



Legislation Text

File #: 20-219, **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 REFUNDING BONDS, in an Aggregate Amount not to Exceed \$9,000,000.00, 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 2020-2021 Budget Restructuring as a result of the COVID-19 Pandemic, Council directed the City Manager to pursue debt restructuring. The attached parameters ordinance provides for the refunding of prior bonds in an amount not to exceed \$9,000,000 in order to restructure the January 1, 2021 debt service burden of the City. The prior bonds subject to this restructuring include the following series: 2009 A, 2010 A, 2010 D, 2011 A, 2012 B, 2013 A, 2014 A, 2014 B, 2015 A, 2015 B, 2016 C, 2018 A, 2018 B and 2019 General Obligation Bonds.

The City, through our Financial Advisors, Speer Financial, Inc., issued a request for proposal for underwriting/placement agent services. Mesirow Financial, Inc was selected to provide the underwriting for this bond issue as a result of their detailed understanding of the City debt and restructuring plan and strong history of serving the City.

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. This authority granted in the Ordinance for the Designated Officials will expire February 25, 2021.

FINANCIAL IMPACT: Bonds will be issued in an amount not to exceed \$9,000,000. The proceeds from the bond issuance will be used to pay January 1, 2021 principal payments on the following series: 2009 A, 2010 A, 2010 D, 2011 A, 2012 B, 2013 A, 2014 A, 2014 B, 2015 A, 2015 B, 2016 C, 2018 A, 2018 B and 2019 General Obligation Bonds. Debt service on new bond will be paid in future years.

NEIGHBORHOOD CONCERNS: None expressed.

IMPACT IF APPROVED: Bonds will be sold in an amount not to exceed \$9,000,000 to provide for the payment of the January 1, 2021 principal payments on the following series: 2009 A, 2010 A, 2010 D, 2011 A, 2012 B, 2013 A, 2014 A, 2014 B, 2015 A, 2015 B, 2016 C, 2018 A, 2018 B and 2019 General Obligation Bonds .

IMPACT IF DENIED: Bonds will not be sold to provide the restructuring of the January 1, 2021 principal payments. Current funding sources will be required to provide the debt service payment. A reduction of \$9,000,000 in other expenditures would be required as part of the 2020-20201 Budget Restructuring as a result of the COVID-19 Pandemic.

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