

PARTNERING TO ENHANCE LOCAL INFRASTRUCTURE AND BUILD STRONGER COMMUNITIES IN NORTH CAROLINA



North Carolina Municipal Services is focused on improving communities through investments in local infrastructure and social initiatives while developing innovative solutions in partnership with local municipalities.

- **Who is North Carolina Municipal Services?**
North Carolina Municipal Services, a Bernhard Capital company, partners with cities by investing in their municipal infrastructure and utilities. Bernhard Capital is a service and infrastructure-focused private equity management firm established in 2013 by Shaw Group founders Jim Bernhard and Jeff Jenkins and includes utility experts who have served in executive roles for some of the top utility companies in the United States.
- **A unique solution to current challenges.**
Communities across North Carolina are facing a multitude of challenges, including the need for substantial investment in infrastructure (estimated between \$17 – \$26 billion over the next 20 years) and pressure to assume more responsibility for infrastructure spending. In addition, the COVID-19 pandemic poses new challenges for municipalities who are faced with the loss of sales tax revenue and sharp declines in utility revenue collections.
- **We want to partner with cities by investing in their municipal infrastructure and utilities.**
Concession agreements are becoming more prevalent, particularly in the public-private space, and the North Carolina Municipal Services team is experienced. We have a history of partnering with hospitals, universities, and utility providers to build resilient infrastructure and improve operational efficiency.
- **We are not looking to buy or privatize utility systems.**
Ownership of the utility system, ultimate control of the assets, and rate-making authority will continue to be held by the municipal utility. Further, North Carolina Municipal Services commits to the continued employment of all utility employees with pay and benefits maintained or enhanced.
- **Our partnership model will provide a substantial infusion of private investment into North Carolina cities, immediately delivering capital for infrastructure projects and social initiatives without raising taxes.**

WHAT DOES PARTNERSHIP LOOK LIKE?

Our partnership agreements typically include:

- A substantial upfront payment to the City
- Retiring or defeasing utility-issued debt allowing for increased bonding capacity
- Rate relief to customers via rate credits or sharing of cost-savings
- Option to maintain recurring payments to the City
- Potential to share in the growth of the utility system

Benefits of our partnership include:

- The option to retain ownership, oversight, and control of community systems
- Improved quality of life for residents
- Long-term growth and sustainability
- Embedded partnership with a team of professionals experienced in operational growth and optimization
- Improved delivery and customer service, while avoiding significant tax or rate increase to residents
- Improved community resilience
- Capacity to reallocate funds to other infrastructure improvement priorities or social initiatives

Bernhard Capital continues the legacy of the Shaw Group, which was a global leader in building and operating power, industrial, and commercial infrastructure. This includes significant roots and experiences in North Carolina, where Shaw employed more than 2,500 locals and led more than \$6 billion of utility industry projects across the state.

TO LEARN MORE ABOUT HOW WE CAN PARTNER WITH YOUR COMMUNITY,
CONTACT US AT INFO@NCMUNICIPALSERVICES.ORG.