



# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

(GENERAL GOVERNMENT, WATER, & SEWER)

# 2021 REFUNDING BONDS

APRIL 20, 2021

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

- On March 9, Council approved a statement of “intent to issue” 2021 Certificates of Obligation in the **not-to-exceed** amount of **\$25,890,000**
- The final debt amount to be issued can only be reduced and cannot increase without restarting the process
- **9M+ General Government** - without increasing the Debt Portion of the City’s Property Tax Rate
- **\$4.8M Water Fund** - projected max. monthly rate increase **\$3.67**
- **\$9.7M Wastewater Fund** – proj. max. monthly rate increase **\$4.48**

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

- Certificates of Obligation (COs) and debt issuance in general are a necessary component to funding major capital improvement projects for cities where such funds are not available through the annual operating budget.
  - *FY20-21 Total Annual Budget – All Funds - \$18.8M*
  - *General Fund - \$9.5M*
  - *Utility Fund (combined water & wastewater) – \$5.6M*
- It is also of particular need in rapidly growing cities like Elgin, where demands for improved services and facilities exceed currently available resources.

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

	Planned/ Actual Obligations <u>Est. Cost</u>	Projected Funds Available					Total Funds Avail.
		<u>CO 2016 Balance</u>	<u>CO 2019A Balance</u>	<b>NEW 2021 CO</b>	Developer Reimburse- <u>ment</u>	<u>Grants</u>	
<b>General Govt. Fund</b>	14,144,860	-	-	9,530,000	3,743,860	871,000	14,144,860
<b>Water Fund</b>	9,691,959	-	-	4,792,118	-	4,899,841	9,691,959
<b>Sewer Fund</b>	<u>19,014,202</u>	<u>5,550,000</u>	<u>800,000</u>	<u>9,740,000</u>	<u>2,574,202</u>	<u>350,000</u>	<u>19,014,202</u>
<b>Total</b>	42,851,021	5,550,000	800,000	24,062,118	6,318,062	6,120,841	42,851,021

The column on the chart highlighted in yellow shows the amount of the bond allocated for each fund.

## 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Combined with outside resources, investment will facilitate a total of **\$42M** in capital improvements

2021 COs.....	\$ 24,062,118
2016 & 2019 COs Reserves.....	\$ 6,350,000
Private Developer Contributions.....	\$ 6,318,062
Grant Funding.....	\$ 5,770,841
Anticipated Grant Funding.....	\$ <u>350,000</u>
<b>Total Investment.....</b>	<b>\$ 42,851,021</b>

## 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

**73%** of the proceeds from the 2021 Certificates of Obligation as currently proposed is devoted to funding **five (5)** projects:

- *County Line Road - Phase I*
  - *Water Plant Winterization (52% - Water)*
  - *Treatment Plant Expansion (78% - Wastewater)*
  - *City Hall Annex*
  - *EPD Station Renovations*
- All such projects (except for WTP Winterization) have been part of the approved Five-Year Capital Plan for a number of years

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION GENERAL GOVERNMENT

PROJECTS	Planned/ Actual Obligations	Projected Funds Available				
		CO 2016 Balance	NEW 2021 CO	Developer Reimburse- ment	Grants	Total Funds Avail.
<b>General Government</b>	<b>Est. Cost</b>					
26 Memorial Park Restroom	160,000	-	160,000	-	-	160,000
Thomas Park Improvements	150,000	-	150,000	-	-	150,000
Phase I - Central Park Improvements	100,000	-	100,000	-	-	100,000
24 Pave Alleyways Downtown	500,000	-	500,000	-	-	500,000
21 County Line Road Widening	6,743,860	-	3,000,000	3,743,860	-	6,743,860
WW Lines/Heritage Lakes Upsize	950,000	-	950,000	-	-	950,000
New City Hall Annex	2,500,000	-	2,500,000	-	-	2,500,000
Add/Renovate Police Dept Bldg. + equipt.	1,950,000	-	1,950,000	-	-	1,950,000
25 Bldg. Renovation - 202 Depot St.	100,000	-	100,000	-	-	100,000
21 Demolish Bldg, - 202A Depot St.	20,000	-	20,000	-	-	20,000
31 Downtown Revital. Sidewalks MLK	575,000	-	75,000	-	500,000	575,000
SRTS Schools - Downtown Connect	396,000	-	25,000	-	371,000	396,000
<b>Total</b>	<b>14,144,860</b>	<b>-</b>	<b>9,530,000</b>	<b>3,743,860</b>	<b>871,000</b>	<b>14,144,860</b>

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION WATER FUND

PROJECTS	Planned/ Actual Obligations	Projected Funds Available			
		NEW 2021 CO	Developer Reimburse- ment	Grants	Total Funds Avail.
<u>Water Fund</u>	<u>Est. Cost</u>				
52 Water Well No. 10	900,000	900,000	-	-	900,000
53 FM1100 Water Main	842,625	842,625	-	-	842,625
Refurbish Water Storage Tanks *	500,000	500,000	-	-	500,000
Weatherize Water Treatment Plant, wells and distribution system.	2,500,000	2,500,000	-	-	2,500,000
56 Pistol Hill Water Tank-Replace	4,949,334	49,493	-	4,899,841	4,949,334
Total- Projects	9,691,959	4,792,118	-	4,899,841	9,691,959



# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION SEWER FUND

PROJECTS	Planned/ Actual Obligations	Projected Funds Available					Total Funds Avail.
		CO 2016 Balance	CO 2019A Balance	NEW 2021 CO	Developer Reimburse- ment	Grants	
<u>Wastewater Fund</u>	<u>Est. Cost</u>						
30 WWTPlant Expansion-Construct,	15,944,202	5,000,000	800,000	7,570,000	2,574,202	-	15,944,202
20 WW Lines/Lift Station - FM1704	2,300,000	550,000	-	1,750,000	-	-	2,300,000
Elm Creek Lift Station Rehab	350,000	-	-	350,000	-	-	350,000
54 Carver Street Lift Station	420,000	-	-	70,000	-	350,000	420,000
<b>Total</b>	<b>19,014,202</b>	<b>5,550,000</b>	<b>800,000</b>	<b>9,740,000</b>	<b>2,574,202</b>	<b>350,000</b>	<b>19,014,202</b>

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## *Continuing Discussion*

- Invest now; increased revenues in the future
- Planning for all projects predicated on the assumption that City will not be considering another debt issuance for at least 2-3 years
- Prioritization of projects means if not funded now, project likely not start for at least 3 years

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## *Continuing Discussion*

- Staff continues to support initially recommended projects and funding
- Feedback from Council has indicated a desire for certain adjustments and reduction in costs
- CM has developed revised listing of projects and funding based on comments made at prior Council Meetings and through discussion with individual Councilmembers
- Focus is on developing list of projects or issues that require further Council deliberations

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## *Proposed Reorganization of Projects*

- 1. “Must do now”**
- 2. Majority Support**
- 3. To Be Determined**

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## “Must Do Now” Projects

- County Line Road Widening - \$3,000,000
- Add/Renovate EPD Bldg - \$1,950,000
- Bldg Renovation – 202 Depot - \$100,000
- Demolish Bldg. – 202A Depot - \$20,000
- Downtown Revitalization Sidewalks  
MLK - \$75,000
- SRTS Schools – Downtown Sidewalks -  
\$25,000
- WWTP Expansion - \$7,570,000
- Water Well No. 10 - \$900,000
- FM1100 Water Main - \$842,625
- Refurbish Storge Tanks - \$500,000
- Pistol Hill Water Tank - \$49,493
- Lift Station – FM1704 - \$1,750,000
- Elm Creek Lift Station Rehab -  
\$350,000
- Carver St. Lift Station – \$420,000

**\$17.2M**

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## Majority Support Projects

- Memorial Park Restroom - \$160,000
- Thomas Park Improvements - \$150,000
- Phase I – Central Park Improvements - \$100,000
- Pave Alleyways Downtown - \$500,000

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## To Be Determined Projects

- WW Lines/Harvest Ridge Upsizing - \$950,000
- Weatherize WTP, etc. - \$2,500,000
- New City Hall Annex – \$2,500,000

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## *Proposed Adjustments*

- a) Delete “Pave Alleyways Downtown” - \$500,000”
- b) Increase “Phase I – Central Park Improvements” by \$500,000
- c) Remove “Bldg Renovation – 202 Depot - \$100,000” (Poth Building) from CO financing
- d) Reduce “WW Lines/Harvest Ridge Upsizing” by \$425,000
- e) Reduce “Weatherize Water Treatment Plant, etc.” by \$1M
- f) Reduce “Issuance costs” by \$990k
- g) “New City Hall Annex” - ??



**2021 CERTIFICATES OF OBLIGATION**

	<u>INITIAL</u>		<u>INITIAL (d)</u>	<u>ADJUSTMENTS</u>	<u>REVISED</u>
<b><u>General Government</u></b>		<b><u>"Must Do Now" Projects</u></b>			
Memorial Park Restroom	160,000	County Line Road Widening	3,000,000	-	3,000,000
Thomas Park Improvements	150,000	Add/Renovate Police Dept Bldg	1,950,000	-	1,950,000
Phase I – Central Park Improvements	100,000	Bldg Renovation – 202 Depot St.	100,000	(100,000)	-
Pave Alleyways Downtown	500,000	Demolish Bldg. – 202A Depot St.	20,000	-	20,000
County Line Road Widening	3,000,000	Downtown Revital. Sidewalks MLK	75,000	-	75,000
WW Lines/Harvest Ridge Upsizing	950,000	STRS Schools – Downtown Sidewalks	25,000	-	25,000
New City Hall Annex	2,500,000	Water Well No. 10	900,000	-	900,000
Add/Renovate Police Dept Bldg	1,950,000	FM1100 Water Main	842,625	-	842,625
Bldg Renovation – 202 Depot St.	100,000	Refurbish Storage Tanks	500,000	-	500,000
Demolish Bldg. – 202A Depot St.	20,000	Pistol Hill Water Tank	49,493	-	49,493
Downtown Revital. Sidewalks MLK	75,000	WWTP Expansion	7,570,000	-	7,570,000
STRS Schools – Downtown Sidewalks	25,000	Lift Station – FM1704	1,750,000	-	1,750,000
	<b>\$ 9,530,000</b>	Elm Creek Lift Station Rehab	350,000	-	350,000
<b><u>Water</u></b>		Carver St Lift Station (e)	70,000	350,000	420,000
Water Well No. 10	900,000		<b>\$ 17,202,118</b>	<b>\$ 250,000</b>	<b>\$ 17,452,118</b>
FM1100 Water Main	842,625	<b><u>Majority Support</u></b>			
Refurbish Storage Tanks	500,000	Memorial Park Restroom	160,000	-	160,000
Weatherize Water Treatment Plant	2,500,000	Thomas Park Improvements	150,000	-	150,000
Pistol Hill Water Tank	49,493	Phase I – Central Park Improvements	100,000	500,000	600,000
	<b>\$ 4,792,118</b>	Pave Alleyways Downtown	500,000	(500,000)	-
<b><u>Wastewater</u></b>			<b>\$ 910,000</b>	<b>\$ -</b>	<b>\$ 910,000</b>
WWTP Expansion	7,570,000	<b><u>To be determined</u></b>			
Lift Station – FM1704	1,750,000	Weatherize Water Treatment Plant	2,500,000	(1,000,000)	1,500,000
Elm Creek Lift Station Rehab	350,000	WW Lines/Harvest Ridge Upsizing	950,000	(425,000)	525,000
Carver St Lift Station	70,000	New City Hall Annex	2,500,000	-	2,500,000
	<b>\$ 9,740,000</b>		<b>\$ 5,950,000</b>	<b>\$ (1,425,000)</b>	<b>\$ 4,525,000</b>
<b>Issuance costs (a)</b>	<b>\$ 890,000</b>		<b>\$ 890,000</b>	<b>\$ (52,032)</b>	<b>\$ 837,968</b>
<b>Est. Reimbursement Resolution (b)</b>	<b>\$ 937,882</b>		<b>\$ 937,882</b>	<b>\$ (937,882)</b>	<b>\$ -</b>
<b>Total - All Funds</b>	<b>\$ 25,890,000 (c)</b>		<b>\$ 25,890,000</b>	<b>\$ (2,164,914)</b>	<b>\$ 23,725,086</b>

# 2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

## *“New City Hall Annex” Project*

- City has clear, short-term need for additional office space
- Current operations are close to max-out of all office space within city-owned buildings currently available to operations
- Operational growth will continue in coming years
- Current proposal is much about timing – given very limited opportunities to acquire “next door property”