

# THE BOND BUYER

## City prepares \$54.5M bond sale

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HIGH POINT, N.C. — The city plans to take on a new round of debt to finance several water and sewer projects.

The N.C. Local Government Commission on Tuesday will be asked to approve the sale of up to \$54.5 million in revenue bonds by High Point.

Once the bonds are issued in June, the city plans to use \$37 million of the proceeds to pay for projects that have recently been completed or are currently under contract.

The remainder of the bond issue wouldn't constitute new project money, but would instead refinance \$17.5 million worth of bonds that were sold in 2010.

The bonds will pay for several major capital improvements, including upgrades to the Ward Water Treatment Plant, the Westside Wastewater Treatment Plant and incinerator emission upgrades.

The proceeds also are earmarked for an upgrade of the Riverdale pump station, replacement of an elevated storage tank, as well as construction, improvement and replacement of various water and sewer mains and lines.

The bonds carry a 25-year payback schedule. If interest rates are favorable, the refinancing of the 2010 bonds should save the city about \$500,000 a year, said Budget Director Eric Olmedo.

Revenue bonds, which don't require voter approval, are backed by the city's water and sewer ratepayers.

The city has a schedule in place of 3% to 5% annual water and sewer rate increases to help facilitate the bond sales and other forms of borrowing for these and other large-scale projects.

The city also has funded several stormwater-improvement projects with revenue bonds, which, along with general obligation bonds, comprise the bulk of the city's total outstanding debt of \$320.3 million.

According to the city's most recent external audit, total debt increased to this amount last year from about \$302 million, due primarily to the \$35 million in limited obligation bonds the city sold to finance its downtown stadium.