

November 14, 2025

TO: RAILS Board of Directors

FROM: Joe Filapek, RAILS Associate Executive Director

SUBJECT: 8.5 Capital Projects Fund Transfer

We are recommending that the Board approve a transfer of \$1,850,000 into the Capital Projects Fund to ensure adequate funding for upcoming capital needs. The Capital Projects Fund was established nearly ten years ago and was initially supported through proceeds from the sale of several legacy system facilities. At its inception, the fund held approximately \$4.1 million, with the intent that these resources would support future capital expenditures across the organization.

Over time, these funds have been used to support essential projects and equipment replacement. As a result, the current balance of the Capital Projects Fund has been drawn down to \$462,504. Considering projected needs over the next several years, this current balance is not sufficient to meet anticipated capital expenditures.

These upcoming expenditures fall into two primary categories. First, RAILS continues to face a recurring need to replace high-mileage delivery vehicles in order to maintain the reliability and efficiency of our delivery operations. Second, the capital needs assessment conducted by Building Technology Consultants, Inc. identified several recommended facility projects for our Burr Ridge service center that will require capital funding.

Transferring \$1,850,000 into the Capital Projects Fund will restore the fund to a level that allows RAILS to proactively plan for and address these needs. Importantly, making this transfer will not significantly impact the financial stability of the General Fund. Even after the transfer, projected unassigned General Fund cash and investment balances will maintain an average balance sufficient to fund approximately 18 months of operations, which has generally been a threshold the Board has tried to maintain.

For these reasons, RAILS staff recommends approval of the transfer to ensure RAILS remains positioned to responsibly manage its capital obligations in the years ahead.