

# CITY OF HIGH POINT

## AGENDA ITEM



**Title:** Authorize Budget Amendment for the Issuance of Refunding Bonds

**From:** Jeffrey A Moore, Financial Services Director

**Meeting Date:** June 19, 2017

**Public Hearing:** No

**Advertising Date /** N/A

**Advertised By:**

**Attachments:** Ordinance Amending the 2016-2017 Budget Ordinance to Appropriate Funds in Connection with Refunding Bonds

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### **PURPOSE:**

The Financial Services Department recommends that City Council authorize the necessary budget amendment for the issuance of refunding bonds and consequently the retirement of outstanding debt for the Series 2016 GO Refunding Bonds and the Series 2016 W&S Revenue Refunding Bonds.

### **BACKGROUND:**

As part of the requirements of governmental accounting standards and NC law governing the issuance of refunding bonds, City Council is required to budget and account for all proceeds of the Series 2016 General Obligation Refunding Bonds completed in November 2016 as well as the Series 2016 W&S Revenue Refunding Bonds completed in November 2016 as well. An amendment to reflect the reconciliation and accounting of the refunding bonds activities in the financial records in addition to the City's financial disclosures is now required.

### **BUDGET IMPACT:**

The Annual Budget for FY2017-2018 as originally adopted did not anticipate issuing refunding bonds in the Fall of 2016. The adoption of the amendment will provide the tangible budgetary appropriations as Council intended in its deliberations and authorization to issue the refunding bonds.

### **RECOMMENDATION / ACTIONS REQUESTED:**

Council is requested to adopt the "Ordinance Amending the 2016-2017 Budget Ordinance to Appropriate Funds in Connection with Refunding Bonds.

“AN ORDINANCE AMENDING THE 2016-2017 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 2016 General Obligation Refunding Bonds and Series 2016 Combined Enterprise System Revenue Refunding Bonds during the fiscal year 2016-2017. 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 2016-2017 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-Refunding Bond Proceeds	\$19,703,803
Water & Sewer Fund-Refunding Bond Proceeds	59,758,577
Storm Water Fund-Refunding Bond Proceeds	<u>3,965,970</u>
	\$83,428,350

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

Payment to Trustee for Refunding Bonds	\$19,523,157
Legal and fiscal charges	<u>180,646</u>
	\$19,703,803

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

Payment to Trustee for Refunding Bonds	\$59,208,150
Legal and fiscal charges	<u>550,427</u>
	\$59,758,577

- (D) That the Storm Water Fund expenditures be amended as follows:

Payment to Trustee for Refunding Bonds	\$ 3,929,610
Legal and fiscal charges	<u>36,360</u>
	\$ 3,965,970

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 this 19<sup>th</sup> day of June, 2017