



City of Harrisonburg, Virginia

Department of Finance

409 South Main Street
Harrisonburg, VA 22801
(540) 432-7702 / FAX (540) 432-7779

TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: August 19, 2019
RE: Public Hearing – Supplemental Appropriation – CSB Virginia Resources Authority Bond

Summary: Consider a supplemental appropriation for the General Capital Projects Fund in the amount of \$6,016,863.60.

Background: At its June 3, 2019 meeting, City Council approved the issuance of a bond to the Virginia Resources Authority (VRA) for the Harrisonburg-Rockingham Community Services Board (CSB) facilities projects. The bond issued to the VRA was for approximately 14 years at an interest rate of approximately 2.3% and VRA closed on the bond sale August 14, 2019. The CSB will pay for one-third of the city's total annual debt service payments.

Key Issues: This supplemental appropriation represents an increase of over 1% of the total city budget. Code of Virginia Section 15.2-2507 requires a public hearing for budget amendments that exceed 1% of the budget.

Environmental Impact: None

Fiscal Impact: The General Capital Projects Fund budget will increase \$6,016,863.60. The City's share of the debt service payments beginning in Fiscal Year 2021 will be approximately \$325,000 per year.

Prior Actions: A public hearing was held on June 3, 2019 at which time City Council approved the issuance of the bond.

Alternatives: None.

Community Engagement: A public hearing notice was advertised in the Daily News-Record on August 20, 2019.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation and Public Hearing Notice.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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