



Legislation Text

File #: ID 21-0457, **Version:** 1

Resolution Making Certain Findings and Determinations and Authorizing the Filing of an Application with the Local Government Commission in Connection with the Proposed Issuance of Housing Bonds, Parks and Recreation Bonds, Firefighting Facilities Bonds, Law Enforcement Facilities Bonds and Transportation Bonds by the City

Council Priority: Maintain infrastructure and provide sustainable growth opportunities

Department: Financial & Administrative Services and Legal
Council District: All

Public Hearing: n/a
Advertising Date/By: n/a

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PURPOSE: The City Council is required by the NC Local Government Commission to make certain findings and initiate certain actions in order to authorize the issuance of up to \$135 million General Obligation bonds pursuant to a voter referendum to be held either on November 2, 2021 or on a later date as follows:

June 15, 2021

The first step in the authorization process involves the adoption of a resolution by the City Council finding that

- 1) the bonds are necessary for the City,
- 2) the proposed principal amount of the bonds is adequate and not excessive,
- 3) the City's debt management procedures and fiscal policies are carried out in compliance with applicable law
- 4) and any increase in taxes to service the bonds will not be excessive.

The resolution will also authorize the Interim Finance Director to file an application for approval of the bonds with the Local Government Commission.

The City Council may eliminate or reduce the amounts of any of the proposed purposes, as legally permissible, to be submitted to the NC Local Government Commission prior to adopting this resolution.

July 20, 2021

The second step will involve actions to be taken by City Council to introduce individual bond orders, by purpose (first reading), for the issuance of General Obligation Bonds and to call for a public hearing on the bond orders. ***The City Council may eliminate or reduce the amounts of any of the proposed bond orders considered for approval at this meeting.***

August 2, 2021

The third and final step requires the City Council to hold a public hearing on the bond orders, approve the bond orders (second reading) and to vote on the calling of a voter referendum for the bonds on November 2, 2021, if that date is still viable for the City. If it is not viable and subsequently a referendum is proposed to be held on a later date such as March 8, 2022, City Council would postpone calling for a voter referendum until its regularly scheduled meeting on November 16, 2021.

The City Council may eliminate or reduce the amounts of any of the proposed bond orders considered for approval at the August 2, 2021 meeting.

BACKGROUND: The City's Ten Year Capital Improvement Program includes information on various capital project needs of the City, from which a prospective list of items to be included in a bond referendum, in an amount not to exceed \$135 million, is summarized by purpose below and in the attached resolution:

Housing Bonds - \$30 million

Parks and Recreation Bonds (including a joint library/parks and recreation project) - \$70 million

Firefighting Facilities Bonds - \$14 million

Law Enforcement Facilities Bonds - \$6 million

Transportation Bonds - \$15 million

BUDGET IMPACT: Any increase in property taxes necessary to service debt on the bonds is not expected to exceed 1.5 cents per \$100 assessed valuation, based on issuing the bonds in several series over the next seven (7) years. Under current economic conditions, the bonds can be marketed at reasonable rates of interest.

RECOMMENDATION / ACTION REQUESTED: It is recommended by the Legal and Financial & Administrative Services Departments that the City Council approves the attached resolution making certain findings related to the authorization and issuance of General Obligation bonds of the City and filing of an application for said bonds with the Local Government Commission.