

Office of the County Auditor
Auditor's Analysis

Council Bill No. 65-2022

Introduced: October 3, 2022

Auditor: Lori Buchman

Fiscal Impact:

The fiscal impact of this legislation would be in an increase in debt service related to the new bond issuance, which would be appropriated in future budgets, beginning in Fiscal Year 2024. Our Office is unable to quantify the fiscal impact, as the additional debt service will be dependent upon the amount of bonds the County issues and the interest rates at the time of the bond sale. The bond sale is scheduled to occur in March 2023.

All capital appropriations to be funded with consolidated public improvement (CPI) and metropolitan district (Metro) bond proceeds were approved in prior years' budget legislation.

Purpose:

The purpose of this legislation is to authorize the County to issue CPI bonds of up to \$150,000,000 and Metro bonds of up to \$50,000,000. The proceeds of the bonds will be used to reimburse the County for the cost of certain Public Improvements, retire outstanding short-term debt, and pay costs of issuance related to the Bonds.

Other Comments:

The Director of Finance has indicated that depending on market conditions, the County will issue bonds in Fiscal Year 2023 through a competitive bidding process or a private negotiated sale.

Bond issuance costs include rating agency fees, bond counsel, and financial advisory services. The cost for the March 2022 bond sale was \$418,282, or 0.5 percent of the total bond issuance.

A bond issuance trend summary over the last four years is noted in **Attachment A**. This table also includes a four-year Bond Anticipation Note (BAN) Repayment, Bond Issuance, and Bond Interest Rate Trend.

The County's overall debt as of June 30, 2022, is \$1,199,150,000 for CPI Bonds and \$387,045,000 for Metro Bonds.

Attachment A

Bond Issuance Trend Summary

Calendar Year	CPI (All Series)	CPI (All Series) - Premium	Totals Sources from Issuance of CPI Bonds	BANs Repayment	Cost of Issuance	Additional CIP Proceeds	CPI Interest Rates
2022	\$51,865,000	\$4,734,174	\$56,599,174	\$10,000,097	\$277,430	\$46,321,647	2.25% - 5.00%
2021	\$125,825,000	\$20,094,709	\$145,919,709	\$47,403,534	\$605,340	\$97,910,835	1.75% - 5.00%
2020	\$263,560,000	\$24,054,345	\$287,614,345	\$145,095,282	\$1,158,772	\$141,360,291	0.50% - 5.00%
2019	\$133,630,000	\$12,450,627	\$146,080,627	\$121,679,828	\$376,241	\$24,024,558	2.75% - 5.00%

Calendar Year	Metro (All Series)	Metro (All Series) - Premium	Totals Sources from Issuance of Metro Bonds	BANs Repayment	Cost of Issuance	Additional CIP Proceeds	Metro Interest Rates
2022	\$18,445,000	\$1,108,059	\$19,553,059	\$0	\$140,852	\$19,412,207	2.375% - 5.00%
2021	\$26,400,000	\$2,638,529	\$29,038,529	\$24,384,361	\$227,718	\$4,426,450	2.00% - 5.00%
2020	\$101,095,000	\$5,597,594	\$106,692,594	\$56,001,557	\$629,416	\$50,061,621	1.70% - 5.00%
2019	\$66,605,000	\$4,793,769	\$71,398,769	\$64,487,822	\$717,046	\$6,193,901	3.00% - 5.00%