



## Legislation Text

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**File #:** ORD. NO. 2024-45, **Version:** 1

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**TO:** Honorable Mayor & Members of the North Port Commission

**FROM:** A. Jerome Fletcher II, ICMA-CM, MPA, City Manager

**TITLE:** An Ordinance of the City of North Port, Florida, Amending the Non-District Budget and Capital Improvement Budget for Fiscal Year 2024-2025 for Budgeting Bond Proceeds and Debt Service for Price Boulevard Project R15PW1 in the Amount of \$64,221,510; Providing for Findings; Providing for Posting; Providing for Conflicts: Providing for Severability; and Providing an Effective Date.

### **Recommended Action**

Continue Ordinance No. 2024-45 to second reading on December 10, 2024, as presented.

### **Recommended Action on Second Reading**

Adopt Ordinance No. 2024-45.

### **Background Information**

In 2022, voters approved a referendum to borrow up to \$80 million in bonds payable from the County Surtax IV revenues for the Price Boulevard Project R15PW1. On October 23, 2024, the City received the debt proceeds in the amount of \$55,335,440 and a debt service reserve equal to the amount of the largest debt service payment in the amount of \$5,261,750. This request will budget the debt proceeds amount in a new fund (Price Construction Bonds Fund 331) for the construction of the project. The debt proceeds will be split with \$55,000,000 towards infrastructure costs and \$335,440 towards bond issuance costs.

The debt service reserve amount of \$5,261,750 will be recorded in the Surtax Fund 306. This will be a restricted fund balance amount and cannot be used for any expenses in the fund. It will remain in the fund until the end of the bond payments.

The required debt service payment for Fiscal Year 2025 in the Surtax Fund will be \$3,624,320 of which \$1,770,000 will be the principal payment and \$1,854,320 the interest payment. This will be funded from Surtax Fund balance.

Ordinance No. 2024-45 has been reviewed by the Interim City Attorney and is legally correct as to form.

### **Information for Second Reading**

At its Regular Meeting on November 26, 2024, the City Commission continued Ordinance No. 2024-45 to second reading on December 10, 2024, as presented.

### **Strategic Plan**

Good Governance

### **Financial Impact**

- Surtax Fund (306) - Debt Proceeds in the amount of \$5,261,750 will be recorded in this fund as a restricted fund balance for the debt service reserve. The debt payment for Fiscal Year 2025 in the amount of \$3,624,320 will come from fund balance.
- Price Construction Bonds Fund (331) - Debt proceeds in the amount of \$55,335,440 will be budgeted in this fund with \$55,000,000 for Infrastructure related to the Price Boulevard Project R15PW1 and \$335,440 for the payment of bond issuance costs.

**Procurement**

Not applicable.

**Attachments:**

1. Ordinance No. 2024-45
2. CIP Project R15PW1

**Prepared by:** Lisa Herrmann, Budget Administrator

**Department Director:** Kim Williams, Finance Director