

SANGAMON COUNTY, ILLINOIS

ORDINANCE
NUMBER 20- 22

**AN ORDINANCE APPROVING THE PROPOSAL FROM BANK OF SPRINGFIELD
TO REFINANCE THE VILLAGE'S WATER TOWER AND GROUND STORAGE
TANK PAINTING PROJECT**

DAVE KIMSEY, Village President
AMY DAHLKAMP, Village Clerk

KRISTEN CHIARO
ANDREW DETMERS
BRETT GERGER
RYAN MANN
MATT MAU
PAUL SCHERSCHEL
Village Trustees

Published in pamphlet form by authority of the President and Board of Trustees of the Village of Chatham
on September 8th, 2020

Sorling Northrup – 1 N. Old State Capitol Plaza, Suite 200, Springfield, IL 62701

ORDINANCE NO. 20- 22

**AN ORDINANCE APPROVING THE PROPOSAL FROM BANK OF SPRINGFIELD
TO REFINANCE THE VILLAGE'S WATER TOWER AND GROUND STORAGE
TANK PAINTING PROJECT**

WHEREAS, the Village of Chatham ("Village") is an Illinois Municipal Corporation existing and operating under the Illinois Municipal Code and the laws of the State of Illinois; and

WHEREAS, the Village requested proposals for the refinancing of the painting of the Village's ground storage tank and water tower in an amount up to \$884,000.00 with an expected term of 65 months; and

WHEREAS, the Village solicited bids in accordance with Illinois law for proposals from companies willing and able to provide the services requested, and the Village opened all bids on August 27, 2020; and,

WHEREAS, the bid documents made clear that the Village reserved the right to accept or reject any and/or all parts of the bid; and,

WHEREAS, the Village received lowest responsible bid from Bank of Springfield for refinancing \$884,000.00 for 65 months at a fixed rate of 1.05% in accordance with the bid documents as attached hereto as **Exhibit A**; and,

WHEREAS, the Village intends to accept the lowest responsible bid from Bank of Springfield; and,

WHEREAS, the Board of Trustees of the Village believe it is in the best interest of the Village to accept the bid from Bank of Springfield as attached hereto.

NOW THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, as follows:

Section 1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Resolution as if fully set forth in this Section 1.

Section 2. Acceptance of Bid. The Village hereby accepts the bid from Bank of Springfield for refinancing \$884,000.00 for 65 months at a fixed rate of 1.05%. Any and all bids and parts thereof not explicitly approved by this Ordinance are hereby rejected. The Village authorizes the Village Manager and/or Village President, or designee of either, to execute any documents necessary to complete the purchases contemplated therein.

Section 3. Severability. In the event a court of competent jurisdiction finds this ordinance or any provision hereof to be invalid or unenforceable as applied, such finding shall not affect the validity of the remaining provisions of this ordinance and the application thereof to the greatest extent permitted by law.

Section 4. Repeal and Savings Clause. All ordinances or parts of ordinances in conflict herewith are hereby repealed; provided, however, that nothing herein contained shall affect any rights, actions, or causes of action which shall have accrued to the Village of Chatham prior to the effective date of this ordinance.

Section 5. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED this 8th day of September, 2020.

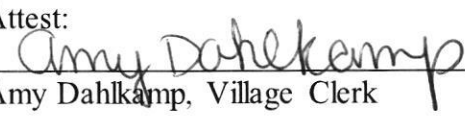
	YES	NO	ABSENT	PRESENT
KRISTEN CHIARO	X			
ANDREW DETMERS	X			
BRETT GERGER	X			
RYAN MANN	X			
MATT MAU	X			
PAUL SCHERSCHEL	X			

DAVE KIMSEY				
TOTAL	6	0	0	-

APPROVED by the President of the Village of Chatham, Illinois this 8th day of September, 2020.



 Dave Kimsey, Village President

Attest:


 Amy Dahlkamp, Village Clerk

EXHIBIT A

Village of Chatham Refinancing Bid Packet

Summary of Proposals
 Refinancing Water Tower Loan

Institution	Rate	Est. Monthly Payment	Estimated Savings	Other Notes
Illinois National Bank	2.49%	\$14,556.59	\$8,893.30	
Bank of Springfield	1.05%	\$13,996.36	\$45,308.25	Estimated payment not provided calculated by VOC
Warren Boynton State Bank	1.87%	\$14,311.00	\$24,856.65	
United Community Bank	1.49%	\$14,165.00	\$34,346.65	
US Bank	1.18%	\$14,045.95	\$42,084.90	Estimated payment not provided calculated by VOC proposal subject to Village paying out of pocket expenses up to \$500 and Bank counsel fees up to \$2500
Bank and Trust	1.24%	\$14,068.87	\$40,595.19	Alternate proposal submitted .90% annually in 1st year adjusting to .60% over the 5 year treasury rate(currently .27%-.3%) Floor .6%, Ceiling 1.8%
Hickory Point Bank	1.78%	\$14,286.14	\$26,472.55	
Town & Country Bank	2.37%	\$14,517.86	\$11,410.75	
Current Loan	2.98%	\$14,693.41		N/A

OFFICIAL PROPOSAL FORM


Village of Chatham, Sangamon County, Illinois

Subject to all of the provisions of your Request for Proposals which is expressly made a part of this proposal, we offer the following rates and terms to finance the Village of Chatham's Water Tower and Ground Storage Tank Painting Project. The proposed interest rates and fees are set forth below:

<u>65 Month Interest Rate</u>	<u>Estimated Monthly Payment</u>
<u>2.49</u> %	<u>\$ 14,566.59</u>

Submitted by:

INB, N.A.
Name of Institution

By: 
Its: ANDREW W. ROSELLE
SVP

Date: 8-10-2020



877.698.3278

bankwithbos.com

BOS Proposal for Village of Chatham

Village Water & Sewer Fund

August 17, 2020

Lessee: Village of Chatham

Credit Type: Tax Exempt

Amount: \$884,000

Purpose: Village Water & Sewer Fund

Term: 65 Months

Pricing: 1.05% fixed for 65 months

Repayment: Monthly principal and interest payments

Thank you for the opportunity to provide a bid on your financing request. We look forward to a great business relationship both now and in the future.

Sincerely,

Ryan Murphy

Vice President/Commercial Lender



WarrenBoynton
State Bank Established in 1877

August 21, 2020

Sherry Dierking
Chief Fiscal Officer
Village of Chatham
116 East Mulberry Street
Chatham, Illinois 62629

Dear Ms. Dierking:

Enclosed with this letter is the Warren-Boynton State Bank's response to the Village of Chatham's Request For Proposal.

Please contact me with any questions you may have at 217-488-6091 ext. 2236 or jimweast@wbsb.com.

Sincerely,

James A. Weast
President/CEO

702 W. Illinois Street
New Berlin, IL 62670-0019
Ph: (217) 488-6091

201 East State Street
Modesto, IL 62667
Ph: (217) 439-7267

332 North Main Street
Palmyra, IL 62674
Ph: (217) 436-2411

3030 Spring Mill Drive
Springfield, IL 62704
Ph: (217) 787-0430

OFFICIAL PROPOSAL FORM

Village of Chatham, Sangamon County, Illinois

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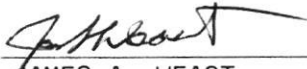
<u>65 Month Interest Rate</u>	<u>Estimated Monthly Payment</u>
<u>1.87%</u> %	<u>\$14,311.00</u>

Submitted by:

WARREN-BOYNTON STATE BANK

Name of Institution

By:



Its:

JAMES A. WEAST

Date:

PRESIDENT/CEO

AUGUST 21, 2020

OFFICIAL PROPOSAL FORM


Village of Chatham, Sangamon County, Illinois

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<u>65 Month Interest Rate</u>	<u>Estimated Monthly Payment</u>
<u>1.49</u> %	<u>\$14,165.00</u>

Submitted by:

UNITED COMMUNITY BANK
Name of Institution

By: 

Its: S.V.P.

Date: 8/27/2020

REQUEST FOR PROPOSALS

**VILLAGE OF CHATHAM,
SANGAMON COUNTY, ILLINOIS**

An amount up to \$884,000

Notice is hereby given that the Village of Chatham, Sangamon County, Illinois (the "Village") will receive proposals on August 27, 2020 at 1:00 p.m. from qualified financial institutions for the refinancing of the painting of the Village's ground storage tank and water tower. The financing will be an obligation of the Village's Water and Sewer Fund and will be a tax-exempt bank qualified financing. The Village is looking to refinance an amount up to \$884,000.00 with a transaction completion date before September 30, 2020. The term is expected to be 65 months with monthly interest and principal payments.

In January of 2019, the Village entered into a promissory note agreement with a financial institution to finance the costs associated with improvements to the above ground storage tank and water tower. The Village borrowed \$1,112,800 at an interest rate of 2.98% to be paid in monthly installments of \$14,693 beginning March 1, 2019, with a final payment due February 1, 2026.

Proposals should be submitted using the attached Official Proposal Form of the Village of Chatham, 116 East Mulberry Street, Chatham, Illinois 62629. The Village will review the proposals and award the Note at the Village's Board meeting on September 8, 2020.

Proposals should be submitted by 1:00 p.m. on August 27, 2020 to the Village's Chief Fiscal Officer, Sherry Dierking and may be delivered by mail, facsimile or email at the address shown below. The right is reserved to reject any and all proposals and to waive informalities in the proposal accepted. Questions may be directed to Sherry Dierking, Chief Fiscal Officer or Kayla Dierkes, Accountant per the contact information below. The most recent audited financial statements for the Village of Chatham are available on the Village's website at

<https://www.chathamil.net/sites/default/files/Village%20of%20Chatham%20Illinois%202019%20Comprehensive%20Annual%20Financial%20Report.PDF>

Sherry Dierking
Chief Fiscal Officer

Village of Chatham
116 East Mulberry Street
Chatham, Illinois 62629
Voice: (217) 483-2451
Facsimile: (217) 483-3422
Email: sdierking@chathamil.gov

Kayla Dierkes
Accountant
Village of Chatham
116 East Mulberry Street
Chatham, Illinois 62629
Voice: (217) 483-2451
Facsimile: (217) 483-3422
Email: kdierkes@chathamil.gov



August 27, 2020

Village of Chatham
Chatham, IL

VIA ELECTRONIC MAIL

U.S. Bank National Association (the "Bank") is pleased to offer the following preliminary terms for financing the Water Tower and Ground Storage Painting Project Note, Series 2020 (the "Note") within the Bank's loan portfolio:

Borrower: Village of Chatham, Sangamon County, Illinois.

Amount: \$884,000.

Maturity: February 1, 2026.

Closing Date: On or about September 30, 2020. The Bank reserves the right to amend, modify, or otherwise rescind the terms and conditions herein if the Closing Date is on or after October 27, 2020.

Interest Rate: 1.18%.

Principal Payments: Annual, commencing on November 1, 2020.

Interest Payments: Semi-annual, calculated on a 30/360 basis, commencing on November 1, 2020.

Prepayments: The Note as priced above is not prepayable prior to the stated maturity.

Disbursement: The proceeds of the Note shall be disbursed to the Borrower only as a single disbursement at closing.

Security: The Note shall be secured by a pledge of, and parity lien on, the Net Revenues (as defined herein) of the Water and Sewer Fund of the Borrower.

Tax Status: Interest on the Note shall be tax-exempt, and shall be designated "bank qualified" by the Borrower.

Denominations: To the extent permissible under the authorizing legislation of the Borrower, the Note shall be in a single authorized denomination of \$884,000.

Bond Counsel: All documentation associated with the financing, with the exception of the Loan Agreement (defined below), shall be provided at the Borrower's expense and prepared by qualified counsel to the Borrower, agreeable to the Bank in the Bank's sole discretion, whom has specific public finance expertise in the State of Illinois ("Bond Counsel").

Documentation: Documentation for the Note shall include, but is not limited to, an appropriate authorizing resolution or ordinance, duly executed instrument, and Bond Counsel opinion that the Note are tax-exempt, and a legal, valid, binding, enforceable and properly authorized obligation of the Borrower (the "Financing Documents"). The resolution or ordinance shall incorporate loan-type language, specifically referencing principal installments rather than maturities or sinking fund payments.

Loan Agreement: In addition to the Financing Documents, the Bank shall require a separate side agreement (the "Loan Agreement") with the Borrower. The Loan Agreement will contain



provisions, covenants, events of default, and remedies (see: Covenants/Provisions below). The Financing Documents shall refer to the Bank as "the Bank" or "the Lender".

Costs: The Borrower shall reimburse the Bank for out of pocket expenses, if any, subject to a limit of \$500. Additionally, the Borrower shall be responsible for the fees of Bank counsel, if any, whose fees shall not exceed \$2,500.

Covenants/Provisions: The Loan Agreement will include standard covenants regarding maintenance of business operations, adequate insurance coverage, and to collect fees, taxes and/or other revenues in an amount sufficient to meet all Borrower obligations, including debt service on the Note (a specimen copy may be provided to the Borrower upon request). The Loan Agreement shall also include the following covenants/provisions:

1. The Borrower shall covenant to provide the Bank, or provide notification of such repository where the Bank may reasonably obtain, its annual, audited financial statements within 330 days of fiscal year end.
2. The Borrower shall provide the Bank with a copy of the Borrower's final budget upon request, which request shall in no case be prior to 45 days after the end of the prior fiscal year.
3. The Borrower shall provide the Bank financial or other information as may be reasonably requested from time to time.
4. The Borrower shall promptly notify the Bank of any material adverse events related to the Note.
5. The Borrower shall promptly notify the Bank upon any event of default related to the Note or any other parity debt of the Borrower.
6. The Borrower shall provide all information required for the Bank to comply with the Patriot Act, upon request.
7. The Borrower shall charge rates for service sufficient to generate 125% of projected annual debt service after deduction for payment of maintenance and operations of the Borrower's water and sewer utilities (the "Net Revenues").
8. The Borrower may only pledge the Net Revenues for additional debt when the Net Revenues will be at least 125% of all annual debt service when taking into account current debt service and any future debt service.
9. In the event of an ongoing payment default, subject to the notice and cure period described in section 10 below, the Borrower shall, to the extent allowed by state law, reimburse the Bank for reasonable costs incurred for enforcement or collection of the Note, subject to a limit of \$10,000.
10. The Borrower shall, to the extent allowed by state law, indemnify the Bank for damages arising from detrimental reliance on material misstatements or misrepresentations of the Borrower, subject to a limit of \$100,000.
11. The Borrower and the Bank mutually agree to waive their rights to a jury trial.
12. Upon an event of default, and subject to a 30 day cure period (10 day cure period for payment default) after written notice by the Bank to the Borrower, the Bank may pursue any remedy at law or in equity including, but not limited to: enforcement of the obligation through court order, collection and enforcement procedures allowed by state law, and any other remedies available to the Bank. An event of default shall mean, and is limited to:
 - a. Failure to pay principal or interest when due;
 - b. Failure to fulfill duties of the Loan Agreement, the authorizing legislation or the bond/note instrument; or
 - c. Material misrepresentation under any Financing Document.



13. The Note shall be registered in the name of the Bank, and shall not be registered with the Depository Trust Company or any other securities depository.
14. The obligation shall not be:
 - (i) assigned a separate rating by any rating agency;
 - (ii) issued pursuant to any type of offering document or official statement; and,
 - (iii) assigned a CUSIP number by Standard & Poor's CUSIP service.

Expiration: Unless otherwise accepted by the Borrower, this proposal shall expire on September 30, 2020 with no further notice required.

Reliance: This offer for financing is a preliminary indication of interest subject to: credit approval pending review of the final documentation; acceptance of all terms and conditions contained herein by the Borrower. This offer for financing should not be construed as an unconditional commitment to lend.

Please feel free to contact me at 513.449.7186, or Duane Warrens at 217.753.7439, if you have any questions regarding this or any other banking matter. Thank you for the opportunity to provide financing for your borrowing needs.

Regards,

A handwritten signature in black ink, appearing to read "C.M. Parker". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Cameron M. Parker
Vice President

Cc: Scott Ferguson, U.S. Bank, NA
Andrew Smith, U.S. Bank, NA

REQUEST FOR PROPOSALS

VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS

An amount up to \$884,000

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Village of Chatham, Sangamon County, Illinois

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<u>65 Month Interest Rate</u>	<u>Estimated Monthly Payment</u>
<u>1.24</u> %	<u>14,668.87</u>

2nd Option: .90% annually in 1st year, adjusting to .6% over the 5 year treasury rate (currently .27-.30%) Floor .60%, ceiling 1.8%

Submitted by:

Bank and Trust Company
Name of Institution

By: Rick Carr
Its: Business Development Officer

Date: 7/27/2020

**VILLAGE OF CHATHAM,
SANGAMON COUNTY, ILLINOIS**

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<u>65 Month Interest Rate</u>	<u>Estimated Monthly Payment</u>
<u>1.78</u> %	<u>14,286.14</u>

Submitted by:

HICKORY POINT BANK
Name of Institution

By: Ken E. Schuff

Its: SVP

Date: 8/27/20



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<u>65 Month</u> <u>Interest Rate</u>	<u>Estimated Monthly Payment</u>
2.37 %	\$14,517.86

Submitted by:

TOWN AND COUNTRY BANK
3001 WADSWORTH AVE.
SPRINGFIELD, IL 62711

Name of Institution

By:

Its:

GRANT N. FRANKLIN
EXECUTIVE VICE PRESIDENT

Date

AUGUST 27, 2020.

