

Richland County Finance and Personnel Committee

Agenda Item Cover

Agenda Item Name: Short Term Loan and Financing Options (Item 4 +5)

Department	Administration	Presented By:	Clinton Langreck
Date of Meeting:	29 July 2020	Action Needed:	Info / possible action
Disclosure:	Open Session	Authority:	(ordinance, resolution, rules?)
Date submitted:	28 July 2020	Referred by:	N/A

Recommendation and/or action language: *(summarize action/s sought by committee, e.g. present a resolution, present an ordinance, receive and file information, approve expense or grant, etc.)*

— Pending Discussion

Committee may take action within scope of agenda item; “Discussion and Possible Action regarding Short-term Loan and Financing Options.”

Background: *(preferred one page or less with focus on options and decision points)*

Carol Wirth, Richland County Municipal Advisor, will be presenting to the Finance and Personnel Committee regarding short-term loan and financing options to help the county maintain reoccurring capital improvements and capital expenditure projects. Many of the “new equipment” and “computer maint. & upgrades,” “new automobiles” lines etc. were removed from the 2020 budgets and absorbed into a loan funding for capital improvements. This leaves a gap to fill going forward into the 2021 budget. Short-term loaning used to purchase reoccurring capital improvements would give the county the option to increase debt levy to cover expenses, preserving operating levy to help maintain services.

Carol will be presenting on the options, summarizing the mechanics of the loan, and impacts on levy rates.

In helping understand the history of our tax millage rate the following information is provided from the County Clerk’s Office.

County Only (County levy only, not including TID)

2020 Budget - \$7.36
2019 Budget - \$7.60
2018 Budget - \$7.61
2017 Budget - \$6.42
2016 Budget - \$6.63
2015 Budget - \$6.64
2014 Budget - \$6.71
2013 Budget - \$6.57
2012 Budget - \$6.41
2011 Budget - \$6.38

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Loan Capacity:

Current for Richland County:

42% Used Capacity

57% Available Capacity (34.8 million in capacity under law)

Attachments and References:

Short-Term Loan Financing Report	
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Financial Review:

(please check one)

<input type="checkbox"/>	In adopted budget	Fund Number	
<input checked="" type="checkbox"/>	Apportionment needed	Requested Fund Number	
<input type="checkbox"/>	Other funding Source		
<input type="checkbox"/>	No financial impact		

(summary of current and future impacts)


There is an estimated \$3,000 in underwriting, and \$16,000 in legal and advisor fees in pursuing a short-term loan through Municipal Security. This amounts at an estimated \$20,000 in fees in taking out the loan. These fees can be incorporated into the loan.

An estimated loan of \$1,000,000 places an additional \$80+ additional taxes on \$100,000 property.

Approval:

Review:

Department Head



Administrator, or Elected Office (if applicable)