



PRESS RELEASE

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The County of Wayne Successfully Enters the Bond Market and Saves Over \$8.9 million on Debt Service Budget

Wayne County, NC- The County of Wayne successfully sold \$35,945,000.00 of Limited Obligation Bonds (LOB's) and received a premium on the bonds of \$4,262,006.95. The True Interest Cost interest rate ("TIC") was 2.72%, and the All-In Cost interest rate ("AIC") was 2.81%. The difference between these interest rates is that the AIC includes the cost of issuing the bonds. County Manager George Wood stated "We hit the market at the right time for an excellent interest rate. The Local Government Commission, Davenport, and the Underwriters felt this was a very good interest rate environment." Davenport & Company LLC served as the county's financial advisor, while Robert W. Baird & Co., and PNC Capital Markets served as the underwriters for the bonds.

The bond proceeds will cover the cost of multiple county-wide projects which include: The Maxwell Regional Agricultural & Convention Center Fiber Loop Project, Sheriff's Office Software, Meadow Lane Elementary/Edgewood Community Schools, Southern Wayne Gymnasium & Classrooms School Gymnasium, HVAC Systems, Canterbury Village & North Creek Street Assessment and Grantham Elementary School/Middle School Sewer System.

The county originally planned to fund \$42.3 million of projects from the bonds; however, the bids on two major projects came in lower than anticipated. The final project budgets for Meadow Lane (\$2,223,200 under budget) and Canterbury Village & North Creek Street Assessment (\$447,078 under budget) resulted in savings to Wayne County of \$2.6 million.

When preparing for the bond issue, the County budget for debt service based upon a project cost of \$42.3 million and an interest rate of 4.0%. Factoring in the final bond pricing results (including actual interest rates and premium generated) and project cost savings, the County will save over \$8.9 million in total debt service when compared to budget estimates.

(More)

During the first week of June, the County received the following credit ratings from two national rating agency services, Moody's Investor's Service ("Moody's") and Standard & Poor's (S&P):

County General Obligation ("GO") Bond Equivalent: Aa2 (Moody's) / AA (S&P)

2017 Limited Obligation Bonds ("LOBs"): Aa3 (Moody's) / AA - (S&P)

The Moody's & S&P ratings are stated differently but have the same equivalency on their respective rating scales. GO Bond Equivalent ratings are assigned higher credit ratings than the LOB credit ratings because GO Bonds are secured by the full faith & credit of the issuer while LOB's are secured by collateral and subject to annual appropriation by the Board of County Commissioners. Meadow Lane Elementary School and Southern Wayne High School will serve as the county's collateral for the LOBs.

Chairman Bill Pate remarked, "These extraordinary savings underscore the confidence that investors have in owning a piece of Wayne County's future."

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