

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: June 5, 2017 (COW)(B of T) June 15, 2017

TITLE: An Ordinance Amending the Budget Ordinance (with a Waiver of First Reading) – Recommendation that the Village Board Not Adopt an Ordinance Amending the Budget Ordinance to Appropriate for the Debt Service for the Series 2005-A Bonds and the Series 2005-B Bonds for the Hotel and Conference Center, in Response to the Request from the Lombard Public Facilities Corporation to do so. (2/3 Vote Required)

SUBMITTED BY: Scott Niehaus, Village Manager
Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The Lombard Public Facilities Corporation (LPFC) Board of Directors has requested that the Village pay any shortfall on the Hotel and Conference Center Series 2005-A bonds and 2005-B bonds for the July 1, 2017 payment. The exact amount of shortfalls subject to Village appropriation are unknown at this time. However, it is anticipated that the shortfalls subject to appropriation will be \$2,000,000 for the Series 2005-A bonds and \$534,716 for the Series 2005-B bonds.

It is staff's recommendation that the Village not appropriate for the Series 2005-A or the Series 2005-B debt service shortfalls due July 1, 2017. The original cash reserves are fully depleted for both the Series 2005-A bonds and the Series 2005-B bonds, so these bonds will not be paid in full if the Village does not appropriate. Staff continues to work with the parties involved to attempt to restructure the debt. However, the current staff recommendation, consistent with previous discussions, is that the Village not approve the attached budget ordinance amendment that would appropriate for the shortfall. If the Village Board decides to appropriate for this shortfall, staff is requesting waiver of first reading.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



Lombard Public Facilities Corporation

255 E. Wilson Ave.
Lombard, Illinois 60148
(630) 620-5700 FAX (630) 620-8222

Board of Directors

May 26, 2017

Paul J. Powers
President

Keith Giagnorio
Village President
Village of Lombard
255 E. Wilson Avenue
Lombard, IL 60148

George Seagraves
Vice President

Tod Altenburg
Treasurer

RE: Request for Payment of Shortfall on Series 2005-A and Series 2005-B Bonds

Donald E. Renner III
Counsel

Dear President Giagnorio:

On behalf of the Lombard Public Facilities Corporation (the "LPFC"), I hereby request the Village of Lombard (the "Village"), pursuant to the Tax Rebate Agreement dated April 1, 2005, to provide to the First Tier Supplemental Debt Service Reserve Fund an amount sufficient to pay the shortfall on the debt service for the LPFC Series 2005 A Bonds due July 1, 2017, and to provide funds to pay for the shortfall on the debt service for the LPFC Series 2005 B Bonds due July 1, 2017.

Sincerely,

Lombard Public Facilities Corporation

By: 

Paul Powers, President

ORDINANCE _____

AN ORDINANCE AMENDING THE BUDGET ORDINANCE

WHEREAS, the Corporate Authorities of the Village of Lombard (the "Village") have, pursuant to Ordinance No. 7304 adopted on November 17, 2016, approved the budget for the Village's 2017 fiscal year, in the amount of \$96,967,764 (the "Budget Ordinance"); and

WHEREAS, 65 ILCS 5/8-2-9.6 allows for the amendment of the Budget Ordinance; and

WHEREAS, the Corporate Authorities find that an amendment to the Budget Ordinance is necessary at this time, to provide an amount sufficient to pay the shortfall on the debt service for the Lombard Public Facilities Corporation Series 2005-A Bonds and the Series 2005-B Bonds, due July 1, 2017;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS, as follows:

Section 1: That in order to provide an amount sufficient to pay the shortfall on the debt service for the Lombard Public Facilities Corporation Series 2005-A Bonds and the Series 2005-B Bonds, a Budget Ordinance amendment is necessary.

Section 2: That this Budget Ordinance amendment should reflect the actual amount of the shortfall on the Lombard Public Facilities Corporation Series 2005-A Bonds, in the amount of \$2,000,000.00; and of the shortfall on the Lombard Public Facilities Corporation Series 2005-B Bonds, in the amount of \$534,716.

Section 3: That the following amendment be made to the Budget Ordinance, to add the following department and division line item expenditure:

General Fund, General Services Cost Center, Miscellaneous Contractual Services	
101.120.510.75770	\$2,534,716

Section 4: That additional funds are available to effectuate the aforementioned Budget Ordinance amendment.

Section 5: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as required by law.

Passed on first reading this ____ day of _____, 2017.

First reading waived by action of the Board of Trustees this ____ day of _____, 2017.

ORDINANCE _____
AN ORDINANCE AMENDING BUDGET ORDINANCE
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Passed on second reading this ____ day of _____, 2017.

Ayes: _____

Nays: _____

Absent: _____

Approved by me this ____ day of _____, 2018.

Keith Giagnorio
Village President

ATTEST:

Sharon Kuderna
Village Clerk

Published by me in pamphlet form this ____ day of _____, 2017

Sharon Kuderna
Village Clerk