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R. O. No. 119 - 21 - 22. By CITY ADMINISTRATOR. January 17, 2022.

Submitting an update regarding the debt service reserve account required by the U.S. Department of Housing and Urban Development for the City's Section 108 Loan for renovations to the Senior Center.

In Res. No. 118-21-22, the Common Council approved the creation of "a debt service reserve account with an initial balance of \$350,000 that complies with all requirements imposed by the U.S. Department of Housing and Urban Development." After the Common Council approved Res. No. 118-21-22, the U.S. Department of Housing and Urban Development informed City Staff that the balance of the debt service reserve account would need to be \$415,000, not the \$350,000 it had previously indicated.

Because the Common Council authorized the "appropriate City officials" to "take all actions necessary to establish a debt service reserve account . . . that complies with all requirements imposed by the U.S. Department of Housing and Urban Development," and because the U.S. Department of Housing and Urban Development imposed a new requirement on the debt service reserve account - increasing the required balance from \$350,000 to \$415,000 - Staff has funded the debt service reserve account with an initial \$350,000 and an additional \$65,000 from the State of Wisconsin Local Government Investment Pool, which satisfies the requirements imposed by the U.S. Department of Housing and Urban Development, and allows the City to receive funds under the Section 108 Loan.

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City Administrator