



Town of Holly Springs

Town Council Meeting Agenda Form

Meeting Date: 05/15/2018

Town Clerk's Office Use:

Agenda Item #: 11c

Attachment #: 10

Agenda Placement: New Business

(Special Recognitions (awards, proclamations), Requests & Communications (reports, information presentations), Public Hearings, Consent Agenda, Unfinished Business, New Business, Closed Session)

Subject Title: Resolution for the Intent to apply to the LGC for approval of \$40M General Obligation Bonds for the purpose of improving the Town's transportation systems.

Presenter Name(s): Tina Stroupe

SUBJECT HIGHLIGHTS:

The Town Council of the Town of Holly Springs, North Carolina, has studied the need for transportation improvements in the Town. The Town Council has considered alternative means of financing the costs of the desired improvements, and has made a preliminary determination to finance at least some of the costs of the project through the issuance of general obligation bonds. The issuance of these general obligation bonds is subject to the approval of the Town's voters at a bond referendum. This resolution authorizes town staff to apply for approval of the bond issue to the Local Government Commission, a division of the State Treasurer that oversees local government financing. If approved by the LGC and subsequent to a public hearing in July, a referendum would appear on the November 2018 general election ballot for registered voters in Holly Springs to vote "yes" or "no" on the issuance of the bonds. The Town is seeking authority for \$40 million in general obligation bonds to be paid for with what staff sees currently as a possible \$0.05 increase in the property tax rate in Holly Springs.

Number of Motions with this Item: 1

Suggested motion(s):

Motion to adopt Resolution 18-19, a resolution of intent to apply to the Local Government Commission for approval for the town to hold a \$40 million transportation bond referendum.

Funds, if applicable, are to be appropriated from account(s) / line item(s):

n/a

Staff Review Record

Are there exhibits for this agenda item? **Yes**

List them in order they should appear in packet: **resolution of intent**

Department head initials and comments, if applicable: mmh

Finance director initials and comments, if applicable: mmh

Town attorney initials and comments, if applicable:

Town manager initials and / or comments:

Town clerk initials jp

**Resolution Stating Intent To Proceed with a Referendum
For the Town of Holly Springs -- General Obligation Transportation Bonds**

WHEREAS:

The Town Council of the Town of Holly Springs, North Carolina, has studied the need for transportation improvements in the Town. The Town Council has considered alternative means of financing the costs of the desired improvements, and has made a preliminary determination to finance at least some of the costs of the project through the issuance of general obligation bonds. The issuance of these general obligation bonds is subject to the approval of the Town's voters at a bond referendum.

BE IT THEREFORE RESOLVED by the Town Council of the Town of Holly Springs, North Carolina, that the Council makes an initial determination to proceed with a referendum on November 6, 2018, for Town general obligation transportation bonds in the maximum amount of \$40,000,000.

BE IT FURTHER RESOLVED that Council makes the following findings of fact in support of its determination:

(1) The proposed capital expenditures are necessary and expedient for the Town.

(2) The amount of bonds proposed is adequate and not excessive for the proposed purpose. Although transportation improvement needs in the community exceed the \$40,000,000 in proposed bonds, this is an appropriate amount of bonds given the Town's other budget and capital needs and the Town's financial resources.

(3) The Town's debt management and budgetary and fiscal management policies have been carried out consistently in accordance with the law.

(4) The Council estimates a maximum potential tax rate impact to the Town for repaying the bonds of approximately 5.0 cents per \$100 of assessed valuation. The

actual tax effect, including the timing and amount of any increases, will depend on the final amount borrowed, the financing term, and the interest rates on the bonds when sold. The Town will work to minimize the tax rate impact, in a manner consistent with moving ahead with the purposes and addressing other Town needs.

BE IT FURTHER RESOLVED, as follows:

(a) The Council directs the Finance Officer to proceed with the authorization of the referendum, including proceeding with an application to the North Carolina Local Government Commission (the "LGC") for its approval of the proposed bonds. The Council appoints the Finance Officer as the Town's authorized representative with respect to the LGC application process.

(b) The Council directs the Town Manager, in collaboration with the Clerk, to publish a notice of the Council's intent to apply to the LGC for approval of the bonds. This notice must be in the form prescribed by statute and consistent with this resolution.

(c) The Council authorizes all Town representatives to take all further action as they may consider desirable for accomplishing the purposes of this resolution. The Council ratifies all prior actions of Town representatives in this regard. This resolution takes effect immediately.

* * * * *

I certify that the foregoing resolution was duly adopted at a meeting of the Town Council of the Town of Holly Springs, North Carolina, duly called and held on May 15, 2018, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this ___ day of May, 2018.

[SEAL]

Joni Powell
Town Clerk
Town of Holly Springs, North Carolina