



Legislation Details (With Text)

File #: 20-220 **Version:** 1 **Name:** 2020 Refunding Bond Ordinance
Type: Ordinance **Status:** Adopted
File created: 8/19/2020 **In control:** City Council
On agenda: 8/25/2020 **Final action:** 8/25/2020

Title: Communication from the City Manager and Finance Director/Comptroller with a Request to ADOPT an ORDINANCE Providing for the ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, in an Aggregate Amount not to Exceed \$12,000,000.00, of the City of Peoria, Peoria County, Illinois, to Provide for the Refunding of Certain Outstanding Bonds of the City, and Providing for the Levy of a Direct Annual Tax Sufficient to Pay the Principal of and Interest on Said Bonds, Authorizing the Sale of Said Bonds to the Purchaser Thereof, and Authorizing the Execution of an Escrow Agreement in Connection Therewith.

Sponsors:

Indexes: Goal 1 - Financially Sound City, Have an efficient government., Keep taxes and fees competitive

Code sections:

Attachments: 1. City of Peoria - Refunding Bonds Parameters Ordinance, 2. ORD NO 17,789 GO Refunding Bond

Date	Ver.	Action By	Action	Result
8/25/2020	1	City Council	adopted	Pass

ACTION REQUESTED:

Communication from the City Manager and Finance Director/Comptroller with a Request to ADOPT an ORDINANCE Providing for the ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, in an Aggregate Amount not to Exceed \$12,000,000.00, of the City of Peoria, Peoria County, Illinois, to Provide for the Refunding of Certain Outstanding Bonds of the City, and Providing for the Levy of a Direct Annual Tax Sufficient to Pay the Principal of and Interest on Said Bonds, Authorizing the Sale of Said Bonds to the Purchaser Thereof, and Authorizing the Execution of an Escrow Agreement in Connection Therewith.

BACKGROUND: As part of the 2020-20201 Budget Restructuring as a result of the COVID-19 Pandemic, Council directed the City Manager to pursue debt restructuring. Speer Financial, Inc., our financial advisors, has determined that significant savings in debt service will be realized as a result of refinancing the 2011 A General Obligation Refunding Bonds and the 2012 B General Obligation Bonds in an amount not exceed \$12,000,000. In addition to the Restructuring Bonds included in tonight’s agenda, it is anticipated that this refinancing will provide approximately \$350,000 in savings.

The City, through our Financial Advisor, Speer Financial, Inc., issued a request for proposal for underwriting/placement agent services. Robert W. Baird & Co., Incorporated was selected to provide the underwriting for this bond issue as a result of their long history of supporting the City through competitive and negotiated underwritings and secondary trading, as well as, their local retail office that would be involved to target local retail sales of the bonds.

The attached ordinance authorizes the Designated Officials (Mayor, City Clerk, City Treasurer, City Manager and Finance Director/Comptroller) to sell bonds without any further direction from Council based on the terms prescribed in the Ordinance. The authority granted in the Ordinance for the Designated Officials will expire February 25, 2021.

FINANCIAL IMPACT: Future savings from reduction in debt service requirements relating to the 2011 A General Obligation Funding Bonds and the 2012 B General Obligation Refunding Bonds should be approximately \$350,000.

NEIGHBORHOOD CONCERNS: None expressed.

IMPACT IF APPROVED: Bonds will be sold in an amount not to exceed \$12,000,000 to refund the 2011 A General Obligation Funding Bonds and the 2012 B General Obligation Refunding Bonds with an anticipated savings of approximately \$350,000.

IMPACT IF DENIED: The 2011 A General Obligation Refunding Bonds and the 2012 General Obligation Refunding Bonds will not be refinanced and potential savings of approximately \$350,000 will not be realized.

ALTERNATIVES: None

EEO CERTIFICATION NUMBER: N/A

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Financially Sound City

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Have an efficient government.
2. Keep taxes and fees competitive.

DEPARTMENT: Finance