



BUNCOMBE COUNTY COMMISSIONERS **RETREAT**

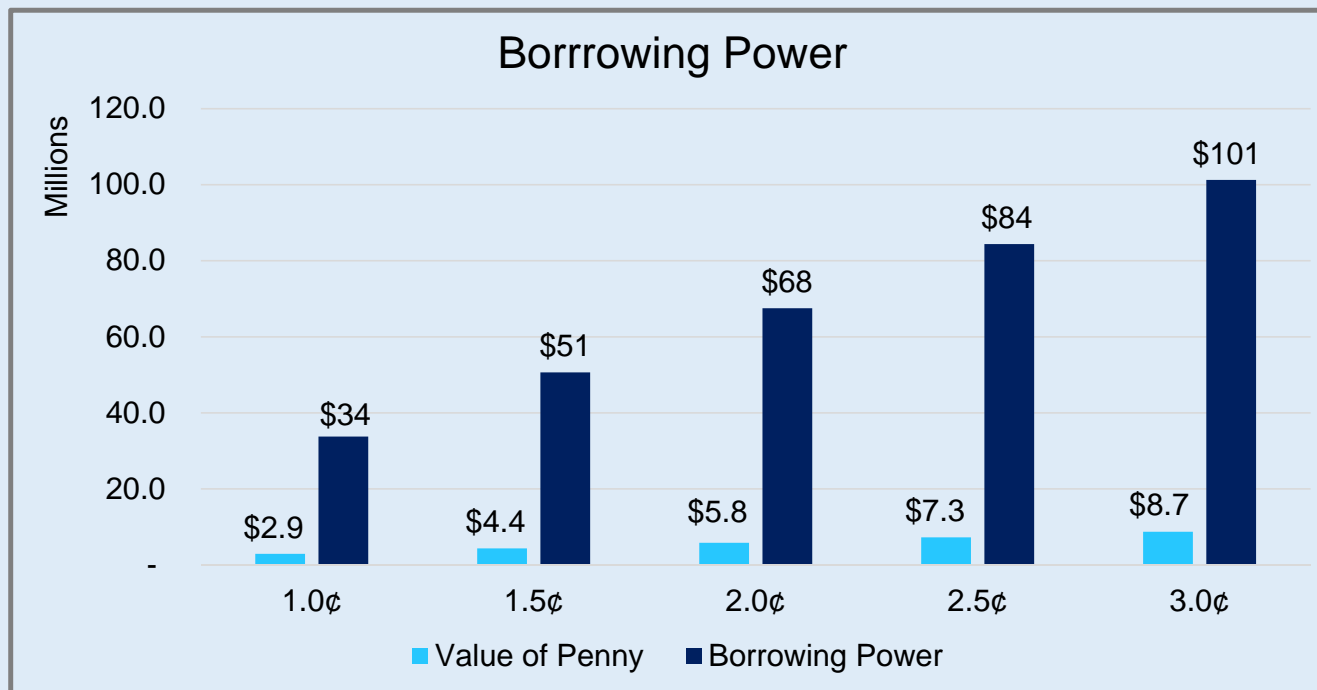
Bond Referendum | January 19, 2016

Bond Referendum

- Allows citizens to vote on incurring new debt for special capital projects
- A General Obligation (G.O.) Bond is long-term borrowing in which the county pledges its full faith and credit (taxing power) to repay the debt. G.O. bonds are the least costly financing option available to counties.
- The referendum is for the G.O. bond debt limit amounts and the associated property tax revenue required to service this debt. It is not a vote for a property tax increase.

Funding

- The value of a penny at today's assessment is \$2.9 million
- Equals \$34 million borrowing power on a 20-year loan at 6% interest



Potential impact of a 1 cent increase is \$25 on a \$250,000 home

Considerations

- A referendum may include multiple projects that can be voted on separately
- Funding can only be used for capital projects such as infrastructure and IT needs
- Referendum votes must be held on even number election years. (GS §163-287 as amended)