



ST. CHARLES  
SINCE 1834

### AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to Approve Ordinance Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters

Presenter: Chris Minick, Finance Director

*Please check appropriate box:*

<input checked="" type="checkbox"/>	Government Operations (3/16/2015)		Government Services
<input type="checkbox"/>	Planning & Development		City Council
<input type="checkbox"/>	Public Hearing		

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

**Executive Summary:**

Our private activity bond allocation cap this year is \$3,326,400 for assistance in financing local industrial customers. This amount is based on an allocation of \$100 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 2015, but Staff is recommending that we reserve our volume cap in the event a situation would arise during the remainder of 2015. 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 and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters.

*For office use only:*

*Agenda Item Number: 5a*

**City of St. Charles, Illinois**  
**Ordinance No. 2015-M-\_\_\_\_\_**

**An Ordinance Reserving and Authorizing the Transfer of  
Volume Cap in Connection with Private Activity Bond  
Issues and Related Matter**

WHEREAS, the City of St. Charles, Kane and DuPage Counties, (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 \$100.00 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.* (State Bar Ed. 2006), 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, it is now deemed necessary and desirable by the City to reserve all of its volume cap allocation for calendar year 2015 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 Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

Section 1. That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the City for calendar year 2015 is hereby reserved by the City, which may issue the Bonds using

such volume cap, or without any further action required on the part of the corporate authorities of the City, may transfer such volume cap to a home rule unit of government, non-home rule unit of government, the State of Illinois or any agency thereof for the issuance of private activity bonds by such government entity, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or authorization of the transfer of such volume cap for use in the issuance of such other bonds; *provided*, that any such transfer shall be evidenced by a written instrument executed by the Mayor or City Administrator or any other proper officer or employee of the City.

Section 2. 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 3. That the Mayor, the City Clerk, 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 certifies as may be necessary to further the purposes and intent of this Ordinance and to comply with the provisions of the Act with respect to transfers of volume cap.

Section 4. 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.

Section 5. That all ordinances, resolutions or orders, or parts thereof, in conflict herewith

are, to the extent of such conflict, hereby superseded; and that this Ordinance shall be in full force and effect upon its adoption and approval.

PRESENTED to the City Council of the City of St. Charles, Illinois, this \_\_\_ day of March, 2015.

PASSED by the City Council of the City of St. Charles, Illinois, this \_\_\_ day of March, 2015.

APPROVED by the Mayor of the City of St. Charles, Illinois, this \_\_\_ day of March, 2015.

\_\_\_\_\_  
Raymond P. Rogina, Mayor

ATTEST:

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

COUNCIL VOTE:

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

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

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

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

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date