



CITY OF NEWTON

Finance Department

P.O. Box 550 · Newton, N.C. 28658 · phone 828.695.4300 · fax 828.465.7419

January 25, 2018

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
NC General Assembly
16 W Jones Street
Raleigh, NC 27601

AND

Fiscal Research Division
NC General Assembly
Suite 619
Legislative Office Building
300 N Salisbury Street
Raleigh, NC 27603-5925

Dear Legislative Member:

This letter is to notify you that the City of Newton intends to request approval of debt in an amount not to exceed \$4,041,500.

The purpose of the financing is for 1) Phase I of the Downtown Newton Streetscape Project which includes replacement of infrastructure (streets, sidewalks; water and sewer lines; storm drainage; and moving electric distribution underground) and an amphitheater to be financed at a cost of \$3,655,000 which is intended to begin the revitalization process to the City's historic downtown; 2) Fye Drive water extension project costing \$171,750 which will enable the City to provide water to an unserved area within the City limits, and 3) S. Cedar Ave. to Forney Drive sewer rehabilitation infrastructure project costing \$214,750 which will consist of replacing 1,063 LF of sewer main.

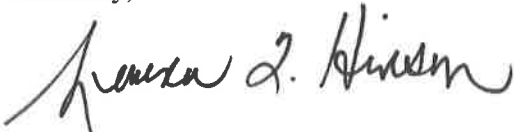
The City intends to obtain a lease purchase financing for Phase I of the Downtown Streetscape Project over a term of 20 years and 15 years for the water extension project and sewer infrastructure improvements. I am anticipating a rate of interest of approximately 3% to 3.5%. Of course the financing will be secured by each respective asset.

The City's debt service will decrease by \$120,150, \$61,600, and \$13,900 from Fiscal Year 2018 to Fiscal Year 2019 within the General Fund, Water/Wastewater Fund, and the Electric Fund, respectively. It is the intent of the City to utilize this reduction in debt service as the main source of debt repayment on the proposed debt within these three funds. The City has also implemented a 3% Water and a 3% Wastewater rate increase effective July 1, 2018 for the Water/Wastewater Fund.

It is our desire to seek approval from the Local Government Commission on the April 3, 2018 agenda with closing of the loan to be scheduled within two weeks of LGC approval.

If you need any additional information on this request, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Serina T. Hinson". The signature is fluid and cursive, with a large initial 'S'.

Serina T. Hinson, CPA, CGMA
Finance Director
(828) 695-4258
shinson@newtonnc.gov

CC: Greg Gaskins, Deputy Treasurer