



Public Facilities Debt Payment Plan

To: Davidson Board of Commissioners
From: Karen Whichard, Assistant Town Manager
Date: August 27, 2019
Re: Public Facilities Debt Payment Plan

1. OVERVIEW

At the August 13, 2019 meeting, the board discussed the public facilities bond referendum and made final approval to place the issue on the ballot November 5, 2019. As part of this discussion, the board asked staff to bring back information related to the staff funding recommendation for the \$14.0 million in general obligation bonds required to renovate the current town hall for public safety purposes and the renovation of the property at 251 South Street as a town community center.

The purpose of this agenda item is to consider which option to share with the community during the information sharing campaign planned for the lead-up to the bond referendum.

The two options for communications purposes are:

- A. Inform the community that, through a combination of funds set aside along with the timing of the debt issuance, that the projected property tax equivalent is 2 pennies, or
- B. If the Continuum sale proceeds as planned, the town would dedicate the \$1.0 million annual contribution for Continuum to public facilities debt service and leave the tax rate flat at \$.29 per \$100 of assessed valuation.

2. RELATED TOWN GOALS

Strategic Plan: Operations, Historic Preservation

- **Priority 2-1:** Address facility needs of Police, Fire, Public Works, and Parks and Recreation, including community space

Core Values:

- **Goal 3:** The Town of Davidson will preserve our historically significant structures to retain our authenticity as a historic, small college town.
- **Goal 8:** Davidson will maintain organizational excellence through sound financial management, training and retention of quality employees, and superior service to the community.

3. OPTIONS/PROS & CONS

- A. Inform the community that, through a combination of funds set aside along with the timing of the debt issuance, that the projected property tax equivalent is 2 pennies
- B. If the Continuum sale proceeds as planned, the town would dedicate the \$1.0 million annual contribution for Continuum to public facilities debt service and leave the tax rate flat

4. FYI or RECOMMENDED ACTION

Staff recommends approving Option B.