

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

From the Director of Capital Finance, Office of the Comptroller, requesting approval to allocate approximately \$3.7 million in unspent bond proceeds from active capital projects to Project WH024201 North Shop Improvements and to Org. Unit 9960 General County Debt Service; and to allocate approximately \$2.4 million of cash from the Debt Service Reserve (“DSR”) to pay 2024 debt service expenses, and to allocate approximately \$2.6 million of levy financed expenditure authority from Org Unit 9960 General County Debt Service to active capital projects, by recommending adoption of the following:

A RESOLUTION

WHEREAS, to comply with the Internal Revenue Service (IRS) expenditure rules for tax-exempt bonds, the Office of the Comptroller is seeking approval to reallocate approximately \$3.7 million of 2015-2022 unspent bonds and notes (the Bonds) from active projects; and

WHEREAS, IRS regulations dictate the expenditure of tax-exempt bond proceeds within three years; and

WHEREAS, tax-exempt bonds that were issued prior to 2021, and have not been spent, are currently out of compliance with IRS expenditure rules; and

WHEREAS, approximately \$3.5 million of the bonds will be reallocated to Capital Project WH024201 – North Shop Improvements (the Project), and the remaining bonds will be used to pay eligible interest expenses; and

WHEREAS, the Project is currently under construction and is anticipated to be substantially completed by October 2024; and

WHEREAS, this unspent bond allocation to the Project will reduce the size of the 2024 bond issue by \$3.5 million, and as a result, future principal and interest expenses are estimated to be reduced by \$5.2 million; and

WHEREAS, approximately \$221,000 of unspent bonds will be used to pay eligible 2024 interest expenses; and

WHEREAS, of the approximately \$3.7 million of unspent bonds reallocated from active projects, approximately \$2.6 million of financing needs to be restored in order to complete the projects; and

WHEREAS, the Committee on Finance, at its meeting of May 16, 2024, recommended adoption of File No. 24-464 (vote 6-0); now, therefore,

46 BE IT RESOLVED, the Office of the Comptroller (Comptroller) and the Office of
47 Strategy, Budget, and Performance (OSBP) are authorized and directed to perform
48 administrative transfers to reallocate approximately \$3.7 million of unspent bonds from
49 active projects to finance Capital Project WH024201 – North Shop Improvements,
50 estimated at \$3.5 million, and Org. Unit 9960 - General County Debt Service, estimated
51 at \$221,000, to pay eligible 2024 interest expenses; and

52
53 BE IT FURTHER RESOLVED, the Comptroller and OSBP are authorized and
54 directed to transfer approximately \$2.4 million cash from the Debt Service Reserve to
55 Org. Unit 9960 – Debt Service to pay eligible 2024 debt service expenses; and

56
57 BE IT FURTHER RESOLVED, the Comptroller and OSBP are authorized and
58 directed to transfer approximately \$2.6 million of 2024 levy-financed expenditure
59 authority from Org. Unit 9960 – General County Debt Service to active projects that had
60 bonds reallocated from them; and

61
62 BE IT FURTHER RESOLVED, additional entries may modify these estimated
63 amounts before the appropriation transfer can be completed, and the transfer will be
64 adjusted accordingly.

65
66
67
68
69

ars
05/16/24
S:\Committees\2024\May\FINANCE\Resolutions\24-464 request to allocate \$3.7 million to debt service ars.docx