SPECIAL FINANCE COMMISSION MEETING
MINUTES
SEPTEMBER 2, 2021

CALL TO ORDER:

Jeremy S. VanEk	Chairman	Present
Michael Campagna	Commissioner	Excused Absence
Lea Dan	Commissioner	Present
Lisa A. Cleaver	Commissioner	Present
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Jose DeLeon	Commissioner	Excused Absence
Brenton J. Peck	Commissioner	Present

Also, present: Village Manager Franz, Finance Director Coyle, Assistant Finance Director Patrick Brankin, and Recording Secretary Haslett.

A. **Call To Order**

The special meeting was called to order at 7:00AM.

B. **Public Comment (Non-Agenda Item)**

None.

C. **2012 and 2015 Bond Refunding**

1. Motion to recommend to the Village Board to proceed with the refunding the 2012 and 2015 bonds.

Finance Director Coyle provided an overview of the proposed refinancing of the 2012 and 2015 bonds. The 2012 bonds were issued for the Village Links Clubhouse renovation and are being fully repaid by the Village Links/Reserve 22 Fund. These bonds mature in 2033. The 2015 bonds were issued for the new Police Station and mature in 2035.

Staff recommends the 2012 bonds be refunded now at a lower interest rate with estimated debt service savings of $100,000 over the remaining term of the bonds. Due to tax law changes made back in 2017, the Village cannot do a tax-exempt refunding on the 2015 bonds prior to the call date. However, the 2015 bonds can be refunded at taxable interest rate. The estimated savings of a taxable advanced refunding now is approximately $210,000. However, there is an opportunity cost of refunding now, because the Village could possibly save more money by waiting and doing a tax-exempt refunding in October 2024. This all depends on where interest rates will be in 3 years. Finance Director Coyle estimated that interest rates will most likely increase by 2024, so more savings would be incurred with refunding the 2015 bonds now. Finance Director Coyle noted at the outset of the refunding the Village will establish parameters and if at any point the bonds could be sold at rates that are not advantageous then the refunding will not proceed.

Commissioner Oakes asked if the Finance Commission could recommend the 2012 refunding and not pursue the 2015 refunding. Finance Director Coyle replied yes, the Village could proceed with just the 2012 refunding. Finance Director Coyle noted there are some economies of scale from refunding both bonds at the same time in the terms professional services fees charged by the rating agency and legal advisors.

Upon further discussion, the Finance Commission voted on the following motions.

MOTION TO RECOMMEND THE VILLAGE BOARD PROCEED WITH THE REFUNDING OF THE GENERAL OBLIGATION BONDS, SERIES 2012.	
RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner Greeno**
AYES:	**Cleaver, Dan, Greeno, VanEk, Oakes, and Peck**
NAYES:	**None**
ABSENT:	**Campagna and DeLeon**

MOTION TO RECOMMEND THE VILLAGE BOARD PROCEED WITH THE REFUNDING OF THE GENERAL OBLIGATION BONDS, SERIES 2015.	
RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner Greeno**
AYES:	**Cleaver, Dan, Greeno, VanEk, and Oakes**
NAYES:	**Peck**
ABSENT:	**Campagna and DeLeon**

D. **Other Business**

1. Next meeting Friday, September 10, 2021 at 7:00AM

   The Finance Commission discussed possible alternate dates for the next Finance Commission meeting.

E. **Adjournment**

1. <u>Motion to Adjourn</u>

   Commissioner Oakes moved and Commissioner Cleaver seconded, to adjourn the meeting. The meeting was adjourned at 7:22AM.

Submitted by Aileen Haslett, Recording Secretary