

- I. If borrowed all \$45,000 at once on July 1 and they all mature December 1, 1981, this would cost the city as follows:

(7%)	Principal	Issued 7-1-80	Interest (on 12-1-81)
	Repaid	Due 12-1-81	
	\$45,000		\$4,462.50

Real estate tax levied yet for this year, collected in Spring 1981, would have to be \$49,462.50. The rate based on current value and assessments would be 53.75¢ per \$100 assessed valuation.

Example: On an assessed valuation of \$10,000.00, this would mean a tax of \$53.75 additional on top of the regular rate. For 1978 the local taxes (including all other governmental bodies) were at a rate of 5.367 per \$100; on our example assessment, the 1978 tax was \$536.70. The tax increase to pay off the bonds in December 1981, would be \$53.75 + \$536.70 = \$590.45, or an increase of approximately 9.1%.

- II. If borrowed \$45,000 on July 1, 1980, with provision to pay interest on July 1, 1981, and then semi-annually on January 1 and July 1 of each year thereafter with one bond maturing each year, beginning January 1, 1982, the costs would be as follow:

(8%) Bond Amortization Schedule		
Principal Repaid	Due Date	Total Interest
	July 1, 1981	\$ 3,600
\$ 5,000	Jan. 1, 1982	\$ 1,800
	July 1, 1982	\$ 1,600
\$ 5,000	Jan. 1, 1983	\$ 1,600
	July 1, 1983	\$ 1,400
\$ 5,000	Jan. 1, 1984	\$ 1,400
	July 1, 1984	\$ 1,200
\$ 5,000	Jan. 1, 1985	\$ 1,200
	July 1, 1985	\$ 1,000
\$ 5,000	Jan. 1, 1986	\$ 1,000
	July 1, 1986	\$ 800
\$ 5,000	Jan. 1, 1987	\$ 800
	July 1, 1987	\$ 600
\$ 5,000	Jan. 1, 1988	\$ 600
	July 1, 1988	\$ 400
\$ 5,000	Jan. 1, 1989	\$ 400
	July 1, 1989	\$ 200
\$ 5,000	Jan. 1, 1990	\$ 200
<u>\$45,000</u>		<u>\$19,800</u>

TAX Each Year (Year)	Amount	Rate per \$100 evaluation*
1980	\$10,400	10.4 ¢
1981	8,200	8.2 ¢
1982	7,800	7.8 ¢
1983	7,400	7.4 ¢
1984	7,000	7.0 ¢
1985	6,600	6.6 ¢
1986	6,200	6.2 ¢
1987	5,800	5.8 ¢
1988	5,400	5.4 ¢
Total taxes	\$64,800	

*Assume corporate assessed valuation is \$10 million

Example: assuming our 1979 assessed valuation(\$10,000)went up 8% (to \$10,800) the tax for 1980 would be increased by \$11.23. Over the nine year period of such tax collections, the homeowner would pay at least \$69.98 in taxes on his assessed valuation of \$10,800.

Note: compared to paying off the bond issue in 17 months, as in I above, the nine year payment schedule would substantially reduce the city's bonding capacity under § 8-5-16 until several years from now.

III. If borrowed \$45,000 on July 1, 1980, with provision to pay interest and one bond semi-annually beginning July 1, 1981, the costs would be:

<u>Principal Repaid</u>	<u>Due date</u>	<u>Total Interest Due</u>
\$ 5,000	July 1, 1981	\$ 3,600
\$ 5,000	Jan. 1, 1982	\$ 1,600
\$ 5,000	July 1, 1982	\$ 1,400
\$ 5,000	Jan. 1, 1983	\$ 1,200
\$ 5,000	July 1, 1983	\$ 1,000
\$ 5,000	Jan. 1, 1984	\$ 800
\$ 5,000	July 1, 1984	\$ 600
\$ 5,000	Jan. 1, 1985	\$ 400
\$ 5,000	July 1, 1985	\$ 200
<u>\$45,000</u>		<u>\$10,800</u>

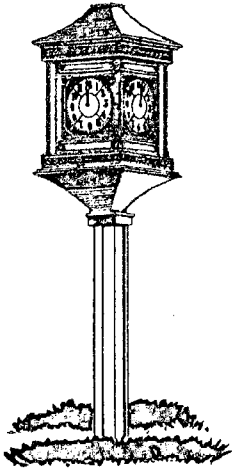
TAX EACH YEAR

<u>Year</u>	<u>Amount</u>	<u>Rate/\$100*</u>
1980	\$15,200	15.2 ¢
1981	12,600	12.6 ¢
1982	11,800	11.8 ¢
1983	11,000	11.0 ¢
1984	5,200	5.2 ¢

\$55,800

*assume corporate assessed valuation is \$10 million

Example: same assumptions as in II above, tax for 1980 would be increased by \$16.42. Over the five year period the taxpayer in this example would pay a total of \$60.26 in additional taxes.



Le Roy State Bank

LE ROY, ILLINOIS 61752

June 18, 1980

City of LeRoy
LeRoy,
Illinois 61752

City of LeRoy:

Proposal #1 \$45,000 General Obligation Bonds due December 1981.
Average rate of interest on this proposal would be
7.0%.

Proposal #2 \$45,000 General Obligation Bonds due \$5,000 each
year starting December 1981 and \$5,000 per year for
8 additional years with final payment of \$5,000
due December 1989.
Average rate of interest on this proposal would be
8.0%.

Sincerely,

Ron Wesbecher
Vice President
LeRoy State Bank

RW/lrs

STATE OF ILLINOIS)
) SS.
COUNTY OF MC LEAN)

I, Juanita Dogley, do hereby certify that I am the duly qualified and acting City Clerk of the City of LeRoy, McLean County, Illinois, and as such City Clerk that I am the keeper of the records and files of the Mayor and City Council of said City.

I do further certify that the foregoing is a true, correct and complete copy of an Ordinance entitled:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS APPROVED BY THE CORPORATE AUTHORITIES OF THE CITY OF LE ROY UNDER THE PROVISION OF SECTION 8-5-16 OF CHAPTER 24 OF THE ILLINOIS REVISED STATUTES (as amended), BEING THE CITIES AND VILLAGES MUNICIPAL CODE OF 1961 AS AMENDED, AND ESTABLISHING A DIRECT ANNUAL TAX FOR THE PAYMENT OF PRINCIPAL AND INTEREST UPON SAID BONDS;

that said Ordinance was adopted by the Mayor and City Council of said City at a special meeting duly called for the aforesaid purpose on the 25th day of June, 1980, and that a faithful record of said Ordinance has been made in the official record books of said City now in my custody remaining.

IN WITNESS WHEREOF, I have hereunto set my official hand and seal of office this 25th day of June, 1980.

Juanita Dogley
City Clerk of the City of LeRoy
McLean County, Illinois

(SEAL)