



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2024-367

Agenda Item# I.8.

Agenda Date: 5/21/2024. **Department:** Financial & Administrative Services
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2024 – 367 Ordinance in the Amount of \$175,866,465, Amending the FY 2023-2024 Water Resources Enterprise Fund for Refinancing of 2022 Revenue Bond Anticipation Notes

Council Priority: Place an ‘x’ in the box.

- | | |
|--|--|
| <input type="checkbox"/> Safest City | <input type="checkbox"/> Most Skilled Workforce |
| <input type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input type="checkbox"/> Abundance of Attainable Housing | <input checked="" type="checkbox"/> Other/Admin <u>Funding of Infrastructure</u> |

Council District: All

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Marlene Druga, Ext. 2094

Contact 2 and Phone: Anita Wilson, Ext. 2817

PURPOSE:

To amend the FY 2023-2024 Water Resources Enterprise Fund (501) to provide appropriations in the amount of \$175,866,465 to allow accounting for the Series 2024 Combined Enterprise System Revenue Bond issuance to refinance a short-term Note issued in 2022.

BACKGROUND:

City Council has previously authorized establishment of Water Resources Bond Funds for the purpose of issuing short-term Notes under an interest-only “construction draw” program and then redeeming the notes and converting them to 30-year fixed rate revenue bonds. This method of financing large infrastructure needs of the Water/Sewer utility has been in place for over ten years and helps improve cash planning.

On September 6, 2022, City Council authorized a \$175 million Note, which along with earlier revenue bonds, funded upgrades to the Greensboro-Randolph Megasite, Sandy Creek Lift Station and the Advanced Meter project, among others.

City Council recently initiated the permanent financing of this Note by adopting a resolution on March 19, 2024 authorizing City staff to file an application with the Local Government Commission, approving the financing team and making certain findings about the debt.

Vision Statement: “A Community with Endless Economic Opportunities and Exceptional Quality of Life.”

BUDGET IMPACT:

Debt service on the revenue bonds will be paid from annual appropriations in the Water Resources Fund budget and will require an increase in water and sewer rates in future years. Estimated average annual debt service on the long-term bonds is projected at \$10.5 million at estimate 4.3% interest over the next 30 years.

ACCOUNT NUMBER:

N/A

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council approve the attached ordinance in the amount of \$175,866,465 to provide appropriations to record the refinancing of the Combined Enterprise System Revenue Bond Anticipation Note, Series 2022 in the accounting records.