



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

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 **\$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**



Next Steps & Recommendation

- **Staff reading:**
“Introduction of the Two-Thirds Bond Orders”
- **Recommend that Council adopt resolution (R-9) setting a public hearing for January 11, 2023 and authorizing the filing of a sworn statement of debt**