Legislation Details (With Text)

File #:	35066	**Version:**	2	**Name:**	Amending the 2014 adopted capital budget to authorize $2 million in general obligation borrowing to fund projects supported from the Special Assessment Fund.
Type:	Resolution			**Status:**	Passed
File created:	7/31/2014			**In control:**	BOARD OF ESTIMATES (ended 4/2017)
On agenda:	9/2/2014			**Final action:**	9/2/2014
Enactment date:	9/5/2014			**Enactment #:**	RES-14-00634

Title: SUBSTITUTE Amending the 2014 adopted capital budget to authorize $2 million in general obligation borrowing to fund projects supported from the Special Assessment Fund.

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Indexes:

Code sections:

Attachments: 1. Res 35066 Version 1.pdf

Date	Ver.	Action By	Action	Result
9/2/2014	2	COMMON COUNCIL	Adopt Unanimously	Pass
8/25/2014	2	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER	Pass
8/5/2014	1	COMMON COUNCIL	Refer	Pass
7/31/2014	1	Finance Department	Referred for Introduction	

Fiscal Note

The resolution amends the 2014 Capital Budget to authorize $2 million in general obligation borrowing for the Special Assessment Fund. This fund collects revenue from special assessments (e.g., payments from property owners for curb, gutter or sidewalk work and payments from developers for infrastructure costs to improve subdivisions prior to development). The cash balance has declined from $5.4 million at the end of 2007 to $779,492 at the end of 2013; it is expected to have a negative cash position by 2015.

The reasons for the drop in cash are three-fold (in order of magnitude from greatest to least): 1) payment for improvements made in some undeveloped subdivisions prior to the recession have been deferred due to the slow pace of the housing recovery from the recession; 2) greater use and longer terms for property owner installment payments of special assessments; 3) decline in general fund payments for infrastructure work along parcel boundaries owned by the City (e.g., curb and gutter work along a city park).

The Special Assessment Fund is expected to recover these deferred revenues over time; these payments will be used to retire the debt that will be issued as part of this resolution.

Finally, the additional borrowing authority is general obligation debt that is not repaid from the general fund. As such, the debt service results in additional 2015 operating budget capacity under the levy limit formula (approximately $260,000).

Title

SUBSTITUTE Amending the 2014 adopted capital budget to authorize $2 million in general obligation

borrowing to fund projects supported from the Special Assessment Fund.

Body

Preamble

Assessment districts are contained within capital projects. The special assessment fund is a capital project funding source. Over the past number of years, the special assessment fund balance has declined due to an increase in districts with longer installment terms and deferred districts. In order to continue funding capital projects, the fund will need approximately $2 million in borrowing for cash flow purposes. Borrowing would be repaid from the special assessment fund via district installment payments. Example projects funded may include the following:

Commonwealth, Fox, Gregory and Keyes Reconstruction AD - 2014	$ 145,400.00
W. Johnson St and N. Henry Streetscape AD - 2014	$ 155,200.00
Resurfacing 2014 - AD	$ 163,100.00
State Street Reconstruction AD - 2014	$ 347,800.00
Cross Oak, Fortunate, Redan and Silicon Prairie Pkwy AD - 2014	$ 440,600.00
Royster Corners AD - 2014	$ 843,000.00

COUNCIL ACTION

Amending the 2014 adopted capital budget to authorize $2 million in general obligation borrowing to fund projects supported from the Special Assessment Fund. Debt service will be paid from the Special Assessment Fund.

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