



STAFF REPORT AND FISCAL IMPACT NOTE

Ordinance: O-46-18

Title: Modification of Use of Unexpended Bond Proceeds

Date: November 21, 2018

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This ordinance reallocates \$5,018,047 of unspent bond proceeds and \$369,411 of unspent bond premiums and related investment earnings from capital projects that either are complete or not ready to move forward at this time to capital projects that are ready to move forward. Reallocating these bond proceeds, bond premiums, and investment earnings means the City does not need to sell additional general obligation bonds at this time. The reallocation does not change the budget for any project.

The projects the bond proceeds will be transferred from are:

- City Hall Renovations: \$130,181
- Parking Meter Replacements: \$5,625
- Energy Performance: \$1,382,241
- Maintenance Facilities: \$3,500,000

The projects to which the proceeds will be transferred on a “first come, first serve” basis until the proceeds are fully spent are:

- Citywide Radio Replacement
- Tucker Street Boat Ramp
- Traffic Signal Rehabilitation
- General Sidewalks
- Forest Drive Fire Station
- Water Distribution Rehabilitation
- Water Tank Rehabilitation
- Sewer Rehabilitation
- City Facilities Improvements

The City Hall Renovations, Parking Meter Replacements, and Energy Performance capital projects are complete, so reallocating the unspent bond proceeds has no impact on those projects.

The Maintenance Facility (Spa Road/Forest Drive) project is not yet ready to move forward. If it should move forward this fiscal year, which is unlikely, then the City would have to sell bonds at that time. If

the Council does not approve the reallocation of the bonds proceeds from this project, the City will have to sell bonds now for the nine recipient projects while continuing to “sit” on the bond proceeds on hand, risking noncompliance with IRS regulations and arbitrage penalties.

Also, after December 14, 2018, the cost of the radio replacements in the Citywide Radio Replacement project increases approximately \$75,000. Therefore, if the Council does not approve this reallocation, the City will have to sell bonds to make the radio purchases, and the City will lose the \$75,000 price advantage.

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