

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: Timothy Sexton, Acting Village Manager

DATE: December 17, 2013 (COW)(B of T) December 19, 2013

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: Timothy Sexton, Acting Village Manager and 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 January 1, 2014 payment. Currently, the exact amount of the shortfall is not known, but it is anticipated that this shortfall will be approximately \$1,748,044.63 for the Series 2005-A bonds, and \$680,270.48 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 January 1, 2014. For the Series 2005-A bonds, there are sufficient funds in reserve to cover the current shortfall. However, the reserves will be fully depleted for the Series 2005-B bonds with this payment, and there will be a payment default 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. Also, the Hotel and Conference Center Ad Hoc Committee concurred with this recommendation. 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 *Timothy Sexton* _____ Date 12/18/13

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.