

CITY OF HIGH POINT

AGENDA ITEM



Title: Budget Ordinance Amendment – Refunding Bonds

From: Bobby D. Fitzjohn, Financial Services Director

Meeting Date: June 17, 2019

Public Hearing: No

Advertising Date / N/A

Advertised By: -

Attachments: Amendment Refunding Revenue Bonds 2019

PURPOSE:

To amend the Water and Sewer Fund budget to provide appropriations in the amount of \$17,659,405 to record the June 2019 revenue bond issue to refinance the Series 2010B Revenue Bonds.

BACKGROUND:

In April 2019 the City proposed to sell up to \$54.5 million in fixed interest Revenue Bonds in June 2019, to refinance approximately \$17.5 million water and sewer revenue bonds issued in 2010 to a lower interest rate, and to issue approximately \$37 million to fund additional water and sewer projects approved by City Council and that are currently under contract or substantially complete.

On June 5, 2019 the City sold the Series 2019 revenue bonds of approximately \$47.6 million with a true interest cost of 2.58% over their 25-year term. Refunding the Series 2010B Revenue Bonds resulted in cash flow savings of \$1,110,100 over their remaining term. The bonds are expected to close on or about June 19.

BUDGET IMPACT:

Savings from refunding the Series 2010 Revenue Bonds will offset debt service costs spread over the remaining term.

RECOMMENDATION / ACTIONS REQUESTED:

City Council is requested to approve the attached budget ordinance to provide appropriations to record the refinancing of the 2010B Revenue Bonds.

“AN ORDINANCE AMENDING THE 2018-2019 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 2019 Combined Enterprise System Revenue Refunding Bonds during the fiscal year 2018-2019. 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 2018-2019 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:

Water & Sewer Fund-Refunding Bond Proceeds	\$17,659,405
--	--------------

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

Payment to Trustee for Refunding Bonds	\$17,512,495
Legal and fiscal charges	<u>146,910</u>
	\$17,659,405

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 _____