



Agenda Item Summary

File #: ORD 20-067, **Version:** 1

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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.