

2 **RESOLUTION: Authorize the Prepayment of the 2009 State Trust Fund Loan / Recovery**
3 **Zone Economic Development Bonds Having an Outstanding Principal**
4 **Balance of \$1,664,519.42 with Accrued Interest to the Date of Payment.**
5

6 **TO THE WINNEBAGO COUNTY BOARD OF SUPERVISORS:**

7 **WHEREAS**, Winnebago County currently has a loan from the State Trust Fund program that was obtained
8 December 1, 2009; and

9 **WHEREAS**, the current outstanding balance on the loan is \$1,664,519.42 with an effective interest rate of
10 2.475%; and

11 **WHEREAS**, this rate is considerably higher than the average rate Winnebago County is earning on its
12 investments of approximately .74%; and

13 **WHEREAS**, Winnebago County’s General Fund Undesignated Fund balance has grown to the point where
14 there are sufficient funds available to retire this debt and still have funds sufficient to maintain a fund balance in
15 excess of the informal target balance established by the County; and

16 **WHEREAS**, interest rates Winnebago County would incur on new borrowings would be approximately
17 1.75%; and

18 **WHEREAS**, it would be prudent to prepay this debt with some of the excess General Fund Undesignated
19 Fund balance.

20 **NOW, THEREFORE, BE IT RESOLVED** by the Winnebago County Board of Supervisors that it hereby
21 authorizes the County Finance Director to prepay the 2009 State Trust Fund Loan and apply funds from the General
22 Fund Undesignated Fund balance.
23

24 ***Fiscal impact:***

25 Interest Savings if Debt is Prepaid	\$ 127,093
26 Lost Interest Earnings With No Funds to Invest...	\$ <u>(72,847)</u>
27 Projected Interest Savings	\$ 54,246

28
29 Respectfully submitted by:
30 **Personnel & Finance COMMITTEE**

31 Committee Vote: **4-0**
32 Vote Required for Passage: **Two-Thirds of Membership**
33

34 Approved by the Winnebago County Executive this ____ day of _____, 2013.
35

36 _____
37 Mark L Harris
38 Winnebago County Executive