

# Memorandum



**Winston-Salem**

Financial Management Services

City of Winston-Salem

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**TO:** Mayor, Mayor Pro Tempore, and Members of City Council  
**FROM:** Kelly Latham, Deputy Financial Officer  
**DATE:** May 9, 2022  
**SUBJECT:** Upcoming Debt Issuance  
**CC:** Lee Garrity, City Manager  
Ben Rowe, Assistant City Manager  
Lisa Saunders, Chief Financial Officer

The Financial Management Services Department will be working with our certified municipal financial advisors in planning for several upcoming debt issuances.

The City typically issues Two-Thirds General Obligation Bonds every two years to finance various capital needs. Two-Thirds Bonds do not require voter approval but must be approved by the Local Government Commission. We are planning to issue Two-Thirds Bonds in fiscal year 2023 in the amount of \$8,894,000. The amount that we may borrow is two-thirds of the amount the general obligation debt was reduced in the prior fiscal year. The upcoming issue is to fund various projects that were budgeted in fiscal year 2022.

The 2018 voter-approved General Obligation Bonds have not been fully issued at this time; approximately \$87 million remains authorized but unissued. Based on current projections for spending in identified projects, we are planning to issue between \$40-\$50 million from the 2018 approved bonds during fiscal year 2023. We will continue to monitor spending in determining the proper timing to issue the remaining balance by 2028 (bonds should be issued within 10 years of approval).

Limited Obligation Bonds (LOBS) are a type of publicly issued debt that is structured similarly to an installment financing agreement. LOBS do not require voter approval but must be approved by the Local Government Commission. Projects are currently being identified for the next LOBS issue. Based on debt capacity projections, we are planning to issue approximately \$50 million. The city will benefit from timing the borrowing when most of the spending will take place, thus the current estimated timeframe for the issuance is fiscal year 2024. Although we will not be borrowing the funds for some time, the city will be able to appropriate budget and spend on the designated projects in advance as needed.

**CityLink311**

Call 311 or 336-727-8000

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**City Council:** Mayor Allen Joines; Denise D. Adams, Mayor Pro Tempore, North Ward; Barbara Hanes Burke, Northeast Ward; Robert C. Clark, West Ward; John C. Larson, South Ward; Jeff MacIntosh, Northwest Ward; Kevin Mundy, Southwest Ward; Annette Scippio, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity