



Board Action Report

File #: 17-435, **Version:** 1

Commissioner Keigher - Finance - To Appropriate \$6,000,000 in G.O. School Bond Proceeds

STAFF CONTACT

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BUDGET IMPACT

The initial bond payment in the amount of \$45,215 is due 2/01/18 and consists of only interest. The payment will be funded by an appropriation of fund balance as it was not budgeted during the fiscal year 2018 budget process. There were also issuance costs incurred for the bonds. Those expenses will be paid from the proceeds of the bonds. Debt payments for all future years will be budgeted during the budget process.

BUDGET ORDINANCE IMPACT

Increase Capital fund budget by \$6,000,000 and increase School Debt Service fund by \$45,215.

BACKGROUND

On September 18, 2017, Gaston County sold \$6,000,000 of General Obligation Bonds. The proceeds will be used for the acquisition of the land and design for a middle school on South Point Road in Belmont that will replace the current Belmont Middle School. The true interest cost for these bonds was 2.103%. The issuance closed on September 22, 2017. The attached Budget Change Request is recognizing the proceeds and setting up the budget for the expenditures including the appropriation of \$45,215 out of fund balance for the initial debt payment due on 2/01/18.

The Budget Change Request is also returning to fund balance the \$4,000,000 that was advanced to the schools as a loan for the acquisition of the land where the school is to be constructed (Res #2017-164). The county has been reimbursed for the expenditure out of the proceeds and the loan has been settled.

POLICY IMPACT

N/A

ATTACHMENTS

Budget Change Request