

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

Specific Action Requested:
That the Board of Commissioners:

- 1. Introduces Bond Order authorizing \$142,000,000 Library bonds;**
- 2. Authorizes resolution declaring intent to reimburse expenditures to be funded by proposed Library bonds, as needed;**
- 3. Authorizes filing of Sworn Statement of Debt, and Statement of Disclosures with Board Clerk; and**
- 4. Calls for a public hearing at the July 8, 2024, Board of Commissioners meeting and directs local publication of Notice of Public Hearing for same.**

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. The proposed action is the second 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 action was taken May 20, 2024 when Board adopted 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. Remaining Board authorizations will be scheduled for consideration at Board meetings to be held July 8, 2024; and December 2, 2024.

Background: 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:

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 Certain 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 certain capital needs of Libraries. Board consensus on Library projects to be funded under the proposed 2024 Libraries bond referendum are as follows:

Current Project List	Cost (Million)
Renovations	\$43.3
Athens Drive (replacement)	\$16.3
Wendell (replacement)	\$18.2
Rolesville (new library)	\$13.3
Fuquay-Varina (expansion)	\$12.3
Friendship (new library)	\$19.3
New facility (TBD)	\$19.3
Total	\$142

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 Actions

The proposed action is the second of four required Board actions relating to the proposed \$142 Million GO Bond Referendum for Libraries on November 5, 2024. Prior action was taken May 20, 2024 when Board adopted 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 remaining actions to be considered by the Board at upcoming regular Board meetings are as follows:

July 8, 2024: Board to conduct Public Hearing regarding Bond Order; Board to adopt Bond Order; and Board to adopt resolution calling for Referendum on November 5, 2024.

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

Recommendation

At this time, staff recommends the Board of Commissioners introduces Bond Order authorizing \$142,000,000 Library bonds; authorizes resolution declaring intent to reimburse expenditures to be funded by proposed Library bonds, as needed; authorizes filing of Sworn Statement of Debt, and Statement of Disclosures with Board Clerk; and calls for a public hearing at the July 8, 2024, Board of Commissioners meeting and directs local publication of Notice of Public Hearing for same.

Attachments:

1. Fall 2024 Bond Referendum - Calendar of Events
2. Introduction of Bond Order; Resolution to Call for Public Hearing on July 8, 2024, and County Intent to Reimburse Future Expense
3. Notice of Publication of Public Hearing
4. Sworn Statement of Debt to be filed with Board Clerk
5. Statement of Disclosures to be filed with Board Clerk