



ST. CHARLES  
SINCE 1834

### AGENDA ITEM EXECUTIVE SUMMARY

Title: Reserving IRB Volume Cap for Balance of 2012

Presenter: Chris Minick, Finance Director

*Please check appropriate box:*

Government Operations

Government Services

Planning & Development

XX

City Council (05/07/12)

Public Hearing

Estimated Cost:

N/A

Budgeted:

YES

NO

If NO, please explain how item will be funded:

#### **Executive Summary:**

Our private activity bond allocation cap this year is \$3,132,530 for assistance in financing local industrial customers. This amount is based on an allocation of \$95 per capita from the state of Illinois. We have the right to reserve, transfer, or remand volume cap back to the State of Illinois. In the past, we have occasionally been able to sell our volume cap to other municipalities.

The City has no current plans to utilize our volume cap during 2012, but Staff is recommending that we reserve our volume cap in the event a situation would arise during the remainder of 2012. In order to do so, we will need to pass the attached ordinance reserving our volume cap.

#### **Attachments: (please list)**

Ordinance

#### **Recommendation / Suggested Action (briefly explain):**

Recommendation to approve Ordinance Reserving Volume Cap in Connection with Private Activity Bond Issues and Related Matters.

*For office use only:*

*Agenda Item Number:* IK

**City of St. Charles, Illinois**  
**Ordinance No. \_\_\_\_\_**

**An Ordinance Reserving Volume Cap in Connection with Private  
Activity Bond Issues and Related Matters**

**WHEREAS**, the City of St. Charles, Kane and DuPage Counties, Illinois (the "City") is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the City has volume cap equal to \$95.00 per resident of the City in each calendar year, which volume cap may be reserved and allocated to certain tax-exempt private activity bonds; and

**WHEREAS**, the Illinois Private Activity Bond Allocation Act, 30 ILCS, 345/1 *et seq.*, as supplemented and amended (the "Act"), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

**WHEREAS**, the City must report to the Governor's Office in writing, no later than May 10, 2012, on volume cap granted, transferred or reserved by official action of the City's corporate authorities; and

**WHEREAS**, it is now deemed necessary and desirable by the City to reserve all of its volume cap allocation for calendar year 2012 to be applied toward the issuance of private activity bonds (the "Bonds") as provided in this Ordinance, or to be transferred, as permitted by this Ordinance.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, a home rule municipality in the exercise of its home rule powers, as follows:

**SECTION ONE:** That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the City for calendar year 2012 is hereby reserved by the City, which shall issue the Bonds using such volume cap, or shall use or transfer such volume cap, without any further action required on the part of the City, and the passage of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or such other bonds; provided, that any such transfer shall be evidenced by a written instrument executed by the Mayor, the City Administrator or any other proper officer or employee of the City.

**SECTION TWO:** That the City shall maintain a written record of this Ordinance in its records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

**SECTION THREE:** That the Mayor, the City Clerk, the City Administrator and all other proper officers, officials, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

**SECTION FOUR:** That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance. Further, the provisions of this Ordinance are hereby declared to be retroactively in effect as of April 30, 2012.

**SECTION FIVE:** That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

**Presented** to the City Council of the City of St. Charles, Illinois this \_\_\_\_ day of \_\_\_\_\_, 2012.

**Passed** by the City Council of the City of St. Charles, Illinois this \_\_\_\_ day of \_\_\_\_\_, 2012.

**Approved** by the Mayor of the City of St. Charles, Illinois this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Council Vote:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstain: \_\_\_\_\_

Absent: \_\_\_\_\_