

Item Title: Public Hearing on Proposed \$142 Million Bond Referendum for Wake County Public Libraries on November 5, 2024

Specific Action Requested:
That the Board of Commissioners:

1. Holds a public hearing on the Bond Order related to proposed November 2024 Bond Referendum for Wake County Public Libraries (“Libraries”).
2. Following the public hearing, adopts on second reading the Bond Order related to proposed November 5, 2024 Bond Referendum and directs the adopted Bond Order to be published; adopts a resolution calling for a November 5, 2024 Bond Referendum on the adopted Bond Order; and directs a Notice of Bond Referendum to be published twice, as provided in Local Government Bond Act.

Item Summary:

Purpose: State statute (*Chapter 159 Article 4*) requires a series of Board authorizations for a General Obligation (“GO”) bond referendum to appear on a Wake County voter ballot.

Background: The proposed action is the third of four required Board actions over the coming months relating to the proposed GO bond referendum for Wake County Public Libraries (“Libraries”) to appear on the November 5, 2024, Wake County voter ballot. Prior Board action was taken on May 20, 2024 when the Board adopted a resolution making certain findings and determinations, and directed publication of notice of intent to file an application with the Local Government Commission and the filing of said application. The Board took the second step on June 17, 2024 with a first reading of the Bond Order, authorized resolution declaring intent for County to reimburse expenditures to be funded by proposed bonds, authorized filing of Sworn Statement of Debt and Statement of Disclosures with Board Clerk, and called for Public Hearing at the July 8, 2024 meeting and directed local publication of same. The final remaining Board action for proposed Bond Referendum is scheduled for consideration at Board meeting to be held December 2, 2024.

The proposed GO bond referendum will provide \$142 million for certain identified Libraries capital projects to begin in FY2026.

Strategic Plan: The proposed GO bond referendum complements Wake County’s Strategic Plan Lifelong Learning Goal 4: *By 2029, three out of four residents asked will share that Wake County has high-quality education-based facilities, including schools, libraries, and other educational resources.*

Fiscal Impact: Bonds to be issued under the proposed bond referendum have been anticipated in the County's long-term Debt & Capital Financial Model.

Additional Information:

The Board of Commissioners must complete these actions, stated in this proposed motion, before July 26, 2024, in order for the bond referendum to appear on the ballot.

Voter approval of a GO bond referendum is required for the County to issue GO bonds. GO bonds remain the lowest-cost permanent debt option for the County. Once voters authorize a GO bond referendum, the County is authorized to issue the associated GO bonds and levy additional taxes, as needed, to allow for timely servicing and retirement of the associated GO bonds while maintaining the County's high triple-A bond ratings. If approved by voters at the ballot, the County has seven-years from the ballot date to issue the associated GO bonds.

Most Recent GO Referendum for Libraries

The County last held a bond referendum for Libraries in October 2007 to fund \$45 million of certain Libraries capital needs. The 2007 referendum passed with 70% voter approval among cast ballots. The widespread and significant economic downturn of 2008 impacted and delayed the County's ability to issue bonds authorized under the 2007 referendum as planned in a timely manner before October 2014 (the deadline to issue bonds because of the seven-year statute). As such, the County filed for and was granted a three-year extension by the Local Government Commission (LGC). This extended to October 2017 the County's deadline to issue Library bonds authorized in the October 2007 referendum.

Bonds issued under the 2007 referendum for Libraries include the 2009B GO Bonds (\$300k for Libraries), the 2014 GO Bonds (\$11 million) and, lastly, the 2017A GO Bonds (\$33.7 million). All bonds were successfully issued before the October 2017 deadline. No bond proceeds currently remain from those bond issues.

Proposed \$142 Million to Fund Libraries Projects Beginning in FY2026

In work sessions held March 11, 2024, and April 8, 2024, County staff received direction from the Board to pursue a fall 2024 bond referendum for \$142 million to address capital needs of Libraries.

Anticipated Tax Impact

The County currently anticipates a .25 cent tax increase for Capital (per \$100k assessed valuation) will be necessary in FY2026 to support the bonds to be issued under the proposed 2024 Libraries bond referendum. As part of the FY2026 budget process to occur in early calendar 2025, County staff will reassess and confirm the appropriate necessary tax increase for Capital to be levied in FY2026 to support all bonds issued under the proposed 2024 Libraries bond referendum.

Remaining Board Action

The proposed action is the third of four required Board actions relating to the proposed \$142 Million GO Bond Referendum for Libraries to be held on November 5, 2024. Prior actions taken are as follows:

May 20, 2024: The Board adopted a resolution making certain findings and determinations and directed publication of notice of intent to file an application with the Local Government Commission and the filing of said application.

June 17, 2024: The Board introduced the first reading of the Bond Order, authorized a resolution declaring intent for County to reimburse expenditures to be funded by proposed bonds, authorized filing of Sworn Statement of Debt and Statement of Disclosures with Board Clerk, and called for Public Hearing to be held at July 8, 2024 meeting and directed local publication of same.

After today's action, the final remaining action to be taken by the Board is as follows:

December 2, 2024: Board to adopt resolution declaring results of the Referendum held November 5, 2024.

Recommendation

At this time, staff recommends the Board takes the following ordered actions:

1. Holds a public hearing on the Bond Order related to proposed November 2024 Bond Referendum for Libraries.
2. Following the public hearing, adopts on second reading the Bond Order related to proposed November 5, 2024 Bond Referendum and directs the adopted Bond Order to be published; adopts a resolution calling for a November 5, 2024 Bond Referendum on the adopted Bond Order; and directs a Notice of Bond Referendum to be published twice, as provided in Local Government Bond Act.

Attachments:

1. Presentation
2. Fall 2024 Bond Referendum - Calendar of Events
3. Notice of Publication - Adopted Bond Order; and Notice of Bond Referendum
4. Form of Ballot Question for November 5, 2024 Bond Referendum
5. Certification of Public Hearing; Resolution calling for a November 5, 2024 Bond Referendum to be held