



Village of Poplar Grove – Board Meeting Memo

June 5, 2026

****Subject:****

Due To/From Water & Sewer Bonds

1. Background:

The Village has used bonds in the past to pay for various past infrastructure and building projects.

2. Current Status:

In FY26 the Village paid off Bond Series 2015B. This bond was issued Sept, 10 2015 with the final payment of maturity December 1, 2025. The original authorized issue was \$1,805,000 with interest rates ranging from 1.00% to 4.00% over the life of the bond. Total interest paid was \$350,115, for total payments of \$2,155,115.

This bond was paid from the general obligation fund, rather than the Water & Sewer fund, due to the Water & Sewer funds' inability to make the required payments.

The board has expressed interest in having the Water & Sewer fund repay the general obligation fund for these past payments. As the Water & Sewer fund will be in a position in FY28 to afford such repayment, as the remaining two (2) bonds, 2012B and 2025A are due to mature April 30, 2027 (FY27). Whereas, funds from the Water & Sewer fund can only be spent on water and sewer improvements, whereas funds from the general obligation fund can be spent on any Village improvements the board deems appropriate. (i.e roads, sidewalks, parks, etc.)

It is the opinion of myself, Sikich, and Lauterbach & Amen, that before we close out FY26 is the appropriate time to implement any due to/due from entries for future repayment.

With this direction, I am retracing history of bond 2015B to ensure it meets the criteria of water and sewer infrastructure projects, as this bond was due to a refunding/refinancing of previous bonds

The board will need to make the following decisions;

- How much is eligible to be repaid from the water & sewer fund
- How much the board wants to be repaid from the water & sewer fund

- The term for those payments,
 - Amount of each payment
 - When payments are to paid

3. Fiscal Impact:

This decision is a massive impact on both the water and sewer fund as well as the general obligation. For water and sewer, the repayment amount will create an opportunity cost for projects that cannot be completed due to less overall funds, while the general obligation fund will have additional revenues that can be allocated to other projects. This financial impact will continue each fiscal year, and the repayment obligation is paid.

4. Legal Review (if applicable):

Legal has not yet reviewed this item.

5. Recommendation:

6. Supporting Documents (if applicable):

Attached - NONE

Not Applicable

Kristi Richardson
Village President