

2019AB GO Bonds

Issuance Resolutions & Bond Order
December 3, 2018



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Background for Today's Request

- County has utilized construction period financing since 2016
 - Commonly referred to as short-term “Notes” or “Draw Programs”
- Series 2016 and 2017 Notes funded projects authorized under the 2012 Wake Tech bond and 2013 Schools bond
- Notes intended to be converted to permanent GO bonds (2019A Bonds)
- County monitors opportunities to refund bonds for savings (2019B Bonds)

Today's actions:

- Action 1 – 2019A Bonds
 - Convert 2016 and 2017 Notes to permanent GO debt by issuing 2019A Bonds; any Notes authorization not yet used will be included in proceeds of 2019A Bonds
- Action 2 – 2019B Bonds
 - Refinance certain maturities of the 2009B GO Bonds to a lower interest rate by issuing 2019B GO Bonds

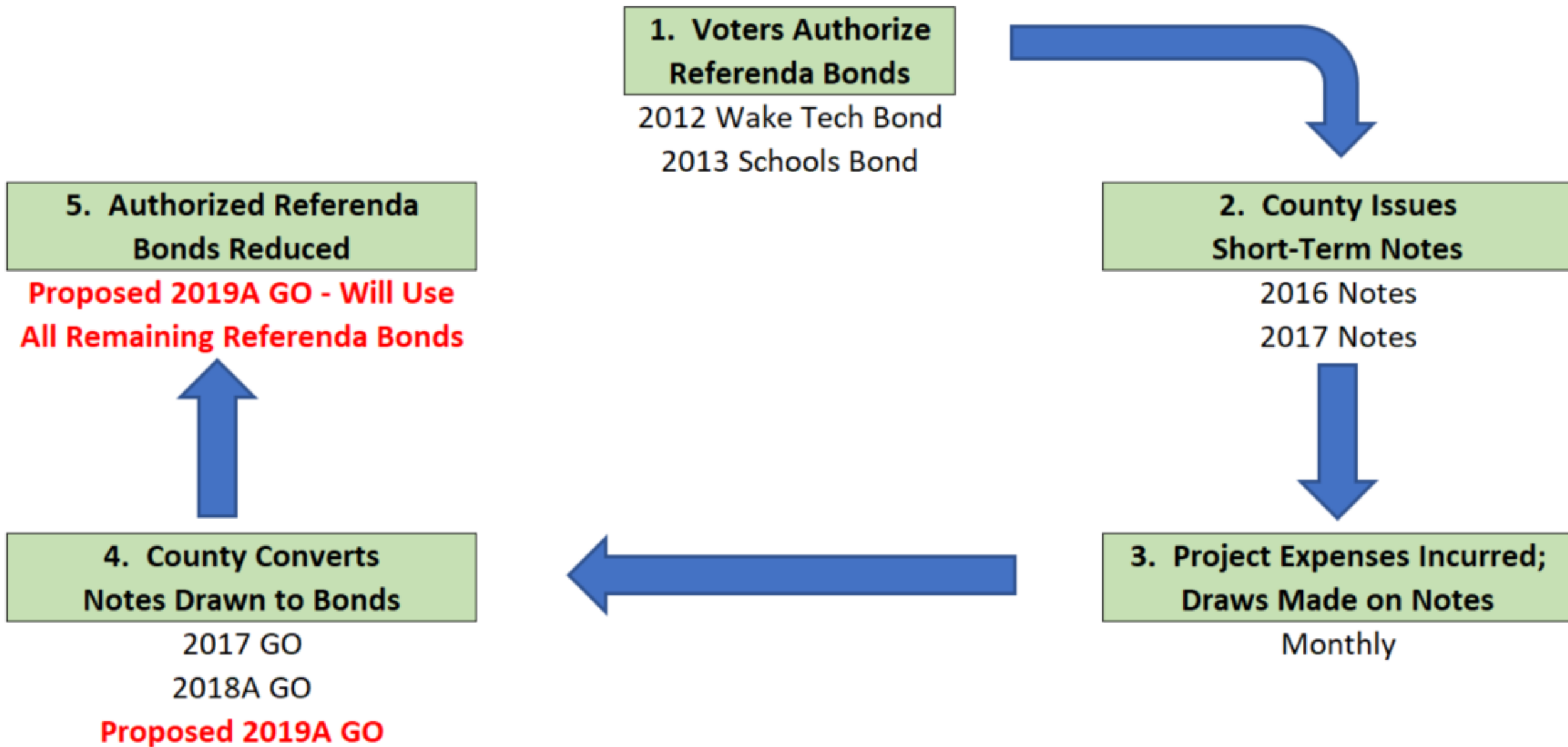
Action 1 – 2019A Bonds

- As anticipated in County's model, proposed 2019A Bonds will convert 2016 and 2017 Notes to permanent GO bond debt
- 2019A GO bonds will be issued under prior GO Bond Authorization
 - 2012 Wake Tech Bond Authorization
 - 2013 Schools Bond Authorization

Wake Tech & Schools Prior Bond Authorization

- \$200 Million Wake Tech Bond authorized by voters in Nov 2012
- \$810 Million Schools Bond authorized by voters in Oct 2013
- Prior bonds issued under these Referenda authorizations include:
 - 2013B GO Bonds (upfront GO issuance)
 - 2014 GO Bonds (upfront GO issuance)
 - 2015 GO Bonds (upfront GO issuance)
 - 2017 GO Bonds (converted drawn portion of 2016 Note to Bonds)
 - 2018A GO Bonds (converted drawn portion of 2016 Note to Bonds)
- Proposed 2019A Bonds will use last remaining bond authorization under these prior Referenda

Current GO Authorization & Spending Method



School Projects Over Last Year - Examples

High Schools

Fuquay Varina	\$	1,227,478.00
Garner	\$	13,803,928.13
Green Level	\$	702,435.06
South Garner	\$	2,383,968.10

Life Cycle & Other

Educ Equip Replacement	\$	689,962.75
Environ / ADA	\$	808,030.05
Life Cycle Furniture	\$	371,260.90
Life Cycle Replacements	\$	23,265,204.78
Public Infrastructure	\$	3,587,076.58
Startup Designs	\$	33,492.00

Middle Schools

East Wake	\$	1,053,487.21
Apex Friendship	\$	13,768,983.25
River Bend	\$	793,245.53

Elementary Schools

Buckhorn Creek	\$	13,743,927.54
Bryan Rd	\$	944,141.08
North Ridge	\$	742,192.49
Pine Hollow	\$	680,321.62
Stough	\$	580,520.04
Wiley	\$	824,479.91
Lincoln Heights	\$	4,049,928.33

Wake Tech Projects Over Last Year - Examples

Major Projects

RTP Campus Building 1	\$	7,112,754.92
RTP Parking & Roadway Infrastructure	\$	862,029.12

Life Cycle & Other

Life Cycle Roofing Projects	\$	26,209.15
Main Campus Elevator Replacement	\$	16,696.66
Main Campus Land Acquisition & Parking	\$	16,029.49
North Campus Bldg F Pedestrian Bridges	\$	31,085.00
North Campus Bldg L and Regional Energy Plant	\$	383,918.74

**Notes on above:*

- Above Schools & Wake Tech projects are sampling and not exhaustive; see attachment in Board packet*
- Above amounts reflective of current expense drawn under Notes since February 2018*
- Above amounts may not be reflective of life to date expense in each project*

Schools & Wake Tech – Major Projects

*South Garner
High School*



*Apex Friendship
Middle School*



Schools & Wake Tech – Major Projects

Buckhorn Creek Elementary School



*Wake Tech
RTP Campus Building 1*



Action 2 – 2019B Bonds

- As part of ongoing effort to seek cost-savings, County monitors Bond Market for opportunities to refund existing bonds at a lower rate
- Proposed 2019B Bonds will be issued at lower rate to refund up to \$125 Million of outstanding 2009B Bonds
 - Coupons maturing in years 2020 through 2026 to be refunded
- Current projected gross savings estimated to exceed \$8 Million
 - Projected savings are subject to change with market fluctuation up to, and including, date of sale of bonds on January 15, 2019

Fiscal Impact – 2019A and 2019B Bonds

- Proposed 2019A Bonds have been anticipated in the County's Model as matter of due course
- Proposed 2019B Bonds will reduce debt service of remaining 2009B Bonds currently programmed in County's Model
- Associated closing costs and future debt service have been incorporated into the County's FY 2019 Adopted Budget

Relevant Board Goal

- 2019A Bonds Complement 2018 Board of Commissioners 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 ClP

Take Aways

- Action 1 – 2019A Bonds
 - Convert 2016 and 2017 Notes to permanent debt
 - Not to exceed \$169,240,000 bonds issued
 - Authorized under prior 2013 Schools and 2012 Wake Tech bond referenda
 - Utilizes final remaining authorization of prior bond referenda
- Action 2 – 2019B Bonds
 - Refund certain maturities of 2009B Bonds
 - Not to exceed \$125,000,000 bonds issued
 - Gross savings estimated at \$8 Million; amount subject to Market movement
 - Reduce debt service currently programmed in County's Model

Requested Board Actions

Adopt the attached Issuance Resolutions and Bond Order which:

1. Authorizes the sale and issuance of Series 2019A General Obligation Public Improvement Bonds (“2019A Bonds”) in an amount not to exceed \$169,240,000 to refinance the County’s Series 2016A&B Bond Anticipation Notes (“2016 Notes”) and 2017A&B Bond Anticipation Notes (“2017 Notes”) previously issued for school and community college capital needs and to provide additional funds for such purpose;
2. Authorizes Series 2019B General Obligation Refunding Bonds (“2019B Bonds”) in an amount not to exceed \$125,000,000 to refinance certain maturities of the County’s Series 2009B General Obligation Bonds (“2009B Bonds”);
3. Directs filing of Sworn Statement of Debt and Statement of Estimated Interest with the Board Clerk; and
4. Authorizes the sale and issuance of the Series 2019B General Obligation Refunding Bonds described in item 2 above.

Questions

Appendix

Financing Calendar – 2019AB Bonds

- December 3 Board considers proposed financing for approval
- December 4 LGC considers proposed financing for approval
- January 3 Rating Agencies release ratings on proposed bonds; County expects to maintain **Aaa/AAA/AAA** ratings by Moody's/S&P/Fitch
- January 7 Bonds are sold competitive bid to lowest bidder
- January 30 Closing of proposed bonds