THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: March 9, 2021

Subject: 2021 Limited Obligation Refunding Bonds - Public Hearing

Staff Resource: Tony McDowell, Interim Director of Finance and Management Services

Action Requested: To hold a public hearing on the proposed issuance of 2021 Limited Obligation Refunding Bonds (LOBS)

Background:

- In May, 2018, Council authorized the issuance of a Limited Obligation Bond Anticipation Note in an amount not to exceed $48 million.
- Since that time, the City has drawn down $34.9 million on the loan.
- In order to refund the principal, the City intends to issue long-term, fixed-rate LOBS & Special Obligation (SOBS) Refunding Bonds in late April 2021.
- Projects funded with this debt issuance include TIGER VI construction in the River Arts District, Charlotte Street improvements, and the replacement of lighting at various parks facilities.
- The issuance of the LOBS Refunding Bonds requires a public hearing.

Council Goal:

- Financially Resilient City

Committee(s):

- None

Pro(s):

- Converts Limited Obligation short-term variable-rate debt to Limited Obligation and Special Obligation long-term, fixed-rate refunding bonds.
- Spreads capital costs over a longer term to better match assets' lives.

Con(s):

- None

Fiscal Impact:

- Annual debt service payments will increase because long-term fixed rates are higher than short-term variable rate debt. This increase is included in the City's long-range financial model for issuing and paying-off debt. The final amounts of the new debt service payments will be determined on the bond sale date.

Suggested Motion:

- None - Action is to hold a public hearing for the LOBS Refunding bonds

Attachment(s):

- 2021 Limited Obligation and Special Obligation Refunding Bonds - Activity Calendar

2021 Limited Obligation (LOBS) & Special Obligation (SOBS) Refunding Bonds - Activity Calendar

February 23, 2021:	Council adopts Initial Resolution for LOBS Refunding Bonds Council adopts call for public hearing on LOBS Refunding Bonds Council adopts Initial Resolution for SOBS Refunding Bonds
March 09, 2021:	**Council holds public hearing on LOBS Refunding Bonds**
March 23, 2021:	Council adopts Approving Resolution for LOBS Refunding Bonds Council adopts Bond Order for SOBS Refunding Bonds Council adopts Bond Resolution for SOBS Refunding Bonds
April 13, 2021:	Local Government Commission approval
April 15, 2021:	LOBS & SOBS Refunding Bonds - sale
April 29, 2021:	LOBS & SOBS Refunding Bonds - close