



**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

Draft

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	\$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



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.

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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. Consider adopting the public notice – R-#**