



# **Town of Davidson General Obligation Bonds**

**April 26, 2016**

# From April 26, 2016 to Money in Hand...

- 1) Council decides what types of projects and for how much
- 2) Undertake the process set forth in the NC Statutes to get the referendum on the ballot
- 3) Inform voters
- 4) Voters have their say
- 5) If approved, issue bonds

# 1) For What and How Much?

## Examples of Bond Orders:

- \$5,500,000 of bonds to pay the costs of constructing, reconstructing, enlarging, extending and improving certain streets, including the cost of related studies, plans and design; acquiring, constructing, reconstructing, widening, extending, paving, resurfacing, grading or improving streets, roads and intersections; acquiring, constructing, reconstructing or improving sidewalks, curbs, gutters, drains, bridges, overpasses, underpasses and grade crossings and providing related landscaping, lighting and traffic controls, signals and markers; and the acquisition of land and rights-of-way in land required therefor;

# 1) For What and How Much? (cont.)

- \$5,000,000 of bonds to pay the costs of providing for the acquisition of land for parks and recreation purposes, the acquisition, renovation and construction of parks and recreation facilities, including the acquisition and renovation of historic properties to be used as recreational facilities, preservation of open space and development of greenways and trails.
- \$20,000,000 of bonds to provide funds to finance the capital costs of constructing, enlarging, extending and improving certain of the Town streets;
- \$12,000,000 of bonds to pay the costs of providing for the acquisition, renovation and construction of parks and recreation facilities, including the acquisition of land and equipment, rights-of-way and easements, if necessary.

# 1) For What and How Much? (cont.)

## Example of Ballot Question:

- “SHALL the order authorizing \$\_\_\_\_\_ of bonds secured by the pledge of the full faith and credit of the City of \_\_\_\_\_, North Carolina to provide funds to pay the capital costs of providing for the acquisition of land for parks and recreation purposes, the acquisition, renovation and construction of parks and recreation facilities, including the acquisition and renovation of historic properties to be used as recreational facilities, preservation of open space and development of greenways and trails, and a tax to be levied for the payment thereof be approved?”;

## 2) Undertake the Process

- Sequence of Board actions over the course of 3 meetings
  - Making certain findings and authorizing application to the LGC; introducing the bond orders (i.e. the bond questions); holding public hearing; adopt the bond orders; set the bond referendum
- Staff will make application to the LGC; publish notices in newspaper
- Need to get started in June to meet statutory and Board of Election timeline requirements

## 3) Inform

- Voter Education – describe types of projects and financial impact
  - Cannot spend Town money to advocate directly or indirectly, but can to inform the voters

## 4) Vote

- Election Day – need majority of those voting; each question stands on its own
- Board of Election and Town Board certifies the vote after the election

## 5) Issue Bonds

- Authorized for purposes and up to amount, but not required to issue; don't have to issue all at once
- Authorized for 7 years (extendable to 10)
- LGC is highly involved in bond issuance process; helps determine when (dovetailing construction process with need for funding) and how to issue the bonds (private sale vs. public sale)
- Bond Ratings
- Terms of the bonds – repayment schedule, interest rates
- LGC issues the bonds on behalf of the Town and money is available to fund projects





Parker Poe



Parker Poe