

# BOARD OF ALDERMEN

ITEM NO. D(1)

## AGENDA ITEM ABSTRACT

MEETING DATE: October 2, 2007

**TITLE: A Request to Consider Re-issuing Bond Anticipation Notes Upon Expiration in the Amount of \$2,590,000**

<b>DEPARTMENT:</b> Management Services	<b>PUBLIC HEARING:</b> YES ____ NO <u>x</u>
<b>ATTACHMENTS:</b> A. Resolution	<b>FOR INFORMATION CONTACT:</b> L. Bingham Roenigk, Assistant Town Manager, 918-7439 George Seiz, Public Works Director, 918-7427

### PURPOSE:

The Board is requested to consider re-issuing bond anticipation notes (BANs) that are due to expire December 6, 2007 and approve a staff recommendation to renew the amount of BANs issued at the current amount of \$2,590,000 so that work on the sidewalk and greenway bond projects may continue in a timely fashion.

### INFORMATION

A referendum was held on November 4, 2003, whereby Carrboro voters authorized the issuance of up to \$4,600,000 of Town general obligation bonds for sidewalks and greenway trails. The Board approved a second round of bond anticipation notes totaling \$2,590,000 in February 2007 to provide continued funding for sidewalk projects in anticipation of the later issuance of a portion of the Bonds. These notes will expire December 6, 2007 allowing the Town an opportunity to re-issue the amount needed for upcoming projects. The administrative process handled by the Local Government Commission is such that the BANs will be put up for "sale" on November 20, with a closing on December 4<sup>th</sup>. Upon board approval on re-issuing the bond anticipation notes and with agreement on the amount to be borrowed, staff will submit a formal resolution for board approval on October 16, 2007. This resolution signifies that the Town will issue the Notes to provide preliminary financing for sidewalk and greenways projects in anticipation of the later issuance of a portion of the previously-authorized Bonds.

All work on Phase IA projects (10 projects) was completed in July of 2007. One NCDOT Sidewalk Enhancement project was completed this past summer by city forces and three others are currently under construction. Three Phase IB projects are under contract and work will be starting in October. Rolling over the BAN will provide a nine-month cash flow period for the following: funding for completion of the NCDOT Sidewalk Enhancement projects (3 projects), completion of three (3) Phase IB projects, purchase of right-way and easements for (Phase IB) sidewalk bond projects, finishing the design of the remaining Phase IB projects (8 projects), begin construction for five (5) Phase IB projects ( projects), and start the survey for the Roger's Rd. sidewalk project. It is anticipated that additional BANs will be issued in September 2008 for finishing the design of Roger's Road, construction of the remaining three (3) Phase IB projects and perhaps the start of construction for Roger's Road. The September 2008 BAN issue will be contingent upon the amount of anticipated work completed thru September 2008.

### FISCAL IMPACT:

The current BANs shall mature in December 2007 at an interest cost of approximately \$75,400 which is already budgeted. Actual interest cost associated with the upcoming BAN will not be known until November 20, 2007 when the Local Government Commission (LGC) receives sealed bids. Closing of the notes is scheduled for December 4th. Sufficient funds are available to pay for bond counsel fees and administrative fees incurred by the LGC. As project budgets are confirmed, a budget amendment will be presented at a later date to the Board before the year-end allocating BAN proceeds to projects as needed.

STAFF RECOMMENDATION

Approve resolution accepting the staff recommendation to re-issue the bond anticipation notes at the current amount, allowing the Town to borrow \$2,590,000 for an additional 9-month period.