



MEMORANDUM

TO: Jay B. Rising, Chief Financial Officer
Gary Brown, Director, DWSD

FROM: Hon. Scott Benson, City Council District 3

CC: Hon. Gabriela Santiago-Romero, Chair, Public Health and Safety
Standing Committee
Hon. Janice Winfrey, City Clerk
Malik Washington, Mayor's Liaison

VIA: Hon. Council President Mary Sheffield

DATE: 26 September 2024

RE: FLOW OF FUNDS AND DEBT REIMBURSEMENT FOR DWSD
CAPITAL IMPROVEMENT CONTRACTS

I am seeking clarification regarding the flow of funds for capital improvements related to the following projects:

1. **Project WS7-25, Contract #6006459** - \$16.752 million
2. **Project WS749** - \$30 million

Specifically, I have two questions:

1. When we are using bond funds to pay for these capital improvements, and those funds are later reimbursed, are the reimbursements being directed toward paying down the debt incurred from the bonds?
2. Or, are the reimbursements being placed into a separate capital fund account?

I want to ensure the method for handling the above reimbursement scenario is the correct process to ensure we are paying back the debt incurred from bonds, rather than allocating these funds to other accounts for future use?

Given the importance of managing these resources effectively, please provide an explanation of the proper flow of funds in these situations to ensure compliance with any bond obligations and GASB's GAAP standards.

If you have any questions, do not hesitate to contact my office at 313-224-1198.

SRB