



City of Fayetteville, Arkansas

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Fayetteville, AR 72701
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Legislation Text

File #: 2024-1672

Approval of a Budget Adjustment to Recognize Interest Revenue on the 2019 Phase I Bonds.

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$308,612.00 RECOGNIZING INTEREST REVENUE GENERATED FROM THE SALES & USE TAX CAPITAL IMPROVEMENT AND REFUNDING BONDS SERIES 2019

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution, recognizing revenue generated from interest paid on funds for the Sales & Use Tax Capital Improvement and Refunding Bonds Series 2019 in the amount of \$351,171.00.



MEETING OF FEBRUARY 6, 2024

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Kevin Springer, Budget Director
DATE:
SUBJECT: **Approval of a Budget Adjustment to Recognize Interest Revenue on the 2019 Phase I Bonds.**

RECOMMENDATION:

Staff recommends approval of a budget adjustment to recognize interest revenue earned on the 2019 Phase I Bonds.

BACKGROUND:

On April 9, 2019, the Citizens voted to authorize Sales Tax Bonds of up to \$226,065,000 for various purposes as specified in Ordinance 6126 approved by the City Council. Phase One of the bond improvements was approved at the June 4, 2019, City Council meeting which resulted in the final issuance of \$127,595,000 par value worth of bonds.

From the time of issuance, each bond earns interest revenue and when those additional funds are needed, a budget adjustment is prepared to recognize the interest earned. Currently, across all bond projects, a total of \$2,342,630.65 has been received in interest revenue earnings and \$1,991,446 was recognized, leaving \$351,171 in revenue to be recognized.

DISCUSSION:

This item is to recognize the interest paid to date on the Sales and Use Tax Capital Improvement and Refunding Bonds, Series 2019A/B so that the funds may be used on various bond project expenses.

BUDGET/STAFF IMPACT:

The requested budget adjustment will recognize \$351,171 in interest revenue.

2019 Bonds (Series 2019) - Interest Received vs Budgeted

FUND	Interest Already Recognized	Actuals	Interest Not Recognized	Budget Adjustment
4602 Street Projects 2019 Bonds	665,758	801,718.24	(135,960.24)	135,961
4603 Trails Projects 2019 Bonds	23,488	25,549.36	(2,061.36)	2,062
4604 Drainage Projects 2019 Bonds	130,635	200,864.24	(70,229.24)	70,230
4605 Parks Projects 2019 Bonds	92,128	98,874.10	(6,746.10)	6,747
4606 Economic Development 2019 Bonds	88,175	206,333.95	(118,158.95)	118,159
4607 City Facilities 2019 Bonds	4,808	6,139.06	(1,331.06)	1,332
4608 Arts Corridor 2019 Bonds	347,913	350,603.44	(2,690.44)	2,691
4609 Police Projects 2019 Bonds	494,428	501,628.14	(7,200.14)	7,201
4610 Fire Projects 2019 Bonds	144,133	150,920.12	(6,787.12)	6,788
Grand Total	1,991,466	2,342,630.65	(351,164.65)	351,171

ATTACHMENTS: SRF (#3), BA (#4)