



Attorneys & Counselors at Law

TO: Board of Trustees
Boone County Regional Sewer District

FROM: Chris Pieper
Angela Burke

RE: Budget Stabilization Subaccount – Resolution

DATE: November 8, 2022

On June 21, 2022, the Board of Trustees passed resolutions amending the authorizing resolutions for several series of the District’s bonds. Each of those amending resolutions require the Board of Trustees to annually designate the amount of funds that will be deposited into the Budget Stabilization Subaccount through a resolution. A draft resolution for that purpose is attached for your consideration.

The Board of Trustees may designate any amount for deposit in the Budget Stabilization Subaccount that it deems appropriate, including the amount of savings realized in 2022 from the refinance or the amount of savings anticipated for 2023. The Board of Trustees may also designate that the amount deposited into the Budget Stabilization Subaccount be zero, but if the Board so elects then the corresponding amount used in calculating debt service coverage will also be zero.

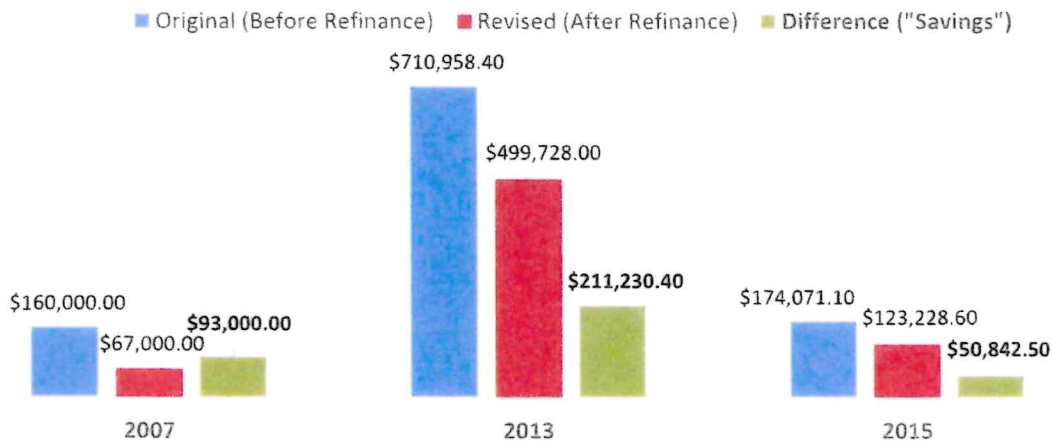
While the amending resolutions do not specify when the resolution designating the amount to be deposited into the Budget Stabilization Subaccount must be passed, the District’s bond counsel (Gilmore & Bell) has recommended that it be passed prior to the beginning of each fiscal year.

The attached also contains a resolution by the Board that the funds in the Budget Stabilization Subaccount will be used only for purposes authorized under the amending resolutions. As drafted, this portion of the resolution is intended to provide the District with maximum flexibility for its use of the funds in the Budget Stabilization Subaccount. The amending resolutions provide that the Accumulated Revenues in the Budget Stabilization Account are “to be used to pay debt service on the Bonds and any Outstanding System Revenue Bonds, respectively, and/or the Current Expenses of operating and maintaining the System for such fiscal year.”

DATE: November 9, 2022
TO: Board of Trustees
FROM: Lara Florea
SUBJECT: 2023 Budget Stabilization Funding Recommendation

The amortization schedules presented by Joey McLiney at the June 2022 Board meeting show due dates and amounts as of January 1st and July 1st of each year. The reports presented at that time showed a projected “savings” based on the due dates.

The actual payments for the due date of January 1st are paid out monthly or quarterly in the previous fiscal year. The difference between the original payment amounts for FY 2022 and the refinanced payment amounts are shown below:



The 2007B series loan was not refunded in the same way as the direct loans. The “savings” of \$93,000 will be shared between 2022 and 2023. Below shows the “savings” for each loan for FY 2022.

2007B	\$	46,500.00
2013	\$	211,230.40
2015	\$	50,842.50
Refinance Fees (Gilmore & Bell and McLiney & Co)	\$	<u>(72,006.00)</u>
2022 Difference:	\$	236,566.90

Staff recommends using the difference of \$236,567 to fund the Budget Stabilization account for 2023.