

ORDINANCE NO. 2023-25

AN ORDINANCE ABATING THE *AD VALOREM* TAX PREVIOUSLY LEVIED FOR THE YEAR 2023 TO PAY DEBT SERVICE ON THE \$4,925,000 GENERAL OBLIGATION ALTERNATE BONDS (WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE), SERIES 2022, OF THE VILLAGE OF CHERRY VALLEY, WINNEBAGO AND BOONE COUNTIES, ILLINOIS.

WHEREAS, the Village of Cherry Valley, Winnebago and Boone Counties, Illinois (the “**Issuer**”) is a duly organized and existing municipality of the State of Illinois, is now operating under and pursuant to the provisions of the Illinois Municipal Code, as amended (65 ILCS 5/1-1-1 *et seq.* (the “**Municipal Code**”), and is a “governmental unit” as defined in Section 3(i) of the Local Government Debt Reform Act of the State of Illinois, as amended, 30 ILCS 350/1 *et seq.* (the “**Debt Reform Act**”), and under the Municipal Code, the President and Board of Trustees are the corporate authority and the governing body of the Issuer (“**Corporate Authorities**”); and

WHEREAS, on October 18, 2022, the Issuer issued its \$4,925,000 General Obligation Alternate Bonds (Waterworks System Alternate Revenue Source), Series 2022 (the “**Series 2022 Bonds**”), pursuant to Ordinance No. 2022-39 of the Issuer (the “**Bond Ordinance**”) duly adopted on September 12, 2022, for the purpose of improving and extending the municipal waterworks system (the “**System**”) of the Issuer by constructing and installing various capital improvements to the System including but not limited to wells and well houses and water mains, valves, vaults and connections, and to make related improvements to the System, including, in connection with those improvements and extensions, all mechanical, electrical and other facilities and services necessary, useful or advisable to the program of improvements and extensions and, incidental to those project costs, to pay bond discount, interest, bond reserve requirements, and legal, other financing and related administrative fees and costs; and

WHEREAS, in Section 20 of the Bond Ordinance, the Corporate Authorities levied a direct annual *ad valorem* tax (the “**Pledged Taxes**”) upon all taxable property in the Issuer sufficient in each year to pay and discharge the principal of the Series 2022 Bonds at maturity and to pay interest on the Series 2022 Bonds as the same falls due, in the specific amounts for the specific years set forth in Section 20; and

WHEREAS, the Series 2022 Bonds were sold with maturities and bearing interest so as to require the levy of taxes in 2022 and subsequent years to pay debt service on the Series 2022 Bonds in amounts less than the amounts provided in Section 20 of the Bond Ordinance and, as provided in Section 16(f) of the Bond Ordinance, the authorized officers of the Issuer (a) included in the Determination Certificate for the Series 2022 Bonds the amount of the reductions in the amounts levied pursuant to Section 20 for 2022 and subsequent years resulting from the sale of the Series 2022 Bonds on such terms, and (b) the Treasurer of the Issuer filed in the office of the County Clerks (the “**County Clerks**”) of the Counties of Winnebago and Boone, Illinois, in connection with the issuance of the Series 2022 Bonds a certificate of tax abatement for such years in such amounts; and

WHEREAS, in Section 30(b) of the Bond Ordinance, the Issuer covenanted (in pertinent part) that it would not take any action or fail to take any action which would in any way adversely affect the levy, extension, collection and application of the Pledged Taxes, except to abate those taxes to the extent that money is on hand and irrevocably set aside in the Bond Fund to pay principal of and interest on the Series 2022 Bonds; and

WHEREAS, Section 22 of the Bond Ordinance provides that the Pledged Taxes to be extended in a particular year may be abated if (1) the Treasurer deposits Pledged Revenues into the Pledged Revenues Subaccount established by the Bond Ordinance in an amount necessary to provide for the payment of interest and principal coming due on the Series 2022 Bonds in the following calendar year otherwise payable from the proceeds of such tax levy and (2) the Corporate Authorities adopts an ordinance or ordinances (collectively, the “**Abatement Ordinance**”) setting forth the following items:

(a) the amount of funds available from Pledged Revenues or other lawfully available sources or the reduction in debt service attributable to purchases by the Issuer of the Series 2022 Bonds to enable the abatement of the Pledged Taxes;

(b) an appropriation of such funds to pay principal of and interest on the Series 2022 Bonds;

(c) a direction to the Treasurer to deposit such funds not already held in the Bond Fund into that Pledge Revenues Subaccount or to reimburse a fund or account from which advances to the Bond Fund in anticipation of Pledged Taxes were made and thereupon to notify the County Clerks of such deposit;

(d) a statement of the year and the amount of abatement of Pledged Taxes, which amount to be abated shall not exceed the amount of Pledged Revenues and other available funds so deposited into the Pledged Revenues Subaccount; and

(e) a direction to the Clerk to file a certified copy of the Abatement Ordinance with the County Clerks.

WHEREAS, the amount of the Pledged Taxes to be extended and collected during calendar year 2023 (the “**Abatement Year**”) to pay debt service on the Series 2022 Bonds is \$408,250; and

WHEREAS, the Treasurer has reported that an amount equal to the amount to be abated (\$408,250) is on deposit between (1) the Bond Fund derived from Pledged Revenues or other lawfully available sources, and (2) the General Corporate Fund in moneys lawfully available to pay debt service on the Series 2022 Bonds; and

WHEREAS, this Corporate Authorities desires to abate the Pledged Taxes to be extended and collected during the Abatement Year to pay debt service on the Series 2022 Bonds in accordance with the requirements of the Bond Ordinance;

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHERRY VALLEY, WINNEBAGO AND BOONE COUNTIES, ILLINOIS, as follows:

Section 1. Incorporation of Preambles. The President and Board of Trustees finds and determines that all of the recitals contained in the preambles to this ordinance are true, correct and complete and incorporates them into this ordinance by this reference.

Section 2. Definitions. Terms defined in the preambles to this ordinance shall have the meanings prescribed for them in the preambles. Capitalized terms not otherwise defined in this ordinance shall have the meanings prescribed for them in the Bond Ordinance.

Section 3. Transfer and Deposit of Funds. The President and Board of Trustees determines that an amount equal to the amount to be abated (\$408,250) is on deposit between (1) the Bond Fund derived from Pledged Revenues or other lawfully available sources, and (2) the General Corporate Fund in moneys lawfully available to pay debt service on the Series 2022 Bonds. The aggregate of such amounts equals the amount of debt service on the Series 2022 Bonds otherwise payable from Pledged Taxes to be extended and collected during the Abatement Year, after giving effect to reductions in such debt service, if any, due to purchases by the Issuer of Series 2022 Bonds. Such funds are appropriated for the purpose of paying debt service on the Series 2022 Bonds otherwise payable from Pledged Taxes to be extended and collected during the Abatement Year.

Section 4. Direction to Treasurer. The Treasurer is directed to transfer such funds identified in Section 3 and deposit them in the Bond Fund, and to notify the Clerk and the County Clerks of such deposit promptly.

Section 5. Abatement of Pledged Taxes. The Pledged Taxes levied in Section 20 of the Bond Ordinance for the levy year identified below in the amount identified below are abated in their entirety.

<u>Levy Year</u>	<u>Amount Levied to be Abated</u>
2023	\$408,250

Section 6. Direction to Village Clerk. Upon receiving notification from the Treasurer that any deposits required by Section 4 to be made have been made, the Clerk shall cause a certified copy of this ordinance to be filed with the County Clerks promptly and in any event on or prior to March 1 of the calendar year following the “Levy Year” identified in Section 5.

Section 7. County Clerks. The filing of a certified copy of this ordinance with the County Clerks shall be complete authority to the County Clerks to cause the abatement of the Pledged Taxes provided for in Section 5, and it shall be the duty of the County Clerks to abate the Pledged Taxes in accordance with the provisions of this ordinance.

Section 8. Severability. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 9. Effective Date. This ordinance shall be in full force and effect immediately upon its adoption and approval, as provided by law.

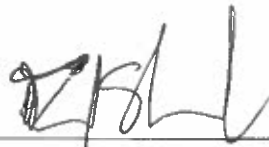
PASSED by the President and Board of Trustees of the Village of Chery Valley, Winnebago and Boone Counties, Illinois on November 21, 2023.

AYE (list names): Nancy Belt, Jeff Fustin, Sally Hollembeak, Mike Neville, Brandi Pearse, Carl Wedig

NAY (list names): None

ABSENT (list names): None

Approved on November 21, 2023.



David Schroeder,
Village President,
Winnebago and Boone Counties, Illinois

[SEAL]

Attest:



Kathy Trimble,
Village Clerk
Winnebago and Boone Counties, Illinois