

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: AN ORDINANCE authorizing and providing for the issuance of not to exceed \$5,000,000 aggregate principal amount General Obligation Bonds (Alternate Revenue Source), Series 2026, of the City of Rochelle, Ogle and Lee Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.

Staff Contact: Tim Isley

Summary: On October 27th, 2025, Rochelle's City Council agenda included a discussion item proposing the issuance of a general obligation bond (Alternate Revenue Source) to fund necessary City projects. The projects identified include the construction of one new 8-unit aircraft T hangar at Rochelle's Municipal Airport and electrical upgrades to support current and future technology infrastructure and service demands at Rochelle's Technology Center.

Following the October 27th discussion item the following actions have been taken:
November 24, 2025, City Council approved an order calling the Bond Issuance Notification Act (BINA) hearing and an ordinance setting forth the intent to issue general obligation alternate bonds in an Amount not to exceed \$1,500,000 for the Technology Center, and \$3,500,000 for the Rochelle Municipal Airport and related improvements within the City and paying for costs related thereto.

November 30th, 2025, Notice of the BINA hearing was published and posted starting the 30-day petition period.

December 8th A public hearing was held regarding a plan to issue not to exceed \$5,000,000 in aggregate principal amount of the City's General Obligation Bonds (Alternate Revenue Source), Series 2026

December 30th, 2025, the petition period expired. (30 days after notice is published in local newspaper.)

January 7, 2026 a conference call was held with the rating agency, and a due diligence session was completed with the Bond council, Disclosure council, Underwriter, City Staff and Legal Counsel.

The next step in this process is adopting an ordinance authorizing and providing for the issuance not to exceed \$5,000,000 aggregate principal amount General Obligation Bonds (Alternate Revenue Source), Series 2026, of the City of Rochelle, Ogle and Lee Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds. This ordinance identifies the purpose and parameters which include

Bond Details:

- - Maximum Term: Until January 1, 2037
- - Interest Rate: Not to exceed 5.50%
- - Denominations: \$5,000 or multiples
- - Semiannual interest payments (Jan 1 & Jul 1)

Funding Sources:

- - Airport revenues
- - Technology Center revenues
- - Federal grants
- - Other lawful City funds
- - Ad valorem property taxes (unlimited rate/amount as backup)
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Tax Levy:

- - Direct annual tax up to \$700,000 per year (2025–2035) to ensure debt service
- - Taxes may be abated if pledged revenues cover payments
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Compliance & Covenants:

- - Bonds designated as qualified tax-exempt obligations under IRS rules
- - Full faith and credit of the City pledged
- - Compliance with Illinois Debt Reform Act and Open Meetings Act confirmed

Additional Provisions:

- - Redemption options (optional and mandatory)
- - Registration and transfer procedures
- - Creation of Bond Fund and Project Fund
- - Conditions for issuing parity or additional bonds
- - Non-arbitrage and tax-exemption compliance
- Approved by City Council and filed with County Clerks of Ogle and Lee Counties.

All bond details, funding sources, tax levy, compliance & covenants, as well as additional provisions are identified in the ordinance.

Funding Sources:

| Source: | Budgeted Amount: | | Proposed Expenditure: |
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Strategic Plan Goal Application: Develop and implement plans to replace/repair infrastructure.

Recommendation: Consider approving an ordinance authorizing and providing for the issuance of not to exceed \$5,000,000 aggregate principal amount General Obligation Bonds (Alternate Revenue Source), Series 2026, of the City of Rochelle, Ogle and Lee Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.