



## Legislation Text

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File #: 18-0872, Version: 1

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**Item:**

**Approval of Resolutions for Installment Financing Agreement and Certain Related Documents Pursuant to General Statute (G.S.) 160A-20, Evidencing a Public Hearing and Designating the Chief Financial Officer to Declare Official Intent on Behalf of the County to Reimburse Certain Expenditures Under U.S. Department of Treasury Regulations**

**Date Of BOCC Meeting: June 25, 2018**

**Request For Board Action:**

The Board is requested to adopt the attached resolutions. The first resolution makes certain determinations concerning a proposed installment financing pursuant to G.S. 160A-20. The proposed installment financing would be in an amount not to exceed \$60,000,000 and would be used/issued for (a) refinancing a portion of the County's obligations pursuant to an Installment Financing Contract dated March 30, 2017 (e.g., the Judicial Building Renovations Project in the amount of \$43.5M) with PNC Bank, National Association and (b) financing for the Detention Center POD, County's share of the Emergency Communications Center in the new Police Headquarters, Emergency Radio Communication Equipment, Detention Center Elevators, Renovation of the 7<sup>th</sup> Floor of the Administration Building II and Firefighting Vehicles (3) (collectively, the "Project"). The County will secure the repayment of the proposed financing by granting a security interest in a portion of the Project and certain related property.

The Board of County Commissioner is also requested to hold a public hearing on the proposed installment financing pursuant to G.S. 160A-20(g).

Also, please note that the funding source for the debt service for the financing of the firefighting vehicles will be the Durham County Fire and Rescue (DCFR) Service Tax Fund.

The second resolution is designating the Chief Financial Officer (CFO) of the County to declare official intent on behalf of the County to reimburse certain expenditures under the United States Department of Treasury Regulations. The normal process for projects being funded with debt is that expenditures begin before the debt issuance occurs. As such, reimbursement resolutions/forms need to be prepared before the expenditures begin on the funded projects that includes the funding source(s) of the projects and the intent for the County to reimburse what has been spent to date at the time of the issuance. If the intent to reimburse is not completed prior to spending occurring, the County cannot reimburse ourselves when the debt is issued to fund the projects. Please note that the County's Financial Advisor (FA) recommended that the County designate this task to the CFO. Per the FA, other large entities have designated this task to the CFO. As a result, spending can occur more timely because the CFO can prepare the reimbursement resolution/form and include it in the Finance project file and does not require waiting for Board approval of the intent.

**Alignment With Strategic Plan:** This item aligns with Goal 5: Accountable, Efficient and Visionary Government.

**Resource Persons:** Susan Tezai, Chief Financial Officer and Jessica Brown-Linton, Deputy Chief Financial

Officer

**County Manager's Recommendation:** The County Manager recommends that the Board adopt the resolutions and hold the public hearing.

County Manager: \_\_\_\_\_