

# **GUILFORD COUNTY**

## **DEBT MODEL**

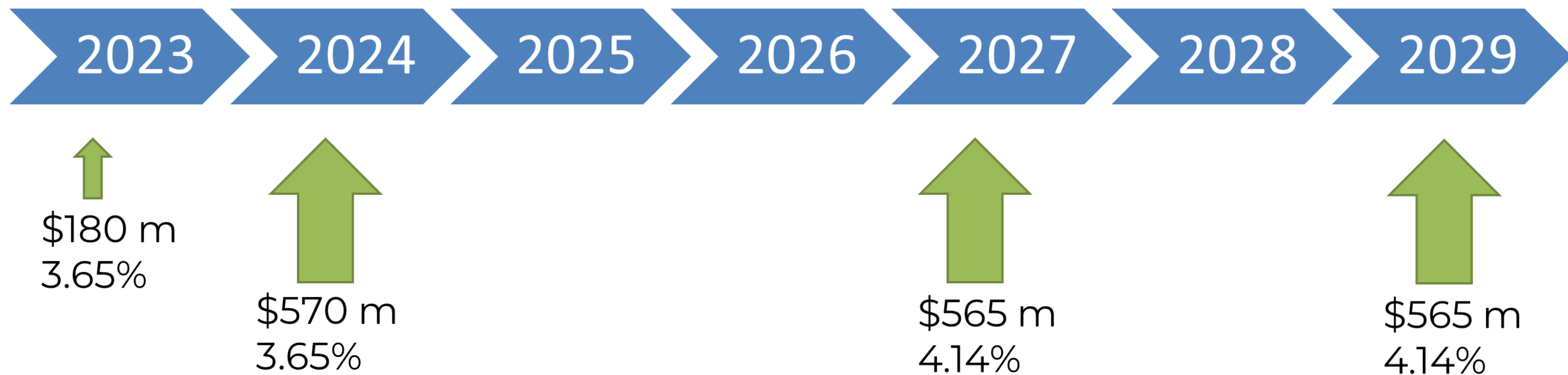


# Guilford County Funding Model

## *As of Adopted FY23 Budget*

Model is based on four assumptions:

1. Timing
2. Interest Rates
3. Dollars
4. Revenue Estimates



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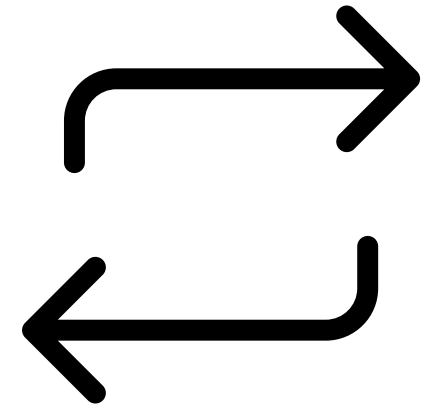
## Model Planning Principles – As Presented on November 18, 2021

1. Address County current and future capital needs and **deferred major maintenance** in a timely manner to provide **adequate public facilities and services**.
2. Protect County's ability to provide and enhance other services for our residents.
3. Design a **stable funding model** that fits existing revenue sources as much as possible.
4. Reduce overall cost of infrastructure for our residents by incorporating a more fiscally conservative "Pay-as-You-Go" model for construction, renovation, and maintenance.
5. Limit change in property tax rate to provide **predictability and stability** for our residents and businesses.

# Guilford County Funding Model

*As of January 2023*

## Changing Conditions

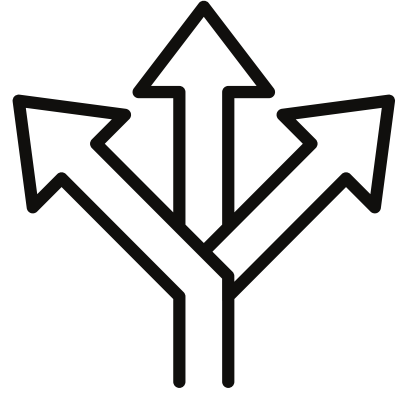


- **Updated interest rates** - initial model was roughly balanced, but with updated interest rates the model is \$50m - \$64m out of balance by 2037
- **Timing/Cash flow** - increased project costs results in needing more funding sooner based on GCPS cashflow estimates
- **Revenue Estimates**

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*As of January 2023*

## Considerations Moving Forward



- **Adjust Timing:** Phase future projects within existing funding plan based on cash flow needs
  - Additional focus on cash flows
- **Adjust financing strategy:** Evaluate interim financing or a "drawdown"
  - Requires LGC approval
- **Project list reconciliation:** Changes in interest rates and project budgets impacts ability to address all projects originally included in funding plan