

# CITY OF HIGH POINT

## AGENDA ITEM



<b>TITLE:</b> Consideration of a Budget Ordinance Amendment	
<b>FROM:</b> Bobby Fitzjohn, Financial Services Director	<b>MEETING DATE:</b> December 16, 2024
<b>PUBLIC HEARING:</b> N/A	<b>ADVERTISED DATE/BY:</b> N/A
<b>ATTACHMENTS:</b> Budget Amendment	

**PURPOSE:** A budget amendment of \$29,906,000 is needed to recognize funds from the issuance of Series 2024 CES Revenue Refunding Bonds on November 1, 2024.

**BACKGROUND:** On November 15, 2021 City Council approved a resolution authorizing staff to begin the process of refunding Series 2014 CES Revenue Bonds. On December 6, 2021, City Council approved a bond order authorizing the issuance of Taxable 2021B CES Revenue Refunding Bonds. The Local Government Commission approved the sale at its December 7, 2021 meeting.

Taxable Series 2021B Revenue Refunding Bonds were issued to Truist Bank on December 16, 2021 with a forward purchase agreement to refund the issuance in November 2024 on a tax-exempt basis. Upon conversion to a tax-exempt rate, the 2024 issuance will result in 3.25% NPV savings or cash flow savings of approximately \$1.1 million. The refinancing resulted in a rate reduction from 2.75% to 2.32%.

**BUDGET IMPACT:** Savings generated by the refunding will reduce debt service commitments in future water and sewer budgets.

**RECOMMENDATION/ACTION REQUESTED:** City Council is requested to consider a Budget Ordinance Amendment to record the issuance of Series 2024 CES Revenue Refunding Bonds.



"AN ORDINANCE AMENDING THE 2024-2025 BUDGET ORDINANCE OF  
THE CITY OF HIGH POINT, NORTH CAROLINA  
TO APPROPRIATE FUNDS IN CONNECTION WITH REFUNDING BONDS

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The City of High Point engaged and completed the Series 2024 Combined Enterprise System Revenue Refunding Bonds during the fiscal year 2024-2025. Current governmental accounting standards require the refunding activities to be recorded in the financial records in addition to the City's financial disclosures.

Section 2. The 2024-2025 Budget Ordinance of the City of High Point should be amended as follows:

(A) That the following Water and Sewer Fund revenues be amended as follows:

Water & Sewer Fund-Refunding Bond Proceeds	\$29,906,000
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(B) That the following Water and Sewer Fund expenditures are amended as follows:

Payment to Trustee for Refunding Bonds	\$29,906,000
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Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by High Point City Council, this the 16th day of December 2024

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Cyril Jefferson, Mayor

ATTEST

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Sandra Keeney, City Clerk

