

CITY OF HIGH POINT

AGENDA ITEM

**Title:**

1. Resolution Directing the Publication of Notice of Intention to Apply to the Local Government Commission for Approval of Bonds.
2. Resolution Making Certain Statements of Fact Concerning Proposed Bond Issue and Authorizing the Application with the Local Government Commission.

From: Bobby D. Fitzjohn, Financial Services Director

Meeting Date: June 17, 2019

Public Hearing: No

Advertising Date / N/A

Advertised By: -

Attachments: Resolution Notice of Intent
Resolution LGC Application

PURPOSE:

The City Council is required by the NC Local Government Commission to make certain findings and initiate certain actions in order to authorize the issuance of General Obligation Bonds pursuant to a voter referendum to be held on November 5, 2019, as follows:

June 17, 2019

The first step in the authorization process involves the adoption of a resolution by the City Council finding that 1) the bonds are necessary for the City, 2) the proposed principal amount of the bonds is adequate and not excessive, 3) the City's debt management procedures and fiscal policies are carried out in compliance with applicable law and 4) any increase in taxes to service the bonds will not be excessive. The resolution will also authorize the Finance Director to file an application for approval of the bonds with the Local Government Commission.

July 15, 2019

The second step will involve actions to be taken by City Council to introduce individual bond orders, by purpose (first reading), for the issuance of General Obligation Bonds and to call for a public hearing on the bond orders.

August 19, 2019

The third and final step requires the City Council to hold a public hearing on the bond orders, approve the bond orders (second reading) and to vote on the calling of a voter referendum on the bonds.

BACKGROUND:

This referendum will fund various projects within the adopted FY 2020-2024 Capital Improvement Plan. The proposed bond orders are summarized by purpose in the attached resolution.

BUDGET IMPACT:

The proposed referendum will authorize up to \$50 million in bonds. No increase in property taxes are anticipated to pay the debt service for the bonds authorized in this referendum.

RECOMMENDATION / ACTIONS REQUESTED:

It is recommended that the City Council approve the attached resolutions making certain findings related to the authorization and issuance of bonds of the City and filing of an application for said bonds with the Local Government Commission.

EXTRACTS FROM MINUTES OF CITY COUNCIL

* * *

A regular meeting of the City Council of the City of High Point, North Carolina (the “*City Council*”) was duly 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 June 17, 2019:

Members Present:

Members Absent:

* * * * *
* * *

Councilmember _____ introduced the following resolution, a summary of which had been provided to each Councilmember, a copy of which was available with the City Clerk and which was read by title:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA DIRECTING THE PUBLICATION OF NOTICE OF INTENTION TO APPLY TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF BONDS

WHEREAS, the City Council (the “*City Council*”) of the City of High Point, North Carolina (the “*City*”) is considering the issuance of general obligation bonds of the City which shall be for the following purposes and in the following maximum amounts:

\$22,000,000 of bonds to pay capital costs of providing streets and sidewalks, including without limitation bridges, viaducts, causeways, overpasses, underpasses, alleys and bicycle lanes; paving, grading, resurfacing, and widening streets; sidewalks, curbs and gutters, culverts, and drains; traffic controls, signals, and markers; lighting; and grade crossings and the elimination thereof and grade separations; streetscaping, landscaping and pedestrian improvements; transit stop improvements; and the acquisition of land therefor;

\$21,500,000 of bonds to pay capital costs of providing for the acquisition, construction, renovation, improvement, expansion, furnishing and equipping of parks and recreation facilities, including without limitation senior centers, athletic fields, parks, playgrounds,

recreation centers, shelters and pool facilities and the acquisition of land therefor;

\$6,500,000 of bonds to pay capital costs of providing housing projects for the benefit of persons of low income, or moderate income, or low and moderate income, including without limitation construction or acquisition of projects to be owned by a city or housing authority, and loans, grants, interest supplements and other programs of financial assistance to persons of low income, or moderate income, or low and moderate income, and developers of housing for persons of low income, or moderate income, or low and moderate income, and the acquisition of land therefor.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the City Clerk is hereby directed to cause a copy of the “NOTICE OF INTENTION TO APPLY TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF BONDS” to be published in a newspaper of general circulation in the City.

BE IT FURTHER RESOLVED that this Resolution shall become effective on the date of its adoption.

PASSED, ADOPTED AND APPROVED this 17th day of June, 2019.

STATE OF NORTH CAROLINA)
) ss:
CITY OF HIGH POINT)

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of so much of the proceedings of the City Council as it relates to a resolution entitled “**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA DIRECTING THE PUBLICATION OF NOTICE OF INTENTION TO APPLY TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF BONDS**” duly adopted by the City Council of the City of High Point, North Carolina, at a meeting held on the 17th day of June, 2019 and that such proceedings are to be recorded in the minute books of said City Council.

WITNESS my hand and the seal of the City of High Point, North Carolina, this the ____ day of _____, 2019.

City Clerk
City of High Point, North Carolina

(SEAL)

**NOTICE OF INTENTION TO APPLY TO THE
LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF BONDS**

NOTICE IS HEREBY GIVEN of intention of the undersigned to file application with the Local Government Commission, Raleigh, North Carolina for its approval of the issuance of general obligation bonds of the City of High Point, North Carolina which shall be for the following purposes and in the following maximum amounts:

\$22,000,000 of bonds to pay capital costs of providing streets and sidewalks, including without limitation bridges, viaducts, causeways, overpasses, underpasses, alleys and bicycle lanes; paving, grading, resurfacing, and widening streets; sidewalks, curbs and gutters, culverts, and drains; traffic controls, signals, and markers; lighting; and grade crossings and the elimination thereof and grade separations; streetscaping, landscaping and pedestrian improvements; transit stop improvements; and the acquisition of land therefor;

\$21,500,000 of bonds to pay capital costs of providing for the acquisition, construction, renovation, improvement, expansion, furnishing and equipping of parks and recreation facilities, including without limitation senior centers, athletic fields, parks, playgrounds, recreation centers, shelters and pool facilities and the acquisition of land therefor;

\$6,500,000 of bonds to pay capital costs of providing housing projects for the benefit of persons of low income, or moderate income, or low and moderate income, including without limitation construction or acquisition of projects to be owned by a city or housing authority, and loans, grants, interest supplements and other programs of financial assistance to persons of low income, or moderate income, or low and moderate income, and developers of housing for persons of low income, or moderate income, or low and moderate income, and the acquisition of land therefor.

Any citizen or taxpayer of the City of High Point, North Carolina objecting to the issuance of any or all of said bonds, within seven (7) days after the date of publication of this notice, may file with the Local Government Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh, NC 27604, Attention: Secretary, and with the undersigned, a written statement setting forth each objection to the proposed bond issue and such statement shall contain the name and address of the person filing it.

CITY OF HIGH POINT, NORTH CAROLINA

/s/ Lisa B. Vierling

City Clerk

City of High Point, North Carolina

EXTRACTS FROM MINUTES OF CITY COUNCIL

* * *

A regular meeting of the City Council of the City of High Point, North Carolina (the “*City Council*”) was duly 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 June 17, 2019:

Members Present:

Members Absent:

* * * * *
* * *

Councilmember _____ introduced the following resolution, a summary of which had been provided to each Councilmember, a copy of which was available with the City Clerk and which was read by title:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE AND AUTHORIZING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION

WHEREAS, the City Council (the “*City Council*”) of the City of High Point, North Carolina (the “*City*”) is considering the issuance of general obligation bonds of the City which shall be for the following purposes and in the following maximum amounts:

\$22,000,000 of bonds to pay capital costs of providing streets and sidewalks, including without limitation bridges, viaducts, causeways, overpasses, underpasses, alleys and bicycle lanes; paving, grading, resurfacing, and widening streets; sidewalks, curbs and gutters, culverts, and drains; traffic controls, signals, and markers; lighting; and grade crossings and the elimination thereof and grade separations; streetscaping, landscaping and pedestrian improvements; transit stop improvements; and the acquisition of land therefor;

\$21,500,000 of bonds to pay capital costs of providing for the acquisition, construction, renovation, improvement, expansion, furnishing and equipping of parks and recreation facilities, including without limitation senior centers, athletic fields, parks, playgrounds, recreation centers, shelters and pool facilities and the acquisition of land therefor;

\$6,500,000 of bonds to pay capital costs of providing housing projects for the benefit of persons of low income, or moderate income, or low and moderate income, including without limitation construction or acquisition of projects to be owned by a city or housing authority, and loans, grants, interest supplements and other programs of financial assistance to persons of low income, or moderate income, or low and moderate income, and developers of housing for persons of low income, or moderate income, or low and moderate income, and the acquisition of land therefor.

WHEREAS, certain findings of fact by the City Council must be presented to enable the Local Government Commission of the State of North Carolina to make certain determinations as set forth in Section 159-52 the North Carolina General Statutes, as amended.

NOW, THEREFORE, BE IT RESOLVED that the City Council, meeting in open session on the 17th day of June, 2019, has made the following factual findings in regard to this matter:

A. ***Facts Regarding Necessity of Proposed Financing.*** The proposed bonds are necessary and expedient to pay (1) capital costs of providing streets and sidewalks, including without limitation bridges, viaducts, causeways, overpasses, underpasses, alleys and bicycle lanes; paving, grading, resurfacing, and widening streets; sidewalks, curbs and gutters, culverts, and drains; traffic controls, signals, and markers; lighting; and grade crossings and the elimination thereof and grade separations; streetscaping, landscaping and pedestrian improvements; transit stop improvements; and the acquisition of land therefor, (2) capital costs of providing for the acquisition, construction, renovation, improvement, expansion, furnishing and equipping of parks and recreation facilities, including without limitation senior centers, athletic fields, parks, playgrounds, recreation centers, shelters and pool facilities and the acquisition of land therefor, and (3) capital costs of providing housing projects for the benefit of persons of low income, or moderate income, or low and moderate income, including without limitation construction or acquisition of projects to be owned by a city or housing authority, and loans, grants, interest supplements and other programs of financial assistance to persons of low income, or moderate income, or low and moderate income, and developers of housing for persons of low income, or moderate income, or low and moderate income, and the acquisition of land therefor.

B. ***Facts Supporting the Amount of Bonds Proposed.*** The sums estimated for these bonds are adequate and not excessive for the proposed purposes. Estimates for the proposed construction and improvements have been carefully analyzed and determined by persons knowledgeable about the construction and improvements.

C. ***Past Debt Management Procedures and Policies.*** The City's debt management procedures and policies are good and have been carried out in compliance with law. The City employs a Finance Officer to oversee compliance with applicable laws relating to debt management. The City Council requires annual audits of City finances. In connection with these audits, compliance with laws is reviewed. The City is not in default in any of its debt service obligations. The City Attorney reviews all debt-related documents for compliance with laws.

D. ***Past Budgetary and Fiscal Management Policies.*** The City's budgetary and fiscal management policies have been carried out in compliance with laws. Annual budgets are closely reviewed by the City Council before final approval of budget ordinances. Budget amendments changing a function total or between functions are presented to the City Council at regular City Council meetings. The Finance Officer presents financial information to the City Council which shows budget to actual

comparisons annually and otherwise as the City Manager deems necessary or as a member of the City Council may request.

E. ***Increase in Taxes; Retirement of Debt.*** The increase in taxes, if any, necessary to service the proposed debt will not be excessive. The schedule for issuance anticipates issuing all of the bonds in one or more series during the seven years following the adoption of the bond orders.

F. ***Marketing of Bonds.*** The proposed bonds can be marketed at reasonable rates of interest.

BE IT FURTHER RESOLVED that the City Council hereby authorizes and directs the City Manager and the Finance Officer of the City, individually and collectively, to file with the Local Government Commission an application for its approval General Obligation Streets and Sidewalk Bonds, General Obligation Parks and Recreation Bonds and General Obligation Housing Bonds hereinbefore described, on a form prescribed by said Commission, and (1) to request in such application that said Commission approve the City's use of Parker Poe Adams & Bernstein LLP, as bond counsel for the City and (2) to state in such application such facts and to attach thereto such exhibits in regard to such General Obligation Streets and Sidewalk Bonds, General Obligation Parks and Recreation Bonds and General Obligation Housing Bonds and to the City and its financial condition, as may be required by said Commission.

BE IT FURTHER RESOLVED that this Resolution shall become effective on the date of its adoption.

PASSED, ADOPTED AND APPROVED this 17th day of June, 2019.

STATE OF NORTH CAROLINA)
) ss:
CITY OF HIGH POINT)

I, Lisa B. Vierling, City Clerk of the City of High Point, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of so much of the proceedings of the City Council as it relates to a resolution entitled “**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE AND AUTHORIZING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION**” duly adopted by the City Council of the City of High Point, North Carolina, at a meeting held on the 17th day of June, 2019 and that such proceedings are to be recorded in the minute books of said City Council.

WITNESS my hand and the seal of the City of High Point, North Carolina, this the ____ day of _____, 2019.

City Clerk
City of High Point, North Carolina

(SEAL)