

STAFF REPORT REGULAR MEETING

AGENDA DATE: June 4, 2024

DEPARTMENT: Finance

TITLE:

Resolution No. 18-2024 authorizing the issuance of a Capital Improvement Revenue Note, Series 2024

SUMMARY:

Resolution 18-2024 authorizing the issuance of a Capital Improvement Revenue Note, Series 2024, not to exceed \$15,000,000 for capital improvements within the City including the Force Main Break Emergency Cost.

BACKGROUND AND JUSTIFICATION:

At the beginning of fiscal year 2024, there were preliminary discussions about interim financing for certain capital improvement projects for the City's utility departments pending the combined utility bond scheduled to be issued in fiscal year 2025.

In April 2024, an AT&T subcontractor conducting directional drilling along Florida Mango Road under the L-10 canal broke the 36-inch regional force main owned by Lake Worth Beach and utilized and maintained pursuant to the Subregional Interlocal Agreement with the City's subregional partners. The cost for this sewage break incident was initially estimated between \$10 million to \$15 million and Finance was directed to seek financing not to exceed \$15 million in lieu of using the City's working capital and/or fund balance. Financing the Force Main Break cost was prioritized over the utilities capital improvement projects that were discussed earlier in the fiscal year.

MOTION:

Move to approve/disapprove Resolution 18-2024 authorizing the issuance of a Capital Improvement Revenue Note, Series 2024, not to exceed \$15,000,000 for capital improvements within the City prioritizing the Force Main Break repairs.

ATTACHMENT(S):

Fiscal Impact Analysis
Resolution 18-2024
Loan Agreement

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2024	2025	2026	2027	2028
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
Loan	\$15,000,000	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	0	0	0	0	0
Operating	0	0	0	0	0
Capital	\$15,000,000	0	0	0	0
Net Fiscal Impact					
<i>(If not budgeted)</i>	0	0	0	0	0
No. of Addn'l Full-Time					
Employee Positions	0	0	0	0	0

New Appropriation (Not Budgeted) Fiscal Impact:		
	Revenue Source	Expenditure
Department	Debt Service Fund	Regional Sewer Fund
Division	N/A	N/A
GL Description	Revenue Note/ Loan	Improvement Other than Build/ Infrastructure
GL Account Number	TBD	426-7490-535.63-15
Project Number	EM2400	EM2400
Requested Funds	\$15,000,000	\$15,000,000
Remaining Balance	N/A	N/A