



**Town of Chapel Hill
Capital Program
Proposed Two-Thirds Bonds
Public Hearing**

January 11, 2023

Agenda



**What are Two-Thirds Bonds?
How are they Calculated?**



**Proposed Use of
Two-Thirds Bonds**



Next Steps in Borrowing Process

What Are Two-Thirds Bonds?

- **Two-Thirds Bonds are General Obligation (GO) Bonds that can be issued under the following circumstances:**
 - If no new GO Bonds were issued during the year, Two-Thirds bonds can be issued in the subsequent year in an amount up to two-thirds of the reduction in principal for the base year

2/3

Two-Thirds Bonds Calculation

- Reduction in GO principal FY22 \$2,977,000
- Two-Thirds of reduction **\$1,980,000**

- Avg. annual debt service \$251,000*
- Years outstanding 10

** Actual debt service amounts depend on the rates at the time of the sale.*

Two-Thirds Bonds Proposed Use

Public Safety Radio Equipment

- Effective July 1, 2025
- State VIPER system; P25 Phase 2 ready
- Current radios no longer supported
- No alternate funding source



GO Bonds Issuance Schedule

- **Preliminary Resolution (2/3)** **Nov 16**
- **Introduce Bond Order (2/3)** **Dec 7**
- **Public Hearing (2/3)** **Jan 11**
- **Adopt Bond Order (2/3)** **Jan 11**
- **Issuance Resolution (2/3 & Referendum)** **Jan 25**
- **LGC Bond Sale** **Feb 14**
- **Bond Closing** **Mar 7**



Recommendation

Recommend that Council open the public hearing on the bond order authorizing the issuance of two-thirds general obligation bonds in the maximum amount of \$1.98 million for public safety.

Next Steps

- 1. Council receive comments from the public**
- 2. Questions and comments from Mayor and Town Council**
- 3. Motion to close the public hearing**
- 4. Consider adopting the bond order – R-5**
- 5. Consider adopting the public notice – R-6**