

COUNCIL WORKSHOP ITEM

ITEM: WATER BOND 2001A ABATEMENT ORDINANCE
DATE: March 7, 2002
PREPARED BY: MARTIN LYONS, DIRECTOR OF FINANCIAL SERVICES
PURPOSE: Adoption of this abatement ordinance is required to prevent the levy of property taxes for the payment of the Series Water 2001A bond issue for the Automated Meter Reading system.

DISCUSSION:

The Village adopted an ordinance to issue bonds for the Automated Meter Reading System on December 18, 2001. Originally these bonds were intended to be Revenue bonds. Such revenue bonds do not have the same ad-valorem taxing authority behind them and therefore do not involve property taxes. However, after a cost benefit analysis was done in late November, we decided to issue General Obligation debt instead of straight Water Revenue bonds.

The attached ordinance is identical in format to the other abatement ordinances adopted by the Council each year for the abatement of General Obligation Bonds for the Central Business District TIF project. During a preliminary review of the 2001 tax levy as recorded at DuPage County, staff discovered that only the CBD/TIF bonds had been abated, and that an ordinance abating the Series Water 2001A bonds needed to be adopted and placed on file with the County. The Water Fund has sufficient funds to pay for this debt service, and these payments are budgeted for FY 2002-03 in the Manager's Proposed Budget.

ATTACHMENT: Abatement Ordinance

RECOMMENDATION:

We recommend the adoption of this ordinance and respectfully request the waiving of the waiting period for adoption. This will allow us to have the ordinance on file with the County, in a timely fashion, so as not to hinder the levy/assessment process.

ORDINANCE NO. _____

**AN ORDINANCE ABATING A PORTION OF
THE 2001 TAX LEVY RELATED TO
THE GENERAL OBLIGATION WATER BONDS, SERIES 2001A**

WHEREAS, the Council of the Village of Downers Grove, DuPage County, Illinois, pursuant to the provisions of Article 8 of the Illinois Municipal Code, has heretofore adopted an ordinance levying taxes for the corporate purposes of the Village of Downers Grove for the fiscal year commencing on the first day of May, 2001, and ending on the thirtieth day of April, 2002, (hereinafter referred to as the "Ordinance"), which Ordinance shall, pursuant to law, be filed in the office of the County Clerk of DuPage County, Illinois; and

WHEREAS, the Ordinance provided for a levy for funds budgeted for the General Obligation Water Bonds, Series 2001A (Ordinance 4349 adopted December 18, 2001) in the amount of \$396,862.71; and

WHEREAS, the Village of Downers Grove has sufficient funds available in the Water Fund to abate a portion of the amount of tax to be levied for the General Obligation Water Bonds, Series 2001A and to reduce the amount of tax to be levied pursuant to the Ordinance accordingly,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

SECTION 1. That the funds available in the Water Fund of the Village of Downers Grove be applied to the General Obligation Water Bonds, Series 2001A in the amount of \$396,862.71.

SECTION 2. That the amount of \$396,862.71 levied for purposes of the General Obligation Water Bonds, Series 2001A be abated from the tax levy for the fiscal year commencing on the first day of May, 2001, and ending on the thirtieth day of April, 2002.

SECTION 3. That the Clerk of the Village of Downers Grove, DuPage County, Illinois, is hereby directed to file with the County Clerk of DuPage County, Illinois, a copy of this Ordinance, duly certified by said Village Clerk.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage as required by law.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Mayor

Passed:

Published:

Attest: _____
Village Clerk