

Village Board Agenda Memo

Date: May 4, 2016

To: Finance Committee Chair Patricia Rocco
Village President and Board of Trustees

From: Larry Noller, Finance Director
Julia Cedillo, Village Manager

Re: **2016 Referenda Bonds Issuance**

PURPOSE

Consideration of an ordinance providing for the issue of not to exceed \$11,200,000 General Obligation Corporate Purpose Bonds, Series 2016, for the purpose of paying the costs of certain capital improvements, providing for the levy and collection of taxes sufficient to pay the bonds, and authorizing the sale of said bonds to the purchaser thereof.

BACKGROUND

In order to proceed with issuing the 2016 road and fire equipment bonds approved by voters March 15, 2016, the Village Board approved agreements last month with R.W. Baird as financial advisor and Chapman and Cutler as bond counsel. The next step in the process is for the Village Board to approve an ordinance authorizing the issuance of the bonds.

The draft ordinance was prepared by Chapman and Cutler and is scheduled to be on the May 24th Village Board meeting agenda for approval. The proposed ordinance approves the issuance of general obligation bonds for road improvements, including street resurfacing and sidewalk repair, and the purchase of fire vehicles and equipment, and associated expenses and provides for the levy of property taxes sufficient to pay the bonds. Included in the ordinance are the details for the bonds, including tax exempt status covenants, provision for manner of sale, parameters and terms of the bonds and the form of the bonds. The parameters within the ordinance restrict the sale of the bonds to the voter and Village Board approved limits while providing flexibility to adapt to changes in market conditions that may occur between now and the sale, planned for the week of June 7th.

Maximum amount of bonds (Page 5):	\$11.2 million
Maximum interest rate (Page 5):	6.0%
Term (Page 5):	10 Years
Sale Type (Page 21):	Competitive
Designated Officers (Page 21):	The ordinance authorizes the Village President and either the Village Manager or Finance Director to proceed with the bond sale.
Maximum Annual Tax Levy (Page 23):	\$1.35 million

Stephan Roberts from Robert W. Baird will attend the May 10th Village Board workshop to present the recommendation for a competitive sale of the bonds and to review the sale parameters. In addition,

Mr. Roberts will discuss his firm's analysis regarding issuing the entire \$11.2 million at once versus stages.

STAFF RECOMMENDATION

Staff recommends the Village Board approve the proposed ordinance authorizing the issuance of the 2016 referenda bonds at the May 24th meeting.

ACTION REQUESTED

For the May 24th Village Board meeting: Motion to approve an ordinance providing for the issue of not to exceed \$11,200,000 General Obligation Corporate Purpose Bonds, Series 2016, for the purpose of paying the costs of certain capital improvements, providing for the levy and collection of taxes sufficient to pay the bonds, and authorizing the sale of said bonds to the purchaser thereof.

DOCUMENTATION

- Memo from Baird recommending a competitive sale.
- Presentation from Baird
- Bond analysis from Baird.
- Draft bond ordinance.
- Bond Timetable