



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

**December 7, 2022**

# Agenda



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



**Proposed Use of  
Two-Thirds Bonds**



**Next Steps in Borrowing Process**

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# 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 FY20	\$2,977,000
• Two-Thirds of reduction	<b>\$1,980,000</b>
• Avg. annual debt service	\$218,000*
• Years outstanding	20

*\* 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



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# Next Steps & Recommendation

- **Staff reading:**  
**“Introduction of the Two-Thirds Bond Orders”**
- **Recommend that Council adopt resolution (R-) setting a public hearing for January 11, 2023 and authorizing the filing of a sworn statement of debt**