



Town of Chapel Hill Capital Program Proposed Two-Thirds Bonds

November 16, 2022

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 **\$1,984,000**
- 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

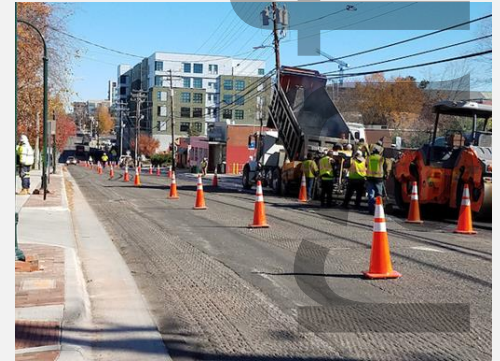
- Effective July 1, 2025
- State VIPER system; P25 Phase 2 ready
- Current radios no longer supported
- No alternate funding source



Two-Thirds Bonds Uses

Two-thirds bonds are statutorily restricted to certain uses:

- Streets and sidewalks
- Parks and recreation
- Public facilities
- Public safety



GO Bonds Issuance Schedule

- **Preliminary Resolution (2/3)**
- **Introduce Bond Order (2/3)**
- **Public Hearing (2/3)**
- **Adopt Bond Order (2/3)**
- **Issuance Resolution (2/3 & Referendum)**
- **LGC Bond Sale**
- **Bond Closing**

Nov 16

Dec 7

Jan 11

Jan 11

Jan 25

Feb 14

Mar 7



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Planned February 2023 Issuances

Bond Order	Authority*	April Issue
Referendum:		
Affordable Housing	\$ 5,245,000	\$ 5,245,000
Streets & Sidewalks	<u>7,700,000</u>	<u>7,700,000</u>
Total Referendum	\$12,945,000	\$12,945,000
Two-Thirds Bonds:		
Public Safety Radios	\$ 1,984,000	\$ 1,984,000

** Authority for two-thirds bonds contingent on Council approval*

Recommendation

- **Council adopt Resolution stating the Town's intent to issue general obligation public safety two-thirds bonds.**

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