



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

An Ordinance Providing for the Issuance of \$3,810,000 General Obligation Corporate Purpose Refunding Bonds, Series 2020B 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 and Interest on Said Bonds

Overview

The General Obligation Series 2020B issue of \$3,810,000 will refund the remaining outstanding principal of Series 2011B. The estimated present value savings has been calculated at \$232,000. The sale of the refunding bonds will close on October 13, 2020.

Staff Recommendation

Adopt the Ordinance

Fiscal Impact

The estimated present value savings from the refunding is \$232,000 which will be reflected in the FY21 budget.

Background

The original Series 2011B bonds were issued both as a partial refunding for Series 2004B and to fund capital projects in the Capital and Water/Sewer Funds. The 2020B refunding bonds are being issued with 90 days of the January 1, 2021 "call" date. Estimated present value savings resulting from the refunding is \$232,000 over the remaining life of the debt service payments through January 1, 2025.

With record low interest rates, it is an opportune time to take advantage and call in the outstanding 2011B bonds by paying them off with lower rate bonds. The outstanding principal on the 2011B which will be called in totals \$4,165,000 and the new principal will be approximately \$4,305,000. Although the new principal will be greater, a significant reduction in interest will result in the estimated savings of \$232,000 over the remaining life of the debt issue.

Alternatives

The Village Board may either defer or reject the refinancing.

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.