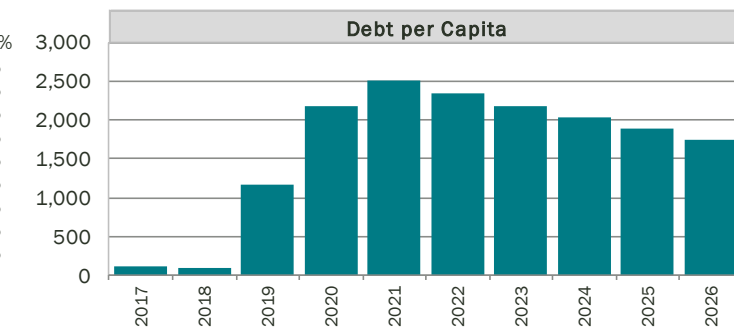
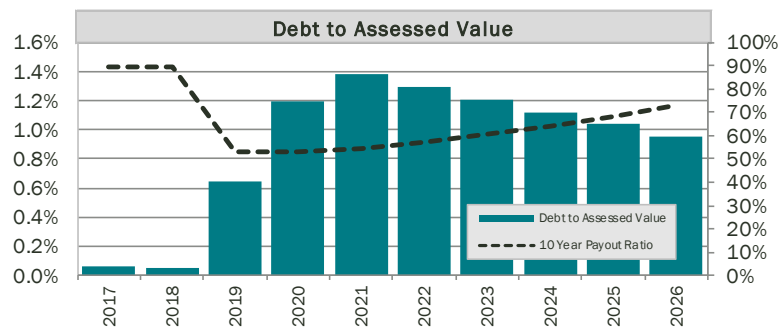
Scenario 3 – Tax Impact

- Based on the assumptions for the borrowing amount, timing and repayment source, the County would need to increase taxes by approximately 11.7 cents over a 3 year period (FY2020-2022)
- If the County chose to increase taxes upfront (i.e. FY2019) instead of over a 3 year period and “maintain” the excess amount in a debt service fund, the tax increase could be reduced to approximately 8.3 cents
 - If the School debt was funded with limited obligation bonds as opposed to general obligation bonds, the tax impact would increase by 0.4 cents to 12.1 cents

1	2	3	4	5	6	7	8	9
Fiscal Year	Collected Value*	Existing Tax Supported Debt Service	Current Cost of Existing Debt	Revenues Generated from Current Tax Rate	Proposed Tax Supported Debt Service	Total Debt Service (New and Existing)	Revenue Required	Required Tax Increase
2017	565,319	1,371,018	2.43	1,371,018	-	1,371,018	-	-
2018	568,045	1,066,159	-	1,377,629	-	1,066,159	-	-
2019	573,725	511,701	-	1,391,404	-	511,701	-	-
2020	579,463	498,043	-	1,405,320	3,230,000	3,728,043	2,322,724	4.01
2021	585,257	484,385	-	1,419,371	6,488,500	6,972,885	3,207,566	5.48
2022	591,110	470,727	-	1,433,566	7,898,750	8,369,477	1,326,858	2.24
2023	597,021	348,921	-	1,447,902	7,726,600	8,075,521	-	-
2024	602,991	241,370	-	1,462,380	7,554,450	7,795,820	-	-
2025	609,021	139,982	-	1,477,004	7,382,300	7,522,282	-	-
2026	615,111	136,800	-	1,491,774	7,210,150	7,346,950	-	-
2027	621,262	133,619	-	1,506,691	7,038,000	7,171,619	-	-
2028	627,475	130,438	-	1,521,759	6,865,850	6,996,288	-	-
2029	633,750	127,257	-	1,536,977	6,693,700	6,820,957	-	-
2030	640,087	124,076	-	1,552,346	6,521,550	6,645,626	-	-
2031	646,488	60,845	-	1,567,869	6,349,400	6,410,245	-	-
2032	652,953	-	-	1,583,548	6,177,250	6,177,250	-	-
2033	659,483	-	-	1,599,385	6,005,100	6,005,100	-	-
2034	666,078	-	-	1,615,379	5,832,950	5,832,950	-	-
2035	672,738	-	-	1,631,531	5,660,800	5,660,800	-	-
2036	679,466	-	-	1,647,848	5,488,650	5,488,650	-	-
Total		5,845,342			129,351,500	135,196,842	6,857,147	11.73

*Assumes FY2018 value of a cent of \$570,900, an annual growth rate of 1.0%, and a 99.5% collection percentage

Scenario 3 – Tax & Ratio Impact



Scenario 3 – Debt Service

Fiscal Year	Series 2019 - Schools			Series 2020 - Schools			Series 2021 - Schools		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	38,000,000	13,965,000	51,965,000	38,000,000	14,962,500	52,962,500	17,200,000	7,224,000	24,424,000
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	1,900,000	1,330,000	3,230,000	-	-	-	-	-	-
2021	1,900,000	1,263,500	3,163,500	1,900,000	1,425,000	3,325,000	-	-	-
2022	1,900,000	1,197,000	3,097,000	1,900,000	1,353,750	3,253,750	860,000	688,000	1,548,000
2023	1,900,000	1,130,500	3,030,500	1,900,000	1,282,500	3,182,500	860,000	653,600	1,513,600
2024	1,900,000	1,064,000	2,964,000	1,900,000	1,211,250	3,111,250	860,000	619,200	1,479,200
2025	1,900,000	997,500	2,897,500	1,900,000	1,140,000	3,040,000	860,000	584,800	1,444,800
2026	1,900,000	931,000	2,831,000	1,900,000	1,068,750	2,968,750	860,000	550,400	1,410,400
2027	1,900,000	864,500	2,764,500	1,900,000	997,500	2,897,500	860,000	516,000	1,376,000
2028	1,900,000	798,000	2,698,000	1,900,000	926,250	2,826,250	860,000	481,600	1,341,600
2029	1,900,000	731,500	2,631,500	1,900,000	855,000	2,755,000	860,000	447,200	1,307,200
2030	1,900,000	665,000	2,565,000	1,900,000	783,750	2,683,750	860,000	412,800	1,272,800
2031	1,900,000	598,500	2,498,500	1,900,000	712,500	2,612,500	860,000	378,400	1,238,400
2032	1,900,000	532,000	2,432,000	1,900,000	641,250	2,541,250	860,000	344,000	1,204,000
2033	1,900,000	465,500	2,365,500	1,900,000	570,000	2,470,000	860,000	309,600	1,169,600
2034	1,900,000	399,000	2,299,000	1,900,000	498,750	2,398,750	860,000	275,200	1,135,200
2035	1,900,000	332,500	2,232,500	1,900,000	427,500	2,327,500	860,000	240,800	1,100,800
2036	1,900,000	266,000	2,166,000	1,900,000	356,250	2,256,250	860,000	206,400	1,066,400
2037	1,900,000	199,500	2,099,500	1,900,000	285,000	2,185,000	860,000	172,000	1,032,000
2038	1,900,000	133,000	2,033,000	1,900,000	213,750	2,113,750	860,000	137,600	997,600
2039	1,900,000	66,500	1,966,500	1,900,000	142,500	2,042,500	860,000	103,200	963,200
2040	-	-	-	1,900,000	71,250	1,971,250	860,000	68,800	928,800
2041	-	-	-	-	-	-	860,000	34,400	894,400
2042	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-

Comparison of Scenarios

Scenario	1	2	3
Courthouse	24,000,000	24,000,000	-
Schools	38,000,000	38,000,000	38,000,000
Schools	38,000,000	38,000,000	38,000,000
Schools	17,200,000	17,200,000	17,200,000
Miscellaneous Projects	1,100,000	-	-
Miscellaneous Projects	1,000,000	-	-
Water & Sewer	10,000,000	-	-
EMS Station	1,600,000	-	-
Comm. Park/Sports Complex	2,000,000	-	-
Comm. Park/Sports Complex	6,000,000	-	-
Multi-Gen Rec Ctr / Park	19,000,000	-	-
Total Projects Funded	157,900,000	117,200,000	93,200,000

Tax Impact Over Time (cents)	16.7	15.0	11.7
One-Time Tax Impact (cents)	13.9	11.4	8.3

Disclaimer

First Tryon Advisors is a business of First Tryon Securities LLC. This communication is for informational purposes only and should not be construed as an offer or solicitation to sell or buy any securities. This material does not provide tax, regulatory, accounting, or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory, and accounting characteristics and consequences, of the proposed transaction.

Any proposal included in this communication is confidential information of First Tryon Securities, LLC and is solely for the benefit of the recipient(s), and the recipient(s) is (are) not authorized to sell, redistribute, forward or deliver this communication to any other person without the prior written consent of First Tryon Securities, LLC.

The statements within this material constitute the views, perspective and judgment of First Tryon Securities LLC at the time of distribution and are subject to change without notice. First Tryon Securities, LLC gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this communication. The material presented reflects information known to First Tryon Securities, LLC at the time this communication was prepared, and this information is subject to change without notice. First Tryon Securities, LLC makes no warranties regarding the accuracy of this material.

Any forecasts, projections, or predictions of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or performance. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and First Tryon Securities LLC does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated projections will be realized or that actual performance results will not materially differ from those estimated herein.

Neither FINRA nor any other regulatory organization endorses, indemnifies, or guarantees First Tryon Securities, LLC's business practices, selling methods, any class or type of securities offered, or any specific security.

Consent Agenda

A. Minutes

- March 27, 2017 Regular Meeting & Sealed Closed Sessions

B. Discovery, Release & Monthly Settlement Report

- March 2017 Report

C. Proclamation-Older Americans Month 2017

D. VAYA Health 2nd Quarter Fiscal Monitoring Report

Presentations/Recognitions

A. Fire Rescue Department Budget Requests

Each department may have 5-7 minutes to present trends and other information related to the budget request due to the county April 1 (This is the due date annually beginning this year with audits due Jan 31 each year)

The impact of the requests on tax rates is not yet available, but will be complete for the recommended budget presentation in May

Cedar Mountain Fire and Rescue

- Jimmy Jones presenting
- Total request for county funding: \$194,000
- County Fire Tax Total FY 17: \$194,000
- Proposal includes a decrease in annual debt service for building, increase in capital cash purchase reserves and a \$5,000 increase in paid staffing
- Current FY 17 county funded personnel cost: \$45,000

Connestee Fire Rescue

- Keith Owen/Danny Britt presenting
- Total request for county funding: \$707,212
- County Fire Tax Total FY 17: \$612,912
- Proposal includes \$80,000 for additional paid staffing, slight increase in debt service and apparatus maintenance
- Current FY 17 county funded personnel cost: \$46,350

Brevard Fire for Sylvan Valley II

- Bradley Elmore presenting
- Total request for county funding: \$396,772
- County Fire Tax Total FY 17: \$333,594
- Note: County did not approve funds for share of evening staffing last year, but Brevard did move forward with it out of city funds.
- Proposal includes a new loan with payments to begin in FY 19, Night staffing with county share at \$157,122 and \$43,500 debt service for air packs beginning in FY 18.
- Current FY 17 county funded personnel cost: \$125,208

North Transylvania Fire Rescue

- Donnie Kilpatrick presenting
- Total request for county funding: \$205,050
- County Fire Tax Total FY 17: \$153,400
- Note: Department does not want to increase fire tax. If other revenue will not support the need, they will reduce by 25% to prevent tax increase. They are concerned about funding capacity.
- No additional personnel requested.
- Current FY 17 county funded personnel cost: \$45,000

Rosman Fire Rescue

- Johnathan Orr presenting
- Total request for county funding: \$524,904
- County Fire Tax Total FY 17: \$489,703
- Proposal includes additional paid staffing \$28,000.
Looking at land acquisition in FY 19.
- Current FY 17 county funded personnel cost:
\$47,000

Lake Toxaway Fire Rescue

- Carmon West presenting
- Total request for county funding: \$780,343
- County Fire Tax Total FY 17: \$739,091
- Proposal includes additional paid staffing \$45,000, \$35k increase in building fund, \$6,000 increase in food cost, \$5,000 increase in apparatus maintenance
- Current FY 17 county funded personnel cost: \$45,000

Balsam Grove Fire Rescue

- Burt Hogsed presenting
- Total request for county funding: \$97,277
- County Fire Tax Total FY 17: \$96,477
- Proposal includes no major changes to the budget
- Current FY 17 county funded personnel cost: \$0
(Department did not feel they could generate funds for a full paid staff member when the other ones added with commissioner approval)

Transylvania County Rescue Squad

- Dale Whitlock presenting
- Total request for county funding: \$323,000
- County General Fund Total FY 17: \$229,000
- Proposal includes \$80k increase staffing, \$8k increase in capital cash to purchase building, \$10k increase in capital cash other equipment, \$4k increase in computer, \$7k increase in legal and professional fees.
- Current FY 17 county funded personnel cost: \$45,000

Appointments

A. Agricultural Advisory Board



Old Business

New Business

- A. Public Safety Radio System
- B. Manager's Report

A. Public Safety Radio System

- FCC mandated changes in 2013 are impacting communications in North Transylvania, Little River, Balsam Grove and Connestee Districts with dead spaces due to likely mechanical interference
- Communications lapses are creating a safety concern with daily interference issues
- County staff pursued engineered options to correct
- Other counties are having issues and some are moving to closed systems at a high expense
- Long term plan is to correct another issue with switching towers while crossing the county which is an existing safety concern for responders.

A. Public Safety Radio System

- Option A: Single Phase, \$530,000
 - ▣ Corrects reception problem reliably and provides 3 simulcast radio channels eliminating the need to switch towers manually by the responder.
 - ▣ Reduces the large on time investment coming or simulcast
- Option B: Two Phase, \$530,000 total (\$210k then \$320k)
 - ▣ Initially corrects dead spaces except if hard coding at tower site fails due to lack of second half of system.
 - ▣ Corrects reception problem reliably in the end and provides 3 simulcast radio channels eliminating the need to switch towers manually by the responder.
 - ▣ Reduces the large on time investment coming or simulcast
 - ▣ Some risk of increased cost if second half delayed
- Option C: Limited Approach, \$340,250
 - ▣ Corrects reception problem only
 - ▣ Does not work in simulcast scenario
- **Recommendation**
 - ▣ Option A OR Option B with the second half to be implemented within 6 months

B. Manager's Report

- Enrollment for Parks and Recreation Summer Camps going well with a few spots still open
- Silvermont Centennial Celebration May 13, 11-5
- Kudos to Kevin Shook and Communications staff from Donnie Kilpatrick, North Transylvania Fire Chief on going above and beyond to make sure that the incident commander for the rescue in Turkey Pen had each request met to coordinate a multi-agency, logistically challenged rescue.
- Kudos to Child Development for their outstanding five star rating during their three year assessment.



Public Comment



Commissioners' Comments

Adjournment

Thank you for attending!