THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: June 22, 2021

Subject: Technical Budget Amendment associated with the refunding of the 2018 Limited Obligation Bond Anticipation Note.

Staff Resource(s): Tony McDowelll, Finance and Management Services Director

Action Requested: Adoption of budget amendment in the amount of $35,403,247 in the City's General (2100) Fund to account for the refunding of debt.

Background:

- In May, 2018, Council authorized the issuance of a Limited Obligation Bond Anticipation Note (BAN) in an amount not to exceed $48 million.
- In March, 2021, Council approved resolutions authorizing City staff to proceed with the issuance of long-term fixed rate Limited Obligation (LOBs) and Special Obligation (SOBs) Refunding Bonds to pay off the existing amount utilized on the BAN.
- The funds generated from the issuance of the Refunding Bonds, which totaled $35.4 million, were used to pay off the existing bond anticipation note and so do not represent additional money available for City use.
- The Fiscal Year (FY) 2020-21 budget did not include appropriations reflecting the funds generated from the issuance of the Refunding Bonds.
- 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 FY 2020-21 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 2020-21 budget in the General (2100) Fund to reflect the receipt of refunding proceeds from the bank and the subsequent payment to bondholders to pay off the prior debt issuances.

Suggested Motion:

- Motion to adopt a budget amendment in the amount of $35,403,247 in the City's General (2100) Fund.

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 2021 Budget Ordinance be amended to provide an appropriation of $35,403,247 to refund interim financing with long-term debt.

GENERAL (2100) FUND

Revenues:

Proceeds of Debt	$35,403,247
Total Revenues	$35,403,247

Appropriations:

Payment to Defease Debt	$35,403,247
Total Appropriations	$35,403,247

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

Read, approved and adopted this 22nd day of June, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney