



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to approve an Ordinance Authorizing the Redemption of Certain Maturities Special Service Area Number 21 Bonds

Presenter: Chris Minick, Finance Director

Please check appropriate box:

<input checked="" type="checkbox"/>	Government Operations (11/05/12)	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$875,000	Budgeted:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
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If NO, please explain how item will be funded:

Redemption will be accomplished with Bond Project Funds on hand. There will be no budget impact.

Executive Summary:

We are seeking to redeem (call) certain maturities of the City’s bonds related to Special Service Area 21 (SSA 21) located generally at the NE corner of Rte. 64 and Kirk Rd. The projects related to the establishing of the SSA have been completed and no future projects related to the SSA are currently planned.

In order to maintain the tax exemption of the issue, we have certain limited options of how to expend the remaining proceeds. Staff is recommending that the City redeem certain future maturities to shorten the life of the SSA and to minimize the interest cost on the bonds to the extent possible. It is estimated that this action will shorten the life of the SSA by approximately 3 years and save approximately \$58,000 annually in interest costs through the new maturity date of the bonds in 2025. The total savings (including the \$875,000 principal reduction from calling the bonds) approximate \$1,700,000 through 2025.

It is important to note that these savings apply to the SSA only, and that the savings apply to the commercial properties contained in the SSA, not to the general taxpayer of the City or to the City’s general operating tax rate.

Attachments: (please list)

Ordinance
Debt Service Comparison

Recommendation / Suggested Action (briefly explain):

Recommendation to approve an Ordinance Authorizing the Redemption of Certain Maturities Special Service Area Number 21 Bonds.

For office use only:

Agenda Item Number: 5a

City of St. Charles, Illinois
Ordinance No. _____

An Ordinance Authorizing the Redemption of Certain Maturities of the City of St. Charles, Kane and Du Page Counties, Illinois Special Service Area Number 21 Bonds and Other Matters Related Thereto

WHEREAS, pursuant to Ordinance No. 1998-M-115 (the “Bond Ordinance”), the City of St. Charles, Kane and DuPage Counties, Illinois (the “City”) has previously issued its \$3,705,000 Special Service Area Number 21 Bonds (the “Bonds”); and,

WHEREAS, the Redemption Account of the Bond Fund currently has \$875,762.81 on deposit, which funds are to be used, to the extent practicable, to redeem Bonds; and,

WHEREAS, it is in the best interest of the City and its residents that \$875,000 of the Bonds be redeemed.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of St. Charles, Kane and Du Page Counties, Illinois, as follows:

Section 1. Incorporation of Preambles. The Preambles of this Ordinance are hereby incorporated into this text as if set out herein in full.

Section 2. Authorization of the Redemption of a Portion of the Bonds. The following Bonds are hereby called for redemption, and shall be redeemed, on January 15, 2013:

<u>Maturity</u>	<u>Principal Amount</u>
March 1, 2025	\$100,000
March 1, 2026	\$240,000
March 1, 2027	\$260,000
March 1, 2028	\$275,000

The Trustee (as defined in the Bond Ordinance) is hereby notified of such redemption and directed to give official notice of such redemption on behalf of the City pursuant to the terms and provisions of the Bond Ordinance.

Section 3. Filing of Ordinance; Other Actions. The City's Director of Finance is hereby directed to provide the Trustee with a certified copy of this Ordinance and to take such further actions as are necessary to accomplish the redemption of the Bonds.

Section 4. Abate Taxes. After the Bond redemption, the City Treasurer and the City's Director of Finance shall file a certified copy of this Ordinance with the County Clerk of Kane County, Illinois, as tax extension officer for all of the land located with said Area, along with a Certificate of Tax Abatement to abate the special service area taxes represented by the redeemed Bonds, this Ordinance being full and complete authority for such abatement.

Section 5. Superseder and Effective Date. All ordinances, orders and resolutions and parts thereof in conflict herewith be and the same are hereby superseded, and this Ordinance be in full force and effect forthwith upon its passage and approval as provided by law.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this ____ day of November, 2012.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this ____ day of November, 2012.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this ____ day of November, 2012.

Mayor

Ordinance No. _____

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ATTEST:

City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____

Abstain: _____

APPROVED AS TO FORM:

City Attorney

DATE: _____

City of St Charles
SSA 21
Comparison between Original Debt Service and Debt Service after Bond Call
October, 2012

<u>Date</u>	<u>Original Debt Service</u>	<u>Debt Service After Bond Call</u>	<u>Savings</u>	<u>Annual Savings</u>
Mar 1, 2013	199,406.25	170,421.88	28,984.38	
Sep 1, 2013	90,928.13	61,943.75	28,984.38	57,968.76
Mar 1, 2014	200,928.13	171,943.75	28,984.38	
Sep 1, 2014	87,284.38	58,300.00	28,984.38	57,968.76
Mar 1, 2015	207,284.38	178,300.00	28,984.38	
Sep 1, 2015	83,309.38	54,325.00	28,984.38	57,968.76
Mar 1, 2016	213,309.38	184,325.00	28,984.38	
Sep 1, 2016	79,003.13	50,018.75	28,984.38	57,968.76
Mar 1, 2017	214,003.13	185,018.75	28,984.38	
Sep 1, 2017	74,531.25	45,546.88	28,984.38	57,968.76
Mar 1, 2018	219,531.25	190,546.88	28,984.38	
Sep 1, 2018	69,728.13	40,743.75	28,984.38	57,968.76
Mar 1, 2019	224,728.13	195,743.75	28,984.38	
Sep 1, 2019	64,593.75	35,609.38	28,984.38	57,968.76
Mar 1, 2020	229,593.75	200,609.38	28,984.38	
Sep 1, 2020	59,128.13	30,143.75	28,984.38	57,968.76
Mar 1, 2021	234,128.13	205,143.75	28,984.38	
Sep 1, 2021	53,331.25	24,346.88	28,984.38	57,968.76
Mar 1, 2022	243,331.25	214,346.88	28,984.38	
Sep 1, 2022	47,037.50	18,053.13	28,984.38	57,968.75
Mar 1, 2023	247,037.50	218,053.13	28,984.38	
Sep 1, 2023	40,412.50	11,428.13	28,984.38	57,968.75
Mar 1, 2024	255,412.50	226,428.13	28,984.38	
Sep 1, 2024	33,290.63	4,306.25	28,984.38	57,968.76
Mar 1, 2025	263,290.63	134,306.25	128,984.38	
Sep 1, 2025	25,671.88	-	25,671.88	154,656.26
Mar 1, 2026	265,671.88	-	265,671.88	
Sep 1, 2026	17,721.88	-	17,721.88	283,393.76
Mar 1, 2027	277,721.88	-	277,721.88	
Sep 1, 2027	9,109.38	-	9,109.38	286,831.26
Mar 1, 2028	<u>284,109.38</u>	<u>-</u>	<u>284,109.38</u>	<u>284,109.38</u>
	<u>\$ 4,614,568.85</u>	<u>\$ 2,909,953.13</u>	<u>1,704,615.73</u>	<u>\$ 1,704,615.73</u>