ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT
Meeting Date: September 10, 2015

Action Agenda
Item No. 1

SUBJECT: Additional Discussion Regarding a November 2016 Bond Referendum

DEPARTMENT: County Manager, Finance and Administrative Services

PUBLIC HEARING: (Y/N) No

ATTACHMENT(S):

A. Proposed Bond Schedule for a November 2016 Bond Referendum
B. Debt Profile, Debt Capacity and Affordability Information from Davenport and Company

INFORMATION CONTACT:

Bonnie Hammersley, 919-245-2300
Paul Laughton, 919-245-2152

PURPOSE: To continue discussion regarding a November 2016 Bond Referendum.

BACKGROUND: In several meetings during the past year, the Board of Commissioners has discussed the scheduling of a General Obligation Bond Referendum. A large part of the incentive for moving forward with a bond referendum is the repair, renovation, and upgrading of existing older school facilities. Both school systems completed facilities assessments reflecting needs totaling approximately $330 million. The scope of study for Chapel Hill-Carrboro City Schools included schools constructed prior to 1990, while the Orange County Schools study included all district buildings.

At the Board of Commissioners January 30, 2015 Retreat, the Board directed staff to develop materials for Board consideration regarding the Board formally expressing its intent to schedule a November 2016 Bond Referendum *(See Attachment A, Proposed Bond Schedule for a November 2016 Referendum)*, including a total bond package amount of approximately $125 million. The Board also directed staff to move forward with the development of a process for a November 2016 Bond Referendum similar to the process utilized during the County's 2001 Bond Referendum.

At the March 3, 2015 Regular meeting, the Board discussed its intent to schedule a November 2016 Bond Referendum to address County and School capital needs; discussed the proposed creation of, structure, and charge for a proposed Capital Needs Advisory Task Force; and discussed the potential need for the services of a qualified facilitator for the Task Force. The Board subsequently requested additional information from staff and the two school systems for continued discussion at a future meeting.

The Board further discussed this item at its April 21, 2015 meeting, and approved the scheduling of a November 2016 Bond Referendum to address School Capital needs. The Board also approved its intent for a bond package totaling approximately $125 million, and supported the concept of a Bond Education Committee. This Committee's composition, appointment process, and public outreach responsibilities will be discussed and decided on at a future meeting.

Future debt capacity for a potential general obligation bond referendum can increase or decrease due to the following circumstances:

- Future increases or decreases in interest rates
- Future changes or modifications to the capital investment plans of the County and/or both School Districts

At tonight's meeting, representatives from Davenport and Company, the County's Financial Advisors, will provide the following information, as it relates to the County's Debt Capacity and Debt Affordability: *(See Attachment B, Debt Profile, Debt Capacity and Affordability Information)*

- Peer Comparatives and Key Debt Ratios
- Review of the County's existing Debt Profile.
- Evaluate the impact of the County's current FY 2015-20 Capital Investment Plan (CIP) debt issuances.
- Evaluate the impact of a $125 million General Obligation Bond Referendum, as well as the impact of $130 million and $135 million case scenarios.

FINANCIAL IMPACT: There is no immediate financial impact related to the discussion of a November 2016 Bond Referendum.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this agenda item:

- **GOAL: ENABLE FULL CIVIC PARTICIPATION**
  Ensure that Orange County residents are able to engage government through voting and volunteering by eliminating disparities in participation and barriers to participation.

RECOMMENDATION(S): The Manager recommends that the Board continue its discussion of a November 2016 Bond Referendum, and provide direction to staff, as appropriate.

Attachment A

SanfordHolshouser
www.Sanfordholshouserlaw.com

Memorandum

To:	Orange County Officials
Date:	September 2, 2015
Regarding	Required Procedures and Possible Schedule for General Obligation Bond Referendum
From:	**Sanford Holshouser LLP** -- Robert M. Jessup Jr.

This memorandum describes the steps required for Orange County to conduct a general obligation bond referendum on November 8, 2016, and sets out a proposed schedule. Here are the required steps and suggested dates for action:

1. Determine tentative plan for bond purposes and amounts. Although Step 5 provides for the first formal Board action to determine what will be presented to the voters, the bond program needs to be substantially worked out before we begin the formal process. In addition, the plan for what projects are to be included in the bond package is something that LGC representatives will want to discuss in detail with County representatives as part of the meeting described in the next step.

Each separate general purpose for bonds has to be the subject of a separate ballot question. The statutes assume that each question put to voters will propose a dollar amount for a separate generic purpose, such as paying "capital costs of school facilities." Although the statutes allow the purpose to be stated with more specificity, it is highly recommended that the purpose in the ballot question be left as general as possible. The more specific plans underlying the planning for the bond issue do not legally bind the County to a particular future plan of action in the issuance of the bonds or construction of specified facilities.

2. Meet with LGC staff. The County should arrange a meeting with LGC staff about the proposed referendum as soon as convenient after the Board has settled informally on a referendum plan.

3. **Give informal notice to the County Board of Elections.** Because the Board of Elections will need to coordinate its own procedures for the bond referendum, it would help the Board of Elections to receive a phone call to inform the Board of the County's plans, even if the plans are still subject to change. We want to be sure that our schedule works with the Board's schedule -- not only in terms of legal requirements but also in terms of practical matters such as ballot printing deadlines, especially now that absentee balloting begins in September.

4. **Obtain School Board Resolutions.** If any of the bonds will be proposed for school purposes, the statutes contemplate that the affected school boards should provide a formal referendum request to the Commissioners. This request usually proposes a maximum amount of bonds to be considered at the referendum. This schedule assumes that each school board could adopt an appropriate resolution by the end of March.

5. **Adopt "Findings" Resolution.** As part of the application process, the LGC wants to see a statement describing why the proposed projects and bonds are necessary and desirable. This resolution will also state an estimated tax rate impact of the borrowing. This resolution could be adopted at a County Board meeting in April. This resolution will also authorize the publication of the "Notice of Intent" described in Step 6.

6. **Publish Notice of Intent To File Application.** The County must publish a notice of its intent to file an application for the LGC's approval of the proposed bonds. The notice must be published at least 10 days before filing the application. The notice needs to be published as soon as possible after the Board adopts the findings resolution described in Step 5.

The own words resolution and the Notice of Intent establish the maximum amount of bonds that can be proposed at the referendum for each of the specified purposes. From this point, we can decrease the amount of bonds or eliminate purposes, but we can increase an amount or add a purpose only by re-starting the authorization process.

7. **Make Legislative Committee 45-day filing.** If the bond program will include purposes beyond schools, the law requires that the County file a notice of the proposed borrowing with a legislative committee at least 45 days before the LGC considers your application. We can make this filing promptly after the action in Step 5. There's no requirement for this Committee to approve anything or take any other action; there's simply a requirement to file a notice.

8. Prepare statement of debt and statement of estimated interest. The debt statement sets out details of the County's outstanding debt. This document will be similar, not quite identical, to a debt statement that appears in the LGC application. The statement of estimated interest states the County's good-faith, non-binding calculation of the total amount of interest to be paid on the bonds, if issued, over the term of the bonds. These statements will be prepared as we are preparing the LGC application and the Bond Order documents. Information from these statements will be included in some of the public notices related to the bond referendum.

9. File LGC Application. As stated above, this cannot happen until at least 10 days have elapsed since the publication of the notice of intent. The application needs to be filed and formally accepted by the LGC before we have the County Board take its next steps as described in Step 10.

Although we have to submit the LGC application as part of the referendum process, it is not necessary to receive LGC approval until we are ready to proceed with the actual sale of bonds, which of course will be after the referendum. The LGC may or may not act on the application prior to the referendum, although the current LGC practice is in fact to consider applications as they are received (instead of waiting for the time of a bond issuance).

10. Introduce Bond Orders; Set public hearing. After the County files its application, the Board needs to introduce the "Bond Orders" and set a date for the required public hearing. We can take these actions at any time after the LGC accepts the application (even the same day). Our schedule shows these steps occurring at a Board meeting in May.

The "Bond Order" is the basic authorization for bonds approved by the County Board. The statutes provide for the format and most of the text of a bond order; the bond order is a short, general statement of the Board's determination to proceed. Each of the separate generic purposes for which bonds are to be proposed will be the subject of a separate bond order. The details of an actual bond issue are further approved by the Board at the time of a bond issue.

11. Publish Notice of Public Hearing. We need to publish notice of the required public hearing at least six days prior to the hearing.

12. Hold Public Hearing; Adopt Bond Order; Set Ballot Question and Referendum Date. After holding a public hearing, the Board needs to adopt the Bond Orders and adopt a resolution that formally sets the ballot questions and the date for the referendum. Our schedule shows these steps occurring at a County Board meeting in June (or across multiple June meetings, if the Board wanted to separate the public hearings from final Board action across more than one meeting). The Board Clerk must then send a copy of the resolution setting the date and the ballot question to the County Board of Elections within three days after the Board meeting.

The adoption of the bond orders establishes the final amount of bonds that will go before the voters for each of the stated purposes.

13. Publish Bond Order as Adopted. This should be done as soon as possible after the Bond Order is adopted. There is no particular deadline for publishing this notice, but the notice starts a 30-day period for court challenges to the authorization process that must lapse before any bonds can be issued.

14. Publish Notice of Bond Referendum. This notice must be published twice, once not less than 14 days and once not less than 7 days before the close of voter registration. State law permits registration until the 25th day prior to the election date. That puts the date registration closes at October 14 for a referendum on November 8. The first publication, then, needs to be at least 14 days earlier, or on or before September 23, and the second publication no more than one week later (by September 30). I would certainly encourage you, however, to plan to publish at least a week before the final legal date, in order to leave time to re-publish in case of any problems with publication.

* * * * * * *

I have attached a schedule in table form for a referendum in November 2016. This table summarizes the steps that have been described in more detail above.

* * * * * * *

Issuing bonds after the referendum. Once the voters have approved the bonds, you have a minimum of 90 to 120 days to get through the process to actually issue bonds. The County Board must adopt a resolution to formally approve the election results, and the County must publish a notice of the results that triggers a 30-day period during which people can bring legal challenges to the bond referendum process. Then, to approve the issuance of bonds takes only one more County Board resolution, with no other required public hearings or published notices.

The real timing issue in proceeding with a bond issue centers around the progress of the projects that are going to be financed. In general, the LGC wants to see that you are close to construction with well-developed estimates and at least some bids in hand before closing on a bond issue – the LGC wants to be sure you don't borrow too much money, or too little money, or borrow it earlier than you need it. We can coordinate the construction and the bond processes so as not to delay the County's projects.

The County has seven years from a successful referendum date to issue voter-approved bonds. The LGC can extend this period to ten years, and over the last several years the LGC has routinely granted extensions. There is never any obligation for the County in fact to issue any or all of the bonds approved at a referendum.

* * * * * * *

<u>Related purposes and ballot questions</u>. Each separate general purpose for bonds has to be the subject of its own Bond Order and its own separate ballot question. Purposes for which bonds are to be issued have to be related to be included in a single question, and unrelated purposes cannot be combined. For example, a bond purpose of "public safety" could cover improvements to police and fire facilities. On the other hand, "fire facilities" and "park improvements" could not be combined on a single ballot question.

Determining which purposes will be put before the voters, and how much in bonds will be proposed for each purpose, is the essential nature of developing the bond plan as described in Step 1. We would recommend that the questions put to voters propose a dollar amount of bonds for broad categories, as appropriate – for example, a dollar amount for "streets and sidewalk improvements" or for "public safety improvements." Although the statutes allow the purposes to be stated with more specificity, it is highly recommended that the purposes be left in more generalized categories so that the County Board retains flexibility within the categories that voters approve to meet conditions that may change over time.

* * * * * * *

Please let me know if you have any questions about this information, or if I can be of any other assistance.

-- RMJ

Orange County -- Proposed Timetable for November '16 Bond Referendum

	Event	Date
1.	Determine referendum plan – tentative amounts and purposes, and target election date	As soon as possible
2.	Give informal notice to County Board of Elections	As soon as possible after informal decision to proceed with a November referendum
3.	Meet with LGC staff	As soon as convenient after informal decision on referendum plan– prior to Event 5
4.	Obtain school board resolutions	Prior to Event 5 – school boards to act by end of March 2016
5.	Board adopts preliminary resolution explaining purpose for referendum, stating purposes and maximum amounts of bonds to be considered, and authorizing publication of notice of intent to file LGC application	BOCC meeting in April
6.	Publish notice of intent to file application	As soon as possible after Event 5
7.	Make legislative committee 45-day filing	As soon as possible after Event 5
8.	Prepare statement of debt and statement of estimated interest	In connection with preparing LGC application
9.	File LGC application	Must be at least 10 days after Event 6 and prior to Event 9
10.	Board introduces bond orders and	BOCC meeting in May

	schedules public hearing	
11.	Publish notice of public hearing	After Event 10 and at least six days prior to Event 12
12.	Hold public hearing; adopt bond orders; formally set ballot questions and referendum date	BOCC meeting in June (or could separate public hearings and final action between two different June meetings)
13.	Publish bond order as adopted	As soon as possible after Event 12
14.	Absentee ballots to be available	By September 19
15.	Publish notice of referendum (twice)	By 9/23; then by 9/30
16.	Referendum occurs	11/8/2016

Attachment B

Discussion Materials

Orange County, North Carolina

ORANGE COUNTY
NORTH CAROLINA

September 10, 2015

Goals and Objectives

ORANGE COUNTY
NORTH CAROLINA

- Review the County's existing Debt Profile.
- Evaluate the impact of the County's proposed CIP Debt Issuances and potential General Obligation Bond Referendum:
  - Analyze a series of Key Financial Ratios to evaluate the County's Debt Capacity.
  - Measure the Debt Affordability of the proposed projects.

ORANGE COUNTY
NORTH CAROLINA

Peer Comparatives Overview

Peer Comparatives

ORANGE COUNTY
NORTH CAROLINA

Peer Comparative Introduction

- The County is currently rated Aaa by Moody's Investors Service (May 2015), AAA by Standard and Poor's (June 2015), and AAA by Fitch (June 2015).

- The following pages contain peer comparatives based on the Moody's Aaa peer counties listed below.
  - National Aaa Counties – 80 Credits
  - North Carolina Aaa Counties - 7 Credits
    - Durham
    - Forsyth
    - Guilford
    - Mecklenburg
    - New Hanover
    - Orange
    - Wake

Moody's Investors Service	Standard & Poor's	Fitch Ratings
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
Non Investment Grade		

Note: The data shown in the peer comparatives is from Moody's Municipal Financial Ratio Analysis database. The figures shown are derived from the most recent financial statement available as of August 25, 2015 (FY 2014 figures in most cases).

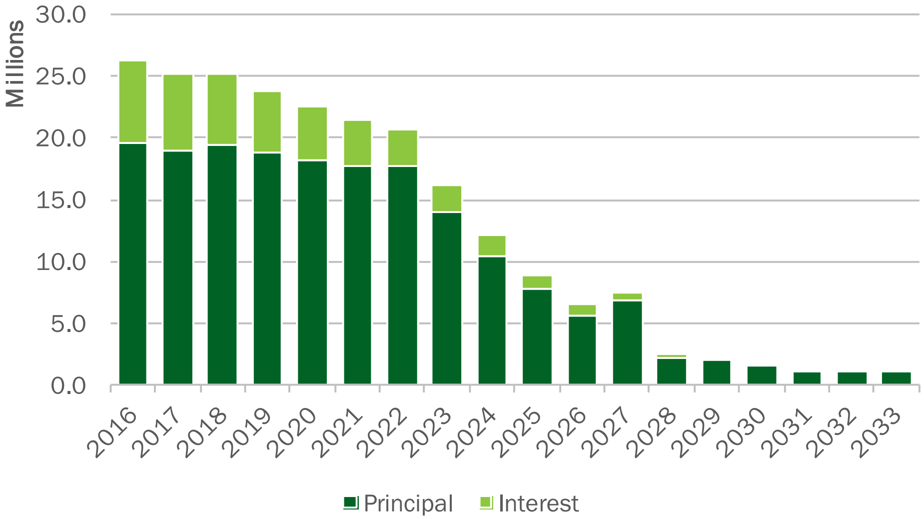
ORANGE COUNTY
NORTH CAROLINA

Existing Tax Supported Debt Profile

Existing Tax Supported Debt

ORANGE COUNTY
NORTH CAROLINA

Tax Supported Debt Service



Par Outstanding – Estimated as of 6/30/2015

Type	Par Amount
General Obligation Bonds	$68,355,000
IPCs / COPs / LOBs	$115,606,204
Total	**$183,961,204**

Note: 2010 and 2011 QSCBs are shown gross of Federal Subsidy. Excludes Sportsplex, Solid Waste, and Water & Sewer Debt supported by the Article 46 Sales Tax.

Tax Supported Debt Service

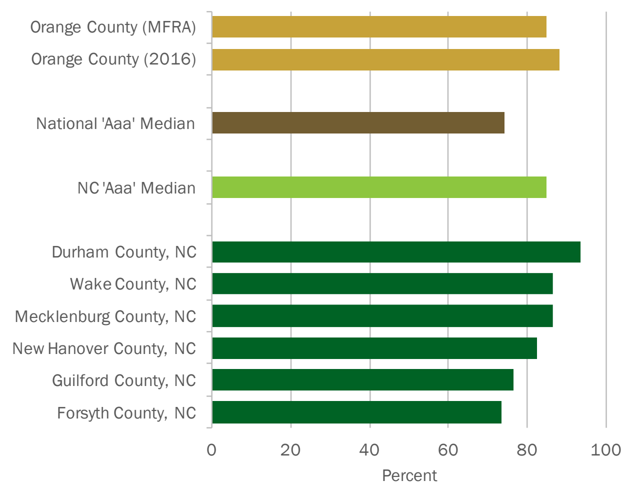
FY	Principal	Interest	Total	10-yr Payout
Total	183,961,204	41,938,697	225,899,901	
2016	19,602,998	6,647,689	26,250,687	88.4%
2017	18,913,536	6,229,681	25,143,217	90.4%
2018	19,499,870	5,654,364	25,154,234	93.9%
2019	18,831,190	5,018,410	23,849,600	94.7%
2020	18,164,819	4,330,176	22,494,995	95.6%
2021	17,784,274	3,642,414	21,426,688	96.4%
2022	17,711,652	2,952,042	20,663,694	97.0%
2023	13,919,570	2,204,246	16,123,816	98.0%
2024	10,469,848	1,630,435	12,100,283	100.0%
2025	7,708,798	1,171,194	8,879,992	100.0%
2026	5,599,894	865,415	6,465,309	100.0%
2027	6,866,417	549,063	7,415,481	100.0%
2028	2,174,056	350,018	2,524,075	100.0%
2029	1,967,056	269,751	2,236,807	100.0%
2030	1,513,056	193,364	1,706,420	100.0%
2031	1,078,056	128,019	1,206,075	100.0%
2032	1,078,056	76,812	1,154,868	100.0%
2033	1,078,056	25,604	1,103,660	100.0%

Source: LGC Bond Ledger and 2014 CAFR

Key Debt Ratios

ORANGE COUNTY
NORTH CAROLINA

10-Year Payout Ratio

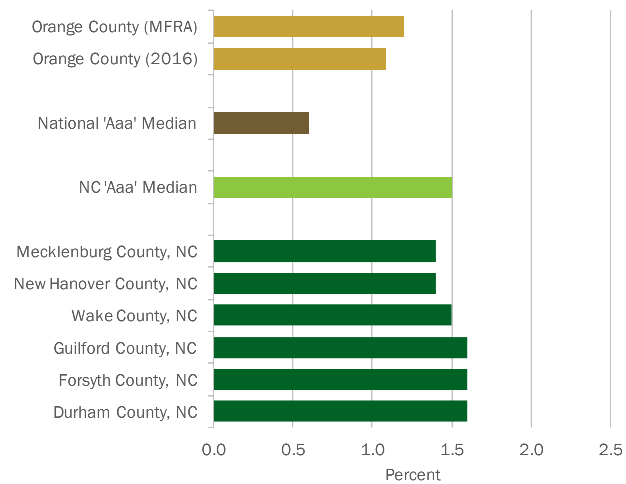


- Orange County (MFRA): 84.8%
- Orange County (2016): 88.4%

- North Carolina Aaa Counties:
  - Minimum 73.6%
  - Median 84.8%
  - Maximum 93.6%

- National Aaa Counties:
  - Minimum 23.8%
  - Median 74.3%
  - Maximum 100%

Debt to Assessed Value

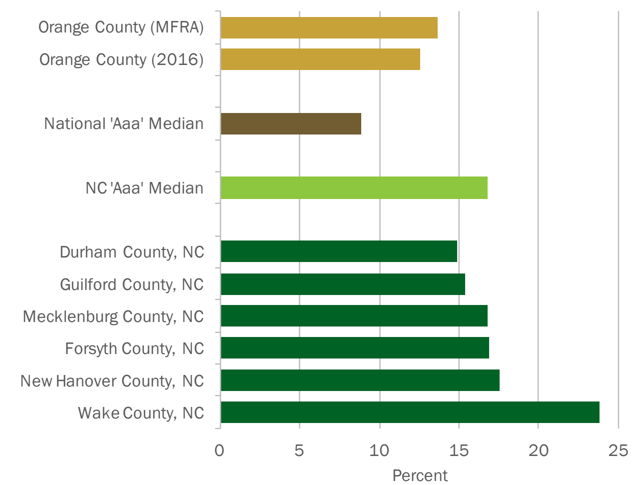


- Orange County (MFRA): 1.2%
- Orange County (2016): 1.1%

- North Carolina Aaa Counties:
  - Minimum 1.2%
  - Median 1.5%
  - Maximum 1.6%

- National Aaa Counties:
  - Minimum 0.0%
  - Median 0.6%
  - Maximum 3.5%

Debt Service to Expenditures



- Orange County (MFRA): 13.6%
- Orange County (2016)[1]: 12.7%

- North Carolina Aaa Counties:
  - Minimum 13.6%
  - Median 16.8%
  - Maximum 23.8%

- National Aaa Counties:
  - Minimum 0.0%
  - Median 8.8%
  - Maximum 23.8%

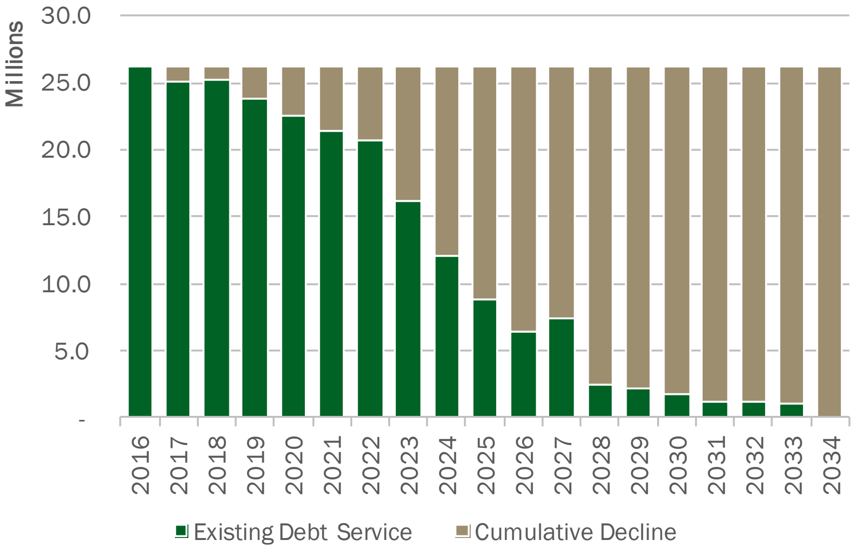
Source: Moody's MFRA

[1]Note: The County has a maximum Debt Service to General Fund Revenues Policy of 15%.

Decline in Tax Supported Debt Service

ORANGE COUNTY
NORTH CAROLINA

Existing Tax Supported Debt Service Decline



Existing Tax Supported Debt Service Decline

FY	Existing Debt Service	Cumulative Decline
Total	225,899,901	
2016	26,250,687	-
2017	25,143,217	1,107,470
2018	25,154,234	1,096,453
2019	23,849,600	2,401,088
2020	22,494,995	3,755,692
2021	21,426,688	4,823,999
2022	20,663,694	5,586,994
2023	16,123,816	10,126,871
2024	12,100,283	14,150,405
2025	8,879,992	17,370,696
2026	6,465,309	19,785,379
2027	7,415,481	18,835,207
2028	2,524,075	23,726,613
2029	2,236,807	24,013,880
2030	1,706,420	24,544,267
2031	1,206,075	25,044,612
2032	1,154,868	25,095,820
2033	1,103,660	25,147,027
2034	-	26,250,687

ORANGE COUNTY
NORTH CAROLINA

Debt Capacity and Debt Affordability Analysis

Capital Improvement Plan – Case Overview

ORANGE COUNTY
NORTH CAROLINA

- As part of the annual CIP process, the County identifies Capital Projects for potential debt funding. In addition to the potential debt issuances in the CIP, the County is considering voting a General Obligation Bond Referendum in November 2016.

- Future debt is assumed to be funded under the following assumptions:

– Issuance Date:	As indicated
– First Interest:	Fiscal Year Following Issuance
– First Principal:	Fiscal Year Following Issuance
– Interest Rate:	3.75% - 4.50%
– Term:	20 Years
– Non-GO Amortization:	Level Principal
– GO Amortization:	Level Principal

- Key Debt Ratio Growth Assumptions:

– Assessed Value – Natural Growth:	2017: 1.50%, 2018 & Beyond: 2.00%
– General Fund Revenues – Natural Growth:	2017: 1.50%, 2018 & Beyond: 2.00% plus revenue derived from projected tax increases associated with capital

- Cases Analyzed:
  - Existing Debt Only
  - Case 1: Existing Debt and $103 million of CIP Debt (FY 2016-2021) (Total: $103,845,296)
  - Case 2: Existing Debt, $103 million of CIP Debt (FY 2016-2021), and $125 Million GO Referendum (Total: $228,845,296)
  - Case 3: Existing Debt, $103 million of CIP Debt (FY 2016-2021), and $130 Million GO Referendum (Total: $233,845,296)
  - Case 4: Existing Debt, $103 million of CIP Debt (FY 2016-2021), and $135 Million GO Referendum (Total: $238,845,296)

Future Debt Financings – Case Summary

ORANGE COUNTY
NORTH CAROLINA

Fiscal Year	2016	2017	2018	2019	2020	2021	Total
Interest Rate	3.75%	3.75%	4.00%	4.25%	4.50%	4.50%	
Case 1: County CIP							
General Fund Projects[1]	$ 5,247,175	$ 23,985,200	$ 28,563,031	$ 3,967,500	$ 6,659,245	$ 20,908,360	**$ 89,330,511**
School Projects	1,228,000	-	-	-	1,258,300	12,028,485	**14,514,785**
Total Case 1	**$ 6,475,175**	**$ 23,985,200**	**$ 28,563,031**	**$ 3,967,500**	**$ 7,917,545**	**$ 32,936,845**	**$ 103,845,296**
Case 2: County CIP and $125 Million GO Referendum							
Total Case 1 [1]	$ 6,475,175	$ 23,985,200	$ 28,563,031	$ 3,967,500	$ 7,917,545	$ 32,936,845	**$ 103,845,296**
$125 Million Referendum	-	41,666,667	-	41,666,667	-	41,666,667	**125,000,000**
Total Case 2	**$ 6,475,175**	**$ 65,651,867**	**$ 28,563,031**	**$ 45,634,167**	**$ 7,917,545**	**$ 74,603,512**	**$ 228,845,296**
Case 3: County CIP and $130 Million GO Referendum							
Total Case 1 [1]	$ 6,475,175	$ 23,985,200	$ 28,563,031	$ 3,967,500	$ 7,917,545	$ 32,936,845	**$ 103,845,296**
$130 Million Referendum	-	43,333,333	-	43,333,333	-	43,333,333	**130,000,000**
Total Case 3	**$ 6,475,175**	**$ 67,318,533**	**$ 28,563,031**	**$ 47,300,833**	**$ 7,917,545**	**$ 76,270,178**	**$ 233,845,296**
Case 4: County CIP and $135 Million GO Referendum							
Total Case 1 [1]	$ 6,475,175	$ 23,985,200	$ 28,563,031	$ 3,967,500	$ 7,917,545	$ 32,936,845	**$ 103,845,296**
$135 Million Referendum	-	45,000,000	-	45,000,000	-	45,000,000	**135,000,000**
Total Case 4	**$ 6,475,175**	**$ 68,985,200**	**$ 28,563,031**	**$ 48,967,500**	**$ 7,917,545**	**$ 77,936,845**	**$ 238,845,296**

[1] Does not include Enterprise Debt (Sportsplex, Solid Waste, and Water & Sewer Debt supported by the Article 46 Sales Tax). The CIP amounts shown reflect only those projects funded through debt financing.

Summary of Results

ORANGE COUNTY
NORTH CAROLINA

		Policy	Existing Debt Only	Case 1	Case 2	Case 3	Case 4
	Assumptions						
1	Interest Rate		N/A	3.75% - 4.50%	3.75% - 4.50%	3.75% - 4.50%	3.75% - 4.50%
2	Term		N/A	20 Years	20 Years	20 Years	20 Years
3	GO Amortization		N/A	Level Principal	Level Principal	Level Principal	Level Principal
4	Non-GO Debt Amortization		N/A	Level Principal	Level Principal	Level Principal	Level Principal
5							
6	**Debt Issued**						
7	FY 2016		N/A	$ 6,475,175	$ 6,475,175	$ 6,475,175	$ 6,475,175
8	FY 2017		N/A	23,985,200	65,651,867	67,318,533	68,985,200
9	FY 2018		N/A	28,563,031	28,563,031	28,563,031	28,563,031
10	FY 2019		N/A	3,967,500	45,634,167	47,300,833	48,967,500
11	FY 2020		N/A	7,917,545	7,917,545	7,917,545	7,917,545
12	FY 2021		N/A	32,936,845	74,603,512	76,270,178	77,936,845
13	**Total Debt Issued**		**N/A**	**$ 103,845,296**	**$ 228,845,296**	**$ 233,845,296**	**$ 238,845,296**
14							
15	**Total New Debt Service**		**N/A**	**$ 148,909,738**	**$ 328,597,238**	**$ 335,784,738**	**$ 342,972,238**
16							
17	**Debt Ratios**	**Policy**					
18	10 Year Payout (Worst Shown)	N/A	88.4%	73.6%	65.1%	64.9%	64.7%
19	Debt to Assessed Value (Worst Shown)	3.00%	1.1%	1.2%	1.6%	1.7%	1.7%
20	Debt Service to GF Revenues (2016-2023)	15.00%					
21	FY 2016		12.7%	12.7%	12.7%	12.7%	12.7%
22	FY 2017		12.0%	12.2%	12.2%	12.2%	12.2%
23	FY 2018		11.3%	12.9%	14.4%	14.4%	14.5%
24	FY 2019		10.5%	13.1%	14.5%	14.5%	14.6%
25	FY 2020		9.7%	12.4%	15.2%	15.3%	15.4%
26	FY 2021		9.1%	11.9%	14.7%	14.8%	14.9%
27	FY 2022		8.6%	12.7%	16.6%	16.7%	16.9%
28	FY 2023		6.6%	10.4%	14.2%	14.4%	14.5%
29							
30	**Tax Equivalent Impact**						
31	FY 2016		-	-	-	-	-
32	FY 2017		-	-	-	-	-
33	FY 2018		-	0.65¢	2.78¢	2.86¢	2.95¢
34	FY 2019		-	0.99¢	0.90¢	0.90¢	0.89¢
35	FY 2020		-	-	1.45¢	1.53¢	1.61¢
36	FY 2021		-	-	-	-	-
37	FY 2022		-	-	2.35¢	2.41¢	2.48¢
38	**Total**		**0.00¢**	**1.64¢**	**7.47¢**	**7.70¢**	**7.93¢**
39							
40	**One Time FY 2018 Tax Equivalent Impact**		**N/A**	**1.22¢**	**4.92¢**	**5.08¢**	**5.24¢**

Municipal Advisor Disclosure

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author's and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer 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 transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. 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 or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 1.13.14 CH | MB | TC