



Agenda Action Form Overview

Adoption of Resolution related to Authorization of a Not to Exceed \$100,000,000 General Obligation (GO) Bond, Series 2026A

Background/Justification

The Board is requested to adopt the attached resolution authorizing the issuance of not to exceed \$100,000,000 General Obligation Bonds, Series 2026A (the “2026A Bonds”). The bonds are being issued pursuant to bond orders previously approved by the Board and approved by Durham County voters on November 8, 2022, referendum for school, community college, and museum capital improvement projects. The proposed financing will provide funding for authorized capital improvements including school facilities, Durham Technical Community College projects, and improvements to the Museum of Life and Science, along with costs associated with issuance of the bonds. Bonds proceeds may also be used to reimburse the County for project-related expenditures previously advanced in accordance with the County’s reimbursement resolutions.

The financing structure supports the County’s long-standing capital financing strategy of utilizing short-term financing during the construction and expenditure phase of projects, followed by the issuance of long-term fixed-rate General Obligation Bonds for permanent financing. This approach allows the County to better align debt issuance with actual project cash flow needs while minimizing unnecessary interest carry costs.

The resolution also requests that the North Carolina Local Government Commission (“LGC”) conduct a competitive sale of the bonds. Under the competitive bidding process, the bonds will be awarded to the bidder submitting the proposal with the lowest true interest cost to the County, as determined by the LGC which helps promote transparency, market competition, and favorable borrowing costs.

County staff, the County’s financial advisor, bond counsel, and the LGC have coordinated the financing structure to ensure compliance with North Carolina General Statutes and Local Government Commission requirements, debt affordability considerations, and the County’s long-term financial and debt management objectives

Policy Impact

There is no policy impact. The resolution is consistent with past actions. It does not require an exception to Board policy.

Fiscal Impact

The issuance of the General Obligation Bonds will provide up to \$100,000,000 in funding for voter authorized capital projects. Debt service payment associated with the bonds will be incorporated into the County’s long-term financial and debt management planning. The proposed financing is expected to support continued investment in critical public infrastructure while maintaining prudent fiscal management practices and alignment with the County’s adopted financial policies.

Recommendation

The County Manager and Chief Financial Officer recommend that the Board adopt the attached resolution authorizing the issuance of not to exceed \$100,000,000 General Obligation Bonds, Series 2026A and approve the competitive sale of the bonds through the North Carolina Local Government Commission (LGC).
