

69-R-02

A RESOLUTION

**Authorizing the Transfer of Funds From the
Water Fund to the Insurance Fund**

WHEREAS, the City of Evanston is a home rule unit of government and operates under the Budget Officer form of Illinois governmental budgeting; and

WHEREAS, pursuant to Section 1-11-5 (F) of the City Code (Revision of the Annual Budget), the Municipal Budget Officer, subject to approval by the City Manager, shall have the power to revise the budget within any separate fund as may be required; and

WHEREAS, also under Section 1-11-5 (F), the corporate authorities, by a vote of two-thirds of the members then holding office, shall have the authority to revise the budget by transferring monies from one fund to another or adding to any fund; and

WHEREAS, the City Council has determined it is in the best interests of the City of Evanston to transfer funds from the Water Fund to the Insurance Fund; and

WHEREAS, the Ordinances of the City relating to the management and operation of the Water Fund provide, as set forth in Exhibit A to this Resolution, for the use and operation of the Depreciation, Improvement and Extension Account and the Surplus Revenue Fund; and

WHEREAS, the credit balance of the Depreciation, Improvement and Extension Account is in excess of \$4,000,000, and accordingly, after the transfer herein provided for, will still exceed the sum of \$1,000,000; and

WHEREAS, the Municipal Budget Officer and the City Manager have consulted with Bond Counsel to the City and received advice as to the propriety of the transfer herein provided for, which advice is the basis for this Resolution,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: That there shall be transferred from the Depreciation, Improvement and Extension Account of the Water Fund to the Surplus Revenue Account of such Fund the sum of \$3,000,000.

SECTION 2: That the uses and expenditures of the Insurance Fund of the City are all for lawful corporate purposes.

SECTION 3: That there shall be transferred from the Surplus Revenue Fund of the Water Fund to the Insurance Fund the sum of \$3,000,000; and that the City Manager shall direct the Municipal Budget Officer to effect such transfer promptly, as soon as may be practicable.

SECTION 4: That this Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.


Lorraine H. Morton, Mayor

ATTEST:


City Clerk

Adopted: October 14, 2002

EXHIBIT A

[In the Water Fund]

D. *Depreciation, Improvement and Extension Account.* There next shall be credited to the Depreciation, Improvement and Extension Account the sum of \$5,100 per month, or such greater amount as may be designated from time to time by the City Council. The moneys in the Depreciation, Improvement and Extension Account shall be used (1) to provide an adequate allowance for depreciation as shall be determined from time to time by the City Council in its sole discretion, (2) to pay the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, or for improvements, repairs or replacements to the System required by any agency of the State of Illinois or the United States Government, in order that the System may at all times be able to render efficient service, (3) if not so needed, for improvements or extensions of the System, and (4) at any time required, for the payment of principal of or interest on any Outstanding Bonds when there are no other funds available for that purpose in order to prevent a default and shall be transferred to the Bond and Interest Account for such purpose. At any time as moneys on deposit to the credit of the Depreciation, Improvement and Extension Account exceed the sum of \$400,000, amounts in excess thereof may be transferred to any other account within the Water Fund of the City at the discretion of the City Council.

All proceeds received from the disposition of any property of the System shall be credited to Depreciation, Improvement and Extension Account.

E. *Surplus Revenue Account.* All revenues remaining in the Water Fund, after all credits have been made to the respective accounts hereinabove provided for, shall be credited to the Surplus Revenue Account, and the amount so credited shall be held and used for the following purposes:

1. For making up any deficiency necessary to credit accounts enumerated in paragraphs (A) to (D), inclusive, with the required amounts therefor for each month as hereinabove provided.
2. For paying principal of and interest on any junior lien water revenue bonds (subordinate issue).
3. For transfer to any other account of the fund, or at the discretion of the City Council for any lawful corporate purpose, including, but not limited to, any extraordinary costs of operation and maintenance of the System not otherwise provided for, or any authorized payments in lieu of taxes, general supervision and administrative charges by the City.
4. For any lawful corporate purpose, in the discretion of the City Council.