

BOARD OF ALDERMEN

ITEM NO. C(4)

AGENDA ITEM ABSTRACT MEETING DATE: September 7, 2010

TITLE: A Request to Set a Public Hearing on Extension of General Obligation Bond Authority

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: Attachment A: Resolution to Set Public Hearing on Extending GO Bond Authority	FOR INFORMATION CONTACT: Arche L. McAdoo, 918-7439

PURPOSE

The purpose of this agenda item is to establish a date to hold a public hearing to extend the bond authorization for the sidewalk and greenways construction program. At the Town's request, the Local Government Commission is expected to approve (at its meeting on Sept. 7) an extension of this bond authority from November 4, 2010 to November 4, 2013, the maximum time permitted. The Board is required to hold a public hearing prior to taking action to extend this authority and is requested to set a public hearing for September 21, 2010.

INFORMATION

On November 4, 2003, Carrboro voters authorized the issuance of up to \$4,600,000 of General Obligation Bonds for capital costs to design and construct sidewalks and greenways trails. Authority to issue these bonds will expire on November 4, 2010. To date the Town has not issued any of the General Obligation Bonds. To provide funding for sidewalks and greenway trails, the Town has issued a number of bond anticipation notes with the anticipation of the later issuing General Obligation Bonds. Without an extension of the current expiration date for these bonds, the Town will either have to sell the bonds in the very near future, which is not consistent with the Town's financial and other plans for these projects, or allow some or all of the bond authority to expire.

On January 12, 2010 the Board directed staff to request an extension on the bond authorization for the sidewalk and greenways construction from seven years to ten years. At the request of the Town, the Local Government Commission is expected to approve an extension of this bond authority from November 4, 2010 to November 4, 2013, the maximum time permitted. Before the Board can approve the bond authority extension, the Board is required to hold a public hearing. Thus, the Board is being requested to hold a public hearing on September 21, 2010 to allow the public an opportunity to comment on extending the expiration date of bond authority from November 4, 2010 to November 4, 2013.

It should be noted that the Town currently has bond anticipation notes totaling \$2,590,000 that will mature on October 27, 2010. Staff anticipates bringing an agenda item to the Board on October 5, 2010 requesting approval to sell additional bond anticipation notes.

STAFF RECOMMENDATION

The Board of Aldermen is requested to approve the attached resolution to set a public hearing on September 21, 2010 to extend bond authorization expiration date to November 4, 2013.