

CITY OF HIGH POINT

AGENDA ITEM



Title: Authorize Issuance of Series 2022D General Obligation Refunding Bonds

From: Bobby D. Fitzjohn, Financial Services Director

Meeting Date: March 7, 2022

Public Hearing: No

Advertising Date : N/A

Advertised By:

Attachments: Resolution Making Statement of Facts
Bond Order

PURPOSE:

The Financial Services Department recommends that the City Council take the first steps to authorize the issuance of up to \$20,000,000 Series 2022D General Obligation Refunding Bonds. Actions requested include making certain statements of fact concerning the proposed bond issue, introduce a preliminary order to issue bonds at a not-to-exceed amount of \$20,000,000, and establishing a public hearing as required by state law.

BACKGROUND:

The proposed resolutions, prepared by the City's bond attorneys, provide staff the authorization to issue up to \$20,000,000 General Obligation Refunding Bonds. Staff will not pursue refunding bonds for any bonds that do not provide for at least 3% net present value savings. Final maturity dates will remain the same.

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

These are necessary legal proceedings for the issuance of General Obligation Refunding Bonds.

BUDGET IMPACT:

The interest rate refunding savings will be built into the debt service budgets for the General Debt Service Fund and the Stormwater Fund in the 2022-2023 Annual Budget and successive years.

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 introduce and adopt the attached "Bond Order Authorizing the Issuance of Not to Exceed \$20,000,000 General Obligation Refunding Bonds of the City of High Point, North Carolina"

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 March 7, 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 \$20,000,000
GENERAL OBLIGATION REFUNDING BONDS
OF THE CITY OF HIGH POINT, NORTH CAROLINA**

WHEREAS, the City of High Point, North Carolina (the “*City*”) has previously issued its (1) General Obligation Public Improvement Bonds, Series 2012, (2) General Obligation Refunding Bonds, Series 2012, and (3) General Obligation Refunding Bond, Series 2020 (collectively, the “*Prior Bonds*”);

WHEREAS, the City Council of the City (the “*City Council*”) deems it advisable to refund all or a portion of the Prior Bonds (the “*Refunded Bonds*”) to achieve debt service savings;

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 deems it advisable to refund the Refunded Bonds.

Section 2. To raise the money required to pay the costs of refunding the Refunded Bonds as set forth above, General Obligation Refunding Bonds of the City (the “*Refunding Bonds*”) are hereby authorized and shall be issued pursuant to the Local Government Bond Act of North Carolina. The maximum aggregate principal amount of such Refunding Bonds authorized by this bond order shall be and not exceed \$20,000,000.

Section 3. Taxes will be levied in an amount sufficient to pay the principal and interest of the Refunding 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. This bond order will take effect on its adoption.

Upon motion of Councilmember _____, the foregoing order titled: "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,000,000 GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF HIGH POINT, NORTH CAROLINA**" was adopted by the Board.

INTRODUCED, PASSED, ADOPTED AND APPROVED this 7th day of March, 2022.

As prescribed by The Local Government Bond Act, the City Clerk is directed to publish a notice of adoption of the bond order titled, "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,000,000 GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF HIGH POINT, NORTH CAROLINA**", which was introduced and adopted at the meeting of the City Council held on March 7, 2022.

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

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 the bond order entitled “**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,000,000 GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF HIGH POINT, NORTH CAROLINA**” duly introduced and adopted by the City Council of the City of High Point, North Carolina, at a meeting held on the 7th day of March, 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.

Lisa B. Vierling, 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 March 7, 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 \$20,000,000 of bonds to pay the costs of refunding in advance of their maturities all or a portion of the City’s (1) General Obligation Public Improvement Bonds, Series 2012, (2) General Obligation Refunding Bonds, Series 2012, and (3) General Obligation Refunding Bond, Series 2020 (collectively, the “*Refunded Bonds*”);

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 7th day of March, 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 lower the City’s debt service costs related to projects refinanced with the Refunded Bonds. The proposed bonds do not extend the final maturity of the Refunded Bonds.

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 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 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. Annual budgets are closely reviewed by the City Council 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 schedule for issuing the bonds does not require a property tax increase. The schedule for issuance calls for issuing all of the bonds in Fiscal Year 2022, but issuance may be delayed until such time as the City determines that the market is more favorable for the issuance of the bonds.

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 retain Parker Poe Adams & Bernstein LLP, as bond counsel, and Davenport & Company, LLC, as financial advisor, and such action is hereby ratified. 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 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.

PASSED, ADOPTED AND APPROVED this 7th day of March, 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 7th day of March, 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.

Lisa B. Vierling, City Clerk
City of High Point, North Carolina

(SEAL)