

City Council – Action Request Form

Date: May 13, 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 and Related Matters.

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain City's Financial Strength

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

As part of the FY 2023 budget, City Council approved a total of \$56,074,080 for various projects to be financed with Limited Obligation Bonds (LOBs). Many of these projects are well underway and some of these projects have already been completed. It is important to note that the City is not issuing debt for all the approved projects, only for projects that are expected to be complete in the next 18-30 months. The project listing has been attached as Exhibit B.

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	Finance Committee	Action	Approval
	05/13/2025		

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 \$44,000,000. 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 (attached as Exhibit A). At the May 19, 2025, City Council Meeting, City Council is also required to call for a public hearing to be held on June 2, 2025, at 6:00 pm.

Following the public hearing, the City Council will be asked to adopt the approving resolution on June 2, 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:

May 13	Finance Committee recommends initial resolution approval
May 19	City Council adopts initial resolution and calls for public hearing
May 20	Finance sends a notice of proposed debt issuance to the Joint Legislative Committee on Local Government
May 22	City Clerk publishes public hearing notice
June 2	City Council holds public hearing
June 2	City Council adopts the approving resolution
June 2	Finance submits application for debt to the LGC
July 1	LGC considers the City's request to issue debt at their monthly meeting
July 18	City receives credit ratings from Moody's and Standard and Poor's
July 23	Official Statement, which outlines the bond issuance for potential investors, is made available to the public
August 6	Bonds are sold publicly
August 20	Closing date; funds are received by the City