



## Agenda Item Summary

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**File #:** ORD 20-084, **Version:** 1

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**Submitted By**

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**Reviewed By**

LKS

**Agenda Item Title**

**An Ordinance Amending the Fiscal Year 2020 Annual Budget**

**Overview**

This Ordinance amends the FY20 Budget to reallocate \$350,667 from the Parking Fund to the Equipment Replacement Fund for the Fiber Infrastructure capital project. This reallocation is necessary to reduce the Parking Fund's share of this project from \$850,667 to \$500,000 in order to classify the upcoming 2020A bond issue as tax exempt.

**Recommendation**

Adopt the Ordinance.

**Fiscal Impact**

There is no overall net change to the FY20 Budget.

**Background**

In order for bond counsel to issue an opinion on the tax exempt status of the upcoming Series 2020A bond issue which will be used toward the Lake Street and Fiber Infrastructure capital projects, certain rules must be followed to ensure that the proceeds will not exceed what the Internal Revenue Service defines as a de minimis for private enterprise (profit motive) purposes.

The most efficient and effective way to ensure tax exempt status is to reduce the amount of the proceeds that will be applied towards funding the Fiber project allocated in the Parking Fund. By reducing proceeds to pay for this project in the Parking Fund to \$500,000, the funding for this project falls well within the 5% de minimis threshold should the Village decide in the future to lease out a portion of the fiber line to private businesses.

**Alternatives**

N/A

**Previous Board Action**

N/A

**Citizen Advisory Commission Action**

N/A

**Anticipated Future Actions/Commitments**

N/A

**Intergovernmental Cooperation Opportunities**

N/A