

## **Gaston County**

Gaston County Board of Commissioners www.gastongov.com

# Financial and Management Services - Finance

### **Board Action**

File #: 25-187

Commissioner Hovis - Financial and Management Services - Finance - To Appropriate \$179,500,000 in Bond Proceeds, \$11,112,396.25 in Bond Premium for the General Obligation Bonds for the Schools, and Appropriate \$80,000,000 From the Bond Proceeds in Refunding to Make the Principal Payment on the 2023 Bond Anticipation Notes

#### STAFF CONTACT

Kyle Sutherland - Finance - 704-866-3130

#### **BUDGET IMPACT**

Community Investment Fund: Increase bond proceeds and bond premium revenue \$190,612,396.25 and increase transfers out by \$190,612,396.25

Education Debt Service Fund: Increase transfers in \$80,397,450 and increase debt service expenditures \$80,397,450

Education Capital Fund: Increase transfers in \$110,214,946.25 and increase bond expenditure accounts \$110,214,946.25

#### **BACKGROUND**

On April, 8, 2025 Gaston County sold \$179,500,000 of General Obligation School Bonds. The bonds sold at a premium of \$11,112,396.25. The bonds are comprised of \$110,000,000 in new funding for Gaston County Schools and \$80,000,000 refunding of the 2023 Bond Anticipation Notes (BANs). The refunding of the 2023 BANs covers the maturity of the principal, due May 1, 2025.

The issuance will close on April 30, 2025 and the true interest cost for these bonds is 4.0033%. The proceeds will be used for various Gaston County Schools capital projects. This is the final issuance of the 2018 School Bond Referendum that was not to exceed \$250,000,000.

The attached Budget Change Request (BCR) recognizes the proceeds, the bond premium, sets up the budget for the expenditures, and sets up the budget to repay the principal on the 2023 BANs.

The debt payment frequency is semiannual with the first payment due September 1, 2025. The FY2026 debt payments will be included in the FY2026 recommended budget as is required by G.S. 159-13(b)(1).

#### POLICY IMPACT

N/A

#### <u>ATTACHMENTS</u>

Budget Change Request (BCR)

DO NOT TYPE BELOW THIS LINE

	. Buff, Clerk t he Board of C					ereby ce		abov	e is a	true and correct copy of action
NO.	DATE	M1	M2	JBailey	CBrown	CClonin	nger AFraley	вн	oviš	TKeigher SShehan Vote
2025-118	04/22/2025	вн	SS	Α	А	Α	AB	Α	N.	AB A U
DISTRIBU Laserfiche									*- <sub>1</sub>	The state of the s

1 1 W 3

The American Street Control of the C

	GASTON COUNTY	<u>Martinia de de la ciencia de proposicio de la composició de la composició</u>
1	BUDGET CHANGE REQUEST (BCR)	
то:	Matthew Rhoten, County Manager	
FROM:	FIN Financial & Management Services	]
THOM:	Dept. Code Department Name	j
	Kyle Sutherland 4/9/24	]
	Department Director Date	]
	Line-Item Transfer Within Department & Fund Project Transfer Within Department & Fund Line-Item Transfer Between Departments Line-Item Transfer Between Funds*  Additional Appropriation of Funds*  *Requires resolution by the Board of Commissioners	
ACCOUNT DESCRIPTION	ACCOUNT NUMBER	AMOUNT**
As it appears in Munis Ex. Employee Training	Fund-Dept-Div-SubDiv-Prog-SubProg-Future-Obj-Proj XXXX-XXX-XXX-XXXXX-XXXXXX-XXXXXX-XXXXXX	Ex. (\$5,000.00) Ex. \$5,000.00
Debt Financing (Bond) Proceeds	4000-000-000-0000-GOBond-Sch2025-0000-03-470001-P2514	\$ (179,500,000.00)
Bond Premium	4000-000-000-0000-GOBond-Sch2025-0000-03-470002-P2514	\$ (11,112,396.25)
Transfer to Education Debt Svc	4000-NDP-000-00000-TrfxTo-0000000-0000-98-583005-	\$ 80,397,450.00
Transfer to Education Capital	4000-NDP-000-00000-TrfxTo-0000000-0000-98-584010-	\$ 110,214,946.25
Transfers from CIF	3005-NDP-000-00000-TrfxFr-0000000-0000-98-484000-	\$ (80,397,450.00)
ProfSvcs: GO Bonds Series 2025	3005-000-000-00000-GOBond-Sch2025-0000-03-530010-P2514	\$ 397,450.00
Principal Payments	3005-000-000-00000-GOBANs-Sch2023-0000-03-550001-P2409	\$ 80,000,000.00
Transfers from CIF	4010-NDP-000-00000-TrfxFr-0000000-0000-98-484000-	\$ (110,214,946.25)
EducBond: GO Bonds Series 2025	4010-000-000-00000-GOBond-Sch2025-0000-03-540100-P2514	\$ 110,000,000.00
Contingency Funds: GOBonds2025	4010-000-000-00000-GOBond-Sch2025-0000-03-549999-P2514	\$ 214,946.25
between funds require inter-fund transfer accounts.	ints require brackets. Increases in expenditures and decreases in revenue do not require bracket	ss. Please note that transfers
JUSTIFICATION FOR REQUEST:  To Appropriate \$179.500.000 in Bond Proceeds	, \$11,112,396.25 in Bond Premium for the General Obligation Bonds	for the Schools, and
	reeds in Refunding to Make the Principal Payment on the 2023 Bond	