

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
FEBRUARY 8, 2011

SUBJECT:	TYPE:	SUBMITTED BY:
Extension of Agreement with Financial Advisor	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

A resolution is requested to extend the professional services agreement for a financial advisor with Northern Trust Securities of Chicago, Illinois.

STRATEGIC PLAN ALIGNMENT

The Village's Five Year Plan and Goals identifies *Top Quality Infrastructure* and *Steward of Financial and Environmental Sustainability*.

FISCAL IMPACT

Northern Trust's fee for services consists of a fixed rate of \$10,000 plus \$0.90 per \$1,000 par amount of bonds issued. This fee structure has not changed from the 2008 agreement. Staff will budget the appropriate amount in the FY12 budget based on the total debt issuance determined during the Long Range Financial Plan process.

RECOMMENDATION

Approval on the February 8, 2011 consent agenda.

BACKGROUND

The Village uses the services of a financial advisor to prepare for and issue bonds to finance capital projects. On February 26, 2008 the Village entered into three-year contract for financial advisory services with Northern Trust. The contract has the option for a three-year renewal. Northern Trust will not increase the original contract fee for the contract renewal. Staff is pleased with the services provided by Northern Trust in the first three years of the contract.

Northern Trust was chosen to be the Village's Financial Advisor in 2008 after reviewing the qualifications of eight firms that responded to the Village's Letter of Interest. Northern Trust served as financial advisor for the issuance of \$25 million in debt in 2008 for implementation of the Watershed Infrastructure Improvement Plan (WIIP). In addition, Northern Trust brought proposals to the Village for four refunding opportunities, which saved the Village approximately \$1.4 million in net present value savings.

The FY2008 Budget included a Stormwater Improvement Fund for WIIP projects. The debt for capital expenditures in this fund is supported by a ¼ cent Home Rule Sales Tax and a property tax levy of \$2.1 million. The \$25 million debt issuance in 2008 was intended to be the first of a series of three GO debt issuances to provide funding for the Village's stormwater system, with debt issuances of approximately \$25 million each in 2012 and 2015 to provide funding for stormwater as well as other high-priority infrastructure projects. In planning for the 2012 debt issuance, staff will make a comprehensive review of high priority projects in all areas of the Village's infrastructure, to make a recommendation to Council as to the allocation of those capital dollars.

ATTACHMENTS

Agreement

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AN EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND NORTHERN TRUST

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

1. That the form and substance of a certain Extension (the “Agreement”), between the Village of Downers Grove (“Village”) and Northern Trust n/k/a Northern Trust Securities, Inc. (“Consultant”), for professional financial advisor services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk

**EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE VILLAGE OF DOWNERS GROVE AND NORTHERN TRUST**

The Village of Downers Grove, Illinois ("Village") and Northern Trust ("Consultant") entered into an Agreement for Professional Financial Advisor Services on or about March 4, 2008. That Agreement expires on March 3, 2011. Pursuant to the terms stated therein, the parties desire to extend that contract for a three (3) year period under the following terms:

1. That all references to "Northern Trust" throughout the Agreement be amended to "Northern Trust Securities, Inc."
2. Pursuant to Section II of the Agreement, the parties agree to extend the term of the Agreement through March 3, 2014.
2. All prior terms from the March 4, 2008-March 3, 2011 Agreement for Professional Financial Advisor Services remain in full force and effect.

VILLAGE OF DOWNERS GROVE

**NORTHERN TRUST SECURITIES,
INC.**

David Fieldman, Village Manager

Sheila M. Doremus, COO

Attest:

Attest:

Village Clerk

Allen R. Paul

Date: _____

Date: 25 January 2011