

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/14/2021

SUBJECT:	SUBMITTED BY:
Parameters Ordinance and Inducement Resolution - GO Bond Series 2022	Judy Buttny Finance Director

SYNOPSIS

An ordinance has been prepared to provide for the issuance of general obligation bonds for funding the construction of the new combined Village Hall/Police Station redevelopment and Stormwater projects; and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal and interest of said bonds. A resolution has also been prepared declaring the official intent to reimburse for certain capital expenditures of the Village with the issuance of the General Obligation Bonds, Series 2022.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Steward of Financial, Environmental and Neighborhood Sustainability, Exceptional Municipal Services, Top Quality Infrastructure, and Continual Innovation.*

FISCAL IMPACT

In accordance with the bond issuance parameters ordinance, the annual principal and interest payments would not exceed \$3,850,000 and the principal amount of the bond issuance would not exceed \$42,100,000.

RECOMMENDATION

UPDATE & RECOMMENDATION

This item was discussed at the December 7, 2021 Village Council meeting. Staff recommends approval on the December 14, 2021 Active Agenda.

BACKGROUND

The Facilities Replacement and Sustainability Plan (FRSP) calls for a bond issuance of \$35 million to pay for the construction of a new Police Station and Village Hall. The Stormwater Capitol Plan calls for \$5.5 million in bond issuance to help pay for projects identified to be constructed from 2022-2024. The bond issuance for these two items is being combined to reduce issuance costs. The bonds will be issued in 2022.

The Village intends to issue general obligation bonds for these projects. The ordinance provides for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds. It is currently anticipated that the total bond issuance will be \$40.5 million, \$35.0 million for Facilities, and \$5.5 million for Stormwater. However market conditions may change by the time the bonds are issued in

2022, so the amount listed on the parameters ordinance gives the Village flexibility to respond to these changes. The ordinance outlines the following parameters:

- Method of Sale shall be Competitive Sale
- Maximum Principal amount of \$42,100,000
- Maximum Annual Debt Service Payments of \$3,850,000
- Maximum interest rate of 5.5%
- Mayor is authorized to Execute the Bond Order

The Village expects to advance its own funds to pay certain costs of the Village's redevelopment plan and project tax increment financing ("TIF") Washington and Curtiss Street Redevelopment Project Area, which includes the construction, renovation, equipping, rehabilitation and/or improvement of certain infrastructure within the Village, including, but not limited to, certain infrastructure projects related to a new Village Hall and Police Station. The reimbursement resolution allows the Village to reimburse itself with proceeds of debt from the bond issuance for all or a portion of these expenditures relating to the projects that have been paid up to 60 days prior to adoption of the reimbursement resolution or that will be paid after the adoption of the resolution.

ATTACHMENTS

Parameters Ordinance

Reimbursement Resolution

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Finance Director DATE: December 14, 2021
(Name)

RECOMMENDATION FROM: _____ FILE REF: _____
(Board or Department)

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to Adopt "A RESOLUTION declaring the official intent to reimburse expenditures for the certain capital expenditures of the Village with the issuance of not to exceed \$42,100,000 General Obligation Bonds, Series 2022, of the Village of Downers Grove, DuPage County, Illinois", as presented.



SUMMARY OF ITEM:

Adoption of this resolution shall declare the official intent to reimburse certain capital expenditures in connection with the General Obligation Bonds, Series 2022.

RECORD OF ACTION TAKEN:

EXTRACT OF MINUTES of a regular public meeting of the Council of the Village of Downers Grove, DuPage County, Illinois, held at the Village Hall, 801 Burlington Avenue, in said Village, at 7:00 p.m., on the 14th day of December, 2021.

The Mayor called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, the Mayor and the following Commissioners answered physically present at said location: _____

The following Commissioners were allowed by a majority of the Council in accordance with and to the extent allowed by rules adopted by the Council to attend the meeting by video or audio conference: _____

No Commissioner was not permitted to attend the meeting by video or audio conference. The following Commissioners were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The Council then considered a resolution providing for the declaration of official intent to reimburse expenditures for a project with the issuance by the Village of Downers Grove, DuPage County, Illinois, of General Obligation Bonds, Series 2022.

Thereupon, Commissioner _____ presented and the Village Attorney explained in full the following resolution:

**DECLARATION OF OFFICIAL INTENT
TO REIMBURSE EXPENDITURES**

A RESOLUTION declaring the official intent to reimburse expenditures for the certain capital expenditures of the Village with the issuance of not to exceed \$42,100,000 General Obligation Bonds, Series 2022, of the Village of Downers Grove, DuPage County, Illinois.

WHEREAS, pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois the Village of Downers Grove, DuPage County, Illinois (the “*Village*”), is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, in connection with financing a portion of the costs of (a) the construction, renovation, equipping, rehabilitation and/or improvement of certain infrastructure within the Village, including, but not limited to, certain infrastructure projects related to the Village’s Stormwater System, including, but not limited to, other types of infrastructure improvements such as roads, water mains and the like, and (b) the Village’s redevelopment plan and project tax increment financing (“TIF”) Washington and Curtiss Street Redevelopment Project Area, which includes the construction, renovation, equipping, rehabilitation and/or improvement of certain infrastructure within the Village, including, but not limited to, certain infrastructure projects related to a new Village Hall and Police Station (collectively, the “*Project*”); and

WHEREAS, the Village reasonably expects to advance its own funds to pay certain costs of the Project and subsequently reimburse these advances with proceeds of debt to be incurred by the Village; and

WHEREAS, the Village expects to issue debt in one or more series not expected to exceed \$42,100,000 in aggregate principal amount, plus costs of issuance, for purposes of financing, refinancing or reimbursing costs of the Project;

NOW, THEREFORE, BE IT RESOLVED that the Village declares its official intent to construct, renovate, equip, rehabilitate and/or improve the Project; to reimburse certain costs of constructing, renovating, equipping, rehabilitating and/or improving the Project with proceeds of debt to be incurred by the Village; and to issue debt in one or more series not expected to exceed \$42,100,000 in aggregate principal amount, plus costs of issuance, for purposes of financing, refinancing or reimbursing costs of the Project.

NOW, THEREFORE, BE IT RESOLVED that the Village intends this resolution to satisfy the requirements of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the “Code”), and specifically Treasury Reg. §1.150-2(d), regarding the declaration by the Village of its official intent to issue its bonds for the purpose of reimbursing original expenditures (as that term is defined in Treasury Reg. §1.150-2(c)) incurred with respect to the Project within 60 days preceding the adoption of this resolution.

ADOPTED December 21, 2021:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED December 21, 2021.

Mayor, Village of Downers Grove,
DuPage County, Illinois

Published in pamphlet form by authority of the Council on December 21, 2021.

ATTEST:

Village Clerk, Village of Downers Grove
DuPage County, Illinois

STATE OF ILLINOIS)
) SS
 COUNTY OF DUPAGE)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the "Village"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Council (the "Corporate Authorities") thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 14th day of December, 2021, insofar as the same relates to the adoption of a resolution entitled:

A RESOLUTION declaring the official intent to reimburse expenditures for the certain capital expenditures of the Village with the issuance of not to exceed \$42,100,000 General Obligation Bonds, Series 2022, of the Village of Downers Grove, DuPage County, Illinois.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said resolution were taken openly; that the vote on the adoption of said resolution was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the principal office of the Corporate Authorities and at the location where said meeting was to be held on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding said meeting; that said agenda described or made specific reference to said resolution; that a true, correct and complete copy of said agenda as so posted is attached hereto; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities has complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the Village, and with all of the procedural rules of the Corporate Authorities in the adoption of said resolution.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Village this 14th day of December, 2021.

 Village Clerk

[SEAL]

VILLAGE CLERK TO ATTACH AGENDA