



FINANCE DEPARTMENT

To: Mayor and Town Council

From: Betty Pamplin, Finance Director

Through: Harlan Jefferson, Town Manager
Robert B. Scott, Executive Director of Administrative Services

Re: Town Council Meeting – July 26, 2022

Agenda Item:

Consider adoption of a resolution directing publication of notice of intention to issue certificates of obligation for the purpose of funding costs associated with the construction of water and wastewater improvements in the Town. (BP)

Description of Agenda Item:

The attached resolution initiates the process of issuing certificates of obligation for the projects specified in Exhibit B.

The Town has historically sold debt through a competitive sale on the Tuesday morning of a Town Council meeting and then completed the sale with Town Council approval that evening. Due to the challenging circumstances in the current year (uncertain market conditions), it is recommended that Town Council pass an Ordinance on September 27, 2022, authorizing issuance of the certificates of obligation with delegated authority to the Town Manager, to complete final pricing of the debt. This method is commonly used in refunding debt issues or during uncertain market conditions. The ordinance would allow for delegation to the Town Manager that meets the following conditions:

- Issue the certificates through a competitive or negotiated sale
- for an amount not to exceed \$13,700,000
- at a maximum interest rate of 4.34%
- with a final maturity of August 15, 2042.

This would allow for the timing of the sale to match with favorable market conditions and to structure the debt based on certified values as they become available.

Budget Impact:

The debt service payments for the Certificates will be funded from the Water and Sewer Fund and the Stormwater Drainage Fund.

Chris Settle of McCall, Parkhurst and Horton, the Town's bond counsel, prepared the attached Resolution, and Terrence Welch of Brown & Hofmeister, L.L.P. has reviewed the resolution as to form and legality.

Attached Documents:

1. Resolution
2. Timeline (Exhibit A)
3. Use of Proceeds (Exhibit B)

Town Staff Recommendation:

Town staff recommends adoption of the resolution directing for publication of notice of intention to issue certificates of obligation for the purpose of funding costs associated with the construction of water and wastewater improvements in the Town

Proposed Motion:

I move to adopt the resolution directing publication of notice of intention to issue certificates of obligation for the purpose of funding costs associated with the construction of water and wastewater improvements in the Town.