

BOARD OF ALDERMEN

ITEM NO. C(5)

AGENDA ITEM ABSTRACT

MEETING DATE: March 20, 2012

TITLE: A Resolution for the Issuance of \$2,590,000 Sidewalk Bond Anticipation Notes

DEPARTMENT: Management Services	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution for the Issuance of \$2,590,000 Sidewalk Bond Anticipation Notes	FOR INFORMATION CONTACT: Arche L. McAdoo, Finance Director 918-7439

PURPOSE

To request authorization from the Board for the sale of \$2,590,000 in bond anticipation notes (BANs) to replace the existing BANs and provide additional funding for the design, construction, and implementation of sidewalk and greenway projects approved by voters in November 2003.

INFORMATION

On November 4, 2003 Carrboro voters authorized the issuance of up to \$4,600,000 General Obligation Bonds for capital costs to design and construct sidewalks and greenway trails. The authority to issue GO Bonds normally expires seven years after voter authorization, but may be extended by the Local Government Commission (LGC) to a maximum of ten years. In September 2010 at the request of the Town, the LGC approved an extension of this bond authority for the maximum ten year period with an expiration date of November 4, 2013.

To provide funding for the design and construction of sidewalks and greenways, the Town has issued a number of BANs with the expectation of issuing the General Obligations Bonds on or before November 4, 2013. In June 2011 the Board approved an eighth round of bond anticipation notes totaling \$2,590,000. These notes will expire April 18, 2012 at which time interest in the amount of \$12,598.19 will be due and payable. To continue preliminary financing for sidewalk and greenway projects, the current BANs will need to be renewed before the expiration date. The administrative process for issuing BANs is handled by the Local Government Commission with a sale to occur in early April and closing on or about April 18th.

Attached is a formal resolution that authorizes the sale of \$2,590,000 bond anticipation notes to continue financing for the design and construction of sidewalks and greenways. This resolution formally pledges the Town's taxing power to provide payment on the notes; approves the proposed form of the notes; states the Town's agreement to comply with the relevant provisions of federal tax laws; and authorizes the Town staff to complete the process of issuing the notes and approves the steps to that end previously taken. This resolution has been drafted by bond counsel and is in essentially the same form as similar resolutions used for prior BANs, and with other local governments in similar circumstances.

FISCAL IMPACT

The current BANs mature on April 18, 2012 with interest due in the amount of \$12,598.19 which is included in the current year's adopted budget. The costs of issuing the upcoming BANS in April are also

included in the current year's budget. Interest costs associated with the April 2012 BANs will not be known until the actual sale day, and will be included in the FY 2012-13 operating budget.

ADMINISTRATION'S RECOMMENDATION

Staff recommends that the Board approve the attached resolution for the issuance of \$2,590,000 in BANs to replace the existing notes to continue funding for the design and constructions of sidewalks and greenways.