

# 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

#### **Two-Thirds Bonds Calculation**

- Reduction in GO principal FY20
- Two-Thirds of reduction

- Avg. annual debt service
- Years outstanding

\$2,977,000 **\$1,980,000** 

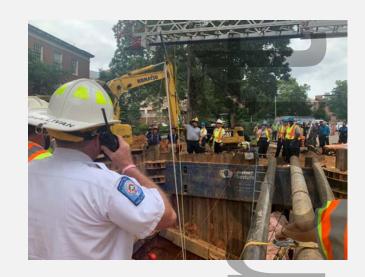
\$218,000\*

<sup>\*</sup> 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)
- 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

# 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