

City of Fayetteville Staff Review Form

2019-0307

Legistar File ID

6/4/2019

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul A. Becker

5/14/2019

Chief Financial Officer
Finance & Internal Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

CITY SALES AND USE TAX BONDS:

ISSUANCE AND SALE OF NOT TO EXCEED \$142,670,000 OF BY THE CITY OF SALES AND USE TAX REFUNDING BONDS AND SALES AND USE TAX CAPITAL IMPROVEMENT BONDS, SERIES 2019 FOR VARIOUS PURPOSES.

Budget Impact:

VARIOUS	VARIOUS
Account Number	Fund
VARIOUS	VARIOUS
Project Number	Project Title
Budgeted Item? NA	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? NA	Item Cost \$ -
Budget Adjustment Attached? NA	Budget Adjustment \$ -
	Remaining Budget \$ -

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF JUNE 4, 2019

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: May 28, 2019
SUBJECT: Council Authorization of Phase One of the 2019 Sales Tax Bond Program

RECOMMENDATION:

This request is for the City to Issue up to \$142,670,000 in bonds for the 2019 phase one of the Sales Tax Bond Issue which represents a portion of the bonds authorized by the voters of Fayetteville.

DISCUSSION:

On April 9, 2019, the Citizens voted to authorize Sales Tax Bonds of up to \$226,065,000 for various purposes as specified in Ordinance 6126 approved by the City Council . However, since the funds generated by the nontaxable bonds must be spent in 3 years, this request represents the initial issuance phase. This request is for up to \$142,670,000 to insure the issue will generate at least \$134,612,000. This will allow for maximum flexibility to adjust to interest rates in effect at the time and make decisions regarding the purchase of a surety bond or actually using bond proceeds to meet the reserve requirements, and to determine cost effectiveness of bond insurance and having the bonds rated.

Amounts anticipated to actually spend per question are as follows:

Question One	Refinancing of the current bonds	\$	6,000,000
Question Two	Transportation Improvements	\$	36,000,000
Question Three	Trail Improvements	\$	2,400,000
Question Four	Drainage Improvements	\$	8,000,000
Question Five	Park Improvements	\$	11,069,000
Question Six	Economic Development	\$	3,170,000
Question Seven	City Facilities Improvements	\$	500,000
Question Eight	Construction of an Arts Corridor	\$	20,000,000
Question Nine	Police Facilities Improvements	\$	36,965,000
Question Ten	Firefighting Facilities Improvements	\$	10,508,000
		\$	134,612,000

BUDGET/STAFF IMPACT:

The approval of this ordinance will allow the City to sell bonds to generate the funding for at least \$134,612,000 projects to be completed in Fayetteville. The bond issue will be paid off from the proceeds of a one cent sales tax as approved by the voters for the purposes specified in the 10 questions presented to the voters on the election ballot.