



Legislation Text

File #: [21-0884], Version: 1

Approve Project Ordinance Amendment to Recognize Limited Obligation Financing Proceeds.

Staff:

Amy Oland, Director

Department:

Business Management Department

Overview: The Town recently completed the issuance of \$51.526 million of limited obligation bonds (LOBS) for the East Rosemary Parking Deck project (\$34.039 million), Blue Hill District Phase II - Elliott Road Reconstruction project (\$5.44 million), and the refunding of the Series 2012 LOBS and Series 2015 installment purchase contracts (\$12.047 million). In order for these funds to be available to spend on the identified capital projects, Council must enact the budget and project ordinance amendments recognizing receipt of these funds.

☆ **Recommendation(s):**

That the Council:

- Enact the attached budget ordinance amendment to adjust the Debt Service Fund; and
- Enact the attached project ordinance amendment to amend the budget for the 2021 Limited Obligation Bonds Fund.

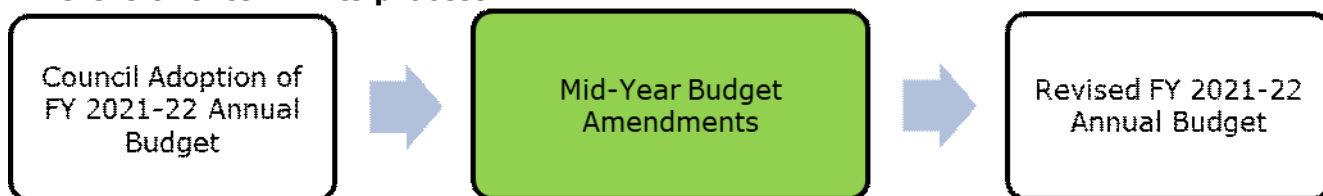
Key Issues:

On August 12, 2021, the Town closed on the issuance of \$51.526 million of limited obligation bonds (LOBS). The total amount of the proceeds, including a bond premium, is \$58,241,903. \$39,000,000 is for the East Rosemary Parking Deck project, \$6,480,000 is for the Blue Hill District Phase II - Elliott Road Reconstruction project, \$12,241,044 is to pay off the Series 2012 LOBS and 2015 installment purchase contract, and \$520,859 is to pay costs associated with the financing.

Enactment of the attached budget ordinance amendment would return the \$4,385,000 that was borrowed from the Debt Management fund balance in June 2021 to provide the necessary funding for initial project expenditures that were incurred before the Town closed on the LOBS and would recognize and appropriate the LOBS proceeds dedicated to paying off the Series 2012 LOBS and 2015 installment purchase contract.

Enactment of the attached project ordinance amendment would recognize and appropriate the LOBS proceeds and premium for the East Rosemary Parking Deck project and the Blue Hill Phase II - Elliott Road Reconstruction project.

Where is this item in its process?





Attachments:

- Budget Ordinance
- Project Ordinance - 2021 LOBS Fund

AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2021" (2021-11-17/O-1)

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Budget Ordinance entitled "An Ordinance Concerning Appropriations and the Raising of Revenue for the Fiscal Year Beginning July 1, 2021" as duly adopted on June 9, 2021, be and the same is hereby amended as follows:

ARTICLE I

APPROPRIATIONS	Current	Increase	Decrease	Revised
	Budget			Budget
DEBT SERVICE FUND				
Other Expenses	\$ 7,510,975	\$ -	\$ -	\$ 7,510,975
Advance Refunding Costs	-	12,241,044	-	12,241,044
Bond Issuance Costs	-	5,209	-	5,209
Contribution to Reserve	2,153,957	4,385,000	-	6,538,957
	<u>\$ 9,664,932</u>	<u>\$ 16,631,253</u>	<u>\$ -</u>	<u>\$ 26,296,185</u>

ARTICLE II

REVENUES	Current	Increase	Decrease	Revised
	Budget			Budget
DEBT SERVICE FUND				
Other Revenues	\$ 9,664,932	\$ -	\$ -	\$ 9,664,932
Proceeds - LOBS Series 2021A	-	1,175,000	-	1,175,000
Proceeds - LOBS Series 2021B	-	10,805,062	-	10,805,062
Premium on Bonds	-	266,191	-	266,191
Transfer from 2021 LOBS Fund	-	4,385,000	-	4,385,000
	<u>\$ 9,664,932</u>	<u>\$ 16,631,253</u>	<u>\$ -</u>	<u>\$ 26,296,185</u>

This the 17th day of November, 2021.

AN ORDINANCE TO AMEND THE CAPITAL PROJECTS ORDINANCE FOR PARKING AND PUBLIC ROADWAY IMPROVEMENTS FUNDED FROM LIMITED OBLIGATION BONDS (2021-11-17/O-2)

BE IT ORDAINED by the Council of the Town of Chapel Hill that pursuant to Section 49 of Chapter 159 of the General Statutes of North Carolina, that the capital projects ordinance for parking and public roadway improvements funded from limited obligation bonds is hereby amended as follows:

SECTION I

The capital projects as authorized by the Town Council include Rosemary Street Parking Deck and Ephesus Fordham Phase II - Elliott Road Reconstruction funded from the 2021 Limited Obligation Bonds for projects extending beyond one year.

SECTION II

The Manager of the Town of Chapel Hill is hereby directed to proceed with implementation of these projects within terms of funds appropriated herein.

SECTION III

Revenues anticipated to be available to the Town to complete the project are hereby amended as follows:

	Current Budget	Revised Budget
Transfer from Debt Management Fund	\$ 4,385,000	\$ -
Proceeds - LOBS Series 2021A	-	31,630,000
Proceeds - LOBS Series 2021B	-	7,915,938
Premium on Bonds	-	6,449,712
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Total Revenues	\$ 4,385,000	\$ 45,995,650

SECTION IV

Amounts appropriated for capital projects are hereby amended as follows:

	Current Budget	Revised Budget
Rosemary Street Parking Deck	\$ 3,090,000	\$ 39,446,214
Elliott Road Reconstruction	1,295,000	6,549,436
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Total Expenditures	\$ 4,385,000	\$ 45,995,650

SECTION V

The Manager is directed to report annually on the financial status of the project in an informational section to be included in the Annual Budget, and shall keep the council informed of any unusual occurrences.

SECTION VI

Copies of this amended projects ordinance shall be entered into the minutes of the Council and copies

shall be filed within five days of adoption with the Manager, Business Management Director and Town Clerk.”

This the 17th day of November, 2021.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By enacting the project ordinance, the Council establishes a budget for the Rosemary Deck Project and Blue Hill Phase II - Elliott Road Reconstruction Project funded by the 2021 Limited Obligation Bonds.