

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Monday, March 5, 2012

6:00 PM

Village Hall

Finance Committee

*Chairman Brad S. O'Halloran
Trustees James V. Dodge and Patricia A. Gira
Village Clerk David P. Maher*

CALL TO ORDER/ROLL CALL

In the absence of Village Clerk David P. Maher, Deputy Clerk Joseph S. La Margo was present.

The meeting was called to order at 6:10 PM.

Present: 3 - Chairman O'Halloran; Trustee Dodge and Trustee Gira

APPROVAL OF MINUTES

2012-0010 Approval of the January 3, 2012 Finance Committee Minutes

I move to approve the Minutes of the Regular Meeting of the Finance Committee of January 3, 2012.

A motion was made by Trustee Gira, seconded by Trustee Dodge, that this matter be APPROVED. The motion carried by the following vote:

Aye: 3 - Chairman O'Halloran, Trustee Dodge, and Trustee Gira

Nay: 0

ITEMS FOR SEPARATE ACTION

2012-0123 Sale of Taxable General Obligation Bonds - Ninety 7 Fifty on the Park Project

In September 2011, the Village Board approved the financing of the Ninety 7 Fifty on the Park project via the establishment of a line of credit with Fifth Third Bank that would be drawn upon up to a maximum of \$30 million, as well as the issuance of up to \$65 million in taxable general obligation bonds thru the passage of a Master Bond Ordinance. The current plan is to draw on the line of credit balance up to a balance of approximately \$15 - 18 million, and then issue a series of taxable general obligation bonds, in the amount of approximately \$20 million, to pay down the line of credit. The Village would then redraw on the line of credit up to a balance of approximately \$15 - 18 million, and issue a second series of taxable general obligation bonds, in the amount of approximately \$20 million to once again pay down the line of credit. Any excess bond proceeds would be used to fund the project prior to any additional draw on the line of credit. Once all bond proceeds were expended, the Village would continue to draw against the line of credit thru project completion. At project completion, the two series of taxable general obligation bonds, as well as the ending balance on the line of credit, would be repaid by both the Village and Flaherty & Collins according to the terms of the Redevelopment Agreement. The actual timing of each bond issue will depend upon market conditions at the time of proposed issuance. The Village may choose to draw additional amounts on the line of credit (up to the maximum of \$30 million) as opposed to issuing bonds is market conditions warrant. In addition, should interest rates climb to the point where interest costs would be less on a

taxable general obligation bond issue than available on the line of credit, the Village would issue a third series of bonds to pay off the line of credit in full.

The Ninety 7 Fifty on the Park project is underway and the Village anticipated that it will draw on the line of credit within the next thirty (30) days. In anticipation of reaching a line of credit balance of approximately \$15 - 18 million in mid to late summer, the Village is beginning the process of structuring the first bond issue. One of the early decisions that needs to be made is whether the bond sale will be a competitive or negotiated sale. Speer Financial, the Village's financial advisor, has provided the attached document (Exhibit A) which outlines the differences and pros/cons of the two methods of sale and is here tonight to provide additional detail, as well as to answer any questions the Committee or staff may have with regard to the two methods. The GO Bond Issuance Discussion document (Exhibit B) provides detail on offering a portion of the bonds to local purchasers, such as Village residents.

Speer Financial Inc. Vice President Barbara Chevalier spoke to the Committee and explained the two sales options: A competitive sale and a negotiated sale.

If the Village were to utilize a competitive sale the Village would select the sale value, advertise for bids and award the bonds issued to the lowest bid present that day. In a negotiated sale, the Village would assign the role to an underwriter, who would assist with the sale of the bonds.

Trustee O'Halloran stated that this should be presented to the entire Board for discussion and approval and suggested that this item be sent to the Board without recommendation.

The Finance Committee recommended this item be sent to the full Board without recommendation.

A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be REFERRED WITHOUT RECOMMENDATION to the Board of Trustees. The motion carried by the following vote:

Aye: 3 - Chairman O'Halloran, Trustee Dodge, and Trustee Gira

Nay: 0

ADJOURNMENT - 6:25 PM

A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 3 - Chairman O'Halloran, Trustee Dodge, and Trustee Gira

Nay: 0

/nm

APPROVED:

Respectfully Submitted,

David P. Maher, Village Clerk

Joseph S. La Margo, Deputy Clerk