

# CITY OF HIGH POINT

## AGENDA ITEM



**Title:** Authorize Issuance of Series 2022A General Obligation Parks and Recreation Bonds  
**From:** Bobby D. Fitzjohn, Financial Services Director      **Meeting Date:** February 21, 2022  
**Public Hearing:** No      **Advertising Date :** N/A  
**Advertised By:**  
**Attachments:** Resolution Making Statement of Facts  
Bond Order

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### **PURPOSE:**

The Financial Services Department recommends that the City Council take the first steps to authorize the issuance of up to \$5,300,000 Series 2022A General Obligation Parks and Recreation Bonds. Actions requested include making certain statements of fact concerning the proposed bond issue, adopting a preliminary order to issue bonds at a not-to-exceed amount of \$5,300,000, and establishing a public hearing as required by state law.

### **BACKGROUND:**

In June 2021, City Council approved the GMP for the City Lake Park renovation. The financing plan proposed at the time includes issuance of GO bonds from the 2019 referendum as well as two-thirds bonds and an interfund loan. The proposed resolutions, prepared by the City's bond attorneys, provide staff the authorization to issue up to \$5,300,000 two-thirds General Obligation bonds.

The LGC will consider the refunding authorization for approval at their April 5, 2022 meeting.

These are necessary legal proceedings for the issuance of two-thirds General Obligation bonds.

### **BUDGET IMPACT:**

Repayment of the proposed bonds will be included in the General Debt Service Fund budget beginning in FY2022-2023.

### **RECOMMENDATION / ACTIONS REQUESTED:**

1. City Council is requested to approve the attached "A Resolution of the City Council of the City of High Point, North Carolina Making Certain Statements of Fact Concerning Proposed Bond Issue"
2. City Council is requested to adopt the attached "Bond Order Authorizing the Issuance of Not to Exceed \$5,300,000 General Obligation Parks and Recreation Bonds of the City of High Point, North Carolina"
3. City Council is requested to establish a public hearing on March 7, 2022 at 5:30pm as required by state law on the issuance of the referenced 2/3 bonds.

EXTRACTS FROM MINUTES OF CITY COUNCIL

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A regular meeting of the City Council of the City of High Point, North Carolina (the “*City Council*”) was duly held in the Council Chambers of the Municipal Building located at 211 South Hamilton Street in High Point, North Carolina, the regular place of meeting, at 5:30 p.m. on February 21, 2022:

Members Present:

Members Absent:

\* \* \* \* \*  
\* \* \*

Councilmember \_\_\_\_\_ introduced the following resolution, a summary of which had been provided to each Councilmember, a copy of which was available with the City Clerk, and which was read by title:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE**

*WHEREAS*, the City Council of the City of High Point, North Carolina (the “*City Council*”) is considering the issuance of bonds of the City of High Point, North Carolina (the “*City*”) which shall be for the maximum principal amount of \$5,300,000 of bonds to pay the capital costs of providing parks and recreation facilities located in the City, including, without limitation, the City Lake Park project.

*WHEREAS*, the City Council must make certain findings of fact to enable the Local Government Commission of the State of North Carolina (the “*Commission*”) to make certain determinations as set forth in Section 159-52 of the General Statutes of North Carolina.

***NOW, THEREFORE, BE IT RESOLVED*** that the City Council, meeting in open session on the 21st day of February, 2022, has made the following factual findings in regard to this matter:

A. ***Facts Regarding Necessity of Proposed Financing.*** The proposed bonds are necessary and expedient to pay the capital costs of providing parks and recreation facilities located in the City, including, without limitation, the City Lake Park project.

B. ***Facts Supporting the Amount of Bonds Proposed.*** The sums estimated for these bonds are adequate and not excessive for the proposed purpose.

C. ***Past Debt Management Policies.*** The City’s debt management procedures and policies are good and have been carried out in compliance with law. The City employs a full-time Financial Services Director to oversee compliance with applicable laws relating to debt management. The City Council requires annual audits of City finances. In connection with these audits, compliance with laws is reviewed. The City is not in default in any of its debt service obligations. The City Attorney’s office reviews all debt-related documents for compliance with laws.

D. **Past Budgetary and Fiscal Management Policies.** The City's budgetary and fiscal management policies have been carried out in compliance with laws. The City Council closely reviews annual budgets before final approval of budget ordinances. Budget amendments changing a function total or between functions are presented to the City Council at regular City Council meetings. The Financial Services Director presents financial information to the City Council which shows budget to actual comparisons annually and otherwise as the City Manager deems necessary or as a member of the City Council may request.

E. **Retirement of Debt.** The increase in taxes, if any, necessary to service the proposed debt will not be excessive.

F. **Marketing of Bonds.** The proposed bonds can be marketed at reasonable rates of interest.

G. **Financing Team.** The City Manager and the Financial Services Director, with advice from the City Attorney, are hereby authorized and directed to (1) retain Parker Poe Adams & Bernstein LLP, as bond counsel, and (2) retain Davenport & Company LLC, as financial advisor. The City Manager and the Financial Services Director are authorized to retain and approve the services of other professionals that they deem necessary related to the issuance of the proposed bonds. The filing of an application by the Financial Services Director with the Commission for its approval of the proposed bonds is hereby ratified and confirmed.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the City Council that the public hearing on the bond order for the proposed bonds shall be held on 7th day of March, 2022 at 5:30 p.m., or as soon thereafter as practicable, in the Council Chambers of the Municipal Building located at 211 South Hamilton Street in High Point, North Carolina. The City Clerk is hereby directed to cause a copy of said bond order to be published with a notice of such hearing in the form prescribed by law in a newspaper of general circulation on or before six days before the public hearing. The Financial Services Director is hereby directed to file prior to publication of the bond order with the notice of such public hearing a sworn statement of debt as prescribed by law.

*PASSED, ADOPTED AND APPROVED* this 21st day of February, 2022.

STATE OF NORTH CAROLINA            )  
  )  
CITY OF HIGH POINT                    )        ss:

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of so much of the proceedings of the City Council as it relates to a resolution entitled “**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE**” duly adopted by the City Council of the City of High Point, North Carolina, at a meeting held on the 21st day of February, 2022 and that such proceedings are to be recorded in the minute books of said City Council.

***WITNESS*** my hand and the seal of the City of High Point, North Carolina, this the \_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
City Clerk  
City of High Point, North Carolina

(SEAL)

EXTRACTS FROM MINUTES OF CITY COUNCIL

\* \* \*

A regular meeting of the City Council of the City of High Point, North Carolina (the “*City Council*”) was duly held in the Council Chambers of the Municipal Building located at 211 South Hamilton Street in High Point, North Carolina, the regular place of meeting, at 5:30 p.m. on February 21, 2022:

Members Present:

Members Absent:

\* \* \* \* \*  
\* \* \*

Councilmember \_\_\_\_\_ introduced the following bond order by reading the title thereof:

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,300,000  
GENERAL OBLIGATION PARKS AND RECREATION BONDS  
OF THE CITY OF HIGH POINT, NORTH CAROLINA**

*WHEREAS*, the City Council of the City of High Point, North Carolina (the “*City*”) deems it advisable to provide parks and recreation facilities located in the City, including, without limitation, the City Lake Park project; and

*WHEREAS*, an application has been filed with the Secretary of the Local Government Commission of North Carolina requesting Commission approval of the bonds hereinafter described as required by the Local Government Bond Act, and the Secretary of the Local Government Commission has notified the City Council that the application has been accepted for submission to the Local Government Commission.

*NOW, THEREFORE, BE IT ORDERED* by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City Council of the City has ascertained and hereby determines that it is necessary to provide for parks and recreation facilities located in the City, including, without limitation, the City Lake Park project.

Section 2. To raise the money required for the purposes described above, in addition to funds which may be available for such purpose from any other source, bonds of the City are hereby authorized and shall be issued pursuant to the Local Government Bond Act of North Carolina. The maximum aggregate principal amount of such bonds authorized by this bond order shall be and not exceed \$5,300,000.

Section 3. Taxes will be levied in an amount sufficient to pay the principal and interest of the bonds authorized by this bond order.

Section 4. A sworn statement of the City’s debt has been filed with the City Clerk and is open to public inspection.

Section 5. No debt shall be contracted during any fiscal year by the issuance of bonds pursuant to this bond order if the amount of such debt and if all other debt contracted during such fiscal year shall exceed two-thirds (2/3rds) of the amount by which the outstanding indebtedness of the City shall have been reduced during the next preceding fiscal year, unless the incurring of such debt shall be submitted to a vote of the people of the City and shall be approved by a majority of those who vote thereon.

Section 6. This bond order will take effect thirty (30) days after its publication following adoption, unless it is petitioned to a vote of the people within thirty (30) days after its publication as introduced, as provided in N.C.G.S. Section 159-60, and in that event the order will take effect when approved by the voters of the City.

STATE OF NORTH CAROLINA            )  
  )  
CITY OF HIGH POINT                    )            ss:

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of the bond order entitled “**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,300,000 GENERAL OBLIGATION PARKS AND RECREATION BONDS OF THE CITY OF HIGH POINT, NORTH CAROLINA**” duly introduced by the City Council of the City of High Point, North Carolina, at a meeting held on the 21st day of February, 2022 and that such proceedings are to be recorded in the minute books of said City Council.

***WITNESS*** my hand and the seal of the City of High Point, North Carolina, this the \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
City Clerk  
City of High Point, North Carolina

(SEAL)