

# CITY OF HIGH POINT

## AGENDA ITEM



**Title: Authorize Public Officials to Make Application for Proposed Financing of Motorola Radio System Upgrade to the Local Government Commission**

**From:** Jeffrey A. Moore, Financial Services Director      **Meeting Date:** August 17, 2015

**Public Hearing:**

**Advertising Date** N/A

**Advertised By:** N/A

**Attachments:** Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement  
Authorized by North Carolina General Statute 160a-20  
Financing Calendar

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### **PURPOSE:**

In accordance with the administrative regulations established by the Local Government Commission, the City Council must authorize the City Manager and the Financial Services Director to make application for approval of the proposed financing contract.

### **BACKGROUND:**

The issuance of any debt obligation (bonds, notes, financing agreements, and leases) of the City requires the authorization of the City Council. The issuance of an installment financing contract (also sometimes known as a capital or financing lease) is authorized by G.S. 160A-20.

The application for financing approval follows City Council's contract authorization of July 20, 2015, which identified City Council's consideration of an installment financing contract to pay for the Motorola Communications System Upgrade over the next 10 years.

Due to the amount and length of proposed financing period, the statute requires approval of the Local Government Commission. As required for that body's approval, the City Council must authorize the public officials to make application for approval of the proposed financing contract and determine certain findings of facts related to the proposed form of debt obligation.

### **BUDGET IMPACT:**

The required \$500 application fee is available in the adopted FY2015-2016 Annual Budget.

### **RECOMMENDATION / ACTION REQUESTED:**

The Financial Services Department recommends that the City Council approve the Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement Authorized by North Carolina General Statute 160a-20 and that the appropriate City official and/or employee be authorized to execute all necessary documents.

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION  
FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY  
NORTH CAROLINA GENERAL STATUTE 160a-20**

WHEREAS, the City of High Point, North Carolina desires to provide significant upgrades to its 800MHZ radio communications system and related improvements in an amount not to exceed \$3,242,507 (the "Project") to better serve the citizens of High Point; and

WHEREAS, the City of High Point, desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE BE IT RESOLVED that the City of High Point, meeting in regular session on the 17th day of August, 2015, make the following findings of fact:

1. The proposed Contract is necessary or expedient because of the need to improve the reliability and dependability of the City's growing communication needs and the safety of the City's public services and public safety employees.
2. The proposed Contract is preferable to a bond issue for the same purpose because the City does not have any current general bond authorization with which to pursue funding the Project, nor does the immediate necessity for the Project permit the time required to seek voter approval of the Project. The cost of the Project exceeds the amount that can be prudently raised from currently available appropriations and unappropriated fund balances, and the City does not desire to utilize its current capacity to issue non-voted bonds in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the "two-thirds limitation").
3. The sums to fall due under the Contract are adequate and not excessive for the proposed Project because the proposed repayment schedule does not exceed the life of the Project and borrowing costs continue to remain at historical low levels.
4. The City of High Point's debt management procedures and policies are sound.
5. An increase in taxes and utility rates is not necessary since the projected growth in revenues and decreases in other expenditures equal or exceed the sums to fall due under the Project.
6. The City of High Point is not in default in any of its debt service obligations.
7. The attorney for City of High Point has rendered an opinion that the proposed project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that Gregory Demko, City Manager, and Jeffrey A. Moore, Financial Services Director, are hereby authorized to act on behalf of City of High Point, in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 17th day of August, 2015.

The motion to adopt this resolution was made by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and passed by a vote of \_\_\_\_ to \_\_\_\_.

\_\_\_\_\_  
William S. Bencini, Jr., Mayor  
City of High Point

\_\_\_\_\_  
Lisa Vierling, City Clerk

This is to certify that this is a true and accurate copy of Resolution \_\_\_\_/\_\_\_\_-\_\_\_\_, adopted by the High Point City Council on the 17th day of August, 2015.

\_\_\_\_\_  
Lisa Vierling, City Clerk

\_\_\_\_\_  
Date

(seal)

**City of High Point**  
**Coordinated Planning Calendar**  
**Motorola 2015 Radio System Upgrade**

Proposed Draft Prepared 8/7/2015

<b>Date</b>	<b>Task</b>	<b>Person Responsible</b>
8/7/2015	Prepare Council agenda items for first steps	Jeff
8/17/2015	Council to Establish Public Hearing on Proposed Lease Financing Contract	City Council
8/17/2015	Council to authorize staff to apply to the LGC	City Council
8/19/2015	Publish Notice of Public Hearing in H P Enterprise	Lisa Vierling
8/19/2015	Prepare RFP for lease financing and secure competitive quotes, place agenda item on next LGC agenda for approval	Jeff
9/3/2015	Provide Publisher's Affidavit of Notice of Public Hearing	Lisa Vierling
9/4/2015	Finalize Financing Contract Details	Jeff
9/8/2015	Public Hearing on Proposed Lease Financing	City Council
9/11/2015	Certified Copy of Minutes from Public Hearing	Lisa Vierling
9/11/2015	All documentation in hand	Jeff
9/11/2015	Complete LGC Application for Financing	Jeff
9/11/2015	Submit LGC Application	Jeff
9/11/2015	Prepare Council agenda items	Jeff
9/11/2015	Attorney Provides Opinion Letter	JoAnne Carlyle
9/21/2015	City Council approves financing contract	City Council
9/21/2015	City Council adopts resolutions for execution	City Council
10/6/2009	LGC Contract approval	Local Govt Commission
10/15/2015	Financing package closing	Greg Demko, Jeff

Note: Package needs to be submitted to LGC for approval 28 days prior to LGC meeting date