# VILLAGE OF CHATHAM SANGAMON COUNTY, ILLINOIS

## ORDINANCE NO. 19-37

AN ORDINANCE OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS AMENDING THE VILLAGE'S OUTSTANDING GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 2014 TO REDUCE THE INTEREST RATES ON SAID BONDS AND AMENDING ORDINANCE NO. 14-04 OF THE VILLAGE THAT AUTHORIZED SAID BONDS

Adopted by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois on December 10, 2019.

Published in pamphlet form by the authority of the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois this December 10, 2019.

## ORDINANCE NO. 19-37

AN ORDINANCE of the Village of Chatham, Sangamon County, Illinois amending the Village's outstanding General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 to reduce the interest rates on said bonds and amending Ordinance 14-04 of the Village that authorized said bonds

#### **PREAMBLES**

WHEREAS, the Village of Chatham, in Sangamon County, Illinois (the "Village"), is duly established and operates under and in accordance with the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, as supplemented and amended (the "Act"); and

WHEREAS, the Village operates an existing electric system (the "System") in accordance with the provisions of Division 119 of Article 11 of the Act (the "System"); and

WHEREAS, the Village issued its General Obligation Bonds (Alternate Revenue Source), Series 2014 in the original aggregate principal amount of \$3,805,000, of which \$2,335,000 principal amount is now outstanding, maturing serially on November 1 in the principal amounts and bearing interest as follows (the "Bonds"):

Year	Principal Amount	Interest Rate
2020	\$273,000	3.280%
2021	\$279,000	3.340%
2022	\$295,000	3.420%
2023	\$306,000	3.440%
2024	\$314,000	3.490%
2025	\$321,000	3.540%
2026	\$336,000	3.540%
2027	\$106,000	3.780%
2028	\$105,000	3.780%

WHEREAS, the Bonds were authorized and issued pursuant to Ordinance No. 14-04 adopted by the President and the Board of Trustees of the Village (the "Corporate Authorities") on January 14, 2014 ("Ordinance 14-04"); and

WHEREAS, the Bonds were purchased by United Community Bank, Chatham, Illinois ("Purchaser") and are now wholly owned by the Purchaser; and

WHEREAS, in discussions with the Village, the Purchaser has proposed to reduce the interest rates of the Bonds, and the Corporate Authorities have determined that it is advisable, necessary and in the best interests of the Village's public health, safety and welfare to reduce the interest rates on the Bonds as provided herein to receive debt service savings; and

WHEREAS, the term of the Bonds as amended herein is not longer than the term of the Bonds now outstanding and the debt service payable in any year on the Bonds as amended does not exceed the debt service payable in such year on the Bonds now outstanding; and

WHEREAS, the Corporate Authorities find and determine that the conditions of §15 of the Local Government Debt Reform Act (the "Reform Act") have been met and that the Village is now authorized to amend the Bonds as provided herein.

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:

#### Section 1. Definitions

Certain words and terms used in this Ordinance shall have the meanings given them above in the preambles hereto, and the definitions contained in Ordinance 14-04 shall have the same meaning herein, unless the context or use clearly indicates another or different meaning is intended.

#### Section 2. Authority and Purpose

This Ordinance is adopted pursuant to the Constitution and applicable laws of the State of Illinois, including the Applicable Acts, for the purpose of reducing the interest rates borne by the Bonds. The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are full, true, and correct and does hereby incorporate them into this Ordinance by this reference.

#### Section 3. Determination to Amend Bonds

It is necessary and in the best interests of the Village and for the public health, safety, and welfare to amend the Bonds for the purpose of reducing the interest rates borne by the Bonds. The Corporate Authorities find that all conditions precedent to the amendment of the Bonds and issuance of the amended Bonds as alternate bonds under the Reform Act payable from Pledged Revenues have been met or have occurred and that the Bonds may be validly amended and issued as provided herein.

#### Section 4. Reduced Interest Rates.

The payment dates and principal amount of the Bonds maturing serially in each year is unchanged, however the interest rates of the Bonds are amended as of December 1, 2019 as provided in this Section. As amended, the Bonds shall mature serially on November 1 of each of the following years in the principal amounts and bearing interest at the adjusted reduced rates per annum effective as of December 1, 2019 as follows:

Year	Principal Amount	Interest Rate
2020	\$273,000	1.70%
2021	\$279,000	1.80%
2022	\$295,000	1.90%
2023	\$306,000	2.00%
2024	\$314,000	2.10%

Year	Principal Amount	Interest Rate
2025	\$321,000	2.15%
2026	\$336,000	2.25%
2027	\$106,000	2.30%
2028	\$105,000	2.40%

#### Section 5. Form of Bonds

The form of the Bonds is amended and restated in the form attached hereto as Exhibit A.

#### Section 6. Levy and Extension of Taxes; Abatement

The Village has funds on hand to pay principal and interest on the Bonds without extending the tax levy contained in Section 10 of Ordinance 14-04 for the 2019 tax year and the Corporate Authorities have abated such 2019 tax levy. For the purpose of providing the money required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, the tax levies contained in Section 10 of Ordinance 14-04 for the years 2020 through and including 2027 are amended and reduced. and there shall be levied upon all the taxable property within the Village's corporate limits in each year while any of the Bonds shall be outstanding, a direct annual tax sufficient for that purpose, in addition to all other taxes, and in the amounts for each year, as follows:

For Each Year	A Tax Sufficient to Produce the Sum of:
2020	\$319,250
2021	\$329,936
2022	\$335,074
2023	\$336,717
2024	\$336,969
2025	\$344,738
2026	\$109,739
2027	\$106,260

Except for the property tax levies amended and reduced as set forth above, all other provisions of Section 15 of Ordinance 14-04 are ratified and reaffirmed. The Corporate Authorities authorize the officers of the Village to file such documents and make such certifications to the County Clerk of Sangamon County, Illinois as may be necessary to direct the County Clerk to abate and reduce the levies contained in Ordinance 14-04 to the amounts set forth above

#### Section 7. Amendment of Bond Documents.

All certificates, agreements and other documents executed and delivered by the Village in connection with the original issuance and delivery of the Bonds to the Purchaser are amended to reflect the amendments described in this Ordinance. All references to the Bonds in Ordinance 14-04 and the documents related to the Bonds shall mean the Bonds as amended by this Ordinance. Amendment No. 1 to the Bond Purchase Agreement presented at this meeting is approved, and the President is authorized and directed to execute and deliver said amendment.

The President and Clerk of the Village are further authorized and directed to execute and deliver amended Bonds to the Purchaser in exchange for Purchaser's existing Bonds.

#### Section 8. Ratification and Reaffirmation.

The Corporate Authorities adopt, ratify and reaffirm all covenants, agreements, representations and certifications given by the Village and its officers in connection with the original issuance and delivery of the Bonds as if given this date. The President and Clerk are hereby authorized, empowered and directed to execute and deliver for and on behalf of the Village, all agreements, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Ordinance or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Village under this Ordinance as those officers or counsel for the Village deem necessary or appropriate, including but not limited to filing a Form 8038-G evidencing reissuance of the Bonds as amended.

#### Section 9. Bank Qualification.

The Issuer hereby designates each of the Bonds as amended by this Ordinance from time to time outstanding as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code.

#### Section 10. Tax Covenants.

The Corporate Authorities covenant that the Village will not take any action, omit to take any action or permit the taking or omission of any action within the Village's control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986 or would otherwise cause interest on the Bonds to be included in gross income for federal income tax purposes.

#### Section 11. Provisions in Conflict Repealed.

PASSED by the Board of Trustees December 10, 2019.

APPROVED: December 10, 2019.

All ordinances, and orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict, hereby repealed, and this Ordinance shall be in full force and effect upon its passage and approval as required by law. Ordinance 14-04 is ratified and reaffirmed except as amended by this Ordinance.

		President
AYES:	5	Tresident
	J	

NAYS:
ABSENT:
PUBLISHED: December 10, 2019.
RECORDED IN the Records of the Village on December 10, 2019.
ATTEST:
(SEAL)

## EXHIBIT A Form of Bond

# UNITED STATES OF AMERICA STATE OF ILLINOIS COUNTY OF SANGAMON VILLAGE OF CHATHAM GENERAL OBLIGATION REFUNDING BOND (ALTERNATE REVENUE SOURCE) SERIES 2014

REGISTERED NO		REGISTERED \$	
INTEREST RATE:%, adjusted to% on December 1, 2019	MATURITY DATE: November 1,	DATED DATE:	
Registered Owner:			

**DOLLARS** 

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Chatham, Illinois, a municipality and unit of local government situated in the County of Sangamon, in the State of Illinois (the "Village"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, and to pay interest on such Principal Amount from the Dated Date hereof, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawfully money of the United States of America semiannually on the first day of May and November in each year, commencing May 1, 2014, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the fifteenth (15th) day of the calendar month next preceding such interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at United Community Bank, Chatham, Illinois, as Bond Registrar (including its successors, the "Bond Registrar"). This Bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of United Community Bank, Chatham, Illinois, as Paying Agent (including its successors, the "Paying Agent").

This Bond is one of a series of Bonds issued in aggregate principal amount of \$3,805,000, which are all of like tenor, except as to maturity and interest rate. The Bonds are authorized and issued under and pursuant to the Constitution and laws of the State of Illinois, including the

Illinois Municipal Code, 65 ILCS 5/1-1-1 et seq. and Division 119 of Article 11 thereof, the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. and the Omnibus Bond Acts, 5 ILCS 70/8 (collectively the "Applicable Acts"), and pursuant to and in accordance with Ordinance No. 14-04 adopted by the President and Board of Trustees of the Village (the "Corporate Authorities") on January 14, 2014 as amended by Ordinance No. \_\_\_\_\_ adopted by the Corporate Authorities on December 10, 2019 (as amended, the "Ordinance"), to which reference is hereby expressly made for all definitions and terms and to all the provisions of which the holder by acceptance of this Bond assents.

The Bonds have been issued for the purpose of paying the costs of a refunding certain prior bonds of the Village, payable from Pledged Revenues as defined in the Ordinance, including Revenues of the electric system of the Village as defined in the Ordinance (the "System") as defined in the Ordinance, and from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the "Pledged Taxes"), all in accordance with the provisions of the Applicable Acts and the Ordinance.

The Pledged Revenues and Pledged Taxes are pledged to the payment of the Bonds pursuant to the Ordinance. Senior Bonds and Parity Bonds may be issued pursuant to the terms of the Ordinance, and the pledge of the Revenues to the payment of the Bonds is second, junior and subordinate to the pledge to bonds or other obligations having, or to have, a prior lien thereon.

This Bond shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds, as applicable then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from Pledged Revenues for a complete Fiscal Year.

Under the Applicable Acts and the Ordinance, the Pledged Revenues are to be deposited into the System Fund which shall be used only and is hereby pledged for paying Operation and Maintenance Costs, paying the principal of and interest on bonds of the Village that are payable by their terms from the Pledged Revenues, providing an adequate depreciation fund, and in making all payments required to maintain the accounts established pursuant to the Ordinance.

The Bonds are subject to redemption as a whole or in part on any date at a redemption price of par plus accrued interest to the redemption date.

In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$1,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$1,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$1,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$1,000 for each number assigned to it and so selected.

Notice of the redemption of Bonds shall be given by certified or registered mail at least thirty (30) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on such registration books. The Bonds or portions thereof specified in such notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on such date, and if notice of redemption shall have been mailed as aforesaid and, notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner, then interest on such Bonds or portions thereof shall cease to accrue and become payable from and after the redemption date. If there shall be drawn for redemption less than all of a Bond, the Village shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of \$1,000 or any authorized integral multiple thereof.

All notices of redemption shall include at least the information as follows: (1) the redemption date; (2) the redemption price; (3) if less than all of the Bonds of a given maturity are to be redeemed, the identification and, in the case of partial redemption of the Bonds, the respective principal amounts to the Bonds to be redeemed; (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from such date; and (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

This Bond is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender hereof at the principal office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or by such a Registered Owner's duly authorized attorney, and thereupon a new registered Bond or Bonds, in the authorized denominations of \$1,000 or any authorized integral multiple thereof and of the same aggregate principal amount as this Bond shall be issued to the transferee in exchange therefor. In like manner, this Bond may be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination. The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month next preceding any interest payment date to such interest payment date or during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate all or a part of such Bond for redemption. The Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this Bond. No other charge shall be made for the privilege of making such transfer or exchange. The Village, the Paying Agent and the Bond Registrar may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever, and all such payments so made to such Registered Owner or upon such Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and neither the Village nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of any Bonds against the President, any member of the Board of Trustees or any other officer or employee of the Village (past, present or future) who executes any Bonds, or on any other basis. The Village may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

The Village has designated the Bonds "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this Bond in order to make it a legal, valid and binding obligation of the Village have been done, exist and have been performed in regular and due time, form and manner as required by law; that the series of Bonds of which this Bond is one, together with all other indebtedness of the Village is within every debt or other limit prescribed by law; that provision has been made for the pledge and collection of the Pledged Revenues and the levy and collection of the Pledged Taxes, and the segregation of the Pledged Revenues and Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for the Pledged Revenues and Pledged Taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Village of Chatham, Sangamon County, Illinois, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its President, and its corporate seal, or a facsimile thereof, to be affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Village Clerk, all as of the Dated Date set forth above.

VILLAGE OF CHATHAM, Sangamon County, Illinois

(SEAL)

President

Attest:

Village Clerk

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014, described in the within mentioned Ordinance.

Date:	By:Authorized Officer						
Bond Registrar and Paying Agent:		Community Ban n, Illinois	k,				
		ASSIGNME	NT				
For value	received the	undersigned	sells,	assigns	and	transfers	unto
the within Bond and thereof, with full pov	attorney to	cably constitute transfer the wit	es and a	ppoints _	-	ept for regist	tration
Dated:		_		Sig	gnature	l .	
Signature Guarantee:	26 26 26						
Particular							

Notice: The signature on this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

#### **CERTIFICATE**

I, Amy Dahlkamp, Village Clerk of the Village of Chatham, Sangamon County, Illinois (the "Village"), hereby certify that the foregoing Ordinance No. 19-37 entitled "AN ORDINANCE of the Village of Chatham, Sangamon County, Illinois amending the Village's outstanding General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 to reduce the interest rates on said bonds and amending Ordinance 14-04 of the Village that authorized said bonds" (the "Ordinance") is a true copy of an original ordinance which was duly adopted by the recorded affirmative votes of a majority of the members of the Board of Trustees of the Village (the "Board") at a meeting thereof which was duly called and held in compliance with the Open Meetings Act on December 10, 2019, and at which a quorum was present and acting throughout, and that such copy has been compared by me with the original Ordinance signed by the President of the Village and recorded in the Ordinance book of the Village and that it is a correct transcript thereof and of the whole of the Ordinance, and that the Ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I do further certify that the deliberations of the President and the Board on the adoption of Ordinance were taken openly, that the vote on the adoption of said Ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and the Municipal Code of the State of Illinois, as amended, and that the President and Board have complied with all of the applicable provisions of said Acts and Code, and with all of the procedural rules of the Village.

I do further certify that the Ordinance was published in pamphlet form and that the Ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Chatham, Illinois this December <u>i</u>Q, 2019.

Willage Clerk

(SEAL)

## CERTIFICATE OF REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF 2014 BONDS

#### TO THE COUNTY CLERK OF THE COUNTY OF SANGAMON, ILLINOIS:

We, the undersigned, being the duly qualified and acting President, Village Clerk and Treasurer of the Village of Chatham, Illinois (the "Village") having been directed and authorized by the Board of Trustees of the Village to prepare and file this Certificate, do hereby certify and notify you as follows:

- 1. The Village heretofore issued its General Obligation Bonds (Alternate Revenue Source), Series 2014 in the aggregate principal amount of \$3,805,000 (the "2014 Bonds").
- 2. The 2014 Bonds were issued pursuant to Ordinance No. 14-04 of the Village (the "Bond Ordinance"). The Bond Ordinance was filed with your office and contain tax levies to pay principal of and interest on the 2014 Bonds.
- 2. Interest rates on the 2014 Bonds have been reduced and the tax levies contained in the Bond Ordinance must be partially abated.
- 3. You are hereby notified and directed to reduce and partially abate the levy contained in the Bond Ordinance for the payment of the Series 2014 Bonds levied for the years 2020 (collectible in 2021) through 2027 (collectible in 2028) as follows:

<u>Tax</u>	<b>Original</b>	<b>Amount</b>	Amount to
Levy Year	Levy	of Abatement	be Extended
2020	\$346,467	\$27,217	\$319,250
2021	\$352,763	\$22,827	\$329,936
2022	\$353,455	\$18,381	\$335,074
2023	\$350,713	\$13,996	\$336,717
2024	\$346,552	\$9,583	\$336,969
2025	\$349,923	\$5,185	\$344,738
2026	\$111,972	\$2,233	\$109,739
2027	\$106,985	\$725	\$106,260

IN WITNESS WHEREOF, we hereunto affix our official signatures and seal of the Village of Chatham, Sangamon County, Illinois this December 10, 2019.

President

Villag

Treasurer

(SEAL)

RECEIPT IS HEREBY ACKNOWLEDGED of the original of this CERTIFICATE OF REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF 2014 BONDS, executed by the President, Village Clerk and Treasurer of the Village of Chatham, Illinois and I hereby certify that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the payment of the 2014 Bonds as described in said Certificate will be partially abated as provided in said Certificate.

IN WITNESS WHEREOF, I hereunter County of Sangamon, Illinois, this December		official	signature	and	the	seal	of	The
(SEAL)		Country	Clark					
	of The C	County of	Sangamo	n, Illi	nois			