



Town of Angier

www.angier.org

Robert K. Smith
Mayor

Gerry Vincent
Town Manager

Veronica Hardaway
Town Clerk

BOARD OF COMMISSIONERS WORKSHOP

December 21, 2021

6:30pm

Pledge of Allegiance

Invocation

Approval of Agenda

Old Business:

- | | |
|---|---------------------|
| 1. Bellewood Subdivision-Water Pressure Issues | Jimmy/Bill Dreizler |
| 2. Town Hall/Police Headquarters-Financing Plan | Gerry/Kyle Laux |

Gerry D. Vincent

From: Gerry D. Vincent
Sent: Wednesday, October 20, 2021 2:09 PM
To: 'mpads1@aol.com'
Cc: Robert K. Smith
Subject: Bellewood Subdivision-Water Pressure

Tracking:	Recipient	Delivery
	'mpads1@aol.com'	
	Robert K. Smith	Delivered: 10/20/2021 2:09 PM

Dear Sir,

Good afternoon.

It is my understanding you visited Town Hall this morning and wanted clarification why the Angier Board of Commissioners declined to spend unbudgeted funds to increase the water pressure to Bellewood at this time.

Based on our investigation, the domestic water service pressures within the Bellewood Subdivision meet all applicable State Standards. The pressures within Bellewood are not unique to the subdivision as we have other locations within the Town that have similar available water pressures. The Town currently has a new elevated water storage tank on our Capital Improvement Plan. The current plan is a 500,000 gallon tank. This new tank is intended to replace the 100,000 gallon elevated storage tank located on Dora Street. In addition, the overflow elevation for the new tank is intended to match the overflow elevation for our 250,000 gallon elevated tank on Kennebec Church Road. When this new tank is constructed, the Town will no longer have a "high" pressure zone and a "low" pressure zone as the entire system will be on the "high" pressure elevation. When this project is completed, it will have positive impacts not only on Bellewood, but on most residents with property in the low pressure zone. The timing of this project is primarily dependent on funding and likely in the 3 to 7 year window, although that is not a firm schedule.

I hope this answers your question, and if you have any additional questions, please do not hesitate to contact me.

Gerry



Gerald D. Vincent

TOWN MANAGER

ICMA-CM

Town of Angier

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MEMORANDUM

DATE: July 20, 2021

FROM: Charlie McGougan, P.E.

TO: Jimmy Cook, Public Works Director

Cc:

RE: Town of Angier - Bellewood Subdivision Water Distribution System
Cost Opinion for Connection to Wake County Subsystem

Jimmy,

Please see the attached preliminary cost opinion for supplying the Bellewood subdivision from the high-level portion of the Town's water distribution system (a.k.a. Wake County Subsystem), in lieu of the existing connection to the low-level portion of the distribution system (a.k.a. Base Subsystem). The estimate assumes the installation of approximately 425 linear feet of 12" DR18 C900 PVC pipe that would extend from the existing 8" stub out at the Bellewood subdivision northward along Hwy. 55 to just beyond the 20" isolation valve that separates the high-level from the low-level subsystem. The proposed 12" waterline would terminate with a connection to the existing 20" water main along Hwy. 55 via a 20" x 12" tapping sleeve and valve. No other valves or hydrants would be located on the proposed main.

This is a very crowded road shoulder with limited public right-of-way, based on our previous experience with water main installation in this area as part of the Wake County Elevated Tank project. Existing utilities in the road shoulder along the corridor include the 20" water main, a storm drain parallel to the highway, and various cabled utilities. Construction easement or possibly some permanent easement may be required for the waterline installation. The extent of any needed property will not be apparent until utilities are located and a survey completed as part of the design process. There is only (1) property adjacent to the construction corridor to deal with if it becomes necessary.

At this preliminary stage and given the limited scope of construction, the cost opinion for this project is an educated guess. Regardless, we believe the cost to hire a Contractor to provide materials and install the main to Town standards would be approximately \$58,500. As you are aware construction prices are fairly volatile at present. Maintaining a minimum 15% contingency on construction at this stage would be advisable. We recommend budgeting an additional \$5,000 for surveying, engineering, and permitting. The total project cost including contingency is estimated at \$72,250 not including any property or construction easement acquisition.



We do not believe the benefits of extending the proposed connector main to the south end of the subdivision to where the Bellewood water distribution system currently connects to the existing 20" main along Hwy. 55 justify the cost. This would require an additional 1,100 linear feet of water main extension along Hwy. 55. A 20 to 25 psi increase in operating pressure can be realized simply by making the connection on the north end, the connection on the south end notwithstanding. Fire flow capability would increase as well with the north end connection to the high-level system, due to the close proximity of the Bellewood subdivision to the Wake County Elevated Tank. However, the section of existing 8" main extending cross country from the Highway 55 to the subdivision on the south end would need to be valved off and abandoned.

A line item cost opinion and sketch are attached. I am available to discuss this issue in greater detail at your convenience.

End of Memorandum



TOWN OF ANGIER

BELLEWOOD SUBDIVISION 12" WATER MAIN EXTENSION

OPINION OF COST (7.20.21)

12" WATER MAIN					
ITEM		UNIT	QTY.	UNIT PRICE	TOTAL COST
1.	Mobilization, Bonds, and Insurance	Lump Sum			\$ 5,000.00
2.	12" DR 18 C900 PVC Water Main	LF	425	\$ 75.00	\$ 31,875.00
3.	Ductile Iron Fittings	Lbs.	500	\$ 7.50	\$ 3,750.00
4.	20" x 12" Tapping Sleeve and Gate Valve	Ea.	1	\$ 12,500.00	\$ 12,500.00
5.	Yard Inlet Protection	Ea.	2	\$ 500.00	\$ 1,000.00
6.	Asphalt Patching	LF	30	\$ 60.00	\$ 1,800.00
7.	Concrete Patching	LF	30	\$ 75.00	\$ 2,250.00
8.	Seeding & Mulching	Ac.	0.20	\$ 1,500.00	\$ 300.00

TOTAL CONSTRUCTION COST: \$ 58,475.00
CONSTRUCTION CONTINGENCIES (15%): \$8,771
ENGINEERING, SURVEYING, & PERMITTING: \$5,000
TOTAL CONSTRUCTION PLUS CONTINGENCIES: \$ 72,246













Town of Angier, North Carolina

Updated Capital Funding Analysis:
Police Station/Town Hall Project



December 21, 2021

Background

- Davenport & Company LLC (“Davenport”), in our capacity as Financial Advisor to the Town of Angier, North Carolina (the “Town”), assists the Town with planning for future capital projects; among other services.
- The Town is preparing to undertake a borrowing to fund the construction of a generational combined Town Hall and Police Station (the “Project”).
- In June, Davenport provided a Capital Funding Analysis for the Project that analyzed the potential financial impact of a borrowing via a Rural Development Loan through the United States Department of Agriculture (“USDA”).
- Herein, Davenport has updated the June Analysis based on additional information provided by Town Staff.

Capital Funding Analysis Update



Davenport has updated the June Capital Funding Analysis based on the following:

1. Project costs have increased to approximately \$12.4 million.
2. The Town increased its Unassigned General Fund Balance by more than \$1.2 million in Fiscal Year 2021.
 - The Fiscal Year 2022 Budget assumes the use of roughly \$400,000 of Unassigned General Fund Balance.
 - However, even with this budgeted usage, the Town remains well above its policy target, thus providing flexibility to responsibly allocate fund balance dollars towards the Project.
3. As a result of the favorable reassessment process, the Town is estimating ad valorem revenues will increase roughly 15%, or approximately \$300,000 per year. These dollars resulting from increased property values will allow the Town to fund the Project without a need to increase the tax rate. **Note: This assumes the Town does not equalize the property tax rate.**

Revenues Available



- The Town has approximately \$579,000 of annual revenues available beginning in FY 2023 to pay debt service on the Project.

- These available revenues consist of:
 - Approximately \$89,000 budgeted for existing debt service;

 - Approximately \$190,000 budgeted for new debt service; and

 - Approximately \$300,000 from revaluation (assumes 15% increase at the current tax rate versus FY 2022 Ad Valorem Tax Revenues of \$2,012,846).

Key Assumptions

- This updated analysis assumes the following:
 - The Town pursues 2 Years of Interim Financing beginning in FY 2023 at 2.50% as required by the USDA program.
 - 2 full years of interest in FY 2023 and FY 2024.
 - The Town receives a Permanent Financing via a USDA RD Loan beginning in FY 2025 at 2.25%.
 - 2 Years of interest-only payments in FY 2025 and FY 2026.
 - 28 Years of level principal and interest payments beginning in FY 2027.
 - The Town contributes \$1 million of Unassigned Fund Balance which reduces the size of the borrowing to \$11.4 million.

Penny Impact Analysis

Projected revenues are sufficient to cover projected debt service payments with some annual contingency (roughly \$26,000).

A		B	C	D = sum A:C	E	F	G	H = sum E:G	I	J	K	L = H + K	M
Fiscal Year	Existing Debt Service ⁽¹⁾	Police Station / Town Hall Interim Financing	Police Station / Town Hall Permanent Financing	Total Existing and New Debt Service	Budget for Existing Debt Service ⁽¹⁾	Additional Revenues Budgeted for Debt Service	Increase in Revenue from FY 2022 Revaluation	Total Debt Service Budget	Additional Revenue Required	Incremental Equivalent Real Estate Tax Impact ⁽²⁾	Additional Revenue Produced by Tax Increase	Total Available Revenues	Surplus/(Deficit) After Tax Increase
2022	89,783	0	0	89,783	89,783	190,000	0	279,783	-	-	0	279,783	190,000
2023	83,333	285,000	0	368,333	89,783	190,000	299,517	579,300	-	-	0	579,300	210,967
2024	0	285,000	0	285,000	89,783	190,000	299,517	579,300	-	-	0	579,300	294,300
2025	0	0	256,500	256,500	89,783	190,000	299,517	579,300	-	-	0	579,300	322,800
2026	0	0	256,500	256,500	89,783	190,000	299,517	579,300	-	-	0	579,300	322,800
2027	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2028	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2029	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2030	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2031	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2032	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2033	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2034	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2035	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2036	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2037	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2038	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2039	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2040	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2041	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2042	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2043	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2044	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2045	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2046	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2047	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2048	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2049	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2050	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2051	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2052	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2053	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112
2054	0	0	553,188	553,188	89,783	190,000	299,517	579,300	-	-	0	579,300	26,112

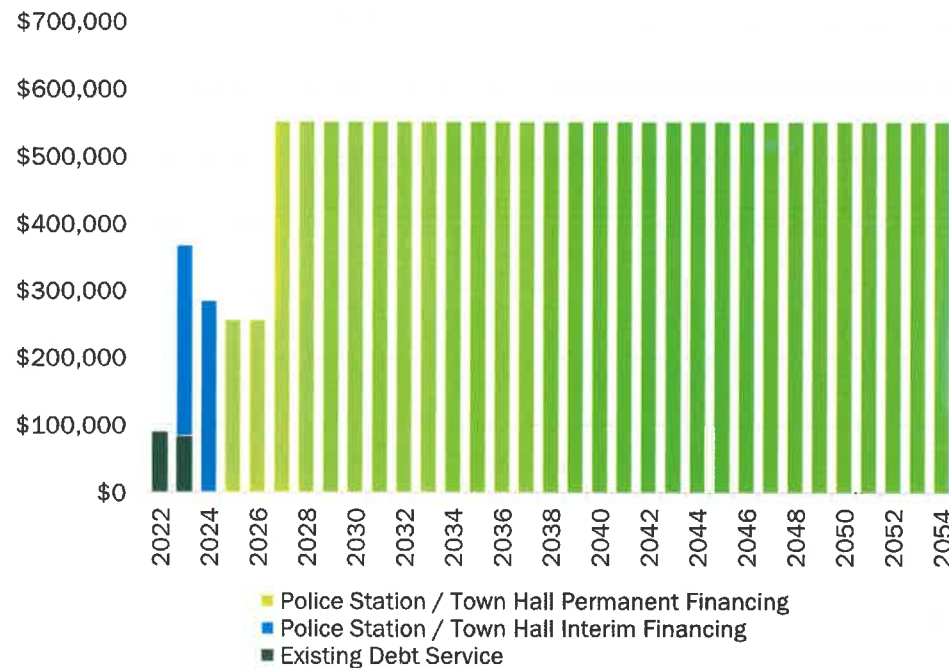
0.00¢

(1) Existing Long Term Debt consists of the Series 2008 Park Financing.

(2) Value of one penny on the real estate tax rate assumed to be \$37,675.

Note: Estimated results shown above are preliminary, subject to change based on planning interest rates as of December 16, 2021. Actual results may vary significantly from these estimates.

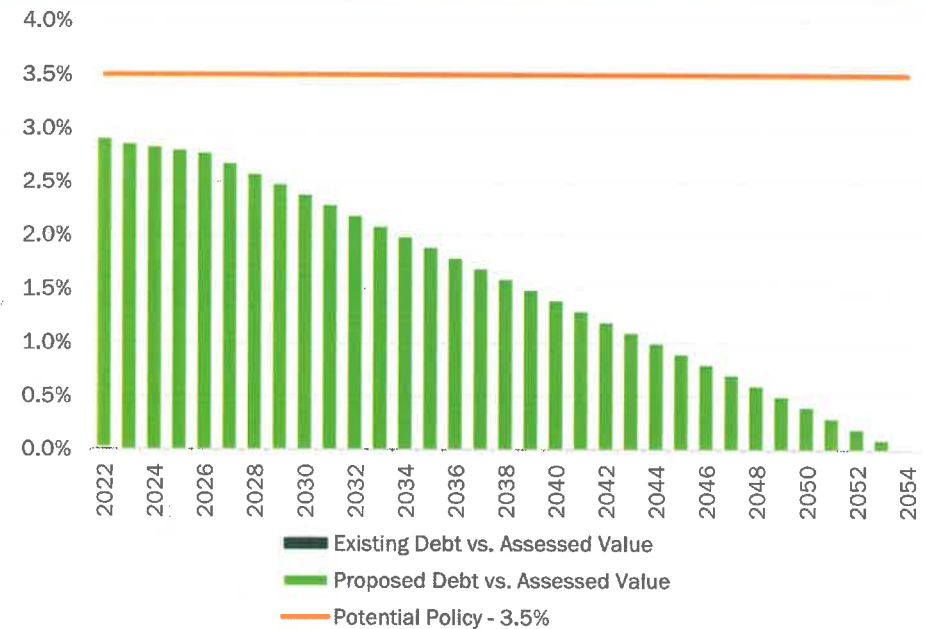
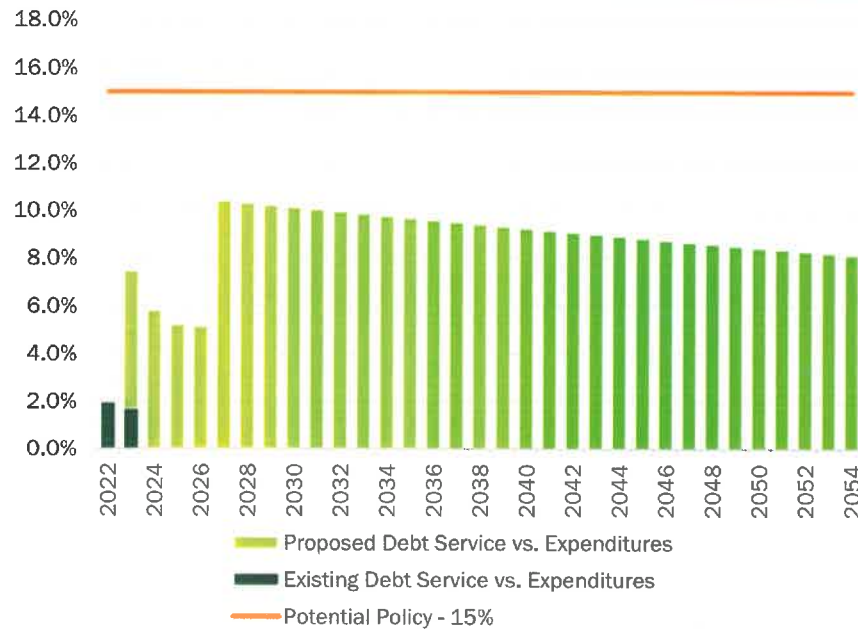
Impact on Existing Debt Service



	A	B	C	sum of A : C
FY	Existing Debt Service	Police Station / Town Hall Interim Financing	Police Station / Town Hall Permanent Financing	Total Debt Service
Total	\$173,117	\$570,000	\$16,002,260	\$16,745,377
2022	89,783	-	-	89,783
2023	83,333	285,000	-	368,333
2024	-	285,000	-	285,000
2025	-	-	256,500	256,500
2026	-	-	256,500	256,500
2027	-	-	553,188	553,188
2028	-	-	553,188	553,188
2029	-	-	553,188	553,188
2030	-	-	553,188	553,188
2031	-	-	553,188	553,188
2032	-	-	553,188	553,188
2033	-	-	553,188	553,188
2034	-	-	553,188	553,188
2035	-	-	553,188	553,188
2036	-	-	553,188	553,188
2037	-	-	553,188	553,188
2038	-	-	553,188	553,188
2039	-	-	553,188	553,188
2040	-	-	553,188	553,188
2041	-	-	553,188	553,188
2042	-	-	553,188	553,188
2043	-	-	553,188	553,188
2044	-	-	553,188	553,188
2045	-	-	553,188	553,188
2046	-	-	553,188	553,188
2047	-	-	553,188	553,188
2048	-	-	553,188	553,188
2049	-	-	553,188	553,188
2050	-	-	553,188	553,188
2051	-	-	553,188	553,188
2052	-	-	553,188	553,188
2053	-	-	553,188	553,188
2054	-	-	553,188	553,188

Note: Estimated results shown above are preliminary, subject to change based on planning interest rates as of December 16, 2021. Actual results may vary significantly from these estimates.

Impact on Key Debt Ratios



- **Standard & Poor's Criteria for General Obligation Credits Defines categories of Debt Service as a % of Governmental Expenditures as⁽¹⁾:**

— Very Strong:	<8%
— Strong:	8% - 15%
— Adequate:	15% - 25%
— Weak:	25% - 35%
— Very Weak:	>35%

- **Moody's Criteria for General Obligation Credits defines categories of Debt to Assessed Values as⁽²⁾:**

— Very Strong (Aaa):	<0.75%
— Strong (Aa):	0.75% - 1.75%
— Moderate (A):	1.75% - 4.00%
— Weak - Very Poor (Baa and below):	>4.00%

1) Adjusted Expenditures are assumed to grow 1% annually from FY 2022 Adopted Budget levels beginning in FY 2023. FY 2022 Adjusted Expenditures calculated using budgeted General Fund Expenditures net of FY 2022 estimated debt service, transfers, and appropriated fund balance.

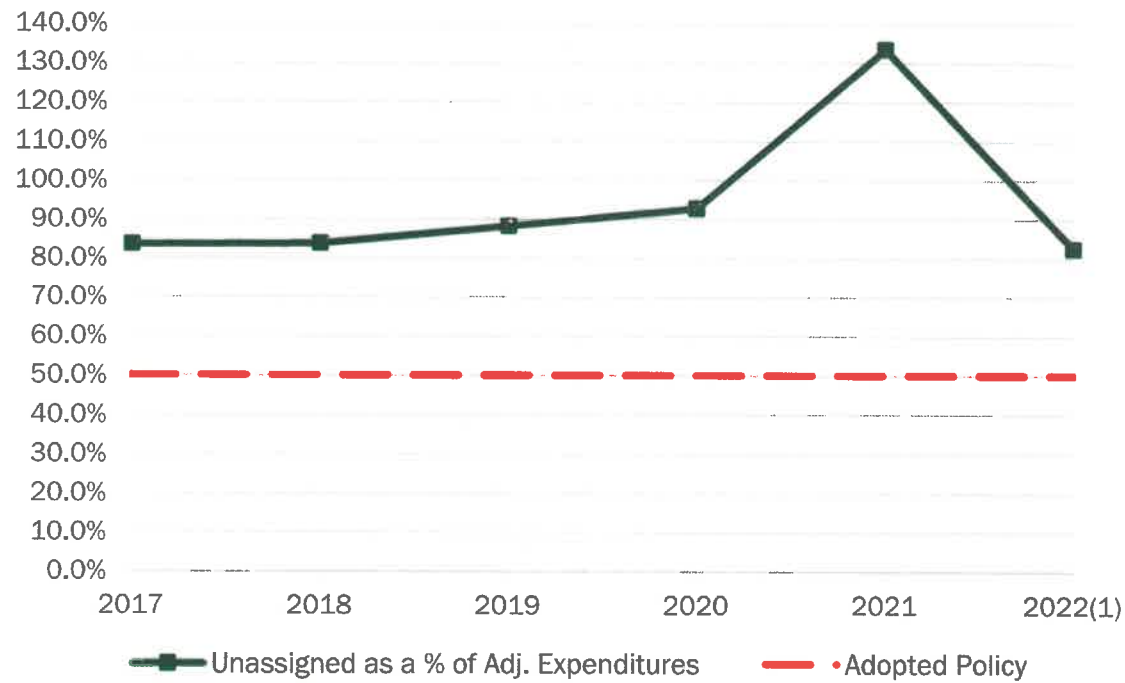
2) Assessed Values are assumed to grow 1% annually from FY 2021 levels beginning in FY 2022.

Note: Estimated results shown above are preliminary, subject to change based on planning interest rates as of December 16, 2021. Actual results may vary significantly from these estimates.

Source(s): Town of Angier 2021 Audited Financial Statement and FY 2022 Adopted Budget.

Impact on Unassigned Fund Balance

Unassigned Fund Balance as a % of Adj. Expenditures



	2017	2018	2019	2020	2021	2022 ⁽¹⁾
General Fund Expenditures	\$ 3,456,701	\$ 3,926,867	\$ 3,720,425	\$ 4,384,409	\$ 4,163,677	\$ 4,668,536
Net General Fund Transfers	(11,430)	-	104,140	(10,316)	(257,920)	(53,200)
Adjusted General Fund Expenditures	\$ 3,445,271	\$ 3,926,867	\$ 3,824,565	\$ 4,374,093	\$ 3,905,757	\$ 4,615,336
Unassigned General Fund Balance	\$ 2,879,320	\$ 3,292,165	\$ 3,377,277	\$ 4,062,583	\$ 5,214,300	\$ 3,811,460
Unassigned as a % of Adj. Expenditures	83.57%	83.84%	88.30%	92.88%	133.50%	82.58%

(1): FY 2022 General Fund Expenditures value based on Total General Fund Expenditures from FY 2022 Adopted Budget less \$402,840 of Fund Balance Appropriated. Also, FY 2022 Unassigned General Fund Balance is net of 2022 Fund Balance Appropriated of \$402,840 and potential contribution to the Project of \$1,000,000.

Note: Estimated results shown above are preliminary, subject to change based on planning interest rates as of December 16, 2021. Actual results may vary significantly from these estimates.

Source(s): Town of Angier 2017- 2021 Audited Financial Statements and FY 2022 Adopted Budget.

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01.13.14 SG | KL | DR