

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 22, 2016

**Action Agenda
Item No.** 7-b

SUBJECT: Introduction of Bond Orders and Scheduling of Bond Order Public Hearing in
Preparation for Planned November 2016 Bond Referendum

DEPARTMENT: Finance and Administrative
Services

ATTACHMENT(S):

- Attachment 1. Proposed Bond Orders for Introduction
 - Attachment 2. Copy of Notices of Public Hearing
 - Attachment 3. Resolution Setting Public Hearing and Authorizing Filing of Debt Statement
 - Attachment 4. Bond Election Calendar
 - Attachment 5: Orange County Schools Resolution of Support for School Bond Referendum
 - Attachment 6: Chapel Hill Carrboro City Schools Resolution of Support for School Bond Referendum
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INFORMATION CONTACT:

Gary Donaldson, (919) 245-2453
Bob Jessup, (919) 933-9891
Paul Laughton, (919) 245-2152

PURPOSE: To:

- 1) Introduce two bond orders which state the Board of County Commissioners proposal to issue General Obligation Bonds to pay capital costs for providing school facilities and for housing for persons with low and moderate income.
 - The first bond order introduction authorizes the issuance of General Obligation Bonds in an amount not to exceed \$120 million to support school facilities.
 - The second bond order introduction authorizes issuance of General Obligation Bonds in an amount not to exceed \$5 million for housing for persons with low and moderate income.
- 2) Adopt a resolution authorizing a public hearing on each bond order for April 19, 2016 at 7pm at the County's Southern Human Services Center, 2501 Homestead Road, Chapel Hill, NC.

BACKGROUND: The Board of County Commissioners adopted a resolution on October 6, 2015 for the County to issue up to \$120 million for Schools and up to \$5 million for Affordable Housing. The Board made a determination to proceed with a referendum on November 8, 2016 seeking voter approval/authorization to issue County General Obligation Bonds in an amount not to exceed \$125 million.

The next steps in the bond authorization process will be for the Board to hold a public hearing. The public hearing is currently scheduled for the April 19 Board meeting. Following the public hearing the Board will be asked to take final action to approve the Bond Orders, and then consider a resolution formally calling for the November bond referendum and approving the ballot questions. It should be noted that the Board established the maximum amounts of each bond order by resolution on October 6, 2015, and the Board cannot consider increasing the amounts of the bond orders as part of this process/action or as part of the proposed April 19th public hearing.

FINANCIAL IMPACT: There is no financial impact related to this action. However, there will be a financial impact if the referendum is approved. The tax rate equivalent for the estimated highest debt service payment is expected to range from 3.70 cents up to 5.83 cents per \$100 of assessed valuation. The projected debt service conforms to the County's debt policies and debt affordability analysis which was completed by the County's financial advisors.

SOCIAL JUSTICE IMPACT: There is no Orange County Social Justice Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends that the Board introduce the bond orders and approve the resolution setting the public hearing on the bond orders for April 19, 2016.

Attachment 1

Proposed bond orders for introduction**BOND ORDER AUTHORIZING THE ISSUANCE OF ORANGE COUNTY GENERAL
OBLIGATION SCHOOL BONDS IN THE MAXIMUM AMOUNT OF \$120,000,000,
SUBJECT TO VOTER APPROVAL****WHEREAS --**

The Board of Commissioners of Orange County, North Carolina, has stated its proposal to issue general obligation bonds to pay capital costs of providing school facilities.

The County has applied to the North Carolina Local Government Commission for its approval of such bonds, and the Commission has accepted the County's application.

BE IT ORDERED by the Board of Commissioners of Orange County, North Carolina, as follows:

1. There are hereby ordered to be issued general obligation school bonds of the County to pay capital costs of providing school facilities, together with related financing and other necessary or incidental costs.
2. The maximum aggregate principal amount of the bonds issued for such purpose will be \$120,000,000.
3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued.
4. A sworn statement of debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is open to public inspection.
5. This Bond Order will take effect when approved by the County's voters in the manner provided by law.

**BOND ORDER AUTHORIZING THE ISSUANCE OF ORANGE COUNTY GENERAL
OBLIGATION BONDS FOR HOUSING FOR PERSONS OF LOW AND MODERATE
INCOME IN THE MAXIMUM AMOUNT OF \$5,000,000, SUBJECT TO VOTER
APPROVAL**

WHEREAS --

The Board of Commissioners of Orange County, North Carolina has stated its proposal to issue general obligation bonds to pay capital costs of providing housing for persons of low and moderate income.

The County has applied to the North Carolina Local Government Commission for its approval of such bonds, and the Commission has accepted the County's application.

BE IT ORDERED by the Board of Commissioners of Orange County, North Carolina, as follows:

1. There are hereby ordered to be issued general obligation bonds of the County to pay capital costs of providing housing for persons of low and moderate income, together with related financing and other necessary or incidental costs.
2. The maximum aggregate principal amount of the bonds issued for such purpose will be \$5,000,000.
3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued.
4. A sworn statement of debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is open to public inspection.
5. This Bond Order will take effect when approved by the County's voters in the manner provided by law.

**Hearing notices to publish --
each notice is two pages, and there are two separate notices to publish**

**Orange County, North Carolina --
Notice of Public Hearing -- School Bonds**

The Orange County Board of Commissioners has called for a public hearing at 7:00 on April 19, 2016, related to the following bond order. Further information regarding the hearing appears at the end of this notice.

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**BOND ORDER AUTHORIZING THE ISSUANCE OF ORANGE COUNTY GENERAL
OBLIGATION SCHOOL BONDS IN THE MAXIMUM AMOUNT OF \$120,000,000,
SUBJECT TO VOTER APPROVAL**

WHEREAS --

The Board of Commissioners of Orange County, North Carolina, has stated its proposal to issue general obligation bonds to pay capital costs of providing school facilities.

The County has applied to the North Carolina Local Government Commission for its approval of such bonds, and the Commission has accepted the County's application.

BE IT ORDERED by the Board of Commissioners of Orange County, North Carolina, as follows:

1. There are hereby ordered to be issued general obligation school bonds of the County to pay capital costs of providing school facilities, together with related financing and other necessary or incidental costs.
2. The maximum aggregate principal amount of the bonds issued for such purpose will be \$120,000,000.

3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued.

4. A sworn statement of debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is open to public inspection.

5. This Bond Order will take effect when approved by the County's voters in the manner provided by law.

* * * * *

The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of Orange County, North Carolina, to be [at least] \$_____ and the net debt thereof, including the proposed bonds, to be [not more than] \$_____. The Orange County finance officer has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$63,000,000. The estimate is preliminary, is for general informational purposes only, and may differ from the actual interest paid on the bonds. A tax may be levied to pay the principal of and interest on the bonds if they are issued.

Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at 7:00 p.m. (or as soon thereafter as the matter may be heard) on April 19, 2016, in in the Board's regular meeting room in the County's Southern Human Services Center, 2501 Homestead Road, Chapel Hill, North Carolina.

Persons wishing to make written comments in advance of the hearing or wishing more information concerning the subject of the hearing may contact Gary Donaldson, Orange County Finance Officer, Finance Officer, Post Office Box 8181, Hillsborough, NC 27278 (telephone 919/245-2453, email gdonaldson@orangecountync.gov).

By order of the Board of Commissioners.

Donna S. Baker
Clerk, Board of Commissioners
Orange County, North Carolina

Orange County, North Carolina --
Notice of Public Hearing -- Low and Moderate Income Housing Bonds

The Orange County Board of Commissioners has called for a public hearing at 7:00 on April 19, 2016, related to the following bond order. Further information regarding the hearing appears at the end of this notice.

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**BOND ORDER AUTHORIZING THE ISSUANCE OF ORANGE COUNTY GENERAL
OBLIGATION BONDS FOR HOUSING FOR PERSONS OF LOW AND MODERATE
INCOME IN THE MAXIMUM AMOUNT OF \$5,000,000, SUBJECT TO VOTER
APPROVAL**

WHEREAS --

The Board of Commissioners of Orange County, North Carolina has stated its proposal to issue general obligation bonds to pay capital costs of providing housing for persons of low and moderate income.

The County has applied to the North Carolina Local Government Commission for its approval of such bonds, and the Commission has accepted the County's application.

BE IT ORDERED by the Board of Commissioners of Orange County, North Carolina, as follows:

1. There are hereby ordered to be issued general obligation bonds of the County to pay capital costs of providing housing for persons of low and moderate income, together with related financing and other necessary or incidental costs.
2. The maximum aggregate principal amount of the bonds issued for such purpose will be \$5,000,000.

3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued.

4. A sworn statement of debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is open to public inspection.

5. This Bond Order will take effect when approved by the County's voters in the manner provided by law.

* * * * *

The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of Orange County, North Carolina, to be [at least] \$_____ and the net debt thereof, including the proposed bonds, to be [not more than] \$_____. The Orange County finance officer has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$2,625,000. The estimate is preliminary, is for general informational purposes only, and may differ from the actual interest paid on the bonds. A tax may be levied to pay the principal of and interest on the bonds if they are issued.

Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at 7:00 p.m. (or as soon thereafter as the matter may be heard) on April 19, 2016, in in the Board's regular meeting room in the County's Southern Human Services Center, 2501 Homestead Road, Chapel Hill, North Carolina.

Persons wishing to make written comments in advance of the hearing or wishing more information concerning the subject of the hearing may contact Gary Donaldson, Orange County Finance Officer, Finance Officer, Post Office Box 8181, Hillsborough, NC 27278 (telephone 919/245-2453, email gdonaldson@orangecountync.gov).

By order of the Board of Commissioners.

Donna S. Baker
Clerk, Board of Commissioners
Orange County, North Carolina

**Resolution setting public hearing and
authorizing filing of debt statement**

WHEREAS, there have been introduced at this meeting bond orders entitled as follows:

**BOND ORDER AUTHORIZING THE ISSUANCE OF ORANGE COUNTY GENERAL
OBLIGATION SCHOOL BONDS IN THE MAXIMUM AMOUNT OF
\$120,000,000, SUBJECT TO VOTER APPROVAL**

**BOND ORDER AUTHORIZING THE ISSUANCE OF ORANGE COUNTY GENERAL
OBLIGATION BONDS FOR HOUSING FOR PERSONS OF LOW AND MODERATE
INCOME IN THE MAXIMUM AMOUNT OF \$5,000,000, SUBJECT TO VOTER
APPROVAL**

AND WHEREAS, Section 159-57 of the General Statutes requires that a public hearing be held on each bond order prior to its adoption, Section 159-56 of the General Statutes requires publication of a notice of the hearing, and Section 159-55 of the General Statutes requires the filing of a statement of the County's debt with the Clerk to the Board prior to the public hearing;

BE IT THEREFORE RESOLVED by the Board of Commissioners of Orange County, North Carolina, (1) that a public hearing on each bond order will be held at 7:00 p.m. (or as soon thereafter as the matter may be heard) on April 19, 2016, in the Board's regular meeting room in the County's Southern Human Services Center, 2501 Homestead Road, Chapel Hill, North Carolina, and (2) that the Clerk to this Board is directed to publish a notice of each public hearing, in the form provided for in Section 159-56 of the General Statutes, one time, not less than six days prior to the hearing date, in a newspaper having general circulation in the County;

AND BE IT FURTHER RESOLVED that the County's Finance Officer is directed to prepare and file, prior to the publication of the notice of public hearing, a sworn statement of the County's net debt in the form prescribed by statute.

Orange County -- Proposed Timetable for November
2016 Bond Referendum
Abbreviated to reflect County and School Board
Actions Only

	<u>Event</u>	<u>Date</u>	<u>Further description/responsibility</u>
1.	Board adopts preliminary resolution explaining purpose for referendum, stating purposes and maximum amounts of bonds to be considered.	[Done – by BOCC at Oct. 6, 2015 meeting]	
2.	Notice of Intent to File Application with Local Government Commission Advertisement to be Published in Sunday Local Newspaper	Sunday-February 21, 2016	Bond Counsel has provided the Notice D Baker to submit Notice to Local Newspaper
3.	School Boards to adopt resolutions requesting bond referendum	Mid-March 2016	School boards to act by mid-March – prior to County Board's March 22 meeting.
4.	County Board introduces bond orders and schedules public hearing	BOCC meeting of March 22, 2016	Meeting is at Southern Human Services Center, Chapel Hill. Bond counsel RMJ will provide these draft documents by 3/1

5.	Publish notice of public hearing	By March 27, 2016	RMJ will provide the form of notice to G Donaldson and D Baker on or about 3/1; for D Baker to coordinate the publication
6.	Hold public hearing; adopt bond orders; formally set ballot questions and referendum date	BOCC meeting – April 19, 2016	Meeting is at Southern Human Services Center, Chapel Hill. RMJ will provide these draft documents on or before 3/29
7.	Publish bond order as adopted	By May 15, 2016	G Donaldson and D Baker
8.	Absentee ballots to be available	By September 19, 2016	Entirely a Board of Elections function
9.	Publish notice of referendum	By September 30; and then again by October 7, 2016	To be published twice, with the publications at least a week apart. RMJ will provide the form of notice to G Donaldson and D Baker after the public hearing.
10.	Referendum occurs	November 8, 2016	Entirely a Board of Elections function
11.	After Referendum passes	As convenient following Election Day; BOCC Dec. or Jan. meetings	Resolution to confirm results and then a related notice to publish; RMJ to provide resolution & notice

**A RESOLUTION SUPPORTING ORANGE COUNTY'S
PLAN FOR A SCHOOL BOND REFERENDUM****Orange County
Board of
Education****Board Members:**

Donna Coffey
Chair
Brenda Stephens
Vice Chair

Jessica Aguilar
Tom Carr
Dr. Stephen H. Halkiotis
Tony McKnight
Dr. Millicent C. Rainey

Superintendent:

Dr. Todd Wirt

200 East King Street
Hillsborough, NC 27278
Telephone: 919-732-8126
FAX: 919-732-8120

WHEREAS,

The Orange County Board of Commissioners has made a preliminary determination to proceed with a referendum asking voter approval for issuing up to \$120M in general obligation school bonds. If the County's voters approve the bonds, the County would allocate some portion of the bond proceeds for capital projects for this district's facilities.

BE IT THEREFORE RESOLVED by the Orange County Board of Education,

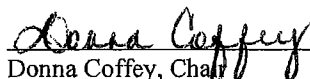
1. The Board of Education supports the County's determination to proceed with the referendum, and requests that the Board of Commissioners continue the process and place the referendum before the voters in November 2016.

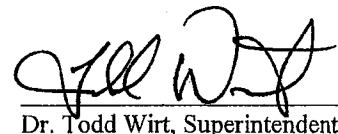
2. The following projects (with estimated costs) are among the projects that the Board of Education would consider for financing through the use of any bond proceeds that may become available:

- Classroom addition to Cedar Ridge High School: \$14.5 million
- Construction of new joint Orange County Schools/Chapel Hill Carrboro City Schools Transportation Facility: \$8 million
- Infrastructure replacement at designated Orange County Schools (older facilities)
 - Roof Replacements: \$4.341 million
 - Mechanical System Replacements: \$25.834 million
- School Safety Projects: \$2.5 million

3. The Board of Education recognizes that the basis for allocating bond proceeds to projects has not been finally determined. The allocation will be the subject of continuing discussion between the Board of Education and the Board of Commissioners, and the continuing consideration of the district's needs as they develop over time.

Adopted this the 22nd day of February, 2016.


Donna Coffey, Chair


Dr. Todd Wirt, Superintendent

Resolution supporting County's plan for a school bond referendum

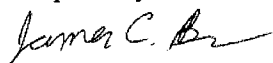
WHEREAS --

The Orange County Board of Commissioners has made a preliminary determination to proceed with a referendum asking voter approval for issuing up to \$120 Million in general obligation school bonds. If the County's voters approve the bonds, the County would allocate some portion of the bond proceeds for capital projects for this district's facilities.

BE IT THEREFORE RESOLVED by the Board of Education for the Chapel Hill - Carrboro City Schools, as follows:

1. The Board of Education supports the County's determination to proceed with the referendum, and requests that the Board of Commissioners continue the process and place the referendum before the voters in November 2016.
2. The following projects (with estimated costs) are among the projects that the Board of Education would consider for financing through the use of any bond proceeds that may become available:
 - the renovation of Chapel Hill High School that would include the replacement of the main academic building with a new classroom building that increases student capacity, along with renovations and improvements to the other campus buildings and facilities. The cost estimate for this project is \$51.6 Million.
 - the redevelopment of the Lincoln Center Campus by constructing a facility to centralized Pre K classrooms, a new and expanded Phoenix Academy that increases student capacity and more appropriately meets student needs, and space for the administrative offices located on the second floor above Pre K. The cost estimate for this project is \$21.7 Million.
3. The Board of Education recognizes that the basis for allocating bond proceeds to projects has not been finally determined. The allocation will be the subject of continuing discussion between the Board of Education and the Board of Commissioners, and the continuing consideration of the district's needs as they develop over time.

Adopted by the CHCCS School Board on March 17, 2016



James Barrett, School Board Chair