



## Agenda Item Summary

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### **Submitted By**

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### **Reviewed By**

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### **Agenda Item Title**

**An Ordinance Providing for the Issuance of \$11,120,000 General Obligation Corporate Purpose Bonds Series 2020A of the Village of Oak Park, Cook County, Illinois and Providing for the Levy and Collection of a Direct Annual Tax for Payment of the Principal and Interest on Said Bonds**

### **Overview**

The 2020A issue will be used to finance certain projects totaling \$11,120,000 in the FY20 capital improvement plan. The two projects which will be funded by Series 2020A are:

- 1) Lake Street project
- 2) Fiber optic infrastructure

This will be a tax exempt, non-bank qualified issue (since it exceeds the \$10M threshold). Furthermore, the sale of the bonds will close on October 13, 2020.

### **Staff Recommendation**

Adopt the Ordinance.

### **Fiscal Impact**

This will be a twenty year issue and the interest over this duration is estimated to be approximately \$5.6 million.

### **Background**

Due to the COVID-19 pandemic, the non-enterprise capital projects (main CIP, Building Improvements, Fleet, and Equipment Replacement) for the current fiscal year were reduced by approximately \$11.6 million and the budgeted bond issue was reduced from \$16.5 million to approximately \$10 million in order to keep future interest expense to a minimum and retain fairly level non-abated debt service expense going forward.

The new money Series 2020A bond issue proceeds are expected to net approximately \$11M for FY20 capital projects. It was previously communicated that these funds would be used toward the Lake Street Project and the Fiber Infrastructure Project. For the Fiber project, \$500K of the bond proceeds will be allocated to the Parking Fund to pay for its share of the cost.

**Alternatives**

The Village Board may defer or reject the bond issue. However, this would leave no funding for Lake Street or the fiber project.

**Previous Board Action**

The last time a new (not a refunding) debt issuance was approved by the Board was on November 6, 2017 (ORD 17-277).

**Citizen Advisory Commission Action**

N/A.

**Anticipated Future Actions/Commitments**

N/A.

**Intergovernmental Cooperation Opportunities**

N/A.

**Performance Management (MAP) Alignment**

N/A.