



Gaston County

Gaston County
Board of Commissioners
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Finance Board Action

File #: 17-458

Commissioner Keigher - Finance - To Approve Budget Change Request to Recognize \$59,182,000 General Obligation Refunding Bonds, Series 2017 Proceeds

STAFF CONTACT

Tonya Frye - Finance Director - 704-866-3032

BUDGET IMPACT

The issuance cost incurred for these bonds will be paid from the proceeds of the bonds. An upfront equity contribution will be funded by an appropriation of fund balance. The initial bond payment is due August 1, 2018 and debt payments for all future years will be budgeted during the budget process.

BUDGET ORDINANCE IMPACT

None - all activity impacts the School Debt Service Fund.

BACKGROUND

On November 28, 2017 the Board of Commissioners approved the issuance of General Obligation Refunding Bonds, Series 2017. On December 15, 2017, Gaston County will issue General Obligation Refunding Bonds in the amount of \$59,182,000. The true interest cost for these bonds is 2.534%. These proceeds with a \$2,743,292 equity contribution will be used to purchase U.S. Treasury State and Local Government Series (SLGS) securities. These securities will allow the County to advance refund the 2009 B Bonds to achieve \$3,388,564 in debt service savings.

\$1,613,701 of the \$2,743,292 was budgeted in the fiscal year 2017-2018 budget for debt service and therefore does not require an appropriation.

POLICY IMPACT

N/A

ATTACHMENTS

Budget Change Request

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

| NO. | DATE | M1 | M2 | Brown | Fraley | Grant | Hovis | Keigher | Phillbeck | Worley | Vote |
|----------|------------|----|----|-------|--------|-------|-------|---------|-----------|--------|------|
| 2017-298 | 12/12/2017 | TP | DG | A | A | A | A | A | A | A | U |

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A=AYE, N=NAY, AB=ABSENT, ABS=ABSTAIN, U=UNANIMOUS

GASTON COUNTY BUDGET CHANGE REQUEST

TO: Earl Mathers COUNTY MANAGER

FROM: 4130 Finance
Dept. # Department Name

Tonya Frye
Department Director's Name Date

TYPE OF REQUEST:

☐ Line Item Transfer Within Department & Fund

☐ Line Item Transfer Between Funds *

☐ Project Transfer Within Department & Fund

☒ Additional Appropriation of Funds *

☐ Line Item Transfer Between Departments*

* Requires resolution by the Board of Commissioners

| ACCOUNT DESCRIPTION (As it appears in the budget) | ACCOUNT NUMBER | AMOUNT |
|--|--|--------------------|
| | Fund - Function - Dept - Division - Object - Project | Whole Dollars Only |
| | xxx - xx - xxxx - xxxx - xxxxx - xxxxxx | (See Note Below) |
| Fund Balance Appropriated | 031-99-9900-0000-490000- | (1,129,591) |
| Payment to Escrow Agent | 031-03-5911-0000-550038-18140 | 1,129,591 |
| Issuance Cost | 031-03-5911-0000-530010-18140 | 200,077 |
| Payment to Escrow Agent | 031-03-5911-0000-550038-18140 | 58,981,923 |
| Refunding School Bond Proceeds, 2017 | 031-03-5911-0000-416005-18140 | (59,182,000) |

JUSTIFICATION FOR REQUEST:

This budget change request recognizes bond proceeds and related expenditures for the issuance of the \$59,182,000 General Obligation Refunding Bonds, Series 2017. By issuing these bonds, the County will recognize a savings of \$3,388,564 over ten years. The fund balance appropriated represents an upfront contribution from the County needed to complete this issuance, and the County expects to replenish this by February 2019.

Note: Decreases in expenditures & increases in revenue accounts require brackets. Increases in expenditures & decreases in revenue do not require brackets. Please note that transfers between funds require interfund transfer accounts.