STAFF REPORT

Council Meeting Date: June 13, 2023

Subject: Technical Budget Amendment associated with the February 2023 refunding of the 2020 General Obligation (GO) Bond Anticipation Note.

Staff Resource(s): Tony McDowell, Finance Director

Actions Requested: Adoption of budget amendment in the amount of $25,286,496 in the City's Capital 2100 Fund (General Fund) to account for the refunding of debt.

Background:

- On November 8, 2016, Asheville voters approved a $74 million General Obligation (GO) Bond Referendum - $32 million for Transportation improvements, $25 million for Affordable Housing initiatives and $17 million for Parks and Recreation improvements.
- In association with this GO Bond Referendum, the City issued a three-year short-term General Obligation Bond Anticipation Note in an amount not to exceed $25,000,000 in June 2020.
- In December 2022, Council approved a Bond Order authorizing City staff to proceed with the issuance of long-term fixed rate General Obligation Refunding Bonds to pay off the 2020 General Obligation Bond Anticipation Note.
- The long-term fixed rate General Obligation Refunding Bonds were issued in February 2023.
- The funds generated from the issuance of the Refunding Bonds, which totaled $25,286,496, were used to pay off the existing Bond Anticipation Note and the costs associated with the debt issuance and thus do not represent additional money available for City use.
- Since long-term debt refundings are non-routine and difficult to accurately forecast ahead of time, the budget associated with these transactions is not included in the adopted annual budget.
- This technical amendment incorporates these appropriations into the budget in order to ensure that the General Fund does not exceed the approved annual budget in the City's annual financial reporting.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Amends the Fiscal Year (FY) 2022-23 Capital 2100 Fund (General Fund) budget in order to ensure statutory budgetary compliance.

Con(s):

- None

Fiscal Impact:

- There is no net fiscal impact from this technical budget amendment.
- It will amend the FY 2022-23 budget in the Capital 2100 Fund (General Fund) to reflect the receipt of refunding proceeds and the subsequent payment to pay off the prior debt issuance.

Suggested Motions:

- Motion to adopt a budget amendment in the amount of $25,286,496 in the City's Capital 2100 Fund (General Fund) to account for the refunding of debt.

Attachment(s)

- Budget Amendment

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2023 Budget Ordinance be amended to provide an appropriation of $25,286,496 to refund interim financing with long-term debt.

CAPITAL 2100 FUND (GENERAL FUND)

Revenues:

Proceeds of Debt	$25,286,496
Total Revenues	$25,286,496

Appropriations:

Payment to Defease Debt & Cost of Issuance	$25,286,496
Total Appropriations	$25,286,496

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 13th day of June, 2023.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney