

CITY OF HIGH POINT

AGENDA ITEM



Title: Authorize Issuance of Series 2016 General Obligation Refunding Bonds

From: Jeffrey A Moore, Financial Services Director

Meeting Date: September 6, 2016

Public Hearing: No

Advertising Date /

Advertised By: N/A

Attachments: Form of Proceedings

PURPOSE:

The Financial Services Department recommends that the City Council take the first steps to authorize the issuance of up to \$25,000,000 Series 2016 General Obligation Refunding Bonds. Actions requested include authorizing the application for the issuance of refunding bonds and secondly, adopting a preliminary order to issue refunding bonds at a not-to-exceed amount of \$25,000,000 which will be published in the High Point Enterprise.

BACKGROUND:

Staff and our Financial Consultants have identified that the bond market is currently favorable for refunding some of the City's outstanding Series 2007 and 2008 general obligation bonds. The proposed resolutions, prepared by the City's bond attorneys, provide staff the authorization to issue up to \$25,000,000 for refunding these bonds, depending on the bond market on the date of sale scheduled October 11, 2016. Staff will not pursue refunding bonds for any bonds that do not provide for at least 3% savings. At the time of this writing, estimated savings are in excess of \$200,000 annually for the next 10 years which approximates 12.5%. Final maturity dates will remain the same.

The LGC staff will recommend the refunding authorization to the full Local Government Commission for its approval at their September 6, 2016 meeting.

These are necessary legal proceedings for the issuance of refunding bonds.

BUDGET IMPACT:

The interest rate refunding savings will be built into the debt service budgets for the General Debt Service Fund in the 2017-2018 Annual Budget and successive years.

RECOMMENDATION / ACTIONS REQUESTED:

1. City Council is requested to approve the attached "Resolution Making Certain Findings and Determinations and Authorizing the Filing of an Application with the Local Government Commission in Connection with the Proposed Issuance of General Obligation Refunding Bonds by the City of High Point."
2. City Council is requested to adopt the attached "Order Authorizing \$25,000,000 General Obligation Refunding Bonds"

A regular meeting of the City Council of the City of High Point, North Carolina was 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 September 6, 2016.

Present: Mayor William "Bill" Bencini, presiding, and Council Members

Absent: Council Members

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

**RESOLUTION REPEALING THE UNISSUED BALANCE OF A
GENERAL OBLIGATION REFUNDING BOND ORDER ADOPTED BY
THE CITY COUNCIL ON APRIL 19, 2010**

BE IT RESOLVED by the City Council (the "City Council") of the City of High Point, North Carolina (the "City"):

Section 1. The City Council has determined and does hereby find and declare as follows:

(a) An order authorizing \$7,000,000 General Obligation Refunding Bonds for the purpose of refunding all or a portion of the City's outstanding General Obligation Public Improvement Bonds, Series 2005, dated October 1, 2005 (the "Series 2005 Bonds"), and paying certain expenses relating thereto was adopted by the City Council on April 19, 2010, which order has taken effect.

(b) None of said general obligation refunding bonds have heretofore been issued and there remains an authorized and unissued balance of \$7,000,000 of general obligation refunding bonds authorized by said bond order.

(c) The City desires to repeal said bond order as it relates to the authorized and unissued balance of said refunding bonds.

Section 2. The City hereby repeals the bond order adopted by the City Council at its April 19, 2010 meeting as it relates to the \$7,000,000 authorized and unissued balance of the general obligation refunding bonds authorized by said bond order.

Section 3. This resolution shall take effect upon its passage.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled “RESOLUTION REPEALING THE UNISSUED BALANCE OF A GENERAL OBLIGATION REFUNDING BOND ORDER ADOPTED BY THE CITY COUNCIL ON APRIL 19, 2010” was adopted by the following vote:

Ayes: _____

Noes: _____

Thereupon, _____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

**RESOLUTION REPEALING THE UNISSUED BALANCE OF A
GENERAL OBLIGATION REFUNDING BOND ORDER ADOPTED BY
THE CITY COUNCIL ON APRIL 16, 2012**

BE IT RESOLVED by the City Council (the “City Council”) of the City of High Point, North Carolina (the “City”):

Section 1. The City Council has determined and does hereby find and declare as follows:

(a) An order authorizing \$30,000,000 General Obligation Refunding Bonds for the purpose of refunding all or a portion of the City’s outstanding (i) Water and Sewer Bonds, Series 2003, dated May 1, 2003 (the “Series 2003 Bonds”), (ii) Public Improvement Bonds, Series 2005, dated October 1, 2005 (the “Series 2005 Bonds”), and (iii) Public Improvement Bonds, Series 2006, dated June 1, 2006 (the “Series 2006 Bonds”), and paying certain expenses relating thereto was adopted by the City Council on April 16, 2012, which order has taken effect.

(b) Pursuant to said order and a resolution adopted by the City Council on June 4, 2012, the City has issued its \$15,440,000 General Obligation Refunding Bonds, Series 2012 (the “Series 2012 Bonds”) and applied the proceeds thereof to the refunding of a portion of the outstanding Series 2003 Bonds and Series 2005 Bonds.

(c) Pursuant to said order and a resolution adopted by the City Council on April 7, 2014, the City has issued its \$10,100,000 General Obligation Refunding Bonds, Series 2014 (the “Series 2014 Bonds”) and applied the proceeds thereof to the refunding of a portion of the outstanding Series 2006 Bonds.

(d) After the issuance of the Series 2012 Bonds and the Series 2014, there remains an authorized and unissued balance of \$4,460,000 of general obligation refunding bonds authorized by said bond order.

(e) The City desires to repeal said bond order as it relates to the authorized and unissued balance of said refunding bonds.

Section 2. The City hereby repeals the bond order adopted by the City Council at its April 16, 2012 meeting as it relates to the \$4,460,000 authorized and unissued balance of the general obligation refunding bonds authorized by said bond order.

Section 3. This resolution shall take effect upon its passage.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled "RESOLUTION REPEALING THE UNISSUED BALANCE OF A GENERAL OBLIGATION REFUNDING BOND ORDER ADOPTED BY THE CITY COUNCIL ON APRIL 16, 2012" was adopted by the following vote:

Ayes: _____

Noes: _____

Thereupon, _____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

**RESOLUTION REPEALING THE UNISSUED BALANCE OF A
GENERAL OBLIGATION REFUNDING BOND ORDER ADOPTED BY
THE CITY COUNCIL ON OCTOBER 21, 2013**

BE IT RESOLVED by the City Council (the "City Council") of the City of High Point, North Carolina (the "City"):

Section 1. The City Council has determined and does hereby find and declare as follows:

(a) An order authorizing \$15,000,000 General Obligation Refunding Bonds for the purpose of refunding all or a portion of the City's outstanding General Obligation Refunding Bonds, Series 2005, dated October 1, 2005 (the "Series 2005 Bonds"), and paying certain expenses relating thereto was adopted by the City Council on October 21, 2013, which order has taken effect.

(b) Pursuant to said order and a resolution adopted by the City Council on November 4, 2013, the City has issued its \$14,475,000 Taxable General Obligation Refunding Bond, Series 2013 (the "Series 2013 Bond") and applied the proceeds thereof to the refunding of a portion of the outstanding Series 2005 Bonds.

(c) After the issuance of the Series 2013 Bond, there remains an authorized and unissued balance of \$525,000 of general obligation refunding bonds authorized by said bond order.

(d) The City desires to repeal said bond order as it relates to the authorized and unissued balance of said refunding bonds.

Section 2. The City hereby repeals the bond order adopted by the City Council at its October 21, 2013 meeting as it relates to the \$525,000 authorized and unissued balance of the general obligation refunding bonds authorized by said bond order.

Section 3. This resolution shall take effect upon its passage.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled "RESOLUTION REPEALING THE UNISSUED BALANCE OF A GENERAL OBLIGATION REFUNDING BOND ORDER ADOPTED BY THE CITY COUNCIL ON OCTOBER 21, 2013" was adopted by the following vote:

Ayes: _____

Noes: _____

Thereupon, _____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AND AUTHORIZING AND RATIFYING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION IN CONNECTION WITH THE PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS BY THE CITY OF HIGH POINT, NORTH CAROLINA

BE IT RESOLVED by the City Council (the "City Council") of the City of High Point, North Carolina (the "City"):

Section 1. The City Council does hereby determine that:

(a) Preliminary analysis has been completed to demonstrate a benefit of refunding a portion of the City's outstanding (i) General Obligation Public Improvement Bonds, Series 2007A, dated November 6, 2007 (the "2007A Bonds"), (ii) General Obligation Public Improvement Bonds, Series 2007B, dated November 7, 2007 (the "2007B Bonds"), and (iii) General Obligation Public Improvement Bonds, Series 2008, dated June 10, 2008 (the "2008 Bonds").

(b) The City Council wishes to commence the procedures for the issuance of not to exceed \$25,000,000 General Obligation Refunding Bonds of the City (the "Bonds") for the purpose of providing funds, together with any other available funds, to refund a portion of the outstanding 2007A Bonds, 2007B Bonds and 2008 Bonds.

(c) The annual audits of the City show the City to be in strict compliance with debt management policies and that the budgetary and fiscal management policies are in compliance with law.

Section 2. The filing by the City of an application with the North Carolina Local Government Commission for approval of the issuance of the Bonds in an aggregate principal amount not to exceed \$25,000,000 is hereby authorized, ratified and approved.

Section 3. The law firm of Womble Carlyle Sandridge & Rice, LLP is hereby appointed to serve, but solely at the pleasure of the City Council, as bond counsel to the City in connection with the issuance of the Bonds.

Section 4. Davenport & Company LLC is hereby appointed to serve, but solely at the pleasure of the City Council, as financial advisor to the City in connection with the issuance of the Bonds.

Section 5. This resolution shall take effect immediately upon its passage.

Thereupon, the resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AND AUTHORIZING AND RATIFYING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION IN CONNECTION WITH THE PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS BY THE CITY OF HIGH POINT, NORTH CAROLINA" was adopted by the following vote:

Ayes: _____

Noes: _____

Thereupon, _____ introduced the following order authorizing bonds, the title of which was read and a copy of which had been previously distributed to each Council Member:

**ORDER AUTHORIZING \$25,000,000 GENERAL OBLIGATION
REFUNDING BONDS**

BE IT ORDERED by the City Council of City of High Point, North Carolina:

1. That pursuant to The Local Government Bond Act, as amended, the City of High Point, North Carolina, is hereby authorized to contract a debt, in addition to any and all other debt which said City may now or hereafter have power and authority to contract, and in evidence thereof to issue General Obligation Refunding Bonds in an aggregate principal amount not exceeding \$25,000,000 for the purpose of providing funds, together with any other available funds, to (a) refund a portion of the City's outstanding (i) General Obligation Public Improvement Bonds, Series 2007A, dated November 6, 2007, (ii) General Obligation Public Improvement Bonds, Series 2007B, dated November 7, 2007, and (iii) General Obligation Public

Improvement Bonds, Series 2008, dated June 10, 2008, and (b) pay certain expenses related thereto.

2. That taxes shall be levied in an amount sufficient to pay the principal of and the interest on said bonds.

3. That a sworn statement of debt of said City has been filed with the City Clerk and is open to public inspection.

4. That this order shall take effect upon adoption.

The City Council thereupon designated the Financial Services Director of the City to make and file with the City Clerk the sworn statement of debt of the City which is required by The Local Government Bond Act, as amended, to be filed after the bond order has been introduced. The City Council also designated the Financial Services Director of the City to file with the City Clerk the statement of total estimated interest which is required by The Local Government Bond Act, as amended, to be filed with the City Clerk at the time the bond order is introduced and further directed the City Clerk to file a copy of such statement with the Local Government Commission.

Thereupon, the Financial Services Director of the City caused to be filed with the City Clerk, in the presence of the City Council, the sworn statement of debt and the statement of total estimated interest as so required.

Thereupon, the order entitled "ORDER AUTHORIZING \$25,000,000 GENERAL OBLIGATION REFUNDING BONDS" was adopted by the following vote:

Ayes: _____

Noes: _____

The City Clerk was thereupon directed to publish the aforementioned order, together with the appended statement as required by The Local Government Bond Act, as amended, once in the High Point Enterprise.

* * * * *

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the City Council of said City at a regular meeting held on September 6, 2016, as relates in any way to the introduction and adoption of a resolution and bond order authorizing the issuance of general obligation refunding bonds of said City and the filing of a sworn statement of debt and a statement of total estimated interest of said City and that said proceedings are recorded in the minutes of said City Council.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said City this 6th day of September, 2016.

City Clerk

[SEAL]