



# Capital Project Financing

*Presented by*

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**BUNCOMBE COUNTY**

# Options for Capital Financing

- Pay-Go (“pay as you go”) – using general fund or capital fund dollars to pay for a project in one year.
- Debt financing – issuing bonds, entering into installment financing, or negotiating direct bank loans to pay for projects



# Capital Project Budgeting FY20-23

Capital Fund	FY2020	FY2021	FY2022	FY2023
Pay-go transfer from General Fund*	\$ 50,000	\$ 334,000	\$ 1,391,801	\$ -
Budget established for debt projects	\$ 7,582,671	\$ 1,382,597	\$ 8,413,029	\$ 11,651,000

- \$15.1M transferred to Capital Projects Fund in April 2022
  - \$4,038,361 used for FY20 projects initially slated for debt
  - \$1,382,597 used for FY21 projects initially slated for debt
  - \$67,442 used for budget overage on FY21 project
  - \$3,133,029 used for FY22 projects initially slated for debt
  - \$3,408,895 used for FY23 vehicle purchases
  - \$1,011,654 used for FY23 projects that would otherwise have been pay-go
  - *Saved approximately \$3.5 million in future interest*

\*FY21 transfer was for Greenway projects; \$525k of FY22 transfer was for Greenway projects



# Capital Fund Transfer

FY22 Capital Fund Transfer Remaining Funds		\$2,130,624
FY23 Capital Fund Transfer	+	<u>\$1,803,066</u>
TOTAL Capital Fund Transfer Remaining Funds		\$3,933,690



## Potential General Fund Debt Service\*

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
<b>Total Current Debt Service</b>	<b>\$ 19,882,392</b>	<b>\$ 19,370,953</b>	<b>\$ 18,170,213</b>	<b>\$ 16,716,222</b>	<b>\$ 16,236,872</b>	<b>\$ 15,590,705</b>
<b>GO Bonds Projects:</b>						
Open Space		\$ 575,000	\$ 487,500	\$ 475,000	\$ 462,500	\$ 450,000
Affordable Housing		\$ 1,840,000	\$ 1,560,000	\$ 1,520,000	\$ 1,480,000	\$ 1,440,000
<b>Capital Improvement Projects (CIP):</b>						
FY2023 Approved Projects		\$ 1,754,900	\$ 1,487,850	\$ 1,449,700	\$ 1,411,550	\$ 1,373,400
FY2024 Recommended Projects		\$ -	\$ 6,353,177	\$ 10,849,119	\$ 9,879,722	\$ 9,622,854
Future Year Potential Projects		\$ -	\$ -	\$ 7,233,700	\$ 16,126,447	\$ 16,441,815
<b>Total Debt Service with CIP &amp; GO Bonds</b>	<b>\$ 19,882,392</b>	<b>\$ 23,540,853</b>	<b>\$ 28,058,740</b>	<b>\$ 38,243,741</b>	<b>\$ 45,597,092</b>	<b>\$ 44,918,774</b>

\*These are projections based on projects likely to be at the point of seeking debt financing. Actual figures will not be calculated until the relevant fiscal year. Assumes debt issuance at a 5% interest rate and a term of 20 years.



# Questions?

