

Fall 2018 GO Bond Referenda

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Background For Today's Request

- Voter approved referendum is required for the County to issue General Obligation (GO) bonds
- County needs to issue debt as part of plan to fund Schools, Wake Tech, and County capital needs
 - GO bonds remain lowest cost financing option available to County
 - County has no remaining GO authorization for Schools, Wake Tech, or County purposes
- Prior discussion on structure and size of proposed referenda
 - Budget Retreat - March 17th
 - Work Sessions - May 14th & May 30th

Relevant Board Goals

Initiative E2.2

In partnership with WCPSS and Wake Tech, support a 2018 WCPSS bond referendum, and continue implementing financing strategies to address needs identified in the 7-year CIP

Initiative GS1.1

Prepare for a new parks, open space, and greenway bond referendum that will provide for more recreational opportunities and environmental education, assist in the development of a countywide interconnected greenway system, and provide additional watershed protection

Proposed Referenda Summary

- Proposed referenda size and structure
 - Schools \$548 million / 2 Year Bond (FY2020 - FY2021)
 - Wake Tech \$349 million / 4 Year Bond (FY2020 - FY2023)
 - PROS \$120 million / 6 Year Bond (FY2020 - FY2025)
- Proposed property tax impact of referenda is estimated 3.8¢ in FY2020
 - Board action on tax increase to take place concurrent with FY2020 budget process
- Today's request is first of several Board actions culminating with referenda appearing on November 6, 2018 ballot

Schools Bond Program Totals \$548 Million

- New Schools \$140 million
 - Middle school in Fuquay-Varina
 - Elementary school in Apex
 - Design/early stages of several
 - Renovations \$283 million
 - 6 complete projects; 5 partial projects
 - Program Requirements \$89 million
 - Life cycle; technology; infrastructure; property acquisition
 - Contingency & Management \$36 million
-
- Cash funding component \$105 million
 - Total 2 yr Program \$653 million

New Schools

Southlakes Elementary
Middle School in Fuquay Varina
Elementary School in Apex
Elementary School in SW Wake County
Elementary School in SW Wake County
High School in SW Wake County
Elementary School (not identified)

Renovations

Wiley Elementary
Stough Elementary
East Wake Middle
Conn Elementary
Fuquay Varina High
Fuller Elementary
York Elementary
Swift Creek Elementary
West Millbrook Middle
Baucom Elementary
Middle School (not identified)

Schools Ballot Language

Shall the order adopted on August 6, 2018, authorizing SCHOOL BONDS of the County of Wake, North Carolina in an amount not to exceed \$548,000,000 plus interest, for the purpose of providing funds to construct, renovate, expand, improve and equip school buildings and other school facilities, including associated real estate costs, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the Bonds be approved?

Wake Tech Bond Program Totals \$349 Million

- Major Projects \$309 million
 - SW Advanced Industries Building
 - NW Health Science Lab & Auto Facility
 - PSEC Simulation Building
 - RTP Campus expansions
 - Renovation & Repair \$24 million
 - Mechanical; HVAC; electrical
 - Infrastructure Upgrade \$16 million
 - Mass notification system
 - Accessibility upgrades
-
- Cash funding component \$35 million
 - Total 4 yr Program \$384 million

Major Projects

NW Auto & Collision Repair Facility
SW Advanced Industries Facility & Parking Deck
NW Health Science Lab & Parking Deck
PSEC Simulation Building
RTP Parking Deck 1
RTP Classroom Building 3 (Design)
RTP Classroom Building 4 (Design)

Campuswide Renovations, Repairs & Alterations

Mechanical Equipment
HVAC Controls
Elevator Repairs
Envelope Upgrades
Electrical Repairs
Life Safety Equipment
PHSC Miscellaneous Repairs
Ready Hall Labs Renovation

Wake Tech Ballot Language

Shall the order adopted on August 6, 2018, authorizing COMMUNITY COLLEGE BONDS of the County of Wake, North Carolina in an amount not to exceed \$349,000,000 plus interest, for the purpose of providing funds to construct, renovate, expand, improve and equip community college facilities for Wake Technical Community College, including associated real estate costs, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the Bonds be approved?

PROS Bond Program Totals \$120 Million

- Future acquisition and development of open space and greenways for recreation purposes
- Improvements, repairs, and renovations to existing County park facilities
- Future acquisition and development of new County park facilities



Crowder County Park

PROS Ballot Language

Shall the order adopted on August 6, 2018, authorizing PARKS, RECREATION AND OPEN SPACE BONDS of the County of Wake, North Carolina in an amount not to exceed \$120,000,000 plus interest, for the purpose of providing funds for improving and expanding existing parks and recreational facilities and acquiring and constructing new parks and recreational facilities, including facilities developed jointly with other governmental entities, and including the acquisition of open space land and other land for recreational use, the acquisition of rights of way and the furnishing of incidental facilities and equipment in connection therewith, and providing that additional taxes may be levied in an amount sufficient to pay the principal of and interest on the Bonds be approved?

Fiscal Impact of Referenda Anticipated

CALENDAR YEARS		2019		2020	2021		2022	2023		2024	2025
FISCAL YEARS		FY 19		FY 20	FY 21		FY 22	FY 23		FY 24	FY 25
BALLOT QUESTIONS											
WCPSS GO Bonds; Vote Every 2 Years	Vote Nov	New Tax Rate Set June	G.O Debt Avail		Vote Nov	New Tax Rate Set June	G.O Debt Avail		Vote Nov	New Tax Rate Set	G.O Debt Avail
WCPSS Tax Increases		2.30				0.85				1.40	
WCPSS Ballot Amounts			\$548 million				\$562 million			\$652 million	
WTCC GO Bonds; Vote Every 4 Years	Vote Nov	New Tax Rate Set June	G.O Debt Avail						Vote Nov	New Tax Rate Set	G.O Debt Avail
WTCC Tax Increases		1.15								0.35	
WTCC Ballot Amounts			\$349 million							\$179 million +	
PROS GO Bonds; Vote Every 6 Years	Vote Nov	New Tax Rate Set June	G.O Debt Avail								
PROS Tax Increases		0.35									
PROS Ballot Amounts			\$120 million								
Total Estimated Tax Increase		3.80			0.85				1.75		

Policy Impact of Referenda Anticipated

- Adherence to policies and guidelines protects AAA bond ratings
- Policies and guidelines remain within thresholds

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Fund Balance Ratio	30.2%	31.4%	32.1%	31.8%	30.8%	31.0%
% Debt Paid in 10 Years	73%	72%	71%	70%	70%	70%
Debt / Capital Ratio	80%	79%	78%	80%	79%	80%
Debt / Assessed Value Ratio	1.59%	1.54%	1.57%	1.65%	1.69%	1.58%

Referenda Calendar of Events

Date	Event
May 15, 2018 BOE Meeting	Board of Education (BOE) “approved” Resolution requesting Board of Commissioners (BOC) to take steps to fund capital program
June 18, 2018 BOC Meeting	BOC adopts preliminary findings resolution
June 22, 2018	Publication of notice of intent to file an application with the Local Government Commission (LGC)
July 6, 2018	Application to the LGC due
July 23, 2018 BOC Meeting	Introduction of bond order by the BOC; file Sworn Statement of Debt with Clerk; set referendum date
July 27, 2018	Publication of bond order as introduced and notice of public hearing
August 6, 2018 BOC Meeting	BOC conducts public hearing regarding bond order, adopts bond order; adopts resolution calling for referendum
By August 9, 2018	Deliver certified copy of resolution calling for referendum to BOE
November 6, 2018	Referendum
December 3, 2018 BOC Meeting	Certification of results of referendum by the BOC

Summary

- School, Wake Tech, and County look to meet capital needs through combination of GO bond funding and pay-go methods
- GO bonds are lowest cost financing option to meet County's capital needs
- Proposed referenda structure and related anticipated tax impact has been modeled and works within County policies and guidelines
- Today's action is first of several coming Board actions before November

Requested Board Action

That the Board of Commissioners:

1. Adopts a resolution making certain findings and determinations;
2. Directs the publication of a notice of intent to file an application with the Local Government Commission and the filing of said application; and
3. Schedules a bond referendum date; all in connection with the proposed issuance of general obligation bonds by the County.