



Agenda Item Summary

File #: ORD 17-277, **Version:** 1

Submitted By

Steven Drazner, Finance

Reviewed By

LKS

Agenda Item Title

An Ordinance Providing for a Not-To-Exceed Issuance of \$13,700,000 General Obligation Corporate Purpose Bonds, Series 2017A, of the Village of Oak Park, Cook County, Illinois, and Providing for the Levy and Collection of a Direct Annual Tax for the Payment of the Principal of and Interest on Said Bonds

Overview

The 2017A issue will be used to finance certain projects totaling \$9.2M in the FY17 capital improvement plan including street, alley, and facility improvements, \$4.0M for street/alley resurfacing projects in the FY18 capital improvement plan, as well as financing costs. This will be a tax exempt, non-bank qualified issue (since it exceeds the \$10M threshold). Since many of the expenditures have already been incurred and paid thus far this year, Resolution 17-678 is also presented as a separate agenda item for adoption by the Board which allows Series 2017A issue to reimburse the Village for those expenditures already paid. The pricing for the sale of bonds will occur on Monday and updated materials will be provided at the meeting.

Staff Recommendation

Approval.

Fiscal Impact

This will be a twenty year issue and the interest over this duration is estimated to be approximately \$6.8 million. The exact amount will be provided upon sale of the bonds.

Background

A total of approximately \$15.5 million in capital projects has been budgeted in the current year excluding special revenue and enterprise fund capital expenditures. Included in the \$15.5 million are street and alley improvement projects which total \$5.7 million, or 37% of this amount. Also included in the FY17 budget is \$11.8 million in bond proceed revenue as well as another \$3.7 million in dedicated tax revenue to pay for the capital improvement projects.

Of the capital projects budgeted, approximately \$12.9 million of expense is projected out of the \$15.5 million budgeted in 2017. Therefore, only about \$9.2 million of the \$11.8 million in budgeted in bond proceeds is needed as follows:

\$12.9M less \$3.7M (dedicated other revenue sources) equals \$9.2M. In addition, funding in the amount of

\$4 million for the 2018 street/alley capital projects will be combined in the 2017A issue for a total of \$13.2 million.

Alternatives

The Village Board may defer or reject the bond issue. Should this occur, there will not be adequate cash to fund remaining payments on budgeted capital project expenditures incurred but not yet paid to date in the current fiscal year.

Previous Board Action

In the previous fiscal year, five bond series were issued as follow:

- 2016A \$20,300,000: Refunded 2006B
- 2016B \$4,125,000: Colt/Westgate
- 2016C \$2,900,000: Colt/Westgate
- 2016D \$10,005,000: 2016 Capital Improvements
- 2016E \$10,395,000: Lake St. Garage

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

N/A.

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

N/A.