

CITY COUNCIL – ACTION REQUEST FORM

Date: June 5, 2017

To: The City Manager

From: Lisa M. Saunders, Chief Financial Officer

Council Action Requested:

Actions Regarding the Issuance of \$5,290,000 Two-Thirds General Obligation Bonds, Series 2017A, \$60,500,000 Tax Exempt General Obligation Bonds, Series 2017B, and \$4,500,000 Taxable General Obligation Bonds, Series 2017C of the City of Winston-Salem, North Carolina.

Summary of Information:

The following items complete the process for the City to issue \$5,290,000 Two-Thirds General Obligation Bonds, Series 2017A, \$60,500,000 Tax Exempt General Obligation Bonds, Series 2017B, and \$4,500,000 Taxable General Obligation Bonds, Series 2017C.

The issuance of \$60,500,000 Tax Exempt General Obligation Bond Series 2017B and \$4,500,000 Taxable General Obligation Bonds, Series 2017C, represents the second partial issuances of the \$139,200,000 General Obligation Bonds authorized in the 2014 General Obligation Bond Referendum.

The first action required is a public hearing to consider the bond orders introduced at the May 15, 2017 City Council meeting. After the public hearing, the Council will consider the bond orders. Approval of the bond orders and the accompanying resolution will enable the City, subject to additional approval by the Local Government Commission, to issue the bonds. Two-Thirds General Obligation Bonds, Series 2017A, Tax Exempt General Obligation Bonds, Series 2017B, and Taxable General Obligation Bonds, Series 2017C are scheduled to be sold by the Local Government Commission on June 20, 2017, through a competitive bid process.

- a. Public hearing on the following bond orders (public hearing should be opened and closed by action of the City Council):
 - 1. Bond Order Authorizing the Issuance of \$1,590,000 Public Improvement Bonds of the City of Winston-Salem, North Carolina;

Committee Action:

Committee

Action

For

Against

Remarks:

2. Bond Order Authorizing the Issuance of \$1,750,000 Park and Recreation Bonds of the City of Winston-Salem, North Carolina; and
3. Bond Order Authorizing the Issuance of \$1,950,000 Street and Sidewalk Bonds of the City of Winston-Salem, North Carolina.

b. Consideration of bond orders:

1. Bond Order Authorizing the Issuance of \$1,590,000 Public Improvement Bonds of the City of Winston-Salem, North Carolina;
2. Bond Order Authorizing the Issuance of \$1,750,000 Park and Recreation Bonds of the City of Winston-Salem, North Carolina; and
3. Bond Order Authorizing the Issuance of \$1,950,000 Street and Sidewalk Bonds of the City of Winston-Salem, North Carolina.

c. Consideration of the resolution:

1. Resolution of the City Council of the City of Winston-Salem, North Carolina, providing for the Issuance of \$5,290,000 Two-Thirds General Obligations Bonds, Series 2017A, \$60,500,000 Tax Exempt General Obligation Bonds, Series 2017B, and \$4,500,000 Taxable General Obligation Bonds, Series 2017C, of the City of Winston-Salem, North Carolina.

Item c-2 authorizes the issuance of the \$5,290,000 Two-Thirds General Obligation Bonds, Series 2017A and \$65,000,000 (Series 2017B and Series 2017C) representing the second partial issuances of the \$139,200,000 authorized by voters in the 2014 General Obligation Bond referendum.

After the \$65 million 2017 bonds are issued plus the \$54.7 million 2016 bonds, \$19.5 million will remain as authorized and unissued. The voter approved bonds are divided into Series 2017B tax exempt bonds and 2017C taxable bonds. This is necessary because Federal Statutes and Internal Revenue Service regulations limit tax exempt bonds for certain housing and economic development projects to not more than 5% of the total bonds issued.

A list of the projects and descriptions that will be funded by the Series 2017A Two-Thirds General Obligation Bonds is attached as Exhibit A. Attached as Exhibit B is the list of projects from the 2014 Bond Referendum and the amounts to be funded with Series 2017B & C General Obligation Bonds.

We recommend approval of each of the bond orders and the accompanying resolution.