

CITY OF HIGH POINT

AGENDA ITEM



Title: Budget Amendment to Record Issuance of Series 2022A, 2022B, and Series 2022C General Obligation Bonds

From: Bobby D. Fitzjohn, Financial Services Director

Meeting Date: May 16, 2022

Public Hearing: No

Advertising Date:

N/A-

Advertised By:

Attachments: Budget Amendment

PURPOSE:

A budget amendment of \$7,656,073 is needed to recognize funds from the issuance of Series 2022A, 2022B, and 2022C General Obligation Bonds.

BACKGROUND:

On March 21st, City Council approved a resolution authorizing staff to issue Series 2022A, 2022B, and 2022C General Obligation Bonds. The Local Government Commission approved the sales at its April 5th and May 3rd meetings.

Series 2022A GO 2/3 Bonds were sold on April 19th in a public competitive sale. A total of 5,947,480 was raised including \$647,480 of premium at a TIC of 2.6%. The bonds will mature on 3/1/2032.

Series 2022B GO Bonds were sold on April 19th in a public competitive sale. A total of 27,835,930 was raised including \$1,835,930 of premium at a TIC of 3.23%. The bonds will mature on 3/1/2042.

Series 2022C GO Bonds were issued to Pinnacle Bank on May 11th to refund the 2012 GO Bonds and 2012C GO Refunding bonds. A total of \$7,081,000 was issued at a TIC of 1.96%. The bond will mature on 3/1/2032. The refunding results in a net present value savings of \$179,933.

BUDGET IMPACT:

Debt service payments for the general obligation bonds will be paid from the city's general debt service fund. Refunding savings will be incorporated into future debt service budgets of the General Debt Service Fund, the Stormwater Fund, and the Water and Sewer Fund.

RECOMMENDATION / ACTIONS REQUESTED:

The Financial Services Department recommends approval of the budget amendment to record the issuance of Series 2022A, 2022B, and 2022C General Obligation Bonds.

“AN ORDINANCE AMENDING THE 2021-2022 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE FUNDS IN CONNECTION WITH THE ISSUANCE
GENERAL OBLIGATION 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 2022A, 2022B, and 2022C General Obligation Bonds during the fiscal year 2021-2022. Current governmental accounting standards require the refunding activities be recorded in the financial records in addition to the City's financial disclosures.

Section 2. In order to appropriate these funds, the 2021-2022 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the following additional sources were received and be amended as follows:

General Debt Service Fund - GO Bond Proceeds	\$5,173,623
Water and Sewer Fund - GO Bond Proceeds	1,624,747
Stormwater Fund - GO Bond Proceeds	<u>857,703</u>
	\$7,656,073

(B) That the General Debt Service Fund expenditures be amended as follows:

Payment to Trustee for Refunding Bonds	\$4,563,277
Legal and fiscal charges	<u>610,346</u>
	\$5,173,623

(C) That the Water and Sewer Fund expenditures be amended as follows:

Payment to Trustee for Refunding Bonds	\$1,612,285
Legal and fiscal charges	<u>12,642</u>
	\$1,624,927

(D) That the Stormwater Fund expenditures be amended as follows:

Payment to Trustee for Refunding Bonds	\$851,124
Legal and fiscal charges	<u>6,579</u>
	\$857,703

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 May 2022

Mayor, Jay W. Wagner

ATTEST

Lisa B. Vierling,
City Clerk