

The Graham County Board of Commissioners met Tuesday, October 17, 2023, at 4:00 p.m. in the Graham County Community Building located at 196 Knight Street Robbinsville, NC for their regular workshop meeting. The board changed the time to start at 4:00 p.m. for this meeting to have ample time to discuss finances with Davenport Public Finance Senior Vice President Mitch Brigulio. Board present Jacob Nelms, Lynn Cody, Connie Orr, and Natasha Williams. Board absent Keith Eller. Also, present Mitch Brigulio, Senior Vice President for Davenport Public Finance, Stacy Carpenter, Finance Director and Kim Crisp, Interim County Manager/Clerk to the Board.

1. Chairman Nelms called the meeting to order.
2. Chairman Nelms asks Mitch Brigulio to speak. Mr. Brigulio stated that he was here two weeks ago and went over the county's general finances and credit which has been managed well with minimal debt outstanding. Mr. Brigulio stated that the county is in good shape and does have debt capacity. Mr. Brigulio gave a presentation of that debt capacity not only for our county finances but also for our school's borrowing capabilities. Mr. Brigulio gave information on the capital funding options which include Pay-Go; General Obligation Bonds; Installment Financing, Line of Business (LOBs), Certificate of Participation (COPs); Revenue Bonds and Special Obligation Bonds. Mr. Brigulio gave financing considerations on the methods of sale which include Direct Bank Loan, Public Sale and/or State/Federal Programs (e.g., USDA, SRF, WIFIA). Mr. Brigulio gave a sample debt service comparison and a debt affordability analysis for our existing school debt and the existing county debt. Mr. Brigulio gave a capital funding analysis and overview and financing assumptions. Mr. Brigulio gave a listing of tax supported debt for the school and the county along with a capital funding analysis case detail using an example of a \$18,000,000.00 Capital Markets Financing for the Justice Center and \$1,000,000.00 for School Financing on the High School Bleachers. Mr. Brigulio gave the key debt ratios with the existing and proposed tax supported debt affordability. Mr. Brigulio gave a second analysis using an example Capital Markets Financing of \$28,000,000.00 for the justice Center and \$1,000,000.00 School Financing for the High School Bleachers.
3. Mr. Brigulio gave a summary of cases after questions from the board regarding best options for financing. Mr. Brigulio stated that the board did have borrowing capacity and asks about the cash flow. Chairman Nelms asks if we would be required to put the school up for collateral. Mr. Brigulio stated now that they could combine the funding with the Justice Center and that building would be held as the collateral. Mr. Brigulio showed the county in Case 1 the impact for the \$18,000,000.00 Justice Center with financing from capital markets or from USDA and Case 2 \$28,000,000.00 Justice Center and \$1,000,000.00 Schools. The board discussed debt affordability and what that would look like with property taxes. Mr. Brigulio stated that if you started early with an increase in taxes it would allow you to raise the taxes less instead of a large-scale increase.
4. The board discussed all possible areas concerning size and capacity of the jail. The board would not have a choice in not raising taxes to pay for this court-ordered building unless state/federal funding was given for the entire project. The board asks about notifying the Local Government Commission (LGC) to show the budgetary impact this will have on the county. Mr. Brigulio stated that if the board is willing to begin budgeting the board would need to make a resolution on the budgetary impact and address with the LGC if needed. Mr. Brigulio stated that every jail that is being built at this time is coming in higher than expected so the board did need to get this on the LGC's radar by the end of next year so that they are aware that this board is doing the right thing and setting dollars aside for capital to fund revenue to cover the debt service. Mr. Brigulio stated that this county is limited in taxing capability due to the federal/state government's ownership of over half of the land in Graham County. Mr. Brigulio stated that this board has taken a lot of good steps and good planning. The board discussed the renovation of the existing courthouse for our administrative offices. Mr. Brigulio stated that this can be built into the capacity upfront if the board chooses.
5. The board has a lot to consider and thanked Mr. Brigulio for his guidance.

Jacob Nelms, Chairman, Graham County Commissioner

Natasha Williams, Vice-Chair, Graham County Commissioner

Lynn Cody, Member, Graham County Commissioner

Connie Orr, Member, Graham County Commissioner

Natasha Williams, Member, Graham County Commissioner

ATTEST:

Kim Crisp, Clerk to the Board