



Colonial Heights City Council Meeting Agenda Item Executive Summary

City Council Meeting

MEETING TYPE: City Council Regular Meeting

MEETING DATE: March 8, 2022

ITEM: A RESOLUTION NO. 22-8

A Resolution Of The City Council Of The City Of Colonial Heights, Virginia Authorizing The Issuance Of General Obligation Public Improvement And Refunding Bonds, Series 2022

DEPARTMENT: City Manager/Finance

PROPOSED ACTION: Approval of Resolution No. 22-8

BACKGROUND:

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 City projects and the City share of school projects for a number of years. A large annual debt payment for other debt also ends in 2027.

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 attached February 3 Debt Financing Charts show the previous calculated cost of borrowing close to \$4 million for the projects above. Resolution No. 22-8 provides for Council authorization to issue General Obligation public improvement and refunding bonds, with borrowing for a maximum of \$6 million (see March 3 Debt Financing Chart). Staff will review options with Council for utilizing the additional debt funding. The City can still decide to issue less than the maximum amount of \$6 million in new money debt.

BUDGET/FINANCIAL IMPACT:

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

The current Fiscal Year's budget anticipated a smaller debt issuance, but not the full amount of up to \$6 million.

RECOMMENDATION: Staff recommends approval of Resolution No. 22-8.

ATTACHMENTS: Resolution No. 22-8; Debt Financing Charts – February 3, 2022; Debt Financing Chart – March 2, 2002.

- 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.