

**Item Title:** Authorize 1 FTE in the Debt Service Fund

**Specific Action Requested:**

**That the Board of Commissioners authorizes an increase of 1.0 FTE in the debt service fund and amends the budget accordingly.**

**Item Summary:**

The County's debt program is increasing its complexity both in types of transactions but in regulatory requirements that the County must adhere to. The County now uses a draw program as a way to cover contractual commitments and provide short-term financing during the construction period. The County issues shorter term notes for the initial design and construction payments and then refinances the notes with fixed rate, debt. The County draws on the notes bi-monthly. This program is coupled with County transactions in the bond market when the County issues fixed rate debt. This allows the County to limit debt issuance to actual expenditures while ensuring contractual commitments are covered, eliminating project financing risk and reducing debt service costs during the construction period. However, the program is more time intensive as the initial note program requires negotiations with banks and approvals by the Local Government Commission and the later bond refunding, or take-outs, still require ratings by the rating agencies and competitive sales approved by the Local Government Commission. Not just for its note program, but for all of the County's debt program, the County must ensure its work remains in accordance with NC general statutes as well as IRS and SEC post-issuance compliance regulations.

Meanwhile, the Transit Governance Interlocal Agreement establishes the Wake County Transit Planning Advisory Committee (TPAC), an appointed body that coordinates the planning and implementation of the Wake County Transit Plan. TPAC also serves in an advisory role to the CAMPO Executive Board and GoTriangle Board of Trustees. Staff from Wake County Finance serves as one of two Wake County's TPAC members, and also serves as a co-chair of the TPAC Budget and Finance Subcommittee. Accordingly, Wake County will continue to monitor the financial modeling and financial affordability of Wake County's transit strategy, and monitor key financial aspects and reporting of the plan by GoTriangle.

To balance the additional transactional nature of the County's note program, the additional regulatory environment of debt issuance, the additional transactions the County is engaging in, and the continued role the County will serve on TPAC, an additional FTE is required. The addition of one FTE, funded in the County's debt service fund, will allow the County to maintain a leadership role in Transit, perform complicated debt and capital modeling for future building programs, and preserve the County's core responsibilities of managing its existing \$2.05 billion debt portfolio in an increasingly complex regulatory environment. The position will take on some of the day-to-day management of the debt program, allowing the debt manager to continue to serve on TPAC in a leadership role for Transit, negotiate the County's note program and long-term debt issues, and model future building programs and bond referenda.

The position is proposed to be a Band 29, Senior Accountant, and the expectant hiring range is to be between \$51,000 and \$60,000 based on selected candidate's qualifications. Funds to cover the cost of the position is within existing debt and capital capacity; however fund balance of \$40,000 needs to be appropriated in FY 2017 to amend the debt service fund budget accordingly.

**Attachments:**

1. Budget Memo