

LETTER to the DECATUR CITY COUNCIL
Financial Management Department
Letter #2020 - 01

DATE: January 15, 2020

TO: Honorable Mayor Moore Wolfe and City Council Members

FROM: Scot Wrighton, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

SUBJECT: Abatement of General Obligation 2019 Series B Bond from the 2019 Property Tax Levy

SUMMARY RECOMMENDATION:

It is recommended the City Council approve the attached ordinance at the January 21, 2020 City Council meeting.

BACKGROUND:

The City Council adopted Ordinance 2019-225 at the City Council meeting on December 2, 2019 setting the property tax levy for the City of Decatur for assessed value in calendar year 2019 and property tax payable in calendar year 2020.

At the same council meeting, certain Ordinances were adopted by the City Council abating certain general obligation bond debt service payments from the 2019 property tax levy, as other funds are available to timely pay such principal and interest on the bonds due in fiscal year 2020.

It was not possible for the City Council to adopt the Abatement Ordinance for the General Obligation 2019 Series B Bond at the December 2, 2019 Council meeting, as the 2019 Series B bond debt did not exist until the transaction closing which occurred on December 10, 2019, subsequent to the Council action on the tax levy at the December 2, 2019 meeting.

Therefore, we now bring before the Council, the ordinance to abate the 2019 Series B General Obligation Bond debt service payment from the 2019 property tax levy.

The 2019 Series B General Obligation Bond of \$2,300,000 is financing the construction of the Library parking lot and air handling improvements to the library facility (\$1.3 million) and acquisition of police radio equipment (\$1.0 million).

The debt service on the Library parking lot and facility improvements is funded from lease rental revenue received by the city from the Library occupancy of city owned facility. The debt service on the police radio equipment is funded from city general fund revenues.

The 2020 debt service payment abated from the 2019 property tax levy with this ordinance abatement is \$253,867.92, representing the principal and interest due on this debt issue in fiscal 2020.

POTENTIAL OBJECTION:

There are no known objections to this ordinance request.

INPUT FROM OTHER SOURCES:

No input from other sources.

STAFF REFERENCES:

Scot Wrighton, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

BUDGET/TIME IMPLICATIONS:

Upon adoption of the ordinance, the City Clerk will file a certified copy with the Macon County Clerk, who shall use such certified ordinance to abate the 2020 debt service payment in the extension of property tax bills to be prepared and issued to property owners in calendar year 2020 with tax payable in calendar year 2020.