



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

File #: 23-4651, **Version:** 1

PROPOSED RESOLUTION

AUTHORIZATION OF DEBT SERVICE PAYMENT FROM MASTER OPERATING ACCOUNT

WHEREAS, Cook County debt service payments of \$215,046,620.39 due on November 15th of 2023; and

WHEREAS, The County currently has in reserve within the Debt Service Fund as of July 31, 2023, \$169,101,267.84; and

WHEREAS, County's General Obligation Debt is secured by and paid for by the County's Property Tax receipts; and

WHEREAS, Amalgamated Bank of Chicago is the trustee for the County's Series 2004C, 2004D, 2009B, 2011C, 2012A, 2012B, and 2013B General Obligation Debt; and

WHEREAS, Bank of New York Mellon is the trustee for the County's Series 2010D, 2014C and 2021A General Obligation Debt; and

WHEREAS, Zions Bancorporation is the trustee for the County's Series 2016A, 2018, 2021B, 2021C, 2022A and 2022B General Obligation Debt; and

WHEREAS, property tax bills are not anticipated to be issued by the Cook County Treasurer until November 1st, 2023 and there will be insufficient debt service reserves accumulated to pay for the full value of the debt service due on that date; and

WHEREAS, failing to make the proposed payments would constitute a default that could materially impact the County's Bond rating and investors perception of the County's credit worthiness, in turn increasing the County's cost of borrowing; and

WHEREAS, due to judicious debt management and responsible fiscal stewardship there is sufficient unrestricted cash available within the Master Operating Account (C-Fund) to pay down the debt service owed without the need for costly borrowing or impacting County operations.

NOW, THEREFORE, BE IT RESOLVED, by the Cook County Board of Commissioners, that the Cook County Chief Financial Officer or their designee, is authorized to transfer funds in an amount up to \$110 Million, equal to the value required, as determined by the County's Trustees to provide the full amount of debt service on the date of November 15, 2023; and

BE IT FURTHER RESOLVED, that the source of such funding will be the unrestricted cash available in the County's Master Operating Account; and

BE IT FURTHER RESOLVED, that the transfer will be recognized as a transfer out from the County's General Fund Operating Budget and a transfer in to the debt service fund that will be reversed upon receipt of the property taxes.