

**McHENRY COUNTY CONSERVATION DISTRICT  
RESOLUTION #18-38**

**RESOLUTION AUTHORIZING CREATION OF A DEBT SERVICE ACCOUNT AND A RESERVE  
ACCOUNT WITHIN EACH OF THE CONSERVATION DISTRICT'S BOND FUNDS  
AND AUTHORIZING CERTAIN TRANSFERS**

**WHEREAS**, the McHenry County Conservation District has, from time to time, issued general obligation bonds under the authority prescribed in applicable provisions of the Conservation District Act, 70 ILCS 410/1 et seq.; and

**WHEREAS**, upon issuance of such general obligation bonds, the McHenry County Conservation District submits a copy of the bond ordinance to the McHenry County Clerk which includes a schedule of annual property taxes to be extended against the real property within the corporate boundaries of the Conservation District; and

**WHEREAS**, when extending the property taxes, the McHenry County Clerk may include an amount for loss and costs; and

**WHEREAS**, the annual amount collected by the McHenry County Treasurer and remitted to the McHenry County Conservation District, including any amount for loss and costs, may exceed the annual amount needed by the Conservation District to pay the principal and interest on the bonds; and

**WHEREAS**, over time, as the general obligation debt is repaid, there may be an accumulation of funds in the debt service funds; and

**WHEREAS**, the Conservation District currently has several debt service funds for bonds which have been retired and refunded; and

**WHEREAS**, continuing to account for amounts remaining in debt service funds for which the bonds have been retired is inefficient and unnecessary; and

**WHEREAS**, the Board of Trustees of the McHenry County Conservation District has determined that it is in the best interest of the Conservation District and its residents to authorize the creation of reserve accounts within any active debt service funds and the expenditure of the monies held in those reserve accounts in accordance with applicable laws;

**NOW THEREFORE BE IT RESOLVED BY THE BOARD TRUSTEES OF THE MCHENRY COUNTY CONSERVATION DISTRICT, COUNTY OF MCHENRY, STATE OF ILLINOIS**, as follows:

**SECTION ONE: RECITALS:** The foregoing recitals are incorporated in, and made part of, this Resolution by this reference as findings of the Board of Trustees of the McHenry County Conservation District.

**SECTION TWO: CREATION OF DEBT SERVICE RESERVE ACCOUNTS.** The Board of Trustees of the McHenry County Conservation District hereby authorizes and directs the Conservation District’s Director of Administration and Finance to create, within an active debt service fund currently in existence, and any debt service fund that may be created in the future, a reserve account.

**SECTION THREE: RECEIPT OF PROPERTY TAXES.** Property taxes received from the annual tax levy for debt service purposes shall initially be deposited into and accounted for in the respective debt service fund.

**SECTION FOUR: TRANSFERS FROM DEBT SERVICE ACCOUNTS:**

A. Initial Transfers

The Director of Administration and Finance is hereby authorized and directed to transfer the following amounts from the inactive debt service funds to a new reserve account within the 2014 Bonds Debt Service Fund. The amounts to be transferred at this time are as follows:

Account	Debt Service Fund	Transfer to Reserve Account
1300300	98A Bond Debt	\$ 41,271.64
1900300	2001B Bond Debt	\$ 1,343.22
2003000	2001A Bond Debt	\$ 122.94
2203000	2005A Bond Debt	\$274,182.65
2300300	2005B Bond Debt	\$ 27,868.17

B. Subsequent Transfers

Beginning with fiscal year 2019, the Director of Finance and Administration will, annually, submit to the Board of Trustees a recommendation for the transfer of all funds not needed for payment of principal and interest from the debt service account to the reserve accounts in each respective debt service fund.

**SECTION FIVE: USE OF RESERVE ACCOUNT MONIES:** The monies accumulated from tax levies received, in excess of that which is needed to make the principal and interest payments on General Obligation bonds, shall be held in a separate reserve account of each active debt service fund, as established. Such monies may only be used to retire other General Obligation bonds.

**SECTION SIX: EFFECTIVE DATE.** This resolution shall be in full force and effect from and after its approval.

DATED this 20<sup>th</sup> day of December 2018.

Ayes: 7

Nays: 0

Absent: 0

Abstain: 0



DAVID KRANZ, PRESIDENT

BOARD OF TRUSTEES



DAVE BRANDT, SECRETARY

BOARD OF TRUSTEES