

URBANA SCHOOL DISTRICT # 116
BUSINESS OFFICE MEMO

TO: Dr. Donald D. Owen, Superintendent

FROM: Carol Baker
Chief Financial Officer *CB*

DATE: February 11, 2014

RE: Abatement Resolutions

Included on the Board Agenda are 3 abatement resolutions:

- 1) The resolution abating \$1,000,000 of our 2002 General Obligation Bonds. This will reduce our 2013 Bond and Interest Levy (2014 tax rate) and fulfills our commitment to our taxpayers to use proceeds from the Facility Sales Tax to abate a portion of our current debt service. This abatement will be the full \$1,000,000 annually until the bonds are paid in full in 2018.
- 2) The resolutions abating the 2013 levy to pay debt service on series 2010 and 2011 Alternative Revenue Bonds. These resolutions must be filed annually to certify to the County Clerk that the pledged revenues (sales tax receipts) are sufficient to pay the debt service and a tax levy is not necessary.

RESOLUTION abating the tax heretofore levied for the year 2013 to pay debt service on General Obligation Bonds (Alternate Revenue Source), Series 2011, of School District Number 116, Champaign County, Illinois.

* * *

WHEREAS, the Board of Education (the "*Board*") of School District Number 116, Champaign County, Illinois (the "*District*"), by resolution adopted on the 18th day of October, 2011 (the "*Resolution*"), did provide for the issue of \$6,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2011 (the "*Bonds*"), and the levy of a direct annual tax sufficient to pay the principal of and interest on the Bonds; and

WHEREAS, the Bonds were issued by the District pursuant to the terms of the Resolution; and

WHEREAS, the Board has determined and does hereby determine that the Pledged Revenues (as defined in the Resolution) and the federal subsidy payments expected to be received by the District from the Secretary of the U.S. Treasury as a consequence of the qualification of the Prior Alternate Bonds (as defined in the Resolution) as qualified zone academy bonds, recovery zone economic development bonds, qualified energy conservation bonds or build America bonds provide an amount not less than 1.25 times principal of and interest on all outstanding Bonds and Prior Alternate Bonds due in the next Bond Year (being the twelve month period beginning on July 1 of any calendar year and ending on June 30 of the subsequent calendar year); and

WHEREAS, it is necessary and in the best interests of the District that the tax heretofore levied for the year 2013 to pay the Bonds be abated:

NOW, THEREFORE, Be It and It is Hereby Resolved by the Board of Education of School District Number 116, Champaign County, Illinois, as follows:

Section 1. Abatement of Tax. The tax heretofore levied for the year 2013 in the Resolution is hereby abated in its entirety.

Section 2. Filing of Resolution. Forthwith upon the adoption of this resolution, the Secretary of the Board shall file a certified copy hereof with the County Clerk of Champaign County, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 2013 in accordance with the provisions hereof.

Section 3. Effective Date. This resolution shall be in full force and effect forthwith upon its adoption.

Adopted February 18, 2014.

President, Board of Education

Secretary, Board of Education