Executive Summary (TAW and Redevelopment Loan)

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CITY CLERK

February 2, 2017

1. The proposed one-year TAW for 2017 is requested with a $4 million dollar cap. This is $1 million dollars less that the cap that was in place for the past three years. The funds would be borrowed in February and paid back in full in December.

2. The City has taken out TAW loans in 5 of the last 6 years. Depending on loan rates at time of closing, the interest cost are estimated to be somewhere between $125,000 and $190,000.

3. As has been discussed numerous times in the past, the funds are needed to provide cash to allow us to operate without delays in paying bills, fronting money for federal grants, and completing required projects during the construction season. Once we build up adequate reserves, we will no longer need the TAW.

4. Over the past two years, about 60% of all redevelopment fund dollars have been maintained in the City cash pool account. The cash pool provides the funds needed in the bank account where payroll and payables are processed. At any given time, the pool contains a varying high or low balance depending on the timing of revenues and expenses. Having adequate cash in the pool at all times allows the city to meet all of its obligations on a timely basis.

5. The Redevelopment Loan is a new requirement due to a change in state law. The law says we must have an annual borrowing agreement in place so that when the total balance of the cash pool drops below the total of redevelopment funds on any given day, the loan document allows us to legally access those funds in the pool.

6. We have requested a $6 million dollar cap on the loan from Redevelopment. What this means is that at any given time, we will access those pooled Redevelopment funds only up to the cap so that the department will always have the dollars on hand to fund all of their operating expenses and project costs. After creating a 2017 Redevelopment Cash Flow Plan, it shows that at the worst cash flow month of 2017, it will still leave them with nearly $2 million dollars of cash on hand to spend on currently unplanned expenses.

7. On 12/31/17, all Redevelopment cash balances will be restored to 100% funding in the pool and a new agreement would need to be approved for 2018. Once adequate reserves are in place in the future, the amount to be loaned will be drastically reduced or eliminated.

Attachments:

A. City of TH Cash Pool without a TAW
B. City of TH Cash Pool with a $4 million dollar TAW
C. Redevelopment 2016 Cash Statement (unaudited)
D. Redevelopment 2016 TIF Fund Activity (unaudited)
E. Redevelopment 2017 Cash Flow Analysis Estimate

City of Terre Haute Cash Pool Analysis Without $4M TAW:

Description	Jan 31 Balances	Feb 28 Net Activity	Mar 31 Balances	April 30 Balances	May 31 Balances	June 30 Balances
Cash Pooled Begin Fund Balances	$ 4,858,584.60	$ (3,622,020.08)	$ (4,962,177.90)	$ (6,654,924.97)	$ (9,044,639.16)	$ (8,379,979.83)
Cash Pool Revenue	5,239,326.39	5,852,054.91	5,500,129.66	5,550,320.22	8,396,361.58	22,835,752.68
Cash Pool Expenses	(14,283,856.25)	(7,866,802.80)	(7,914,627.25)	(8,745,598.25)	(7,731,702.25)	(8,443,795.25)
Budget Deferred Amount	563,925.19	674,590.07	721,750.53	805,563.82	-	(2,765,829.61)
TAW	-	-	-	-	-	-
Cash Pool Ending Balances	**$ (3,622,020.08)**	**$ (4,962,177.90)**	**$ (6,654,924.97)**	**$ (9,044,639.16)**	**$ (8,379,979.83)**	**$ 3,246,147.99**

	July 31 Balances	Aug 31 Net Activity	Sept 30 Balances	Oct 31 Balances	Nov 30 Balances	Dec 31 Balances
Cash Pooled Begin Fund Balances	$ 3,246,147.99	$ (2,854,135.76)	$ (4,997,907.52)	$ (5,844,149.27)	$ (7,736,122.03)	$ (5,978,602.78)
Cash Pool Revenue	5,240,668.50	5,897,892.50	7,656,329.50	5,778,646.50	9,582,534.50	18,530,168.94
Cash Pool Expenses	(11,340,952.25)	(8,041,664.25)	(8,502,571.25)	(7,670,619.25)	(7,825,015.25)	(8,268,152.25)
Net Activity Rev/Exp	-	-	-	-	-	-
Budget Deferred Amount						
TAW	-	-	-	-	-	-
Cash Pool Ending Balances	**$ (2,854,135.76)**	**$ (4,997,907.52)**	**$ (5,844,149.27)**	**$ (7,736,122.03)**	**$ (5,978,602.78)**	**$ 4,283,413.91**

Note #1: The beginning cash pool balance reflects all cash balances within the cash pool with the exception of Redevelopment funds. The Redevelopment funds have been removed from this analysis.

Note #2: The Net Activity reflects the difference between revenues and expenses for the month displayed.

Note #3: The Budget Deferred Amount reflects budgets deferred for seasonality or due to a program of managed expenditure allocations.

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City of Terre Haute Cash Pool Analysis With $4M TAW:

Description	Jan 31 Balances	Feb 28 Net Activity	Mar 31 Balances	April 30 Balances	May 31 Balances	June 30 Balances
Cash Pooled Begin Fund Balances	$ 4,858,584.60	$ (3,622,020.08)	$ (962,177.90)	$ (2,654,924.97)	$ (5,044,639.16)	$ (4,379,979.83)
Cash Pool Revenue	5,239,326.39	5,852,054.91	5,500,129.66	5,550,320.22	8,396,361.58	22,835,752.68
Cash Pool Expenses	(14,283,856.25)	(7,866,802.80)	(7,914,627.25)	(8,745,598.25)	(7,731,702.25)	(8,443,795.25)
Budget Deferred Amount	563,925.19	674,590.07	721,750.53	805,563.82	-	(2,765,829.61)
TAW	-	4,000,000.00	-	-	-	-
Cash Pool Ending Balances	$ (3,622,020.08)	$ (962,177.90)	$ (2,654,924.97)	$ (5,044,639.16)	$ (4,379,979.83)	$ 7,246,147.99

	July 31 Balances	Aug 31 Net Activity	Sept 30 Balances	Oct 31 Balances	Nov 30 Balances	Dec 31 Balances
Cash Pooled Begin Fund Balances	$ 7,246,147.99	$ 1,145,864.24	$ (997,907.52)	$ (1,844,149.27)	$ (3,736,122.03)	$ (1,978,602.78)
Cash Pool Revenue	5,240,668.50	5,897,892.50	7,656,329.50	5,778,646.50	9,582,534.50	18,530,168.94
Cash Pool Expenses	(11,340,952.25)	(8,041,664.25)	(8,502,571.25)	(7,670,619.25)	(7,825,015.25)	(8,268,152.25)
Net Activity Rev/Exp	-	-	-	-	-	-
Budget Deferred Amount						
TAW	-	-	-	-	-	(4,000,000.00)
Cash Pool Ending Balances	$ 1,145,864.24	$ (997,907.52)	$ (1,844,149.27)	$ (3,736,122.03)	$ (1,978,602.78)	$ 4,283,413.91

Note #1: The beginning cash pool balance reflects all cash balances within the cash pool with the exception of Redevelopment funds. The Redevelopment funds have been removed from this analysis.

Note #2: The Net Activity reflects the difference between revenues and expenses for the month displayed.

Note #3: The Budget Deferred Amount reflects budgets deferred for seasonality or due to a program of managed expenditure allocations.

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C

Redevelopment Cash - (Un-Audited) 12/31/2016

		Cash Pool	Other Cash	Total Cash
0295	NON FEDERAL INCOME	$ (16,332.00)	$ 101,319.79	$ 84,987.79
0296	HOME PROGRAM	(389.32)	250,535.66	250,146.34
0405	JADCORE TIF ALLOCATION	-	97,338.07	97,338.07
0406	CDBG	(1,446.53)	7,398.38	5,951.85
0407	FT HARRISON BUSINESS PARK TIF	-	111,925.26	111,925.26
0408	FT HARRISON BOND & INTEREST	(177.41)	177.41	0.00
0409	JADCORE BOND & INTEREST		0.06	0.06
0410	REDEVELOPMENT ST RD 46 TIF#10	1,578,835.24	1,360,736.57	2,939,571.81
0412	CANDLEWOOD BOND & INTEREST		1,019.54	1,019.54
0413	SR 46 BAN/BOND (CONSTRUCTION FUND)	-	310,561.13	310,561.13
0415	NEW MARG AVE EAST MEIR		(3.23)	(3.23)
0417	EMERGENCY SOLUTIONS GRANT	1,261.88	-	1,261.88
0464	CHERRY STREET BOND SERIES A		23,969.73	23,969.73
0466	CHERRY STREET BOND SERIES A DSR		120,570.75	120,570.75
0468	WTHI CONSTRUCTION		2.40	2.40
0470	BLIGHT ELIMINATION PROGRAM	(71,790.68)	85.00	(71,705.68)
0471	CENTRAL BUSINESS DISTRICT TIF	4,222,889.46	980,274.12	5,203,163.58
0472	SR46 BOND & INTEREST FUND	287,125.00	4,989.10	292,114.10
0473	SR46 DEBT SERVICE RESERVE	655,000.00	4,402.73	659,402.73
0483	2015 POLICE STATION CONSTRUCTION FUND		18,165.49	18,165.49
0485	2015 REVENUE BOND SERIES A DSR	-	72,365.19	72,365.19
	Totals	**$ 6,654,975.64**	**$ 3,465,833.15**	**$ 10,120,808.79**

City of Terre Haute - 2016 Redevelopment TIF Funds Activity (Unaudited):

	0405 Jadcore TIF	0407 FT Harrison Bus Park	0410 St Rd 46 TIF #10	0471 Central Bus Dist
Beginning Balance (1/1/16)	$ 144,289.15	$ 12.60	$ 2,358,473.48	$ 4,400,065.56
Revenue:				
TIF Revenue	197,880.59	117,495.75	1,280,988.67	1,580,055.41
Interest	32.00	91.91	263.66	160.60
Reimbursement	-	-	78,886.85	-
Total Revenue	197,912.59	117,587.66	1,360,139.18	1,580,216.01
Disbursement:				
Administrative Costs			27,906.86	22,961.91
Contractual Services	94,560.87	5,675.00	155,745.58	323,413.39
Transfer to WTHI Project				70,221.78
Transfer to Bond funds for Pmt	150,283.87	-	595,250.00	360,375.12
Total Disbursements	244,844.74	5,675.00	778,902.44	776,972.20
Contribution to Fund Balance	(46,932.15)	111,912.66	581,236.74	803,243.81
Ending Cash Balance (12/31/16)	$ 97,357.00	$ 111,925.26	$ 2,939,710.22	$ 5,203,309.37

Outstanding TIF Bonds	Ending Balance 2015	P&I 2016	Ending Bal 2016	P&I Due 2017
Taxable Economic Revenue Bonds of 2015	$ 1,214,000.00	$ 50,731.00	$ 1,192,000.00	$ 101,695.00
Taxable Economic Revenue Bonds of 2011	490,000.00	75,000.00	415,000.00	75,000.00
Taxable Economic Revenue Bonds of 2003	415,000.00	197,800.00	285,000.00	204,200.00
Taxable Economic Revenue Bonds of 2007	845,000.00	169,651.00	740,000.00	166,588.00
Tax Increment Revenue Bonds of 2015 Series A	930,000.00	77,492.00	895,000.00	77,923.00
Tax Increment Revenue Bonds of 2013	8,040,000.00	595,250.00	7,745,000.00	614,200.00
Tax Revenue Bonds of 2011 Series A	1,120,000.00	113,234.00	1,050,000.00	116,519.00
Totals	$ 13,054,000.00	$ 1,279,158.00	$ 12,322,000.00	$ 1,356,125.00

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City of Terre Haute Redevelopment Funds Cash Flow Analysis FY 2017

Description	Jan 31 Balances	Feb 28 Net Activity	Mar 31 Balances	April 30 Balances	May 31 Balances	June 30 Balances
Redevelopment Begin Fund Balances	$ 10,120,808.79	$ 10,089,308.79	$ 9,438,528.52	$ 9,247,028.52	$ 8,865,528.52	$ 8,474,028.52
Redevelopment Revenue (TIF Property Tax)	-	-	-	-	-	1,708,826.00
Administrative Expenses (TIF Portion)	(31,500.00)	(31,500.00)	(31,500.00)	(31,500.00)	(31,500.00)	(31,500.00)
Bond Payments	-	(619,280.27)	-	-	-	-
Industrial Margaret Drive Phase III B	-	-	(150,000.00)	(150,000.00)	(150,000.00)	(150,000.00)
Sycamore Crossing Roadway	-	-	-	(100,000.00)	(100,000.00)	(100,000.00)
Downtown TIF Infrastructure	-	-	-	(100,000.00)	(100,000.00)	(100,000.00)
State Road 46 Drainage Project	-	-	(10,000.00)	-	(10,000.00)	-
Cash Pool Ending Balances	**$ 10,089,308.79**	**$ 9,438,528.52**	**$ 9,247,028.52**	**$ 8,865,528.52**	**$ 8,474,028.52**	**$ 9,801,354.52**

	July 31 Balances	Aug 31 Net Activity	Sept 30 Balances	Oct 31 Balances	Nov 30 Balances	Dec 31 Balances
Redevelopment Begin Fund Balances	$ 9,801,354.52	$ 9,619,854.52	$ 8,756,908.52	$ 8,575,408.52	$ 8,193,908.52	$ 7,962,408.52
Redevelopment Fund Revenue (TIF Property Tax)	-	-	-	-	-	1,375,381.00
Administrative Expenses (TIF Portion)	(31,500.00)	(31,500.00)	(31,500.00)	(31,500.00)	(31,500.00)	(31,500.00)
Bond Payments	-	(681,446.00)	-	-	-	-
Industrial Margaret Drive Phase III B	(150,000.00)	(150,000.00)	(150,000.00)	(150,000.00)	-	-
Sycamore Crossing Roadway	-	-	-	-	-	-
Downtown TIF Infrastructure	-	-	-	(100,000.00)	(100,000.00)	-
State Road 46 Drainage Project	-	-	-	(100,000.00)	(100,000.00)	-
Cash Pool Ending Balances	**$ 9,619,854.52**	**$ 8,756,908.52**	**$ 8,575,408.52**	**$ 8,193,908.52**	**$ 7,962,408.52**	**$ 9,306,289.52**

Note: This analysis does not include the revenue and expenses from Non-Fed, Home Program, and CDBG since these funds maintain the approximate same fund balance throguhout the year and are basically pass through funds. The cash difference is not material.

Outstanding TIF Bonds	February Bond Payment	August Bond Payment	Total Payments 2017
Taxable Economic Revenue Bonds of 2015	$ -	$ 50,731.00	$ 50,731.00
Taxable Economic Revenue Bonds of 2011	35,565.89	35,000.00	70,565.89
Taxable Economic Revenue Bonds of 2003	101,400.00	102,800.00	204,200.00
Taxable Econcomic Revenue Bonds of 2007	84,325.00	82,263.00	166,588.00
Tax Increment Revenue Bonds of 2015 Series A	39,118.75	38,804.00	77,922.75
Tax Increment Revenue Bonds of 2013	302,875.00	311,325.00	614,200.00
Tax Revenue Bonds of 2011 Series A	55,995.63	60,523.00	116,518.63
Totals	$ 619,280.27	$ 681,446.00	$ 1,300,726.27

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