



Legislation Text

File #: 22-050, **Version:** 1

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 BONDS, Not to Exceed \$17,000,000.00, of the City of Peoria, Peoria County, Illinois, for the Purpose of Financing Certain Capital Improvements within the City, and Refunding Certain Outstanding Bonds of the City, Providing for the Levy and Collection of a Direct Annual Tax for the Payment of the Principal of and Interest on said Bonds, and Authorizing the Sale of Said Bonds to the Purchaser Thereof.

BACKGROUND: On occasion, under the recommendation of our financial advisors, Speer Financial, Inc., the City has refinanced bond issues that would result in significant savings in debt service. Speer Financial, Inc. has determined that significant savings in debt service will be realized as a result of refinancing the General Obligation Bonds, Series 2016 A, The General Obligation Bonds, Series 2016 A will be refunded on a negotiated basis with Mesirow Financial. This ordinance authorizes the Designated Officials (Mayor, City Clerk, City Treasurer, City Manager and Finance Director/Comptroller) to sell refunding bonds upon achieving savings in excess of three percent (3%) of the amount of the 2016 A. Also included in this issuance is \$10 million in new money for facility and capital equipment needs as laid out in the 2022-2023 Biennial Budget.

The authority granted in this Ordinance for the Designated Officials to sell refunding bonds will expire August 8, 2022 without any further authorization or direction from Council, to sell bonds based upon the as prescribed in this Ordinance.

The attached Ordinance provides for the issuance of general obligation bonds to be issued in a principal amount not to exceed \$17,000,000. An escrow account will be established and proceeds from the refunding will be invested in State and Local Government Series (SLGS) securities or treasury securities which ever provide a more efficient escrow in refunding transactions and create more savings.

FINANCIAL IMPACT: Future savings from reduction in debt service requirements.

NEIGHBORHOOD CONCERNS: None expressed.

IMPACT IF APPROVED: Savings on future debt service as a result of refunding the bonds will be realized. Budgeted capital expenditures can continue as planned.

IMPACT IF DENIED: The 2016 A General Obligation Bonds will not be refunded and savings on future debt service payments would not be realized. Budgeted capital expenditures will also need to be delayed.

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
2. Choose an item.
3. Choose an item.

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

1. Have an efficient government.
2. Choose an item.
3. Choose an item.

DEPARTMENT: Finance