



City of Harrisonburg, Virginia

Department of Finance

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TO: Kurt Hodgen, City Manager
FROM: Larry Propst, Director of Finance
DATE: May 13, 2016
RE: Supplemental Appropriation – Series 2016 Bond Issue

Summary: Consider a supplemental appropriation in the amount of \$39,710,416.60 for the General and School Capital Project Funds.

Background: The city sold \$40,215,000 in general obligation bonds on April 26, 2016 for the construction of Bluestone Elementary School, a Pre-K Facility, HVAC replacement at Thomas Harrison Middle School, construction of bicycle and pedestrian trails and street improvements related to school construction on Garber's Church Road. Closing on the bond issue will occur on May 18, 2016 at which point the city will receive the funds.

Key Issues: This request will appropriate the bond funds into the city's budget across several capital project line items. Funds for the three school projects have been appropriated in sufficient amounts to cover the initial construction contracts, A&E costs and the cost of issuing the bonds. Code of Virginia Section 15.2-2507 requires a public hearing for budget amendments that exceed 1% of the budget. In addition, \$2 million in funding advanced to the School Board for A&E will be returned to the General Fund.

Environmental Impact: None

Fiscal Impact: The total current city budget will increase by \$39,710,416.60.

Prior Actions: Previous City Council approval of the projects and sale of the bonds.

Alternatives: None

Community Engagement: A public hearing notice was advertised in the Daily News-Record on May 17, 2016.

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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