

City of Fayetteville Staff Review Form

2019-0454

Legistar File ID

9/3/2019

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul A. Becker

8/6/2019

Chief Financial Officer
Finance & Internal Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

2019 CITY SALES AND USE TAX BONDS:

A RESOLUTION TO APPROVE BUDGET ADJUSTMENTS IN THE AMOUNT OF \$134,588,625 TO APPROPRIATE PROCEEDS FROM THE 2019 CITY SALES AND USE TAX BONDS

Budget Impact:

VARIOUS	VARIOUS
Account Number	Fund
VARIOUS	VARIOUS
Project Number	Project Title
Budgeted Item? <u>NA</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>NA</u>	Item Cost \$ -
Budget Adjustment Attached? <u>Yes</u>	Budget Adjustment \$ 134,588,625.00
	Remaining Budget \$ 134,588,625.00

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF SEPTEMBER 3RD

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: August 16, 2019
SUBJECT: Council Appropriation of Phase One of the 2019 Sales Tax Bond Program

RECOMMENDATION:

On May 28, 2019 the City Council authorized the Mayor to issue up to \$142,670,000 in par value of bonds for phase one of the 2019 Sales Tax Bond Issue, which represents a portion of the bonds authorized by the voters of Fayetteville. A total of \$127,595,000 in par value of bonds were sold to provide the necessary funds to complete the projects identified in phase one of the bond issuance.

Bonds were offered on July 18, 2019 and purchase agreements were subsequently entered into on that date. The total proceeds generated from those sales were \$134,588,622, after deduction the cost of issuance of these bonds in the amount of \$842,661 and providing \$3,212,003 for the liquidation of outstanding debt service requirements for previously issued sales tax bonds. A total amount of \$130,533,958 was generated for project construction. The administration requests those amounts be appropriated as indicated on the attached budget amendment.

DISCUSSION:

The amounts appropriated by specific bond question were determined by first determining the amount generated on the par value sold by question and adding the premium generated by each question and subtracting the cost of issuance and underwriters discount, both of which were allocated based on the total amounts generated by each project question.

After transferring the amount of \$3,212,003 to the debt service fund to liquidate the outstanding sales tax bonds previously issued. The amounts generated for construction for each bond question were as follows:

Question Two Transportation Improvements	\$	36,037,589
Question Three Trail Improvements	\$	2,409,041
Question Four Drainage Improvements	\$	8,009,572
Question Five Park Improvements	\$	11,085,016
Question Six Economic Development	\$	3,147,323
Question Seven City Facilities Improvements	\$	504,415
Question Eight Construction of an Arts Corridor	\$	20,016,970
Question Nine Police Facilities Improvements	\$	38,801,126
Question Ten Firefighting Facilities Improvements	\$	10,522,906

BUDGET/STAFF IMPACT:

The approval of this resolution will appropriate the proceeds of the bond sale for phase one of the 2019 Sales Tax Bonds approved by the voters of Fayetteville.