

Item Title: Proposed 2026 General Obligation Bonds Not to Exceed \$278,090,000

Specific Action Requested:
That the Board of Commissioners:

- 1. Adopts resolution providing for the sale and issuance of General Obligation Public Improvement Bonds, Series 2026A (“2026A GO Bonds”) in the principal amount of not to exceed \$235,000,000 to refinance bond anticipation notes previously issued in anticipation of the receipt of proceeds of School bonds and Community College bonds; and**
- 2. Adopts resolution providing for the sale and issuance of not to exceed \$43,090,000 County of Wake, North Carolina General Obligation Library Bonds, Series 2026B (“2026B GO Bonds”).**

Item Summary:

Purpose: State statute requires Board approval of General Obligation debt (N.C.G.S. 159-54 and 159-65) and filing of related documents with Board Clerk (N.C.G.S. 159-55). Proposed Board action is the only action required for authorization to issue the proposed Bonds.

Background: Proposed 2026 General Obligation Bonds have 2 components; 2026A GO Bonds and 2026B GO Bonds (collectively the “2026 GO Bonds”).

2026A GO Bonds:

In 2023, the Board authorized a \$530,700,000 short-term GO Bond Anticipation Note draw program with Truist Bank (“2023A GO BAN”) to fund certain FY2024 and FY2025 WCPSS (“Schools”) capital needs. The Board also authorized a \$180,225,000 short-term GO Bond Anticipation Note draw program with Truist Bank (“2023B GO BAN”) to fund certain FY2024 and FY2025 WTCC (“Wake Tech”) capital needs. 2023A GO BAN and 2023B GO BAN were authorized by voters under the November 2022 referenda for Schools and Community College.

In 2025, the Board authorized a \$172,975,000 short-term GO Bond Anticipation Note draw program with Truist Bank (“2025 GO BAN”) to fund certain FY2026 and FY2027 Wake Tech capital needs. 2025 GO BAN was authorized by voters under the November 2022 referenda for Community College.

Now is the appropriate time to issue 2026A GO Bonds to convert to permanent bonds the respective current drawn amounts under the 2023A GO BAN, 2023B GO BAN, and 2025 GO BAN.

2026B GO Bonds:

In a November 2024 referendum, voters authorized the issuance of \$142,000,000 General Obligation Bonds for purpose of Libraries. Now is appropriate for the first bonds to be issued under the 2024 Libraries referendum.

Strategic Plan: This action supports routine County operations.

Fiscal Impact: 2026A and 2026B GO Bonds debt service will begin in FY2027 and will be incorporated into the proposed FY2027 Budget. There are no unplanned fiscal or budget impacts to County in FY2026.

Additional Information:

BAN History

Since 2016, as the County has sought to issue debt to provide for Schools and Wake Tech capital needs (the two largest and most robust capital programs supported by County), the County has utilized a short-term Bond Anticipation Note (BAN) strategy whereby a bank-issued BAN, or loan, is secured in the short-term to allow the County to make draws under the BAN to initially reimburse capital project expense incurred during the 4 to 5 year lifecycle of the BAN. Then, from time to time at appropriate intervals during the lifecycle of the BAN, the County will convert to permanent bonds the accumulated draw balance under the BAN by issuing permanent bonds ("bond take-out"), whether as General Obligation ("GO") bonds or Limited Obligation Bonds ("LOBs"). A bond take-out typically occurs 3 or 4 times during the lifecycle of each BAN.

Purpose – 2026A GO Bonds

First, the 2026A GO Bonds will be the third of four scheduled bond issues to convert to permanent debt the current accumulated draw balance under the 2023A GO BAN for Schools to be issued with authorization remaining under the 2022 Schools referendum.

2023A GO BAN for Schools	Accumulated Draw Balance	Amount of Take Out	Bond Issue of Take Out	Remaining Undrawn Balance
Authorization (Aug 2023)	-	-	-	\$ 530,700,000.00
Expense (Aug 2023 - May 2024)	\$ 167,481.77	\$ 167,481.77	2024A GO	\$ 530,532,518.23
Expense (Jun 2024 - Feb 2025)	\$ 124,655,104.85	\$ 124,655,104.85	2025A GO	\$ 405,877,413.38
Expense (Mar 2025 - Jan 2026)	\$ 176,421,681.87	\$ 176,421,681.87 ¹	2026A GO ²	\$ 229,455,731.51 ¹

¹ Estimate as of January 2026. Amount to fluctuate up to cutoff prior to associated bond sale.

² Proposed Board action

Second, the 2026A GO Bonds will be the third of four scheduled bond issues to convert to permanent debt the current accumulated draw balance under the 2023B GO BAN for Community College needs to be issued with authorization remaining under the 2022 Community College referendum.

2023B GO BAN for Community College	Accumulated Draw Balance	Amount of Take Out	Bond Issue of Take Out	Remaining Undrawn Balance
Authorization (Aug 2023)	-	-	-	\$ 180,225,000.00
Expense (Aug 2023 - May 2024)	\$ 1,745,542.28	\$ 1,745,542.28	2024A GO	\$ 178,479,457.72
Expense (Jun 2024 - Feb 2025)	\$ 4,444,146.52	\$ 4,444,146.52	2025A GO	\$ 174,035,311.20
Expense (Mar 2025 - Jan 2026)	\$ 17,411,410.69	\$ 17,411,410.69 ¹	2026A GO ²	\$ 156,623,900.51 ¹

¹ Estimate as of January 2026. Amount to fluctuate up to cutoff prior to associated bond sale.

² Proposed Board action

Lastly, the 2026A GO Bonds will be the first of four scheduled bond issues to convert to permanent debt the current accumulated draw balance under the 2025 GO BAN for Community College to be issued with authorization remaining under the 2022 Community College referendum.

2025 GO BAN for Community College	Accumulated Draw Balance	Amount of Take Out	Bond Issue of Take Out	Remaining Undrawn Balance
Authorization (Aug 2025)	-	-	-	\$ 172,975,000.00
Expense (Aug 2025 - Jan 2026)	\$ 51,000.00	\$ 51,000.00 ¹	2026A GO ²	\$ 172,924,000.00 ¹

¹ Estimate as of January 2026. Amount to fluctuate up to cutoff prior to associated bond sale.

² Proposed Board action

Included in Board packet is a list of projects planned to be funded by the 2023A GO BAN, 2023B GO BAN, and 2025 GO BAN.

Purpose – 2026B GO Bonds

Now is the appropriate time for the County to issue the first bonds under the \$142,000,000 referendum for Libraries as authorized by voters in November 2024. County intends to utilize the \$43,090,000 proceeds of the 2026B GO Bonds on Library renovations, expansions, and new construction. Included in Board packet is a list of projects currently planned to be funded under the 2024 Library referendum.

Funding Needs

2026A GO Bonds	Funding Needs	Not to Exceed Par Bonds
2023A GO BAN Drawn Balance - Take Out	\$ 176,421,682 ¹	
2023B GO BAN Drawn Balance - Take Out	\$ 17,411,411 ¹	
2025 GO BAN Drawn Balance - Take Out	\$ 51,000 ¹	
Subtotal	\$ 193,884,093 ^{1,2}	\$ 235,000,000

¹ Estimate as of January 2026. Amount to fluctuate up to cutoff prior to associated bond sale.

² Under no circumstance will Funding Needs exceed Not to Exceed Par Bonds.

2026B GO Bonds

New Money Proceeds for Library Projects	\$ 43,090,000	
Subtotal	\$ 43,090,000	\$ 43,090,000

2026 GO Bonds Total	\$ 236,974,093	\$ 278,090,000
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Summary

Now is the appropriate time to issue 2026A GO Bonds to convert to permanent debt the respective drawn amounts under the 2023A GO BAN, 2023B GO BAN, and 2025 GO BAN.

Now is the appropriate time to issue 2026B GO Bonds to obtain \$43,090,000 proceeds required for certain Library projects.

Financing Calendar

The proposed action is the only Board action required for authorization to issue the 2026 GO Bonds. County will meet with all three rating agencies the week of February 23, 2026 to affirm the County's highest Triple-A ratings from each agency. The 2026 GO Bonds will be sold March 17, 2026, in a competitive bid process managed by the Local Government Commission. The 2026 GO Bonds will be fixed rate and structured as level principal payment over 19 years. Closing of proposed 2026 GO Bonds is scheduled for April 8, 2026.

Staff Recommendation

At this time staff recommends the Board of Commissioners:

1. Adopts resolution providing for the sale and issuance of General Obligation Public Improvement Bonds, Series 2026A ("2026A GO Bonds") in the principal amount of not to exceed \$235,000,000 to refinance bond anticipation notes previously issued in anticipation of the receipt of proceeds of School bonds and Community College bonds; and
2. Adopts resolution providing for the sale and issuance of not to exceed \$43,090,000 County of Wake, North Carolina General Obligation Library Bonds, Series 2026B ("2026B GO Bonds").

Attachments:

1. 2026A GO – Issuance Resolution
2. 2026B GO – Issuance Resolution
3. Project List – 2023A GO BAN; 2023B GO BAN; 2025 GO BAN
4. Projects currently planned under 2024 Library referendum