



*"...meeting community needs...enhancing quality of life."*

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**TO:** Finance Committee

**FROM:** Jeri A. Ohman, Finance Director

**DATE:** May 22, 2023

**RE:** Request to approve cash advance from Stormwater Utility Fund to Wastewater Utility Fund in an amount not to exceed \$3,000,000 to replace issuance of long term revenue bonds in 2023.

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The 2023 Wastewater Utility budget includes the issuance of revenue bonds in the amount of \$9,500,000. In reviewing the timing of the projects, it was determined that only \$3,000,000 would be needed in 2023 and the remaining amount could be held until 2024. City staff consulted with Baird, the City's debt advisor, and was offered alternatives to issuing revenue bonds for the reduced amount. These options include:

- Issue a short term note anticipation note (NAN) with estimated costs of approximately \$24,000.
- Use existing cash funds. Currently the Stormwater Utility Fund has cash funds available to advance to the Wastewater Utility Fund. Staff will monitor the cash needs of the Wastewater Utility and advance amounts as needed until the revenue bonds are issued in 2024.

The 2024 revenue bond issue will include the 2024 needs and the amount needed to repay any 2023 short term advance. Staff is recommending moving forward with the advance between the utility funds. Thank you for your consideration of this funding option. As always, feel free to contact me if you have questions.