

BOARD OF ALDERMEN

ITEM NO. C(4)

AGENDA ITEM ABSTRACT MEETING DATE: April 17, 2012

TITLE: Budget Ordinance Amendment - Bond Fund

DEPARTMENT: Management Services	PUBLIC HEARING: YES ___ NO <u>X</u>
ATTACHMENTS: A. Bond Fund Budget Amendment	FOR INFORMATION CONTACT: Arche L. McAdoo, Finance Director 918-7439

PURPOSE

To request Board approval of a budget amendment to increase the general obligation bond fund appropriation for sidewalk and greenway projects from \$2,590,000 to \$4,600,000.

INFORMATION

On November 4, 2003 Carrboro voters authorized the issuance of up to \$4,600,000 General Obligation Bonds to design and construct sidewalks and greenway trails. The Town has issued a number of bond anticipation notes to provide financing for the design and construction of these projects until permanent financing is in place. The most recent BAN expires on April 18, 2012 and will be renewed. 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. At the request of the Town in September 2010, the LGC granted an extension of this bond authority for the maximum ten year period with an expiration date of November 4, 2013.

On June 19, 2007 the Board appropriated bond funds totaling \$2,590,000 for expenditure on sidewalks and greenway trails. All ten of the projects in Phase I-A have been completed and five of the projects in Phase I-B have been completed. Based on preliminary design and cost estimates to complete the remainder of the sidewalk and greenway projects, the Town expects to have additional expenditures of \$1,941,000. This will increase total project spending to \$4,531,000 leaving a balance of \$259,243 which will be reserved for unanticipated expenses. Attached is a budget amendment for the Bond Fund showing the current budget and revised budget appropriations.

FISCAL IMPACT

There is no direct fiscal impact at this time, but once the permanent financing for the \$4.6 million general obligation debt is issued in 2013 the Town will have to cover the debt service costs.

ADMINISTRATION'S RECOMMENDATION

Staff recommends that the Board approve the attached budget amendment.