



Agenda Item Summary

File #: RES 17-678, **Version:** 1

Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Authorizing Village of Oak Park General Bond Obligation Proceeds with a Estimated Issuance Date in November 2017 to Reimburse Previously Budgeted and Paid 2017 Capital Improvement Expenditures

Overview

The FY17 budget includes \$11,523,000 in bond proceed revenue necessary to fund budgeted CIP expenditures. Staff identified projects for 2017 that could be deferred resulting in reduced bond proceeds of only \$9,200,000 required for 2017 capital projects. In addition, it was previously discussed and determined that it would be in the best interest of the Village that bonds for \$4,000,000 to fund budgeted 2018 streets and alley resurfacing projects be combined with the 2017 issue, resulting in a total bond issuance amount of approximately \$13,200,000, excluding any additional amount typically bonded to pay for issuance costs.

Since certain 2017 capital improvement expenditures have already been incurred, it is necessary to adopt a Resolution authorizing that a portion of the issuance of 2017 bonds may be applied toward eligible CIP expenditures previously incurred during the year. Please note that the exact anticipated issuance amount of \$13,430,000 includes approximately \$230,000 for issuance costs, thus leaving a remainder of \$13,200,000 for capital improvement costs.

Staff Recommendation

Approve the Resolution

Fiscal Impact

None

Background

In order to follow to Internal Revenue Service regulations regarding tax exempt issues, it is necessary and best practice to adopt a Resolution in any year where eligible expenditures funded by bonds are incurred prior to the issuance of the bonds. This does not increase or decrease the amount of bonds issued or have any affect whatsoever on the bond issue itself. Rather, this allows the Village to be reimbursed for advanced reserves to pay for budgeted CIP expenditures prior to the bond issuance.

Alternatives

Do not adopt Resolution and thus only allow bond proceeds to fund expenditures yet to be incurred.

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A

Performance Management (MAP) Alignment

N/a