

CITY OF HIGH POINT

AGENDA ITEM



Title: Budget Amendment for Issuance of Series 2020 General Obligation Refunding Bonds

From: Laura Mason Altizer
Senior Budget Analyst

Meeting Date: April 6, 2020

Public Hearing: No

Advertising Date : N/A

Advertised By: -

Attachments: Budget Ordinance Amendment

PURPOSE:

A budget amendment is needed to recognize funds from the issuance of General Obligation Refunding Bonds. On March 19, 2020 the City of High Point issued \$14,100,000 Series 2020 General Obligation Refunding Bonds.

BACKGROUND:

Council previously approved a resolution, prepared by the City's bond attorneys, authorizing staff to issue up to \$14,100,000 for refunding the Series 2010B General Obligation Bonds. The LGC approved the refunding authorization at their March 3, 2020 meeting. Staff will not pursue refunding bonds for any bonds that do not provide for at least 3% net present value savings. Cash flow savings are approximately \$133,000 annually for the next 10 years which approximates 9.3% net present value savings. Final maturity dates will remain the same.

BUDGET IMPACT:

The interest rate refunding savings will be built into the debt service budgets for the General Debt Service Fund and the Stormwater Fund in the 2020-2021 Annual Budget and successive years.

RECOMMENDATION / ACTIONS REQUESTED:

The budget department recommends and asks City Council to approve the budget amendment.

"AN ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE OF
THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE FUNDS IN CONNECTION WITH REFUNDING G.O. 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 2020 General Obligation Refunding Bonds during fiscal year 2019-2020. Revised 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 2019-2020 Budget Ordinance of the City of High Point, should be amended as follows:

(A) That the following additional revenue sources were received and be amended as follows:

General Debt Service Fund-Refunding Bond Proceeds	\$10,566,874
Stormwater-Refunding Bond Proceeds	<u>2,591,126</u>
	\$13,158,000

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

Payment to Trustee for Refunding Bonds Legal and fiscal charges	\$10,486,365
	<u>80,509</u>
	\$10,566,874

(C) That the Stormwater Fund expenditures be amended as follows:

Payment to Trustee for Refunding Bonds Legal and fiscal charges	\$ 2,571,385
	<u>19,741</u>
	\$ 2,591,126

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 April 6, 2020