



## Colonial Heights City Council Meeting Agenda Item Executive Summary

### City Council Meeting

**MEETING TYPE:** City Council Regular Meeting

**MEETING DATE:** February 8, 2022

**ITEM:** Discussion Regarding Debt Financing/Re-Financing

**DEPARTMENT:** City Manager/Finance

**PROPOSED ACTION:** Discussion with staff and Council and direction regarding debt financing

**BACKGROUND:** The FY 21-22 budget anticipated the issuance of \$1.78 million in debt for multiple projects:

- Security Upgrades (\$1 million)
- Water and Sewer Projects (main pump station valve and Hill Place sewer replacement) (\$400,000)
- Shepherd Stadium improvements (turf renovation) (\$140,000)
- Balance of funding for Fire Unit #941 (\$240,000)

Council adopted Resolution No. 21-29 in August 2021 declaring intent to reimburse certain expenditures with bond proceeds (up to \$1.9 million).

At the November 9, 2021 meeting, City Council supported providing direction to staff to move forward with approximately \$2.2 million in funding in next year's CIP for the High School Administration/Guidance project and an additional project to-be-determined by the School Board. For the second project, the School Board prioritized the Fine Arts renovations. The High School Administration and Finance Arts projects result in a City share of \$2,188,088.

The City has the opportunity for refinancing 2012 and 2018 debt during this fiscal year and the opportunity to front-load savings from the refinancing to help offset some of the costs of borrowing for the City projects and the City share of the school projects (see attached chart) for a number of years. A large annual debt payment for other debt also ends in 2027. Kevin Rotty from PFM (financial advisor) will be available at the meeting to provide information and answer questions.

### **BUDGET/FINANCIAL IMPACT:**

**Funding for this item was:**  included  not included in the current-year budget  N/A

**RECOMMENDATION:** Staff recommends proceeding with a debt refinancing process including issuance of new debt for approximately \$3.97 million in City and school projects (City share).

**ATTACHMENTS:** Debt Financing Charts

- Staff will be making a detailed presentation on this agenda item at the meeting.
- Staff will provide brief comments and answer questions on this item at the meeting.
- This is a routine procedural item and no presentation is planned for the meeting.

*Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.*