

Recommendation Regarding Financing for Capital Projects

March 12, 2024

GO Bond Reimbursement Resolutions

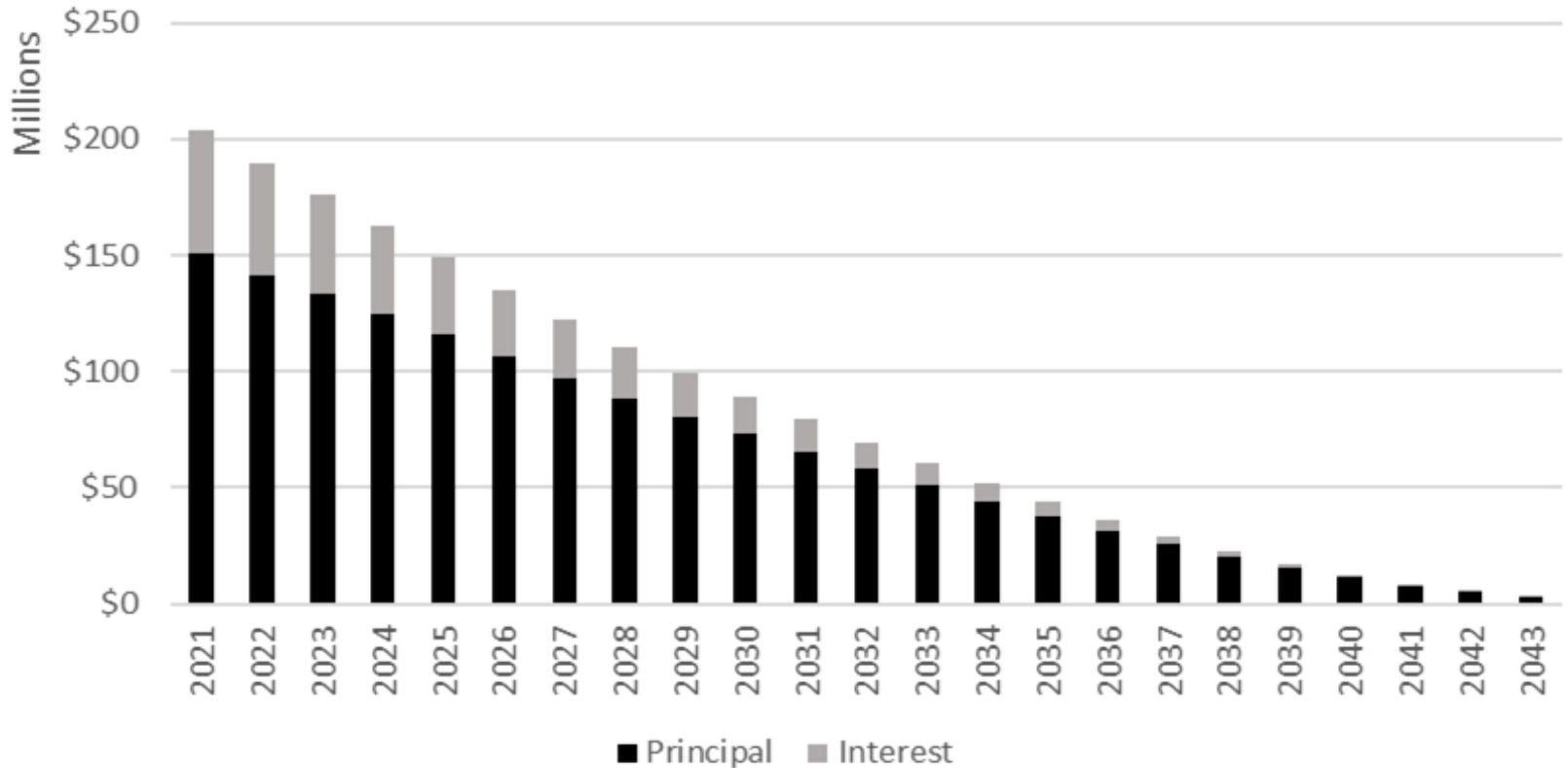
The City Council has passed three reimbursement resolutions allowing the City to spend money on CIP projects from potential bond issuances for capital projects between 2022 and 2024.

SUMMARY	FY 2022 Resolution (4-R- 22)	FY 2023 Resolution (19-R- 23)	FY 2024 Resolution (15-R- 24)
Capital Improvement Fund	\$10,928,000	\$13,258,000	\$18,876,500
Library Fund	–	\$950,000	\$550,000
Water Fund	-	\$3,498,000	\$9,750,000
TOTAL	\$10,928,000	\$17,706,000	\$29,176,500

GO Bond Outstanding Principal and Interest

The City has retired \$34.1 million in GO bond principal and related interest since debt was last issued including \$17.4 million in unabated GO Bonds.

GO Bond Unabated GO Principal and Interest (2021-2043)



GO Bonds for CIP Projects

Over the past three years, various measures have been taken to make payments on 2022, 2023, and 2024 CIP projects including:

1. Use of cash that will eventually be owed to IDOT for projects completed but not yet invoiced for.
2. Transfer of \$3.3 million in excess General Fund reserves.
3. Utilization of cash advances from other City funds where the City is legally able to temporarily “loan” cash from one fund to another.

As a result, the CIP Fund has gone from a cash balance of \$9.1 million on 1/31/2023 to **(\$275,980)** on 1/31/2024.

GO Bonds for CIP Projects

It is recommended that the Finance and Budget Committee provide direction on \$18 million in funding for 2022 and 2023 CIP Projects.

City Council has authorized \$16.1 million of the \$25.1 million budgeted for these project in FY 2024.

	Adopted Budget	GO Bond Obligated to Date (3/1/24)	GO Bond Expensed To Date (3/1/24)	Recommended Bond Issue
FY 2022 (4-R-22)	\$10,928,000	\$5,150,025	\$3,779,936	\$5,977,000
FY 2023 (19-R-23)	\$14,208,000	\$10,906,443	\$3,878,970	\$12,035,000
TOTAL	\$25,136,000	\$16,056,468	\$7,658,906	\$18,012,000

Project details are in Exhibit 1 and 2.

GO Bonds for Water Projects

Over the past three years, various measures have been taken to make payments on 2023 and 2024 CIP projects in the Water Fund including:

1. Use of entire reserve fund balance.
2. Utilization of cash advances from other City funds where the City is legally able to temporarily “loan” cash from one fund to another.

As a result, the Water Fund has gone from a cash balance of \$8.6 million on 1/31/2023 to **(\$1,662,403)** on 1/31/2024.

The cash balance of the Water Fund does fluctuate as large payments for some capital projects are made to vendors and reimbursed through IEPA and WIFIA revolving loans.

GO Bonds for Water Projects

It is recommended that the Finance and Budget Committee provide direction on \$18.5 million in funding for 2023 and 2024 Water Projects.

City Council has authorized \$13.2 million in spending on these projects through 19-R-23 and 15-R-24.

	Adopted Budget
FY 2023 (19-R-23)	\$3,498,000
FY 2024 (15-R-24)	\$9,750,000
Other	\$5,231,000
	\$18,479,000

Project details are in Exhibit 3

Cash and Investment Summary by Fund

Exhibit 4 shows current cash and investment balances across all City funds as of 1/31/24. The table below shows those funds where the City does have some ability to do loans, transfers, etc. Other funds are more restricted in use by federal or state agencies.

<u>Fund #</u>	<u>Fund</u>	<u>1/31/2024</u>		
		<u>Cash</u>	<u>Investments</u>	<u>Total</u>
100	General	897,398	43,585,476	44,482,874
176	Health and Human Services	2,285,205	-	2,285,205
177	Reparations	1,180,362	-	1,180,362
178	Sustainability	869,180	-	869,180
250	Affordable Housing	2,972,391	-	2,972,391
415	Capital Improvements	(4,355,730)	4,079,750	(275,980)
505	Parking	1,833,218	202,861	2,036,079
510	Water	(5,343,641)	3,681,238	(1,662,403)
515	Sewer	6,026,661	1,337,556	7,364,217
520	Solid Waste	1,865,412	-	1,865,412
600	Fleet	(97,488)	-	(97,488)
601	Equipment Replacement	1,466,863	-	1,466,863
605	Insurance	2,809,774	-	2,809,774
	Total	12,409,606	52,886,881	65,296,487

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Fund #	Fund	1/31/2024			1/31/2023		
		Cash	Investments	Total	Cash	Investments	Total
100	General	897,398	43,585,476	44,482,874	23,549,333	32,653,415	56,202,749
176	Health and Human Services	2,285,205	-	2,285,205	2,752,089	-	2,752,089
177	Reparations	1,180,362	-	1,180,362	459,074	-	459,074
178	Sustainability	869,180	-	869,180	426,328	-	426,328
250	Affordable Housing	2,972,391	-	2,972,391	2,791,492	-	2,791,492
415	Capital Improvements	(4,355,730)	4,079,750	(275,980)	4,780,021	4,366,305	9,146,326
505	Parking	1,833,218	202,861	2,036,079	669,363	195,260	864,623
510	Water	(5,343,641)	3,681,238	(1,662,403)	904,878	7,722,832	8,627,711
515	Sewer	6,026,661	1,337,556	7,364,217	2,987,821	1,287,465	4,275,286
520	Solid Waste	1,865,412	-	1,865,412	1,088,824	-	1,088,824
600	Fleet	(97,488)	-	(97,488)	(1,031,991)	-	(1,031,991)
601	Equipment Replacement	1,466,863	-	1,466,863	1,017,100	-	1,017,100
605	Insurance	2,809,774	-	2,809,774	(3,343,332)	-	(3,343,332)
	Total	12,409,606	52,886,881	65,296,487	37,051,000	46,225,278	83,276,278

Recommendation

Staff is requesting direction from the Finance and Budget Committee regarding:

- Timing and Amount of GO Bonds
- Use of Line of Credit
- Identification of any other funding source