

City Council – Action Request Form

Date: September 9, 2025

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Kelly Latham, Chief Financial Officer
Ben Rowe, Assistant City Manager

Council Action Requested:

Resolution of the City of Winston-Salem, North Carolina, Approving an Amendment to an Installment Purchase Contract with the North Carolina Municipal Leasing Corporation to Finance Certain Facilities and Capital Assets; Declaring the Intent of the City to Reimburse Itself for Capital Expenditures from the Proceeds Thereof; and Related Matters.

Strategic Focus Area: Good Government

Strategic Plan Objective: GG4: Maintaining and updating infrastructure and facilities

Summary of Information:

The project to add a mechanically stabilized earthen berm at the Hanes Mill Road Landfill is currently underway. In addition, the Landfill gas system expansion and Phase 3 Cell 6 initial construction at the Landfill is scheduled for FY26 and FY27.

In order to provide for financing of these projects through Limited Obligation Bonds (LOBs), Council's approval is requested for the initial resolution which would allow staff to move forward with the financing.

LOBs are a type of publicly issued debt that is structured similarly to an installment financing agreement with a term of 20 years. To issue LOBs, the City must use a separate corporation to issue the bonds (NC Municipal Leasing Corporation). LOBS do not require voter approval and are not backed by the full taxing power of the City. Instead, LOBs are issued using City facilities as collateral. LOBS must also be approved by the State of NC's Local Government Commission (LGC).

Committee Action:

Committee	FC 09/09/2025	Action	Approval
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For	Unanimous	Against	
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Remarks:

The LGC is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue, and five others by appointment. The State Treasurer serves as Chair. The LGC examines whether the amount being borrowed is adequate and reasonable for the projects and an amount the unit can reasonably afford to repay.

City Council is asked to approve the attached initial bond resolution, which authorizes an amendment to the existing installment purchase contract with the NC Municipal Leasing Corporation, pursuant to which City staff will begin the process required to issue LOBs in an amount not to exceed \$26,550,000. The resolution makes specific findings about the projects and the financing that is required by the LGC and directs City staff to submit the application to the LGC and work with bond counsel, financial advisors, and underwriters (the financing team as defined in the resolution) to complete the transaction.

This resolution also directs the City Clerk to publish a notice of public hearing. At the September 15, 2025, City Council Meeting, City Council is also required to call for a public hearing to be held on October 6, 2025, at 6:00 pm

Following the public hearing, the City Council will be asked to adopt the approving resolution on October 6, 2025. The approving resolution approves the financing documents and authorizes City staff to make any necessary changes to the documents and officially authorizes the transaction.

The timetable and required steps to issue the debt are shown below:

- September 9 Finance Committee recommends initial resolution approval
- September 15 City Council adopts initial resolution and calls for public hearing
- September 24 Finance sends a notice of proposed debt issuance to the Joint Legislative Committee on Local Government
- September 24 City Clerk publishes public hearing notice
- October 6 City Council holds public hearing
- October 6 City Council adopts the approving resolution
- October 7 Finance submits application for debt to the LGC
- October 24 City receives credit ratings from Moody's and Standard and Poor's
- November 4 LGC considers the City's request to issue debt at their monthly meeting
- November 5 Official Statement is available
- November 13 Bonds are sold
- December 2 Closing date; funds are received by the City